2015 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT 2014

BUILDING TOGETHER

TEAM SPIRIT SOCIETE GENERALE

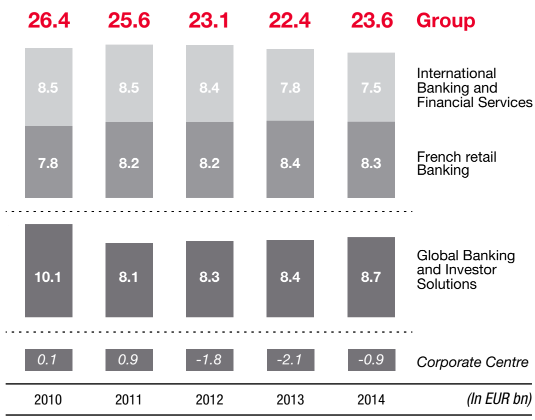
2014 KEY FIGURES

10%
Common Equity Tier 1 ratio

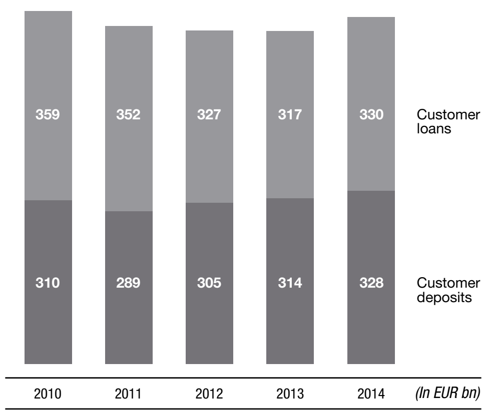
+6%
Increase in customer deposit outstandings since 2010

EUR 23.7 bn
Net banking income excluding revaluation of own financial liabilities

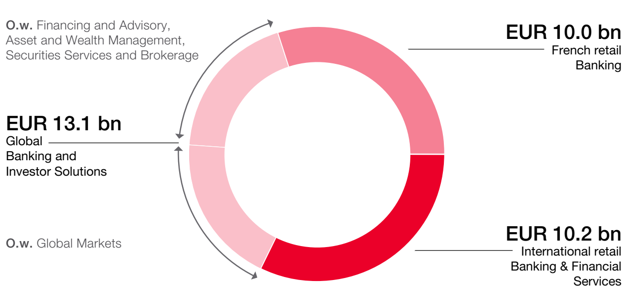
NET BANKING INCOME



LOANS AND DEPOSITS



CAPITAL ALLOCATED TO BUSINESSES(1)

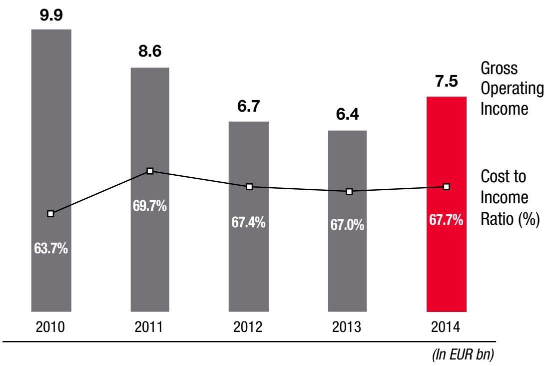


(1) 2014 figures fully loaded, based on CRR/CRD4 rules as published on 26th June, including Danish compromise for insurance. RWA charged at 10%.

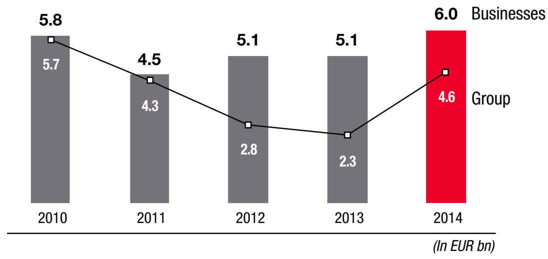
* 2013: data restated due to the implementation IFRS 10 and 11 as from 1st January 2014 with retrospective effect.

Continued on back ➔

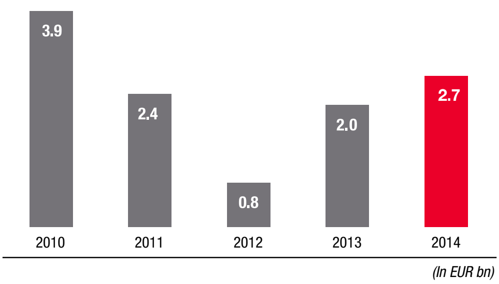
GROSS OPERATING INCOME AND COST TO INCOME RATIO



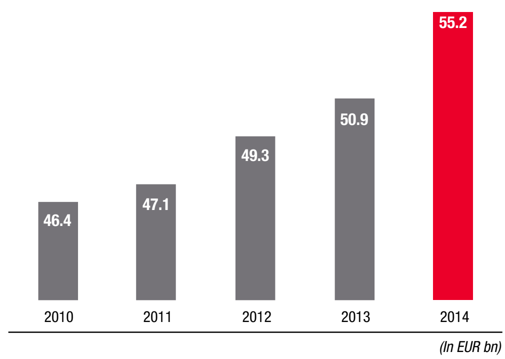
GROUP'S OPERATING INCOME AND OPERATING INCOME FROM BUSINESSES



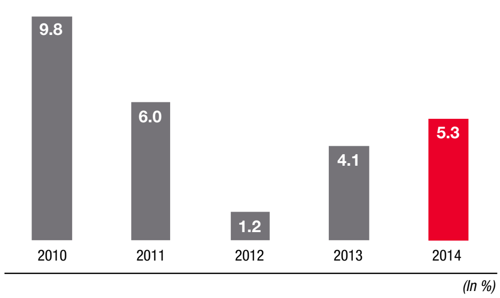
GROUP NET INCOME



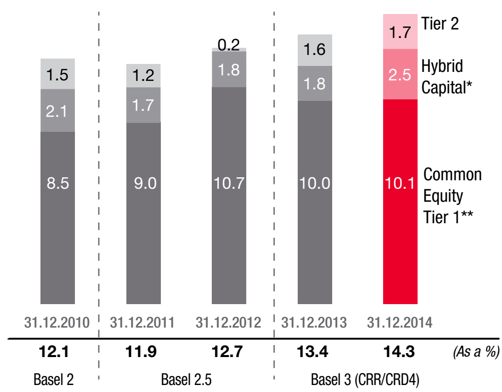
GROUP SHAREHOLDER'S EQUITY



ROE AFTER TAX(1)



B.I.S. RATIO(2)



* Common Equity Tier 1 Capital is defined as Basel 3 Tier 1 capital less Tier 1 eligible hybrid capital

(1) Group ROE calculated on the basis of average Group shareholders' equity under IFRS (including IAS 32-39 and IFRS 4), excluding unrealised capital losses and gains except for translation reserves, deeply subordinated notes, undated subordinated notes and after deduction of interest payable to holders of these notes.

(2) 2014 data under CRR/CRD4 rules (Basel 3). 2013 proforma Basel 3. 2011 and 2012: Basel 2.5. 2010: Basel 2.

NB: the data for the 2012 financial year have been restated due to the implementation of amendments to IAS 19, resulting in the publication of adjusted data for the previous financial year. Similarly, 2013 data restated further to the coming into force of IFRS 10 and 11 as at 1st January 2014, with retrospective effect

FRENCH RETAIL BANKING

AT THE FOREFRONT OF THE DIGITAL TRANSFORMATION

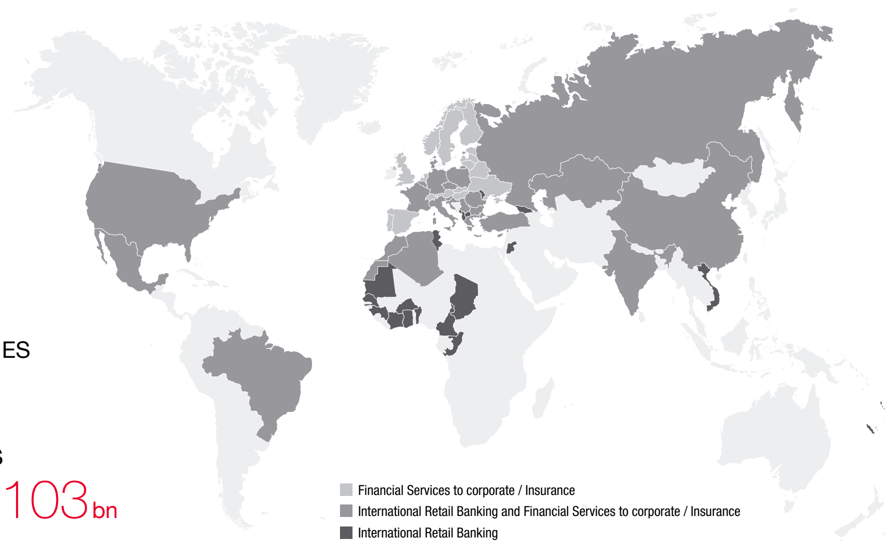
SOCIETE GENERALE
Crédit du Nord
Boursorama Banque
GTPS GLOBAL TRANSACTION & PAYMENT SERVICES

3,128 BRANCHES
11 MILLION CLIENTS
40,000 EMPLOYEES
LOAN OUTSTANDINGS: EUR 172 bn

INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

LEADING FRANCHISES WITH RECOGNISED EXPERTISE

SOCIETE GENERALE Insurance
ALD Automotive
SOCIETE GENERALE Equipment Finance



PRESENT IN 64 COUNTRIES
31 MILLION CLIENTS
78,000 EMPLOYEES
LOAN OUTSTANDINGS: EUR 103 bn

GLOBAL BANKING AND INVESTOR SOLUTIONS

FOCUSED AND DIFFERENT

SOCIETE GENERALE Corporate & Investment Banking
SOCIETE GENERALE Private Banking
SOCIETE GENERALE Securities Services
LYXOR ASSET MANAGEMENT BY SOCIETE GENERALE GROUP
Amundi ASSET MANAGEMENT

20,000 EMPLOYEES
ASSETS UNDER MANAGEMENT[(1)]: EUR 192 bn
ASSETS UNDER CUSTODY: EUR 3,854 bn
LOAN OUTSTANDINGS: EUR 121 bn

NB: See p. 9 and following.

(1) Lyxor Asset Management and Private Banking.

REGISTRATION DOCUMENT **2015**

ANNUAL FINANCIAL REPORT 2014

SOCIETE GENERALE

AMF

This registration document was filed with the Autorité des Marchés Financiers (AMF) on March 4, 2015, pursuant to Article 212-13 of the AMF General Regulation. It may be used to support a financial transaction if completed by a transaction note approved by the AMF. This document was prepared by the issuer and is the responsibility of its signatories.

This Registration Document contains updated information compared to the version filed on 4th March 2015, on pages 34 (Title), 35 (Table), 268 (data), and Table 64, page 285.

LABEL TRANSPARENCE labeltransparence.com

This label recognizes the most transparent Registration Documents according to the criteria of the Annual Transparency Ranking.

This Registration Document is available online at **www.societegenerale.com**

TABLE OF CONTENTS

1 HISTORY AND PROFILE OF SOCIETE GENERALE 3

1. History 4
2. Profile of Societe Generale 5
3. Strategy of profitable growth, based on a robust universal banking model 6
4. The Group's core businesses 9

2 GROUP MANAGEMENT REPORT 21

1. Societe Generale Group main activities 22
2. Group activity and results 24
3. Activity and results of the core businesses 27
4. Significant new products or services 42
5. Analysis of the consolidated balance sheet 46
6. Financial policy 49
7. Major investments and disposals 53
8. Pending acquisitions and important contracts 54
9. Property and equipment 54
10. Post-closing events 54
11. Recent developments and outlook 55
12. Information about geographic locations and activities as at 31 December 2014 57

3 CORPORATE GOVERNANCE 75

1. Corporate Governance structure and main bodies 76
2. Chairman's report on Corporate Governance 87
3. Remuneration of Group Senior Management 99
4. Statutory Auditors' special report on related party agreements and commitments 124
5. Report of the Chairman on internal control and risk management 126
6. Statutory Auditors' special report on the report of the Chairman on internal control and risk management 140

4 RISKS AND CAPITAL ADEQUACY PILLAR 3 REPORT 143

1. Introduction 144
2. Governance and risk management organisation 155
3. Capital management and adequacy 162
4. Credit risks 198
5. Securitisation 233
6. Market risks 247
7. Operational risks 255
8. Structural interest rate and exchange rate risks 261
9. Liquidity risk 265
10. Compliance, reputational and legal risks 274
11. Other risks 284
12. Specific financial information 287

5 CORPORATE SOCIAL RESPONSIBILITY 293

CSR governance and management 294
1. Responsible finance, our commitments 298
2. Responsible finance, our products and services 307
3. A responsible employer 313
4. Environment for its own account & responsible sourcing 328
5. Societe Generale in civil society 334
6. Appendices 337

6 FINANCIAL INFORMATION 343

1. Consolidated financial statements 346
2. Notes to the consolidated financial statements 354
3. Statutory Auditors' report on the consolidated financial statements 460
4. Societe Generale management report 464
5. Parent company financial statements 469
6. Notes to the parent company financial statements 472
7. Statutory Auditors' report on the financial statements 518
8. Statutory Auditors 520

7 SHARE, SHARE CAPITAL AND LEGAL INFORMATION 521

1. The Societe Generale share 522
2. Information on share capital 526
3. Additional information 534
4. By-laws 536
5. Internal rules of the Board of Directors 541
6. List of regulated information published in the last 12 months 548

8 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT 551

1. Person responsible for the Registration Document 552
2. Statement of the person responsible for the Registration Document and the annual financial report 552
3. Person responsible for the audit of the financial statements 553

9 CROSS REFERENCE TABLES 555

Registration Document cross reference table 556
Annual financial report and management report cross reference table 558
Cross reference table of Pillar 3 report 559
Pillar 3 report tables index 560
Cross reference table with the recommendations made by the enhanced disclosure task force 562
CSR concordance table (Article 225 - Grenelle II) 564

GLOSSARY OF MAIN TECHNICAL TERMS 566

Abbreviations used: Million of euros: EUR m
Billions of euros: EUR bn
ETP: Headcount in Full-Time Equivalents

Rankings: the sources for all references to rankings are given explicitly. Where they are not, rankings are based on internal sources.

1

HISTORY AND PROFILE OF SOCIETE GENERALE

1. History ... 4

2. Profile of Societe Generale ... 5

3. Strategy of profitable growth, based on a robust universal banking model ... 6

4. The Group's core businesses ... 9

French Retail Banking ... 10

International Retail Banking and Financial Services (IBFS) ... 13

Global Banking and Investor Solutions (GBIS) ... 16

1. HISTORY

On the 4th May 1864 Napoleon III signed Societe Generale's founding decree. Founded by a group of industrialists and financiers driven by the ideals of progress, the bank's mission has always been "fostering business and industrial growth."

Since its beginnings, Societe Generale has worked to modernise the economy, following the model of a universal bank at the cutting edge of financial innovation. Its branch network grew rapidly throughout the French territory, increasing from 32 to 1,500 branches between 1870 and 1940. During the interwar period, it became the leading French credit institution in terms of deposits.

At the same time, Societe Generale began to build its international reach by financing infrastructure essential to the economic development of a number of countries in Latin America, Europe and North Africa. This expansion was accompanied by the establishment of an international retail network. In 1871, the bank opened its London branch. On the eve of World War I, Societe Generale already had a presence in 14 countries, either directly or through one of its subsidiaries, notably in Russia. This network was then expanded by opening branches in New York, Buenos Aires, Abidjan and Dakar and by acquiring stakes in financial institutions in Central Europe.

Societe Generale was nationalised by the act of 2nd December 1945 and played an active role in financing the reconstruction of the French territory. It thrived during the prosperous post-war decades. The Bank contributed to the development of banking techniques by launching innovative products for companies, including medium-term discountable credit and lease financing agreements, for which it was a market leader.

Societe Generale demonstrated its ability to adapt to its new environment by taking advantage of the banking reforms that followed the Debré laws of 1966-1967. While continuing to support the businesses with which it was partnered, it lost no time in focusing its business on individual customers. In this way, it supported the emergence of a consumer society by diversifying the credit and savings products available to households.

In June 1987, Societe Generale was privatised. It had a successful IPO, with a significant involvement of employees subscribing to the floatation. In an economic environment undergoing profound transformation, the bank reaffirmed its identity and demonstrated its strength. In France it expanded its networks by founding Fimatex (1995), which later became Boursorama, now a leading online bank, and acquiring Crédit du Nord (1997). Internationally, it established itself in Central and Eastern Europe (Komerčni Banka in the Czech Republic and BRD in Romania) and in Russia (Rosbank). It has over 148,000 employees active in 76 countries and supports more than 30 million clients[1]. It is continuing its transformation by adopting a sustainable growth strategy driven by its core values of team spirit, innovation, responsibility and commitment. Backed by 150 years of expertise and a commitment to developing the real economy, the Group continues to place client satisfaction at the heart of its business.

(1) Excluding Insurance.

2. PROFILE OF SOCIETE GENERALE

Societe Generale is one of the leading financial services groups in Europe. Based on a diversified universal banking model, the Group combines financial strength with a strategy of sustainable growth, putting its resources to work to finance the economy and its customers' plans.

With a presence in 76 countries, including a solid position in Europe and a presence in countries with strong potential, 148,000 employees in the Group and its subsidiaries support 30 million individual customers[(1)], large corporates and institutional investors worldwide by offering a wide range of advisory services and tailored financial solutions. The Group relies on three complementary core businesses:

- French Retail Banking, which encompasses the Societe Generale, Crédit du Nord and Boursorama brands. Each offers a full range of financial services with multi-channel products that are at the cutting edge of digital innovation;
- International Retail Banking, Financial Services and Insurance, with networks in developing regions and specialised businesses that are leaders in their markets;
- Corporate and Investment Banking, Private Banking, Asset and Wealth Management and Securities Services, which offer acknowledged expertise, key international positions and integrated solutions.

On the 4th March 2015, Societe Generale was rated A by Standard & Poor's and FitchRatings, AA(low) by DBRS, A2 by Moody's.

(1) Excluding Insurance.

Societe Generale is included in the main socially-responsible investment indices: FTSE4Good (Global and Europe), Euronext Vigeo (Global, Europe, Eurozone and France), ESI Excellence (Europe) – Ethibel and 4 STOXX ESG Leaders indices.

KEY FIGURES

	2014	2013	2012	2011	2010
Results (in millions of euros)					
Net banking income	23,561	22,433	23,110	25,636	26,418
o.w. French Retail Banking	8,275	8,437	8,161	8,174	7,791
o.w. International Retail Banking & Financial Services	7,456	7,762	8,432	8,451	8,469
o.w. Global Banking and Investor Solutions	8,726	8,382	8,349	8,149	10,106
o.w. Corporate Centre	(896)	(2,147)	(1,832)	862	52
Gross operating income	7,545	6,386	6,692	8,600	9,873
Cost/income ratio (excluding the revaluation of own financial liabilities and DVA)	*67.7%*	*67.0%*	*67.4%*	*69.7%*	*63.7%*
Operating income	4,578	2,336	2,757	4,270	5,713
Group net income	2,692	2,044	790	2,385	3,917
Equity (in billions of euros)					
Group shareholders' equity	55.2	50.9	49.3	47.1	46.4
Total consolidated equity	58.8	54.0	53.5	51.1	51.0
ROE after tax[(1)]	5.3%	4.1%	1.2%	6.0%	9.8%
B.I.S. (Total Capital) ratio[(2)]	**14.3%**	**13.4%**	**12.7%**	**11.9%**	**12.1%**
Loans and deposits (in billions of euros)					
Customer loans	330	317	327	352	359
Customer deposits	328	314	305	289	310

(1) Group ROE calculated on the basis of average Group shareholders' equity under IFRS (including IAS 32-39 and IFRS 4), excluding unrealised capital losses and gains except for translation reserves, deeply subordinated notes, undated subordinated notes and after deduction of interest payable to holders of these notes.

(2) 2014 figures based on CRR/CRD4 rules; 2013: proforma figures under Basel 3, 2011 and 2012 under Basel 2.5; 2010 under Basel 2.

NB: the data for the 2012 financial year have been restated due to the implementation of amendments to IAS 19, resulting in the publication of adjusted data for the previous financial year. Similarly, 2013 data have been adjusted to take into account the retrospective application of IFRS 10 and 11 as from 1st January 2014.

3. STRATEGY OF PROFITABLE GROWTH, BASED ON A ROBUST UNIVERSAL BANKING MODEL

The economic environment was once again challenging in 2014, with ongoing stagnation in the euro zone and a greater-than-expected drop in interest rates as the spectre of deflationary risk hovered above. Conditions contrasted in developed countries, with the euro zone and Japan mired in low growth versus a sunnier picture in the United States and United Kingdom. Meanwhile, emerging countries posted a more moderate growth rate that varied depending on the country.

Overall, the global macroeconomic climate continued to be affected by geopolitical uncertainties in certain regions especially with the Ukrainian crisis, the impacts of falling oil prices and volatility in foreign exchange markets. On the bright side, central banks are expected to continue supporting the economy through accommodative monetary policies, particularly in the euro zone, where interest rates remain at record lows and the ECB has announced its intention to use its balance sheet assets to support the economy.

On the regulatory front, 2014 saw the entry into force of the Single Supervisory Mechanism (SSM) in the euro zone, under the aegis of the European Central Bank, thus paving the way for the harmonisation of the banking markets. The pace and extent of the Banking Union's harmonisation are still to be determined, however.

The implementation of the SSM gave rise to a detailed asset quality review of European banks, combined with stress tests of their resilience to a significant deterioration in their environment. The publication of the results of the AQR and stress tests gave Societe Generale an opportunity to demonstrate the solidity of its balance sheet and the resilience of its business model. Since the 4th November 2014, the Group has been under the direct supervision of the ECB.

Over the last calendar year, the Group enjoyed a solid business momentum, announced its strategic plan and confirmed its priorities.

Over the last few years, the Group has embarked on a transformation plan, with many successes (strengthened balance sheet, improved risk profile, refocused business lines), and plans to keep up the pace of these changes. Societe Generale's ambition is to be a reference in European universal banking, backed by an effective client-focused and growth model.

In its 150-year history, Societe Generale has built a solid universal banking model designed to meet the needs of its 30 million customers (businesses, institutions and individuals). The Group has refocused its businesses on three complementary pillars, each of which has built up robust market positions:

- French Retail Banking;
- International Retail Banking and Financial Services;
- Global Banking and Investor Solutions.

The Group plans to pursue its development while maintaining its model's current balance in terms of geographic presence (about 75% of revenues generated in mature markets and 25% in fast-growing emerging markets) and business portfolio (about 60% of revenues and risk-weighted assets in Retail Banking activities, about 20% in Private Banking, Asset Management, Financing and Advisory activities, and limited to 20% in Global Markets activities). In Retail Banking, the Group will be focusing its development in Europe and Africa, where it enjoys a historic presence, extensive knowledge of the markets and prominent positions. In Global Banking and Investor Solutions, its development will reach beyond the borders of the EMEA region (Europe, Middle East and Africa) by capitalising in the United States and Asia on its leading product expertise and international network.

The Group's top strategic priority is to sustain its sales momentum through increased efforts in customer satisfaction, quality of service, added value and innovation. Striving for excellence is a goal shared throughout the Group and adapted specifically to each business, customer segment and geographic area. For example, in pursuing the change in corporate values initiated in 2010, and with the accelerated transformation of its information systems, the Group has stepped up its preparation for the digital transition.

The Group also plans to return to the growth path by investing in its most dynamic businesses and areas of operation. In addition to growth-driving businesses, organic growth will also be stimulated through enhanced internal revenue synergies thanks to cross-selling within and between each of the core businesses (development of the bank insurance model, greater cooperation between Private Banking and the retail banking networks, and cooperation along the entire Investor Services chain, thanks in large part to the integration of Newedge).

In an environment sure to remain challenging from both an economic and regulatory standpoint, the Group is committed to maintaining strict, disciplined management of costs (through its ongoing cost-cutting programme), close supervision of discretionary costs, increased operating efficiency), risks (keeping up the quality of the loan book, continuing efforts on operational risk, compliance and risk culture, strengthening the balance sheet) and capital allocation with a view to achieving a target ROE of 10% by 2016.

French Retail Banking, which is the first of the three pillars of the Group's universal banking strategy, will continue its multi-brand strategy in 2015, drawing on the complementarity of its three constituent brands:

- the Societe Generale multi-channel relationship-banking network, which supports a diversified customer base of individuals, professionals, businesses, local authorities and associations;

- Crédit du Nord, which develops an original local banking model through its network of community-oriented regional banks;
- Boursorama, the French leader in online banking, which boasts an innovative business model and attractive price positioning.

The Group aims to make its French Retail Banking business the reference in customer satisfaction and protection. In doing so, the Group hopes to foster loyalty, continue to earn new customers and consolidate its standing as a leading bank for business customers.

To this end, the Group will differentiate its strategies by customer segment:

- for individual customers, who need advice and support at each key point in their lives along with competitive services and real-time mobile solutions, the Group will focus on developing its bank insurance model, differentiating its customer value offer by rolling out its new private banking model, and expanding the Boursorama business;
- for professional and business customers, the Group intends to enhance its relationship with its customers and consolidate its position as a key player by attracting new customers and expanding its transaction banking offer.

International Retail Banking and Financial Services is the second pillar of the Group's universal banking strategy. The division has undergone a major transformation in recent years: refocusing its business portfolio, optimising its business model and reducing its risk profile. Development of International Retail Banking activities will continue to be rooted in high-potential geographic areas where the Group has established leading franchises with renowned expertise:

- the Group has established solid positions in Central and Eastern Europe. In the Czech Republic, its goal is to maintain a leading position (No. 3 banking group) with robust profitability, primarily by developing its digital offer and promoting synergies. Drawing on its No. 2 position in Romania, the Group is poised for a turnaround thanks to its fully overhauled operations;
- in Russia, with its three brands (Rosbank, DeltaCredit and Rusfinance), which together form the No. 1 banking group financed with foreign capital. The Group will continue adapting its Russian operations to the persistently challenging macroeconomic environment by maintaining a very strict asset and liability management policy. Operational efficiency programmes and risk mitigation strategies will also be implemented or continued. In 2014, Societe Generale announced the increase in its holding in Rosbank, taking its stake to 99.49%;
- in Africa, Asia, the Mediterranean Basin and Overseas, the Group will be ramping up its growth across all segments in Africa, consolidating its position among the top three banking groups in the region. On the 4th December 2014, it announced that the supervisory authorities had approved the opening of Societe Generale Togo (scheduled for the second quarter of 2015). Presently operating in 17 African countries, the Group will continue to take advantage of its unique positioning, which allows it to offer its customers the benefits of an international bank and the convenience of a local bank.

The Group also holds top positions in insurance and financial services to corporates. Its objective is to further develop the many synergies available in its various countries of operation and between these businesses and the universal banking businesses.

In Insurance, the Group will expedite the roll-out of the bank insurance model across all retail banking markets and in the life, personal protection, and property and casualty insurance segments.

In Operational Vehicle Leasing and Fleet Management, via its subsidiary ALD Automotive, the Group's ambition is to enhance its position as a global leader by consolidating its No. 1 spot in Europe - and No. 2 in the world - in fleet funding and management services.

Finally, in Equipment Finance, the Group is determined to restore growth and improve profitability by capitalising on its leading position with international vendors, its solid foothold in Germany and Scandinavia, and further potential synergies.

In the future, the International Retail Banking and Financial Services division will be one of the Group's top growth drivers, given the high potential of its markets and additional synergies to be gained between Group business lines and products. To this end, it will continue to encourage cross-selling between the division's business lines and with the rest of the Group: with the Private Banking activities, with the regional Corporate and Investment Banking platforms, by expanding the Group's auto financing and leasing operations, and by developing its commercial banking services (export finance, cash management, factoring).

The Global Banking and Investor Solutions division is the third pillar of the Group's universal banking strategy. Having significantly reduced its risk profile since 2007, the Group has strengthened its customer-oriented model and is now ideally positioned to gain market share in a changing competitive environment, with a number of players revising their strategy and streamlining their operations. In particular, the Group is primed to take advantage of increasing disintermediation in Europe and the development of new post-trade services.

In 2015, the Group will continue offering support and improving services to its broad and diversified customer base (businesses, financial institutions, asset managers, public-sector entities, high net worth individuals) by seeking to tailor its solutions to each segment and to consistently provide high added value. To this end it will:

- consolidate its leading positions in capital market activities by developing equity derivatives, structured product and bond distribution activities;
- attract new customers in Europe, increase business with financial institutions and broaden its HNWI customer base in Europe;
- invest in the financing of natural resources and structured financing, and develop disintermediation solutions to keep up with the trend in Europe (in particular by developing primary market activities);

- be at the cutting edge of post-trade services, primarily through the integration of Newedge (after it gained exclusive control in 2014), improve the custody and fund administration platform, and offer new value added post-trade services;
- develop Private Banking and Lyxor in European countries. In 2014, the Group finalised the sale of its Private Banking activities in Asia to DBS. By basing its operations on this refocused structure, the Private Banking arm will be able to ramp up its development in its core markets and continue expanding the services offered to its clients in the EMEA region (Europe, Middle East and Africa).

In today's persistently uncertain environment, the Group's businesses will also continue working to automate their processes and optimise their management costs. Overall, the Group aims to reach a cost/income ratio of 62% by the end of 2016 via sweeping transformation efforts set to continue in the years to come.

At its meeting of 15th January 2015, the Board of Directors of Societe Generale decided to recommend the separation of the offices of Chairman and Chief Executive Officer to the General Meeting, and to propose the appointment of Lorenzo Bini Smaghi as Chairman and Frédéric Oudéa as Chief Executive Officer.

Drawing on an enhanced governance system, with strong internal supervisory bodies and a shared risk culture, the Group plans to keep cost of risk under control and maintain the quality of its asset portfolio.

Bolstered by a customer-oriented universal banking model, longstanding transformation efforts, deeply rooted risk culture and renewed governance, the Group is ready to seize on the growth opportunities that come its way.

4. THE GROUP'S CORE BUSINESSES

KEY FIGURES FOR THE CORE BUSINESSES

	French Retail Banking			International Retail Banking and Financial Services			Global Banking and Investor Solutions		
	2014	2013	2012	2014	2013	2012	2014	2013	2012
Number of employees *(in thousands)*	39.9	39.3	40.3	78.4	79.9	85.2	19.8	19.6	20.2
Number of branches	3,128	3,161	3,176	3,934	4,163	4,264	NM	NM	NM
Net banking income *(in EUR m)*	8,275	8,437	8,161	7,456	7,762	8,432	8,726	8,382	8,349
Group net income *(in EUR m)*	1,205	1,196	1,291	381	983	617	1,918	1,206	761
Gross book outstandings(1) *(in EUR bn)*	178.1	176.0	179.8	109.6	117.7	119.0	124.2	109.2	105.7
Net book outstandings *(in EUR bn)*	172.4	171.2	175.6	102.9	110.1	111.7	120.6	104.9	101.4
Segment assets *(in EUR bn)*	201.8	200.3	211.9	255.0	245.5	244.4	744.1	651.9	697.5
Average allocated capital (regulatory)(2) *(in EUR m)*	9,963	9,625	8,512	10,190	10,512	10,390	13,060	14,742	13,199

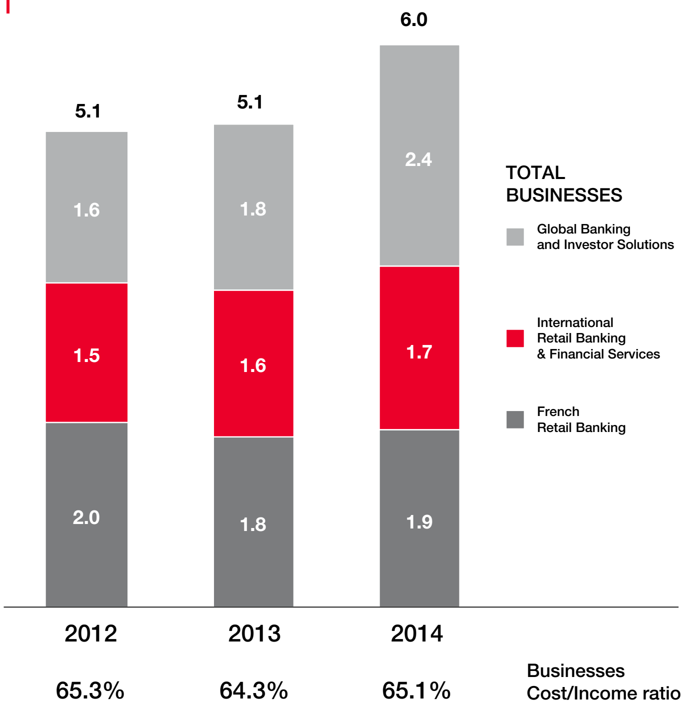
(1) Customer loans, deposits and loans due from banks, lease financing and similar agreements.
(2) Capital calculated on the basis of Basel 2.5 rules in 2012 and CRR/CRD4 in 2013 and 2014.

A solid revenue base
resting on diversified business portfolios

Business divisions' costs on the decline
-1.1% on an annual basis
between 2012 and 2014

Business divisions' operating income on the rise
+8.7% on an annual basis between 2012 and 2014, rigorous control of operating expenses and risks

OPERATING INCOME FROM BUSINESSES (IN EUR BN)



FRENCH RETAIL BANKING

Societe Generale's French Retail Banking networks offer a wide range of products and services suited to the needs of a diversified base of 11 million individual customers and nearly 777,000 professional and business customers and associations.

Drawing on the expertise of a team of nearly 39,900 professionals (i.e. 34,500 FTEs[1]), an efficient multi-channel distribution system, including 3,128 branches, the pooling of best practices and simplification of processes, French Retail Banking combines the strengths of three complementary brands: Societe Generale, the renowned national bank; Crédit du Nord, a group of regional banks; and Boursorama Banque, a major online bank. These networks are backed by Global Transaction and Payment Services (GTPS) for the management of flows and payments.

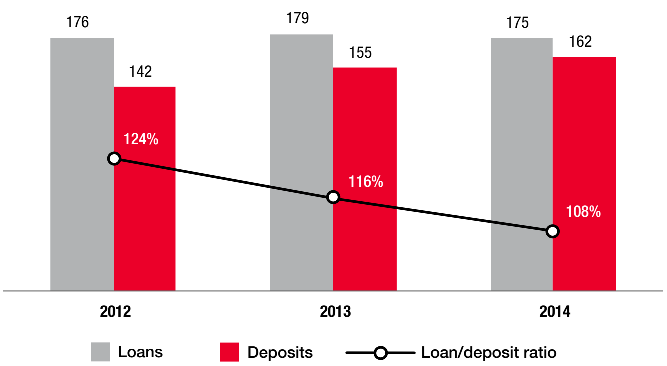
The retail banking networks are innovating to build the relationship-focused banking group of tomorrow. French Retail Banking excels in its:

- innovative spirit;
  - recognised, award-winning customer service,
  - a leading position in online and mobile banking in France;
- sales momentum;
- continual adaptation to its customers' needs and expectations, for example by launching the new Private Bank in France.

It not only strives to improve customer satisfaction across all segments, but also to further develop value-added services and support the international expansion of businesses.

Through its three brands, Societe Generale has built up solid positions in the French individual customer deposit and loan market with nearly 7% market share[2] overall, and in non-financial business customer deposits (about 12%) and loans (about 8%).

LOANS AND DEPOSITS (IN EUR BN)*



* Average annual outstandings.

Amid rife competition for savings inflows, French Retail Banking successfully maintained its on-balance sheet deposit inflow policy. The networks continued to support the economy and help their customers finance their projects. Demand slowed, however, due to persistently challenging economic conditions, as primarily reflected in limited investments by business customers. Dynamic deposit inflows helped improve the loan-to-deposit ratio to meet regulatory constraints.

French Retail Banking distributes insurance products from Sogecap and Sogessur, subsidiaries operating within the International Retail Banking & Financial Services division. Net life insurance inflows amounted to EUR 2.3 billion in 2014. Life insurance assets under management totalled EUR 85.1 billion at end-2014 compared with EUR 84.2 billion at end-2013.

Societe Generale Network

The Societe Generale Network offers solutions suited to the needs of its 8 million individual customers and nearly 475,000 professional customers, associations and business customers trusting it with their business, drawing on three major strengths:

- over 28,000 employees (i.e. 24,000 FTEs[1]) and 2,221 branches located mainly in urban areas where a large portion of national wealth is concentrated;
- a full and diversified range of products and services, from savings vehicles to asset management solutions, including corporate finance and payment instruments;
- a comprehensive and innovative multi-channel distribution system: internet, mobile, telephone and Agence Directe (online branch).

By centering its entire system on its customers, Societe Generale earned the title of "Customer Service of the Year 2015" (for the third year in a row by Viseo Conseil, October 2014) and offers products and services that are tailored to new customer needs. The brand has made innovation a key focus of its development: the Societe Generale Network boasts approximately 3.6 million mobile customers and over 62 million connections to digital services per month. It opened the first banking relations account on Twitter that guarantees customers a response in less than 30 minutes.

- With nearly 5.7 million current accounts, the individual customer base is a key component of the Societe Generale Network portfolio.

Thanks to ambitious marketing campaigns, an attractive offering and dedicated advisors, the Societe Generale Network gained close to 81,000 new individual customer accounts in 2014.

Individual customer deposits amounted to EUR 76.0 billion versus EUR 74.3 billion in 2013. Outstanding loans granted to individual customers came to EUR 73.1 billion in 2014 compared to EUR 73 billion in 2013. Home loans accounted for 87% of this total in 2014.

(1) Headcount in Full-Time Equivalents.

(2) At end-December 2014, Group market share, sources Societe Generale, Bank of France.

Since 2008, Societe Generale has developed a sales programme targeting high net worth individual customers through a joint venture with Societe Generale Private Banking, which now has 8 locations in France. In 2014, the Societe Generale network extended this offering and rolled out the New Private Banking initiative aimed at further improving customer service quality by drawing on dedicated expertise, in synergy with the Group's other businesses.

- The Societe Generale Network has maintained its commitment to financing the economy by continuing to adapt its structure and its organisation to the needs and constraints of business customers.

In adverse economic conditions raising doubts about the future, business customer deposits came out at EUR 43.4 billion and loans at EUR 60.2 billion in 2014 versus EUR 40 billion and EUR 62.9 billion, respectively in 2013.

The professionalism and responsiveness of the network's CRMs helped to build a close, trust-based relationship with these customers.

In the interest of developing even closer relations with entrepreneurs and business customers, the Societe Generale network relies on the Mid Cap Investment Banking (MCIB) platform. MCIB, in partnership with Global Banking and Investor Solutions, aids listed and unlisted mid cap companies in their development (both internal and external) and transfers (disposals, capital restructuring). It offers them a broad range of integrated Corporate and Investment Banking services (advisory, bank or market financing, private equity). The MCIB team is made up of over 90 professionals based in Paris and in the six regional divisions of the Societe Generale network: Lille, Rennes, Strasbourg, Marseille, Lyon and Bordeaux. This platform complements the Private Banking offer specifically targeting entrepreneurs and business customers and rooted in personal attention and responsiveness.

Crédit du Nord Network

The Crédit du Nord Group consists of eight regional banks (Courtois, Kolb, Laydernier, Nuger, Rhône-Alpes, Tarneaud, Crédit du Nord and Société Marseillaise de Crédit) and a brokerage firm (Gilbert Dupont). For more than 160 years, it has developed a relationship based on close customer relations, professionalism and innovation. Its customers enjoy the advantage of both a regional bank and a nationwide group.

The Group's banks are staffed by advisors with in-depth knowledge of the local economic market. They are structured as veritable SMEs with considerable autonomy in managing their business. As such, they are able to make quick decisions and expediently respond to customer requests. Each bank focuses on building strong individual ties with its customers to make each of them a partner in a lasting relationship based on trust.

More than 9,000 Crédit du Nord Group employees and its network of 907 branches are on hand to serve 2.3 million individual customers, 211,000 professional customers and over 91,000 business and institutional customers.

On average in 2014, Crédit du Nord's outstanding deposits totalled EUR 33.7 billion (vs. EUR 32.0 billion in 2013) and outstanding loans amounted to EUR 35.5 billion (vs. EUR 34.8 billion in 2013).

Professional customers are a priority. The Crédit du Nord Network has therefore established a system to meet their specific business requirements in order to assist them on a daily basis and advise them on their plans. All customer needs, both private and professional, are handled by the same branch and under the authority of the same person.

The excellent quality of the relationships built every day by the banks in this network, which are based on personal attention and advisory services, is reflected in the competition surveys(1) conducted by CSA with the customers of major French banking groups. Conducted in spring 2014 on representative samples, these surveys once again ranked Crédit du Nord as a leader in the individual and professional customer markets (No. 3) in terms of overall satisfaction. In the business customer market, the Group once again claimed first place.

Gilbert Dupont and Corporate and Investment Banking (via Societe Generale Mid Cap Investment Banking) entered into a capital market cooperation agreement for Societe Generale's SME customers with a valuation or market capitalisation below EUR 200 million(2). The transactions falling under this agreement are initial public offerings, capital increases, secondary placements of securities and convertible bond issues. Drawing on its rich historic presence and renowned expertise in this segment of the market, Gilbert Dupont handles distribution while Societe Generale Mid Cap Investment Banking structures the transactions. Through this agreement, the Group has confirmed its commitment to financing the economy and its business customers.

Boursorama

Created in 1995, and present in France, Germany, Spain and the United Kingdom, Boursorama is a major online bank and broker in Europe, with nearly 5.9 million orders executed in 2014, over 600,000 customers in France and total financial investment outstandings of EUR 5.5 billion at 31st December 2014.

The Boursorama Group offers a full range of banking products and services based on four pillars:

- low and transparent fees: Boursorama was once again named "Least Expensive Bank in France" in the January 2015 survey by *Le Monde/Choisir-ma-banque.com*;
- simplicity and innovation: customers can open an account online in just a few clicks, with exclusive money management tools available in their personal banking space, which also offers a free account consolidation and management service (including accounts held with other banks);
- quality of service: advisors available until 10 p.m. and secure transactions.

(1) The competition survey measuring customer satisfaction was conducted in spring 2014 on representative samples of customers in all markets and on several themes: overall customer satisfaction, image, branch, products and services.

(2) Excluding the technology and biotech/medtech sectors.

Boursorama is positioned as:

- a pioneer and leader in France across its three business lines: banking, brokerage and online financial information. Boursorama, the No. 1 fully mobile bank, offers its customers access - through the mobile device of their choice - to a comprehensive, innovative, inexpensive and efficient range of banking solutions (debit card, savings accounts, mortgage loans, personal loans) and investment products such as UCITS and life insurance vehicles, a product for which Boursorama Banque received two Gold Trophy awards from *Le Revenu magazine* in March 2014 (Gold Trophy in the "aggressive multi-vehicle offering over 50 funds" category and Gold Trophy for the "best conservative life insurance policy in euros"), and the full range of products for investing in the markets (equities, trackers, warrants, certificates, turbos, SRD (deferred settlement service), CFDs, Forex). Boursorama Banque was named "Best Online Bank" for the second year in a row by L'internaute.com in March 2014;
- in Germany and Spain, the Boursorama Group offers private banking investors an opportunity to manage their online savings independently thanks to a full range of investment products and services and access to the main international financial markets. This offer is available in Germany at www.onvista-bank.de and in Spain at www.selftrade.es;
- the leader in online financial information in France and Germany with the websites www.boursorama.com and www.onvista.de. As the top site for economic and financial news, averaging over 29 million visits and almost 290 million pages viewed per month (December 2014), Boursorama.com was ranked No. 1 financial information distributor by Gestion de Fortune magazine for the fourth straight year in January 2015.

Boursorama is also present in the United Kingdom through run-off subsidiary SelfTrade, which entered into an agreement with Equiniti on the transfer of its client portfolio that took place on the 23rd January 2015.

Global Transaction & Payment Services

Part of the French Retail Banking division, Global Transaction and Payment Services (GTPS) is Societe Generale's payment and flow banking specialist, serving all the Group's distribution networks and their customers.

Operating in more than 30 countries, GTPS targets all types of customers including individuals, professionals, associations, businesses and financial institutions.

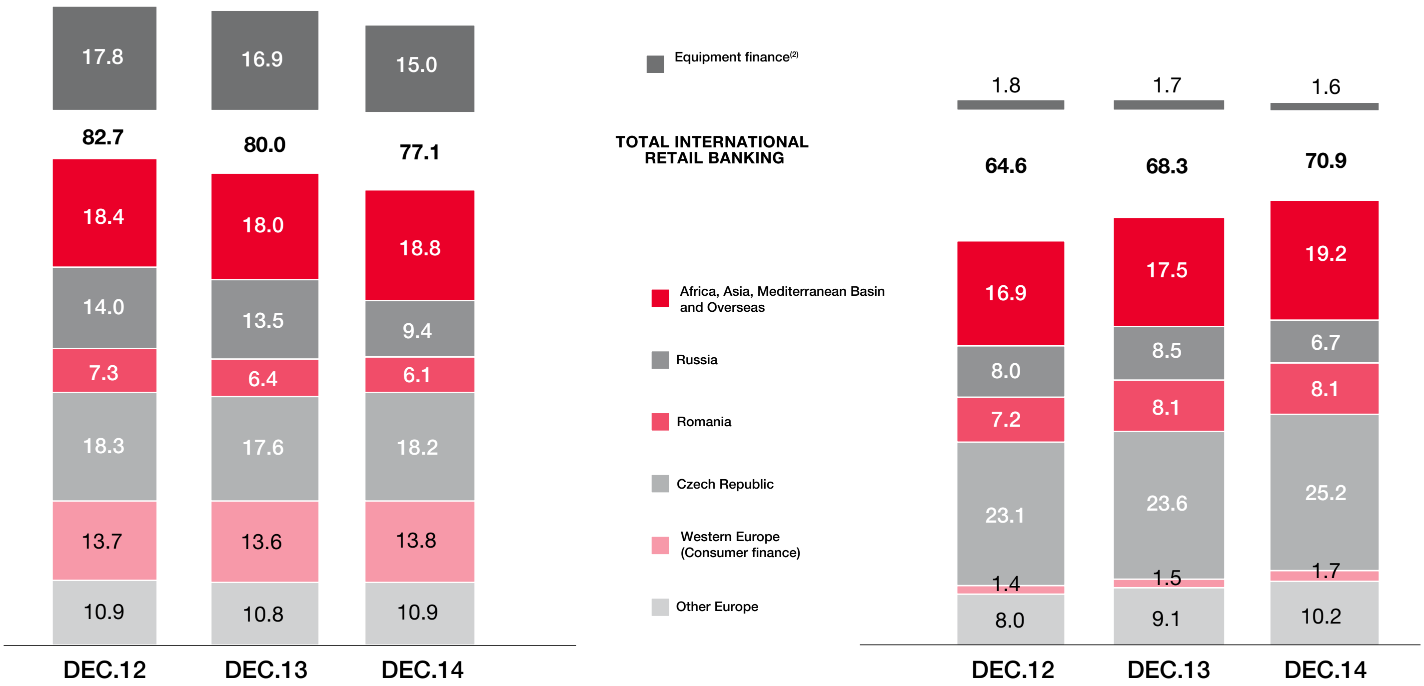
With over 1,700 employees, GTPS is divided into two activities:

- Global Transaction Banking (GTB) offers a range of services to business customers seeking assistance in managing flows (sales and banking) and payments. This range encompasses:
  - cash management,
  - trade,
  - correspondent banking,
  - factoring,
  - foreign exchange services associated with these activities;
- Global Payment Services (GPS) also provides internal services, which covers the development of payment and cash management products, banking solution engineering (management of projects and developments in the processing system), flow management and transaction processing.

INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

BREAKDOWN OF LOAN OUTSTANDINGS(1) (IN EUR BN)

BREAKDOWN OF DEPOSIT OUTSTANDINGS(1) (IN EUR BN)



(1) Excluding NSGB, Geniki, AVD and Belorosbank, sold in 2012 and 2013, and Franfinance (placed under the authority of the French Retail Banking pillar on 1st January 2014).

(2) Excluding factoring.

The International Retail Banking and Financial Services division includes:

- International Retail Banking activities: the banking networks with the consumer finance activities (divided up into three geographic areas: Europe, Russia, and Africa, Asia, Mediterranean Basin and Overseas);
- and three specialised business lines: insurance activities, operational vehicle leasing and fleet management, and vendor and equipment finance.

With this business division, the Group's ambition is to better serve all of its individual and business customers, while adapting to changes in the economic and social environment and supporting the international growth of the Group's customers by drawing on the strength of its network in fast-growing regions. IBFS bases its strategy on the relationship-focused universal banking model, the enhancement of its franchise through an extended range of products, and the sharing and combination of expertise aimed at improving revenues while continually seeking to optimize risk management and allocation of scarce resources.

With more than 78,000 employees and a presence in 64 countries, IBFS is dedicated to offering a wide array of products and services to over 31 million individual, professional and business customers (including 1 million businesses and 12 million insurance policyholders).

Boasting a complementary range of expertise, IBFS enjoys solid and recognised positions in its different markets.

International Retail Banking

International Retail Banking combines the services of the International Banking networks and consumer finance activities. The bank's offering has thus been expanded to include multi-product financing solutions for individual customers and partner businesses: car loans available at dealerships and in-store financing, direct financial solutions for individual customers (via point-of-sale networks, business introducers or by using customer prospect databases). The International Retail Banking networks are forging ahead with their growth policy and currently hold leading positions in their various regions of operation, such as Europe, Russia, the Mediterranean Basin and Sub-Saharan Africa. They help finance the economies in their different regions of development. In this way, the Group will continue to support the development of its activities through these high-potential geographic regions.

EUROPE

In **Western Europe**, where the Group is established in France, Germany and Italy, predominantly in consumer finance activities, outstanding loans were up slightly (+1.1%*) in 2014 at EUR 13.8 bn despite the economic slowdown. French subsidiary CGI entered into a partnership with auto manufacturer Tesla on the financing of electric cars for individual customers. CGI will offer a lease with option to purchase on "green" cars at competitive rates.

In the **Czech Republic**, Komerční Banka (KB) is ranked 3rd among the country's banks in terms of balance sheet size, with outstanding loans of EUR 18.2 bn, nearly 400 branches and 8,131 employees (FTEs) as of December 2014. KB, which was created in 1990 and became a subsidiary of Societe Generale in 2001, has developed its universal banking activities for individual customers and expanded its traditionally significant presence with business customers and municipalities. The KB Group also offers a range of consumer loans with ESSOX, as well as financial and investment services in partnership with Global Banking and Investor Solutions. Komerční Banka was named "Best Bank 2014" by daily economic newspaper *Hospodářské Noviny* in its ranking of the financial sector.

In **Romania**, BRD is still the leading private banking network in the country, with 860 branches and No. 2 in terms of balance sheet size, with market share of around 14% in loans and deposits as of November 2014. The Societe Generale Group became BRD's main shareholder in 1999, with a 60.2% stake in 2014. The BRD Group's activity is divided into 3 major business lines: Retail Banking with BRD (individual and professional customers, SMEs), Corporate and Investment Banking in partnership with Global Banking and Investor Solutions (SG CIB), and Consumer Finance with BRD Finance. SG CIB and BRD served as global coordinators and joint bookrunners for the IPO of Electrica on the Bucharest and London stock exchanges, the biggest IPO conducted in Romania to date.

In **other European countries**, the Societe Generale Group operates in 11 countries, with strong competitive positions at end-2014: in terms of loans, the bank is 4th in Serbia; in terms of balance sheet size, it is 6th in Croatia and 7th in Bulgaria. Outstanding deposits totalled EUR 10.2 billion and outstanding loans EUR 10.9 billion as of December 2014. In Croatia, Splistka Banka was named "Best Custody Bank" by Global Custodian Magazine in 2014.

RUSSIA

The Rosbank Group is the leading foreign-capital banking group in Russia, the No. 1 private banking network in terms of outstanding loans to individual customers and the No. 4 private banking network in the country by balance sheet size (as of October 2014). Its universal banking base covers all individual and business customer markets, drawing on the expertise of specialised entities (consumer finance with Rusfinance Bank, housing loans with DeltaCredit Bank, leasing with Rosbank Leasing, and corporate and investment banking via a partnership with SG CIB).

Societe Generale operates in Russia through several entities: SG Russia comprises Rosbank, DeltaCredit Bank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive and their consolidated subsidiaries. The transformation plan for SG Russia is ongoing, including in particular efforts to increase brand specialisation: Rosbank focusing on day-to-day banking, DeltaCredit on home loans and Rusfinance on auto loans. In the case of business customers, the focus is on large corporates (Russian or multinational) and rouble denominated transactions. At the same time, particular attention continues to be paid to both operating efficiency and the control and reduction of the risk profile.

MEDITERRANEAN BASIN, SUB-SAHARAN AFRICA AND OVERSEAS

In the Mediterranean Basin, the Group has operated in Morocco since 1913, Lebanon since 1969, Algeria since 1999 and Tunisia since 2002. Overall, these operations cover 734 branches and over 2.3 million customers. At 31st December 2014, outstanding deposits in the region came to EUR 8.7 billion and outstanding loans to EUR 9.4 billion, mainly carried by the subsidiaries in Morocco, where the Group holds the No. 4 position by balance sheet size (as of September 2014).

In Sub-Saharan Africa, the Group enjoys a historic presence in 12 major countries, with solid local positions, particularly in Côte d'Ivoire (leader in loans and deposits as of June 2014), Senegal (No. 2 in loans and deposits as of September 2014) and Cameroon (No. 1 in terms of outstanding loans as of September 2014). In 2014, the Group's operations in this region saw robust growth in outstanding loans to EUR 3.6 billion (+16.3%*) and deposits to EUR 5.1 billion (+13.2%*). Furthermore, in 2014 the supervisory authorities approved the opening of Societe Generale Togo, scheduled for second-quarter 2015. Societe Generale was named "Best Bank" in Côte d'Ivoire and Cameroon by *EMEA Finance* magazine in December 2014.

Financial Services to Corporates and Insurance

Financial Services to corporates and Insurance comprises a set of business lines able to meet the specific needs of individual, professional and business customers alike in France and abroad. It offers insurance solutions (Societe Generale Insurance), financing and management solutions for automobile fleets (ALD Automotive), and vendor and equipment financing solutions (Societe Generale Equipment Finance).

These three specialised business lines complement the Group's universal banking services, generating significant synergies while at the same time diversifying their distribution networks through such mechanisms as partnerships and business introducer agreements.

In 2014, Financial Services to Corporates and Insurance once again demonstrated the momentum and solidity of its model, with substantially improved profitability reaching a record level in terms of contribution to Group net income.

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

INSURANCE (SOCIETE GENERALE INSURANCE, SOGECAP GROUP)

Societe Generale Insurance covers the needs of individual, professional and business customers for life insurance investment solutions, retirement savings schemes, health insurance, personal protection and non-life insurance.

The business lines employees over 1,800 people (FTEs)[1].

In accordance with an integrated bank insurance model, the life and non-life insurance companies of Societe Generale Insurance offer the Group's French and international networks a full range of insurance products and services in six product categories: life insurance investment solutions, retirement savings schemes, personal protection (including health insurance), payment protection insurance and collective protection, non-life insurance and various risks. In 2014, Societe Generale Insurance consolidated its positioning in life insurance investment solutions across all markets, posting a record EUR 90 billion in assets under management. It also ramped up the development of its protection activities (personal protection and non-life insurance) on the back of improved revenue.

Societe Generale Insurance stepped up the roll-out of its model in 2014, while continuing to build synergies with the Group's distribution networks in France and abroad. Outside France, Societe Generale Insurance now works for the life insurance investment solutions activities in conjunction with the Private Banking networks in Morocco. In protection activities, it further expanded its range with the introduction of collective health insurance in Romania. In France, 2014 saw the launch of 100% online distribution of individual personal protection insurance to Boursorama customers and of multi-risk auto and homeowner's insurance for Crédit du Nord customers. On the 25th February 2015, the Societe Generale Group announced its decision to unwind the life insurance partnership between Aviva France and Crédit du Nord within Antarius, and therefore exercise its option to purchase Aviva France's 50% stake in Antarius. This transaction will be finalised within the next two years at the latest, following a period to ensure the transfer of the company's operational management to Societe Generale Insurance.

Societe Generale Insurance also demonstrated its capacity for innovation and expedited its digital transition with several noteworthy achievements particularly in non-life insurance, such as the "SG Drive" and "Claim 2.0" application, which enable customers to file e-claims and conduct video appraisals.

What's more, SOGECAP successfully carried out a subordinated debt issue of EUR 800 million. At the same time, SOGECAP was rated A by Standard & Poor's, confirming the solidity and relevance of its business model and the strategic nature of the Insurance business for the Societe Generale Group.

FINANCIAL SERVICES TO CORPORATES

OPERATIONAL VEHICLE LEASING AND FLEET MANAGEMENT (ALD)

With almost 4,000 employees (FTE)[1], ALD Automotive offers operational vehicle leasing and fleet management solutions for businesses of all sizes in both local and international markets. This business line combines the financial benefits of operational leasing with a complete range of high-quality services, including maintenance, tyre management, fuel consumption, insurance and vehicle replacement.

ALD Automotive has broad geographic coverage and is active in 40 countries on four continents. It has unique knowledge of the BRIC markets (Brazil, Russia, India and China) and is partnered with Wheels, Inc. in North America and FleetPartners in Australia and New Zealand. ALD Automotive ranks No. 2 in Europe and No. 2 worldwide in operational vehicle leasing and fleet management (as of September 2014).

For the seventh year in a row, ALD Automotive France won the "2015 Customer Service" award on the operational vehicle leasing market (Inference Operations-Viséo Conseil survey conducted from May to July 2014).

VENDOR AND EQUIPMENT FINANCE (SGEF)

Societe Generale Equipment Finance is specialised in vendor and professional equipment finance. This business is conducted through partnership agreements with business introducers (professional equipment manufacturers and distributors), with banking networks and also directly. Societe Generale Equipment Finance develops its expertise in three major sectors: transport, industrial equipment and high-tech.

As the leading company in Europe and No. 3 worldwide, SGEF operates in 35 countries, employs over 2,200 people (FTEs)[1] and manages a portfolio of EUR 15.0 billion in outstandings. It has a broadly diverse customer base, ranging from large international companies to SMEs, to which it offers a varied range of products (financial leasing, loans, leasing, purchase of receivables, etc.) and services (insurance, truck leasing with services).

Often recognized by the leasing industry, Societe Generale Equipment Finance was named "SME Champion of the Year" for the third straight year at the Leasing Life Awards ceremony on 27th November 2014 in Warsaw.

(1) Headcount in Full-Time Equivalents.

GLOBAL BANKING AND INVESTOR SOLUTIONS

The purpose of Global Banking and Investor Solutions (GBIS) is to provide corporate and investment banking, asset management, private banking and securities services around the world to a select customer base of businesses, financial institutions, investors, wealth managers and family offices, and private clients.

At the hub of economic flows between issuers and investors, the GBIS division supports its clients over the long term, offering them a variety of services and integrated solutions tailored to their specific needs.

GBIS employs more than 20,000(1) people in 37 different countries.

Corporate and Investment Banking

SG CIB is Societe Generale's Corporate and Investment Banking arm. With more than 12,000(1) employees in 34 countries, SG CIB is present in the main financial markets in the Group's regions of operation, with extensive European coverage and representative offices in Central and Eastern Europe, the Middle East, Africa, the Americas and the Asia-Pacific region. SG CIB offers its customers bespoke financial solutions combining innovation, advisory services and high execution quality in three areas of expertise: investment banking, financing and market activities.

- SG CIB offers issuers (large corporates, financial institutions, sovereigns and the public sector) strategic advice on their development as well as market access to finance this development and hedge their risks;
- SG CIB also offers services for investors managing savings according to set risk/return targets. Whether they are asset managers, pension funds, family offices, hedge funds, sovereign funds, public agencies, private banks, insurance companies or distributors, the bank provides comprehensive access to the equity, fixed income, credit, foreign exchange and commodity markets along with a range of unique cross-asset solutions and advisory services, drawing on top market expertise.

The business line's ambition is to be among the leading euro zone corporate and investment banks, adopting a model balanced between business lines and regions, while at the same time continuing to transform its model in order to improve its operational efficiency and risk profile and, as its main objective, to always offer the best customer service.

In order to strengthen its positions and facilitate cross-selling, SG CIB is divided into two business lines:

- **Global Markets** combines the "Equities" and "Fixed Income, Currencies and Commodities" market activities into a single and global platform, offering a multi-product view and optimised cross-asset solutions;
- **Financing and Advisory** manages and develops global relations with strategic Corporate and Investment Banking clients, mergers & acquisitions advisory services, and finance activities (structured financing, fund-raising (debt or equity), financial engineering and hedging solutions for issuers).

GLOBAL MARKETS

To assist its customers in today's web of increasingly interconnected financial markets, SG CIB has united its experts – financial engineers, salespeople, traders and specialist advisors – within an integrated platform providing global access to the equity, fixed income, credit, forex and commodity markets. SG CIB's experts use all of these underlyings to offer bespoke solutions designed to meet the specific needs and risks of each client.

As of 7th May 2014, Societe Generale holds 100% of the share capital in Newedge, thus facilitating the integration of Newedge's traditional broker-assisted execution services in the Global Markets business line's equity, fixed income, forex and commodity activities. By doing so, the Group aims to develop a unique capital markets offering for its customers, one that is fully integrated and combines the strength of a leading financial institution with the client-oriented approach of a broker that has established solid positions in prime brokerage and clearing services.

FIXED INCOME CREDIT, CURRENCIES AND COMMODITIES

Fixed income activities cover a comprehensive range of products and services ensuring the liquidity, pricing and hedging of risks related to the fixed income, forex and commodity activities of SG CIB clients.

- Fixed income and currencies: the fixed income and currencies teams, based in London, Paris, Madrid and Milan as well as the United States and the Asia-Pacific region, offer a wide range of flow and derivative products. Covering a variety of underlyings (forex products, private and sovereign bonds, emerging or very liquid markets, cash or derivatives), they provide Societe Generale's customers with personalised solutions to meet asset and liability management, risk management and revenue optimisation needs, and have also been regularly recognized. In 2014, SG CIB was named "Best FX Provider in Central & Eastern Europe" for the fifth year running (Global Finance, 2014).
- Commodities: with more than 20 years of experience, SG CIB is a major player on the energy markets (oil, refined products, natural gas, coal, carbon emissions, liquefied natural gas, etc.), metals markets (base and precious) and has developed an agricultural commodities offer targeting producers. SG CIB is active with businesses and institutional investors, providing them with

(1) Headcount in Full-Time Equivalent excluding temporary personnel.

hedging and investment solutions. In commodities, SG CIB led the Risk & Energy Risk Commodity 2015 rankings (February 2015) for the third year in a row and was named "Commodity Derivatives House" of the year (*IFR Awards* 2014, January 2015).

EQUITIES

Thanks to its historic presence on all the world's major primary and secondary equity markets and its longstanding tradition of innovation, SG CIB is a leader in a comprehensive range of varied solutions covering all cash, derivative and equity research activities.

This expertise is well-known on the equity markets, earning Societe Generale the title of "Best Equity Derivatives House of the Year" (Risk Awards, 2015, January 2015) and "Greenwich Share Leader" in equity derivatives, (Greenwich Associates, October 2014).

- Equity derivatives are one of the Group's areas of excellence. For several years, its expertise has been recognised by the industry and its clients. Its leadership and innovation also excel in structured products, with SG CIB receiving multiple awards in 2014.

SG CIB was named "Best Bank for Risk Management Solutions" (*Risk Awards*, January 2015) for its advisory activities in respect of corporate clients.

For the first time ever, in 2014, SG CIB was named "Global Derivatives House of the Year" *(Risk Awards*, 2015). This award recognises the consistency of the bank's strategy in a constantly changing derivatives market.

Moreover, Societe Generale's research is consistently acknowledged for its interpretation of market trends, which are subsequently used to develop market strategies. For the fourth year in a row, Societe Generale took first place in the "Overall Trade Ideas" category and for the sixth year in a row in the "Overall Credit Strategy" category with regard to fixed income research (*Euromoney*, 2014). In equity research, the bank received top accolades in other categories, such as index analysis, quantitative research and multi-asset research (*Extel Surveys,* 2014).

FINANCING AND ADVISORY

The Financing and Advisory business line combines the Coverage & Investment Banking and Global Finance activities.

COVERAGE & INVESTMENT BANKING

The Coverage & Investment Banking teams offer their customers, which include businesses, financial institutions and the public sector, an integrated, comprehensive and tailor-made approach based on:

- extensive strategy advisory services, covering mergers and acquisitions and IPO structuring, as well as debt and capital restructuring and Asset and Liability Management;
- access to optimised fund-raising solutions, mainly through the joint venture with Global Finance and Global Markets Activities.

GLOBAL FINANCE

The Global Finance teams rely on global expertise and sector knowledge to provide issuers with a comprehensive offering and integrated solutions in three key areas: fund-raising, structured financing and strategic hedging of interest rate, foreign exchange, inflation and commodity risks.

The capital, debt and equity fund-raising solutions offered by the Group are made possible by its ability to offer issuers access to all of the global markets and to create innovative strategic financing and acquisition or LBO financing solutions.

SG CIB holds a leading position in the equity capital markets (No. 1 in "Equity, Equity-Related Issues in France", according to Thomson Reuters, at end-2014). Moreover, the Bank is ranked No. 1 for eurobond issues in Central and Eastern Europe (IFR, 2014), and No. 5 overall for eurobond issues in 2014 (IFR, 2014).

SG CIB offers its customers its world-renowned structured financing expertise in many sectors: natural resources and energy, international trade, infrastructure and assets. The Bank's export finance teams were awarded the title of "Best Export Finance Bank" for the fifth consecutive year (Global Review, Leaders in Trade Awards 2014, January 2015). For its project financing activities in Asia, SG CIB received the award for "Best Project Finance Deal - Australia and New Zealand" and "Best Project Financing award in Global Capital Asia", from respectively FinanceAsia (Achievements Awards 2014, December 2014 for the Greenfield Roy Hill mining project in Australia) and Euromoney (Asiamoney Awards 2014, December 2014, for the financing of the Sarulla geothermal power plant in Sumatra). Moreover, SG CIB obtained the prestigious award of "Americas Bank of the Year" from Project Finance International for 2014 (February 2015). This award was accompanied by recognition as "Financing Deal of the Year" for 12 transactions in the Americas, Asia-Pacific, Europe and Africa-Middle East regions.

Against a backdrop of growing disintermediation and given new forthcoming regulations, SG CIB has begun a repositioning process focused on enhancing distribution capacities and streamlining operations that do not generate significant synergies.

Securities Services and Brokerage

SECURITIES SERVICES

With 23 operations in the world employing nearly 3,000[(1)] people, Societe Generale Securities Services (SGSS) offers a comprehensive range of cutting-edge services following the latest trends in the financial markets as well as regulatory changes, including the following:

- clearing services, combining the sophisticated and flexible management of securities back-office sub-contracting solutions with a market-leading clearing service range;
- the custody and depository bank activity, which provides financial intermediaries (commercial and private banks, brokers and investment banks, global custodians) and institutional investors (asset managers, insurers and mutual insurance companies, pension schemes and pension funds, national and supranational institutions) with local and international custody services, covering all asset classes;

(1) Headcount in Full-Time Equivalent excluding temporary personnel.

- fund administration services for managers of complex financial products (primarily OTC and structured products) and asset servicing cover valuation and middle office operations for complex derivative products (OTC and structured) and calculate the performance and the risk related to portfolios for mutual fund promoters, asset management and investment companies, banks and institutional investors;
- issuer services, comprising primarily the administration of stock option plans or free share plans, the management of registered securities accounts, financial services, and the organisation of Annual General Meetings;
- liquidity management services (cash and securities) provide flow optimisation solutions ranging from securities lending/borrowing to the hedging of forex risk; transfer agent activities, from the Group's two offshore centres located in Luxembourg and Dublin, provide a full range of services, from support to fund distribution, dedicated to institutional and private banking clients.

With EUR 3,854 billion in assets under custody at 31st December 2014 (versus EUR 3,545 billion at 31st December 2013), SGSS ranks No. 8 among global custodians and No. 2 in Europe. It also offers custodian services to more than 3,200 mutual funds and provides valuation services for more than 4,000 mutual funds totalling EUR 549 billion in assets under administration in Europe (vs. EUR 494 billion at 31st December 2013).

Once again underscoring the expertise of its teams, SGSS was named "Fund Administrator of the Year: Luxembourg" and "Custodian of the Year 2014: Italy" in the November 2014 *Custody Risk Awards*.

SGSS was also awarded the title of "most innovative borrower of the year" for its equity lending/borrowing services at the 2014 Equity Lending Awards Ceremony organised by Global Investor/ISF (September 2014). In the bond category it was "highly commended" in the Americas region.

Furthermore, given the structural changes in its industry, Societe Generale Securities Services (SGSS) launched a development and competitiveness plan in Q4 2013 to reinforce its sales approach across all business lines and consolidate its position in Western Europe.

BROKERAGE

Newedge, once a 50/50 joint venture between Societe Generale and Crédit Agricole CIB, became a wholly-owned subsidiary of Societe Generale on the 7th May 2014 after the Group purchased the 50% stake held by Crédit Agricole.

Newedge has more than 2,000[1] employees distributed in 14 countries.

This activity offers its customers a highly extensive and innovative range of clearing and execution services for listed derivative contracts (in financial instruments and commodities) and OTC contracts (interest rate, foreign exchange, equity, index and commodities).

It offers its customers a single point of entry to more than 85 financial markets worldwide.

The clearing, prime brokerage and execution services for Global Macro clients, coupled with electronic and semi-electronic execution services, form the Newedge Prime Services department. In 2014, Newedge was named "Best Global Prime Broker - Excellence in Service and Solutions" at the Hedge Fund Journal Awards (February 2014).

Newedge's traditional broker-based execution activities are in the process of being integrated in the Global Markets business line's Equities and Fixed Income, Currencies & Commodities activities. This new organisational structure will take effect in 2015.

(1) Headcount in Full-Time Equivalent excluding temporary personnel.

Asset Management and Private Banking

This business line encompasses Asset Management with Lyxor Asset Management and Amundi and Private Banking with Societe Generale Private Banking.

ASSET MANAGEMENT

LYXOR ASSET MANAGEMENT

Lyxor Asset Management, a wholly-owned subsidiary of Societe Generale, offers an extensive line of innovative and effective investment products and services providing institutional clients with a selection of structured, index and alternative investment solutions. Among the most experienced players in the market, Lyxor is ranked No. 3 for the supply of ETFs in Europe (10.6% market share[(1)] with 220 ETFs listed in 13 financial markets. Lyxor provides investors with flexible investment solutions in order to diversify their allocation through the whole range of asset classes (equities, bonds, money markets, commodities).

Lyxor's managed account platform was recognised several times in 2014 by the top hedge fund publications, once again earning the title of "Best Managed Account Platform" (HFM Awards 2014, The Hedge Fund Journal, HedgeWeek Awards 2014, Hedge Funds Review). At 31st December 2014, Lyxor's assets under management amounted to EUR 84 billion versus EUR 80 billion at the end of 2013.

AMUNDI

Societe Generale also conducts its asset management business through Amundi, in which it holds a 20% stake. As part of the acquisition of all of Newedge in 2014, Societe Generale sold 5% of the capital of Amundi to Crédit Agricole. Amundi is the asset management company that is common to both Groups. The transaction reduced Societe Generale's stake to 20% without any impact on the company's governance structure. Amundi remains the reference supplier of savings and investment solutions for Societe Generale's retail banking networks. The entity offers a comprehensive range of products, covering all asset classes and the major currencies.

PRIVATE BANKING

Societe Generale Private Banking is a major player in wealth management. In 2014, it received the special award of "Best Private Bank in Europe" (Private Banking International). It was also named "Best Private Bank in Western Europe for structured products" (Euromoney), for the 10th consecutive year.

Societe Generale Private Banking offers wealth management services to a domestic and international clientele, drawing on the expertise of its specialist teams in wealth engineering, investment and financing solutions, in accordance with the Tax Code of Conduct as approved by the Board of Directors in November 2010.

Since January 2014 and in association with the French Retail Banking division, Societe Generale Private Banking has extensively developed its relationship banking model in France, extending its offering to all its individual clients with more than EUR 500,000 in its books. These clients are able to benefit from a service combining increased proximity based on 80 regional operations, the 2,221 branches of the Societe Generale Retail Banking network and the know-how of Private Banking's teams of experts.

Societe Generale Private Banking has also pursued its strategy of refocusing on the EMEA region (Europe, Middle East, Africa), with the enhancement of its commercial operation in Europe outside France, the disposal of its private banking activities in Asia to DBS and the ongoing overhaul of its IT applications. Particular efforts have also been made in terms of the service provided to mass affluent clients, in close collaboration with the Group's other Businesses. In October 2014, Societe Generale Private Banking launched a Private Banking offering in Croatia and continued to increase its presence in Morocco initiated in 2013 in association with the International Retail Banking teams.

At end-2014, Private Banking's outstanding assets under management totalled EUR 108 billion (versus EUR 84 billion at end-2013). This increase can in large part be attributed to the implementation of the new Private Banking organisational structure in France.

Societe Generale Private Banking employs nearly 2,000 people and its operation covers 14 countries.

(1) Source Blackrock ETF Landscape, ranking by total assets under management.

2

GROUP MANAGEMENT REPORT

1. Societe Generale Group main activities 22
2. Group activity and results 24
   - Analysis of the Consolidated Income Statement 24
3. Activity and results of the core businesses 27
   - Results by core business 27
   - French Retail Banking 28
   - International Retail Banking and Financial Services 29
   - Global Banking and Investor Solutions 33
   - Corporate Centre 38
   - Definitions and methodology 39
4. Significant new products or services 42
5. Analysis of the consolidated balance sheet 46
   - Main changes in the consolidated balance sheet 47
   - Changes in major consolidated balance sheet items 47
6. Financial policy 49
   - Group shareholders' equity 49
   - Capital management 49
   - Group debt policy 51
   - Long-term ratings, short-term ratings and changes over the financial year 52
7. Major investments and disposals 53
8. Pending acquisitions and important contracts 54
9. Property and equipment 54
10. Post-closing events 54
11. Recent developments and outlook 55
12. Information about geographic locations and activities as at 31 December 2014 57
   - Locations by country or territory 58
   - Staff and financial information by country or territory 72

1. SOCIETE GENERALE GROUP MAIN ACTIVITIES

SOCIETE GENERALE GROUP

French Retail Banking (RBDF)		International Retail Banking and Financial Services (IBFS)			
FRANCE					
> Société Générale*		> Banque Française Commerciale Océan Indien	50%	> SG de Banque aux Antilles	100%
> Compagnie Générale d'Affacturage	100%	> Groupe CGL	100%	> Temsys	100%
> Généfim	100%	> Groupe SOGECAP	100%		
> Généfimmo Holding	100%	> Banque de Polynésie	72.1%		
> Groupe Boursorama	79.5%	> Société Générale Calédonienne de Banque	90.1%		
> Groupe Crédit du Nord	100%				
> Groupe Franfinance	100%				
> La Banque Postale Financement	35%				
> Sogébail	66.1%				
> Sogéfimur	100%				
> Sogéfinancement	100%				
> Sogelease France	100%				
> Sogéprom	100%				
> SG Capital Développement	100%				
> SG Capital Partenaires	100%				
> SG Services	100%				
> SGPI Societe Generale de Participations Industrielles	100%				
EUROPE					
> SG Factoring SPA *Italy*	100%	> Bank Republic *Georgia*	93.6%	> Komercni Banka A.S *Czech Republic*	61%
		> Banka Societe Generale *Albania*	88.6%	> Mobiasbanca *Moldavia*	87.9%
		> BRD-Groupe SG *Romania*	60.2%	> Ohridska Banka *Macedonia*	70%
		> Eurobank *Poland*	99.5%	> SKB Banka *Slovenia*	99.7%
		> Groupe ALD International	100%	> SG Banka SRBIJA *Serbia*	100%
		> Groupe Fiditalia Spa *Italy*	100%	> SG Express Bank *Bulgaria*	99.7%
		> Groupe GEFA Bank *Germany*	100%	> SG-Splitska Bank *Croatia*	100%
		> Groupe Rosbank *Russia*	99.5%	> Société Générale Banka *Montenegro*	90.6%
		> Groupe SG Equipment Finance	100%		
		> Hanseatic Bank *Germany*	75%		
		> ALD Lease Finanz	100%		
AFRICA - MEDITERRANEAN					
		> BFV SG *Madagascar*	70%	> SG Congo	87%
		> Eqdom *Morocco*	53.7%	> SG Marocaine de Banques	57%
		> SG Algérie	100%	> SG Tchad	66.2%
		> SG de Banques au Bénin	83.9%	> Societe Generale Burkina Faso	52.6%
		> SG de Banques au Cameroun	58.1%	> Societe Generale Ghana Limited	52.2%
		> SG de Banques en Côte d'Ivoire	73.2%	> Societe Generale Mauritanie	91.0%
		> SG de Banque en Guinée	57.9%	> Union Internationale de Banque *Tunisia*	55.1%
		> SG de Banque en Guinée Equatoriale	57.2%		
		> SG de Banque au Liban	16.8%		
		> SG de Banques au Sénégal	64.9%		
AMERICAS					
		> Banco Cacique S.A. *Brazil*	100%		
		> Banco Pecunia *Brazil*	100%		
ASIA - AUSTRALIA					
		> SG Leasing and Renting Co Ltd *China*	100%		
		> SG Mumbai *India*	100%		

* Parent Company

(1) Subsidiary of SGBT Luxembourg.

(2) In addition to its Private Banking activities, Societe Generale Bank & Trust Luxembourg also provides retail and corporate and investment banking services for its corporate customers.

Notes:

- the percentages given indicate the share of capital held by the Group;
- groups are listed under the geographic region where they carry out their principal activities.

Global Banking and Investor Solutions (GBIS)

FRANCE

> Societe Generale*	
> Amundi Group	20%
> CALIF	100%
> Inter Europe Conseil (IEC)	100%
> Lyxor Asset Management	100%
> Lyxor International Asset Management	100%
> Newedge Group SA	100%
> Parel	100%
> Sogefinerg	100%
> SGSS France	100%
> SG Option Europe	100%
> SG Securities (Paris) SAS	100%

EUROPE

> Newedge UK Financial Ltd London *United Kingdom*	100%
> Lyxor Asset Management UK LLP	100%
> SG Hambros Limited *United Kingdom*	100%
> SG Immobel *Belgium*	100%
> SG Investments (U.K.) Ltd *United Kingdom*	100%
> SG Issuer	100%
> SG Private Banking (Belgium)	100%
> SG Private Banking (Monaco)(1)	100%
> SG Private Banking (Suisse SA)(1)	100%
> SGCMF(1)	100%
> SGSS Deutschland Kapitalanlagegesellschaft mbH *Germany*	100%
> SGSS Spa *Italy*	100%
> Societe Generale Bank & Trust Luxembourg(2)	100%
> Societe Generale* branches in: Frankfurt *Germany*, London *United Kingdom*, Madrid *Spain*, Milan *Italy*, Zurich *Switzerland*	

AFRICA - MEDITERRANEAN

AMERICAS

> Banco SG Brazil SA	100%
> Lyxor Asset Management Inc	100%
> Newedge USA, LLC	100%
> Newedge Canada Inc	100%
> SG Americas, Inc. *United States*	100%
> SG Americas Securities, LLC *United States*	100%
> Societe Generale* branches in: New-York *United States*, Montreal *Canada*	

ASIA - AUSTRALIA

> Fortune SG Fund Management *China*	49.0%
> Lyxor Asset Management Japan Co Ltd	100%
> Newedge Japan Inc	100%
> Newedge Group Succursale de Hong Kong	100%
> SG Asia (Hong-Kong) Ltd	100%
> SG Securities Asia International Holdings Ltd (Hong-Kong)	100%
> SG Securities Korea Co., Ltd. *South Korea*	100%
> SG Securities North Pacific, Tokyo Branch *Japan*	100%
> Societe Generale (China) Ltd	100%
> Societe Generale* branches in: Singapore, Tokyo *Japan*, Seoul *South Korea*, Hong Kong, Taipei *Taiwan*	

2. GROUP ACTIVITY AND RESULTS

The financial information presented in respect of the 2014 financial year and comparative information in respect to the 2013 financial year have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. The consolidated financial statement and the Statutory Auditors' report are included in Chapter 6 of the Registration Document on page 343 and following. Further information and definitions are available on page 39 and 40.

Note that the data for the 2013 financial year have been restated due to the implementation of IFRS 10 and 11, resulting in the publication of adjusted data for the previous financial year.

* Information followed by an asterisk indicates "when adjusted for changes in Group structure and at constant exchange rates".

ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT

(In millions of euros)	2014	2013	Change	
Net banking income	23,561	22,433	+5.0%	+5.0%*
Operating expenses	(16,016)	(16,047)	-0.2%	-1.9%*
Gross operating income	**7,545**	**6,386**	**+18.1%**	**+23.7%***
Net cost of risk	(2,967)	(4,050)	-26.7%	-25.2%*
Operating income	**4,578**	**2,336**	**+96.0%**	**x2.1***
Net income from other assets	109	575	-81.0%	
Net income from companies accounted for by the equity method	213	61	x3.5	
Impairment losses on goodwill	(525)	(50)	NM	
Income tax	(1,384)	(528)	x2.6	
Net income before non-controlling interests	2,991	2,394	+24.9%	
o/w non-controlling Interests	*299*	*350*	*-14.6%*	
Group net income	**2,692**	**2,044**	**+31.7%**	**+30.8%***
Cost/income ratio	68.0%	71.5%		
Average allocated capital	42,665	41,934	+1.7%	
ROE after tax	**5.3%**	**4.1%**		
Total Capital ratio	**14.3%**	**13.4%**		

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

Net Banking Income

The Group's net banking income totalled EUR 23,561 million for 2014, up +5.0%* versus 2013. If non-economic items are stripped out, the Group's net banking income was slightly lower than in 2013 (-1.2%), in a particularly challenging economic environment in Europe.

- French Retail Banking (RBDF) revenues were down -1.1% excluding the PEL/CEL effect in 2014 at the end of a year marked by weak loan demand and revenue pressures caused by the new French banking law taking effect in 2014. However, RBDF provided further evidence of its commercial dynamism, with a record number of accounts opened in 2014.
- In International Retail Banking & Financial Services (IBFS), revenues were up +1.5%* in 2014 versus 2013, driven by the growth of activities outside Europe: accordingly, International Retail Banking in Africa, the Mediterranean Basin and Overseas saw its net banking income improve by +4.1%* while Financial Services to Corporates and Insurance enjoyed an increase of +6.7%* in 2014. Russia's net banking income was resilient (-0.8%*) in 2014.
- Global Banking & Investor Solutions (GBIS) posted slightly lower revenues in 2014 (-0.7%*). Financing & Advisory enjoyed a good year in 2014, with revenues up +11.7%*; all in all, Corporate and Investment Banking revenues were generally stable (-0.7%*) in 2014. In Asset and Wealth Management, revenues were up +2.5%* in 2014. In Securities Services and Brokerage, revenues were down -3.5%* versus 2013, but picked up at the end of the year.

The accounting impact of the revaluation of the Group's own financial liabilities was EUR -139 million in 2014 (EUR -1,594 million in 2013). The DVA impact (see page 41) totalled EUR +38 million in 2014 versus EUR +85 million in 2013. These two factors constitute the restated non-economic items in the analyses of the Group's results.

Operating Expenses

The Group's operating expenses amounted to EUR 16,016 million for 2014, down -1.9%* versus 2013. The decline testifies to the cost control efforts undertaken over several years and the effectiveness of the cost savings plan launched in 2013. The plan is designed to save EUR 900 million of recurring costs by 2015, and has already met more than 80% of its objectives for only around 60% of projected investment costs.

Operating Income

The Group's gross operating income amounted to EUR 7,545 million for 2014, versus EUR 6,386 million in 2013, up +23.7%*.

The businesses' gross operating income came to EUR 8,537 million in 2014, generally stable (+0.5%*) versus 2013.

The Group's net cost of risk amounted to EUR -2,967 million in 2014, down -25.2%* versus 2013. In particular, it included an additional EUR -400 million collective provision for litigation issues. This provision amounted to EUR 1.1 billion at end-2014.

The Group's commercial cost of risk (expressed as a fraction of outstanding loans) stood at 61[1] basis points in 2014 versus 75 basis points in 2013, despite a still challenging economic environment.

- In French Retail Banking, the commercial cost of risk was lower at 56 basis points (versus 66 basis points in 2013).
- At 123 basis points (versus 150 basis points in 2013), International Retail Banking & Financial Services' cost of risk was lower, with mixed trends according to geographical region. There was a significant improvement in Europe, notably in Romania where it was down -42.6%* despite an increase in the gross coverage ratio for doubtful outstandings to 71%. Conversely, in Russia, the commercial cost of risk increased in conjunction with the deterioration in the macroeconomic environment.
- Global Banking & Investor Solutions' cost of risk remained low in 2014 at 10 basis points (versus 13 basis points in 2013), confirming the quality of the loan portfolio.

The gross doubtful outstandings ratio, excluding legacy assets, was 5.6% at end-December 2014 (versus 6.0% at end-December 2013). The Group's gross coverage ratio for doubtful outstandings stood at 63%, up +2 points versus 2013.

The Group's operating income totalled EUR 4,578 million in 2014, versus EUR 2,336 million in 2013 due to the combined effect of a sharp decline in the net cost of risk and the impact of the revaluation of own financial liabilities.

The businesses' operating income was substantially higher in 2014 at EUR 5,973 million versus EUR 5,143 million in 2013, mainly in conjunction with the decline in the net cost of risk.

Net Income

After taking into account tax (the Group's effective tax rate was 29.5% for 2014) and the contribution of non-controlling interests, Group net income totalled EUR 2,692 million for 2014. In 2013, Group net income was EUR 2,044 million, with an effective tax rate of 18.1%.

When corrected for non-economic items (revaluation of own financial liabilities and DVA), Group net income amounted to EUR 2,759 million in 2014 versus EUR 3,033 million in 2013. This result includes notably EUR -525 million related to the goodwill write-down on the Group's activities in Russia and the consequences of the Group's withdrawal from consumer finance in Brazil for EUR -200 million, announced in February 2015.

(1) Annualised rate, excluding litigation issues and legacy assets in 2013, in respect of assets at the beginning of the period and including operating leases.

When corrected for non-economic and non-recurring items in 2014, the Group's ROE (see page 40) stood at 7.3% for 2014 (5.3% in absolute terms). It was 4.1% in absolute terms in 2013, and 7.8% excluding non-economic and non-recurring items.

Earnings per share amounts to EUR 2.92 at end-December 2014, after deducting interest payable to holders of deeply subordinated notes and undated subordinated notes(1). If the revaluation of own financial liabilities and DVA are stripped out, earnings per share amounts to EUR 3.00, after deducting interest payable to holders of deeply subordinated notes and undated subordinated notes(1).

Based on these results, the Board of Directors has decided to propose the payment of a dividend of EUR 1.20 per share, payable in cash, to the Annual General Meeting, with dividend detachment on 26th May 2015 and payment on 28th May 2015, subject to a favourable vote by the Annual General Meeting on 19th May 2015. This amount corresponds to 40% of earnings per share (see page 40), net of the effect of non-economic items (revaluation of own financial liabilities and DVA).

(1) The interest, net of tax effect, payable to holders of deeply subordinated notes and undated subordinated notes amounts to respectively EUR 413 million and EUR 7 million for 2014; it is also necessary to reintegrate a buyback capital loss amounting to EUR 6 million (see page 40).

3. ACTIVITY AND RESULTS OF THE CORE BUSINESSES

Note that data for 2013 have been restated due to the implementation of IFRS 10 and 11, resulting in the publication of adjusted data for the previous year.

RESULTS BY CORE BUSINESS

(In millions of euros)	French Retail Banking		International Retail Banking and Financial Services		Global Banking and Investor Solutions		Corporate Centre		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net banking income	8,275	8,437	7,456	7,762	8,726	8,382	(896)	(2,147)	23,561	22,433
Operating expenses	(5,356)	(5,358)	(4,279)	(4,367)	(6,285)	(6,073)	(96)	(249)	(16,016)	(16,047)
Gross operating income	**2,919**	**3,079**	**3,177**	**3,395**	**2,441**	**2,308**	**(992)**	**(2,396)**	**7,545**	**6,386**
Net cost of risk	(1,041)	(1,258)	(1,442)	(1,835)	(81)	(546)	(403)	(411)	(2,967)	(4,050)
Operating income	**1,878**	**1,821**	**1,735**	**1,560**	**2,360**	**1,762**	**(1,395)**	**(2,807)**	**4,578**	**2,336**
Net income from other assets	(21)	2	(198)	6	(5)	4	333	563	109	575
Net income from companies accounted for by the equity method	45	37	50	31	98	(32)	20	26	213	61
Impairment losses on goodwill	0	0	(525)	0	0	(50)	0	0	(525)	(50)
Income tax	(704)	(656)	(467)	(438)	(519)	(462)	306	1,028	(1,384)	(528)
Net income before non-controlling interests	1,198	1,203	595	1,160	1,934	1,222	(736)	(1,191)	2,991	2,394
o/w non-controlling interests	*(7)*	*7*	*214*	*177*	*16*	*16*	*76*	*150*	*299*	*350*
Group net income	**1,205**	**1,196**	**381**	**983**	**1,918**	**1,206**	**(812)**	**(1,341)**	**2,692**	**2,044**
Cost/income ratio	64.7%	63.5%	57.4%	56.3%	72.0%	72.5%	NM	NM	68.0%	71.5%
Average allocated capital	9,963	9,625	10,190	10,512	13,060	14,742	9,452*	7,050*	42,665	41,934

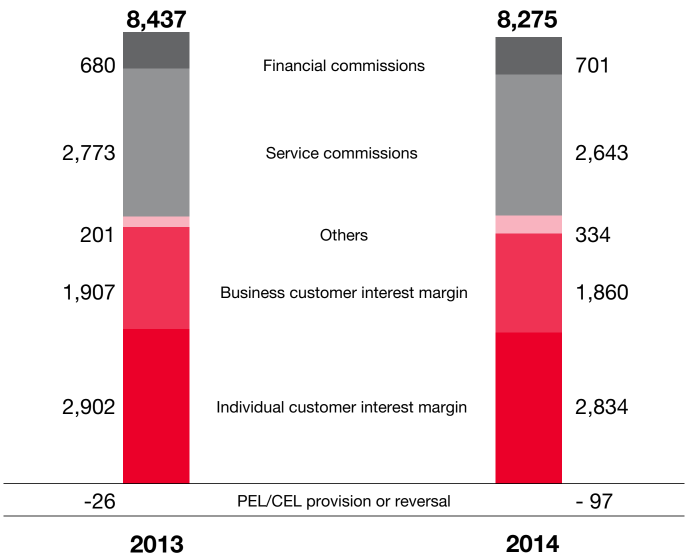
* Calculated as the difference between total Group capital and capital allocated to the core businesses.

FRENCH RETAIL BANKING

(In millions of euros)	2014	2013	Change	
Net banking income	8,275	8,437	-1.9%	-1.1%(1)
Operating expenses	(5,356)	(5,358)	0.0%	
Gross operating income	**2,919**	**3,079**	**-5.2%**	**-2.8%(1)**
Net cost of risk	(1,041)	(1,258)	-17.3%	
Operating income	**1,878**	**1,821**	**+3.1%**	
Net income from other assets	(21)	2	NM	
Net income from companies accounted for by the equity method	45	37	+22.2%	
Impairment losses on goodwill	0	0	NM	
Income tax	(704)	(656)	+7.3%	
Net income before non-controlling interests	1,198	1,203	-0.4%	
o/w non-controlling interests	*(7)*	*7*	*NM*	
Group net income	**1,205**	**1,196**	**+0.8%**	**+4.3 %(1)**
Cost/income ratio	64.7%	63.5%		
Average allocated capital	9,963	9,625	+3.5%	

(1) Excluding PEL/CEL effect.

BREAKDOWN OF FRENCH RETAIL BANKING NBI (IN MILLIONS OF EUROS)



In a persistently challenging macroeconomic environment, French Retail Banking delivered resilient sales and forged ahead with its strategy of innovating for its customers.

The French Networks also demonstrated the solidity of their customer bases in terms of new customers earned: the number of net current account openings for individual customers hit a record 221,000 in 2014, increasing for all three brands (Societe Generale, Crédit du Nord and Boursorama), i.e. +30.3% overall compared to 2013. Boursorama topped the 600,000 customer mark in France, overshooting its target for 2014.

Outstanding balance sheet deposits were up +4.9% year-on-year to EUR 162.4 billion, buoyed by a strong showing in the business customers segment. By type of savings vehicle, growth was driven by the +7.2% rise in demand deposits on 2013. At the same time gross new life insurance business climbed +9.0%, with the percentage of new unit-linked policies in total new life insurance business up four points on 2013 to 14%.

French Retail Banking continued to support business and individual customers in funding their projects. However, given the constraints of the economic environment, demand for investment loans was relatively sluggish. Overall, outstanding loans dipped slightly by -2.7% year-on-year to EUR 78.2 billion for commercial and business customers, and by -1.1% year-on-year to EUR 96.1 billion for individual customers. On the plus side, new loans to business customers rose 0.5% on 2013, while new factoring and leasing business increased by +37.9% and +34.1%, respectively, on 2013.

The average Loan-to-Deposit ratio improved by 8 points from 116% in 2013 to 108% in 2014.

French Retail Banking revenues proved resilient, with net banking income of EUR 8,373 million, down -1.1% compared to 2013, after neutralising the impact of PEL/CEL provisions. The interest margin was up +0.4% on 2013 (excluding PEL/CEL provisions), with the rise in outstanding deposits and the margin on loans offsetting the decline in deposit reinvestment rates and in outstanding loans. Fee income slid -3.1% over the same period, mainly due to the new ceiling on bank processing fees.

Operating expenses were stable versus 2013, with the impact of cost-saving plans offsetting some of the non-recurring costs incurred in fourth-quarter 2014, while cost of risk fell sharply (-17.3% on 2013). As a result, operating income improved by +3.1% compared to 2013.

On the whole, French Retail Banking made a solid contribution of EUR 1,205 million to Group net income, up +0.8% year-on-year.

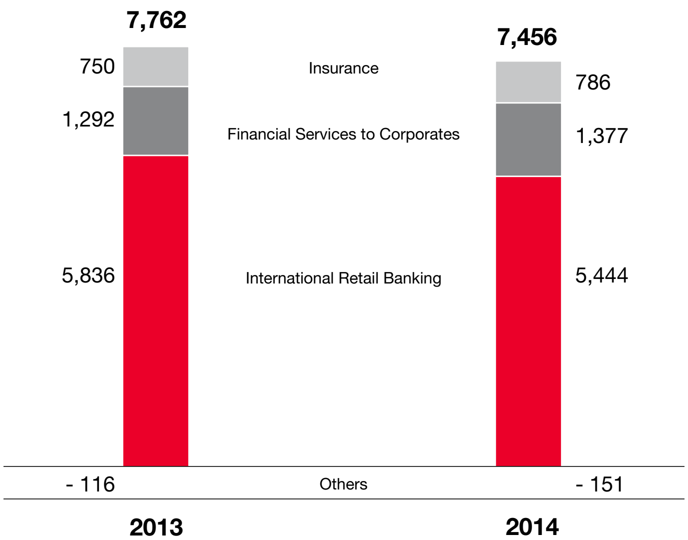
INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

(In millions of euros)	2014	2013	Change	
Net banking income	7,456	7,762	-3.9%	+1.5%*
Operating expenses	(4,279)	(4,367)	-2.0%	+3.4%*
Gross operating income	**3,177**	**3,395**	**-6.4%**	**-1.0%***
Net cost of risk	(1,442)	(1,835)	-21.4%	-18.3%*
Operating income	**1,735**	**1,560**	**+11.2%**	**+20.3%***
Net income from other assets	(198)	6	NM	
Net income from companies accounted for by the equity method	50	31	+60.8%	
Impairment losses on goodwill	(525)	0	NM	
Income tax	(467)	(438)	+6.7%	
Net income before non-controlling interests	595	1,160	-48.7%	
o/w non-controlling interests	*214*	*177*	*+20.9%*	
Group net income	**381**	**983**	**-61.2%**	**-58.1%***
Cost/income ratio	57.4%	56.3%		
Average allocated capital	10,190	10,512	-3.1%	

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

Note: The results of the International Retail Banking and Financial Services pillar include the results of International Retail Banking, Financial Services to Corporates, Insurance, and income and expenses not directly related to the activity of the businesses.

BREAKDOWN OF INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES NBI (IN MILLIONS OF EUROS)



The division posted revenues of EUR 7,456 million in 2014, up +1.5%* on 2013, while operating expenses for the same period came to EUR -4,279 million (+3.4%*). Gross operating income for the year amounted to EUR 3,177 million (-1.0%*). Cost of risk improved substantially in 2014 (particularly in Romania), falling -18.3%* to EUR -1,442 million. Overall, the division generated Group net income of EUR 381 million in 2014, undermined by a goodwill impairment loss on the Group's Russian operations in first-quarter 2014 in the amount of EUR -525 million and a non-recurring expense of EUR -200 million related to the decision to exit from the consumer finance business in Brazil which was included in the results for the fourth-quarter 2014. Restated for these items, the division contributed EUR 1,106 million to Group net income, up +12.5% on 2013 (EUR 983 million).

International Retail Banking

(In millions of euros)	2014	2013	Change	
Net banking income	5,444	5,836	-6.7%	+0.2%*
Operating expenses	(3,244)	(3,380)	-4.0%	+3.3%*
Gross operating income	**2,200**	**2,456**	**-10.4%**	**-4.1%***
Net cost of risk	(1,355)	(1,740)	-22.1%	-19.0%*
Operating income	**845**	**716**	**+18.0%**	**+35.6%***
Net income from other assets	(198)	7	NM	
Net income from companies accounted for by the equity method	14	9	+53.8%	
Impairment losses on goodwill	(525)	0	NM	
Income tax	(194)	(174)	+11.6%	
Net income before non-controlling interests	(58)	558	NM	
o/w non-controlling interests	*216*	*170*	*+27.1%*	
Group net income	**(274)**	**388**	**NM**	**NM***
Cost/income ratio	59.6%	57.9%		
Average allocated capital	6,563	6,684	-1.8%	

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

At end-December 2014, growth in International Retail Banking's outstanding loans held steady compared to 2013 (+1.5%*) at EUR 77.1 billion, including a considerable upturn in the Czech Republic, Germany and Sub-Saharan Africa. The division saw particularly robust growth in outstanding deposits (+7.0%* on 2013) to EUR 70.9 billion, with very dynamic inflows in Central and Eastern European and Sub-Saharan African countries.

The business line's were stable (+0.2%* on 2013) at EUR 5,444 million. The robust performance delivered in Western Europe, Central and Eastern Europe and Sub-Saharan Africa was offset by declines in the Czech Republic and Romania. Operating expenses rose +3.3%* compared to 2013. At EUR 2,200 million, gross operating income was down -4.1%* year-on-year. International Retail Banking made a negative contribution of EUR -274 million to Group net income in 2014, due to a goodwill impairment loss on the Group's Russian operations and a non-recurring expense linked to the exit from the consumer finance business in Brazil (compared to a positive contribution of EUR 388 million in 2013).

In Western Europe, where the Group is present in France, Germany and Italy (predominantly in consumer finance activities), sales were up slightly by 1.1%* in 2014 despite the economic slowdown. Outstanding loans amounted to EUR 13.8 billion at year-end, revenues EUR 663 million and gross operating income EUR 325 million. Western Europe's contribution to Group net income increased by +28.7% on 2013 to EUR 66 million.

In the Czech Republic, Komercni Banka's (KB) innovation efforts drove solid sales momentum, leading to a +4.4%* gain in outstanding loans year-on-year to EUR 18.2 billion and 37,000 new customers over the year. Despite this positive volume effect, revenues fell over the full year (-2.3%*) to EUR 990 million due to persistently low interest rates. Over the same period, operating expenses were kept under control, shedding -0.5%* to EUR -498 million, and the contribution to Group net income remained high at EUR 205 million in 2014 versus EUR 223 million in 2013.

In Romania, where credit demand remained low, the BRD Group's outstanding loans slid -4.5%* on 2013 to EUR 6.1 billion, whereas outstanding deposits were stable* at EUR 8.1 billion. Revenues were down -8.0%* to EUR 538 million in 2014 due to the combined effect of a drop in volumes and pressure on margins. Thanks to strict cost controls, operating expenses decreased by -1.1%* to EUR -318 million. The BRD Group posted a smaller net loss of EUR -27 million in 2014 (vs. EUR -99 million in 2013), with a substantial improvement in cost of risk over the period.

With the Russian market under pressure in 2014, the Group strengthened its balance sheet structure through proactive asset and liability management. Outstanding loans were down -1.7%* on 2013 to EUR 9.4 billion, due to increased selectivity in new lending. Meanwhile, the deposit base was consolidated, with outstanding deposits up +1.6%* year-on-year to EUR 6.7 billion (exclusively in RUB). The loan-to-deposit ratio improved further in 2014 (99% at end-2014 versus 115% at end-2013 for Rosbank). The Russian entities also posted solid capital and liquidity levels at the end of the year. Against this backdrop, financial performance was resilient in 2014, with net banking income dipping -0.8%* to EUR 1.1 billion and costs under control at EUR 0.8 billion (+8.0%* compared to 2013 – below inflation). The contribution to Group net income was a loss of EUR 538 million, after taking into account the total goodwill impairment loss on Russian operations, versus a gain of EUR 128 million in 2013.

Overall, SG Russia[1] contributed EUR 28 million to Group net income in 2014, excluding the goodwill impairment loss.

In other European countries, the Group expanded its customer base (+105,000 customers compared to 2013 in the Balkans) and increased deposit inflows in 2014 (outstanding deposits up +13.3%* to EUR 10.2 billion year-on-year). Revenues climbed +2.3%* to EUR 651 million, operating expenses rose 1.8%* to EUR 446 million and net income totalled EUR 67 million.

In other regions, outstanding loans increased by +2.6%* year-on-year to EUR 18.8 billion, with very robust sales momentum in Africa (+16.3%*). Outstanding deposits were up +8.2%*. Revenues climbed +4.1%* on 2013 to EUR 1,514 million. Over the same period, operating expenses rose +4.1%* as a result of commercial development. The contribution to Group net income was a loss of EUR -47 million (vs. EUR 118 million in 2013) due to a non-recurring expense of EUR -200 million linked to the exit from the consumer finance business in Brazil. Restated for this item, the contribution to Group net income was EUR 153 million.

Financial Services to Corporates

(In millions of euros)	2014	2013	Change	
Net banking income	1,377	1,292	+6.6%	+7.3%*
Operating expenses	(716)	(676)	+6.0%	+6.7%*
Gross operating income	**661**	**616**	**+7.3%**	**+7.9%***
Net cost of risk	(88)	(103)	-14.3%	-13.0%*
Operating income	**573**	**513**	**+11.6%**	**+12.0%***
Net income from other assets	0	(1)	NM	
Net income from companies accounted for by the equity method	37	25	+48.0%	
Impairment losses on goodwill	0	0	NM	
Income tax	(181)	(161)	+12.1%	
Net income before non-controlling interests	429	376	+14.1%	
o/w non-controlling interests	*5*	*5*	*0.0%*	
Group net income	**424**	**371**	**+14.3%**	**+14.8%***
Cost/income ratio	52.0%	52.3%		
Average allocated capital	1,941	2,131	-8.9%	

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

Financial Services to Corporates kept up robust sales momentum in 2014, with a +14.8%* increase in contribution to Group net income on 2013 to EUR 424 million.

At end-December 2014, Operational Vehicle Leasing and Fleet Management saw its fleet grow +9.8% year-on-year to over 1.1 million units, further shoring up its leading positions in Europe and worldwide, where it holds the No. 2 spot. This performance was driven in large part by key partnerships with auto manufacturers and banking networks, and by the expansion of the business in emerging countries.

Equipment and Vendor Finance activities maintained solid competitive positions (No. 1 in Europe) and boosted new business by +18.0%* year-on-year to EUR 6.6 billion (excluding factoring). New business margins were once again satisfactory. At end-December 2014, outstanding loans were back on the growth path at EUR 15.0 billion (excluding factoring), i.e. +3.5%* compared to end-December 2013.

Net banking income generated by Financial Services to Corporates improved +7.3%* to EUR 1,377 million in 2014. Operating expenses climbed to EUR 716 million (versus EUR 676 million in 2013). Operating income came out at EUR 573 million, up +12.0%* on 2013.

(1) SG Russia's net income is the combined contribution of Rosbank, Delta Credit Bank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive and their consolidated subsidiaries to the businesses' results.

Insurance

(In millions of euros)	2014	2013	Change	
Net banking income	786	750	+4.8%	+5.6%*
Operating expenses	(301)	(280)	+7.5%	+8.5%*
Gross operating income	**485**	**470**	**+3.2%**	**+4.0%***
Net cost of risk	0	0	NM	+100.0%*
Operating income	**485**	**470**	**+3.2%**	**+3.9%***
Net income from other assets	0	0	NM	
Net income from companies accounted for by the equity method	0	0	NM	
Impairment losses on goodwill	0	0	NM	
Income tax	(155)	(150)	+3.3%	
Net income before non-controlling interests	330	320	+3.1%	
o/w non-controlling interests	*1*	*2*	*-50.0%*	
Group net income	**329**	**318**	**+3.5%**	**+3.9%***
Cost/income ratio	38.3%	37.3%		
Average allocated capital	1,566	1,491	+5.0%	

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

The Insurance business also maintained robust sales momentum in 2014. Assets under management in life insurance savings vehicles climbed +7.0%* year-on-year to EUR 90.2 billion and net inflows rose substantially both in France and internationally, amounting to EUR 3.4 billion in 2014. Premiums in personal protection and non-life insurance also rose compared to 2013 (+2.7%*). The business continued to implement its strategy aimed at broadening its product range and increasing penetration rates among the different distributors.

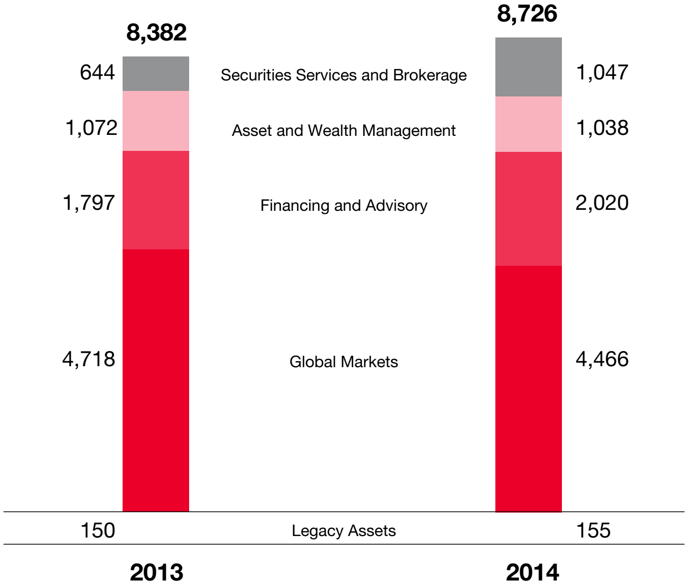
The Insurance business delivered a good financial performance in 2014, with net banking income up +5.6%* on 2013 to EUR 786 million and a persistently low cost/income ratio (38.3% in 2014). Contribution to Group net income improved by +3.9%* year-on-year to EUR 329 million in 2014.

GLOBAL BANKING AND INVESTOR SOLUTIONS

(In millions of euros)	2014	2013	Change	
Net banking income	8,726	8,382	+4.1%	-0.7%*
Operating expenses	(6,285)	(6,073)	+3.5%	-4.4%*
Gross operating income	**2,441**	**2,308**	**+5.8%**	**+10.4%***
Net cost of risk	(81)	(546)	-85.2%	-84.7%*
Operating income	**2,360**	**1,762**	**+33.9%**	**+40.8%***
Net income from other assets	(5)	4	NM	
Net income from companies accounted for by the equity method	98	(32)	NM	
Impairment losses on goodwill	0	(50)	NM	
Income tax	(519)	(462)	+12.3%	
Net income before non-controlling interests	1,934	1,222	+58.3%	
o/w non-controlling interests	*16*	*16*	*0.0%*	
Group net income	**1 918**	**1,206**	**+59.1%**	**+48.1%***
Cost/income ratio	72.0%	72.5%	+0.6%	
Average allocated capital	13,060	14,742	-11.4%	

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

BREAKDOWN OF GLOBAL BANKING & INVESTOR SOLUTIONS NBI (IN MILLIONS OF EUROS)



The GBIS division's revenues rose +4.1% year-on-year to EUR 8,726 million, thanks in large part to the consolidation of Newedge. When adjusted for changes in Group structure and at constant exchange rates, revenues dipped slightly by -0.7%* on 2013. This can be attributed primarily to a decline in Global Markets activity, despite a major comeback in Financing and Advisory activities and a solid showing by the other business lines.

Global markets

(In millions of euros)	2014	2013	Change	
Net banking income	4,621	4,868	-5.1%	-5.3%*
Operating expenses	(3,051)	(3,374)	-9.6%	-9.9%*
Gross operating income	**1,570**	**1,494**	**+5.1%**	**+5.2%***
Net cost of risk	(36)	(381)	-90.6%	-90.5%*
Operating income	**1,534**	**1,113**	**+37.9%**	**+38.0%***
Net income from other assets	0	0	NM	+100.0%*
Net income from companies accounted for by the equity method	0	1	-100.0%	
Impairment losses on goodwill	0	0	NM	
Income tax	(399)	(401)	-0.5%	
Net income before non-controlling interests	1,135	713	+59.3%	
o/w non-controlling interests	*11*	*13*	*-15.4%*	
Group net income	**1,124**	**700**	**+60.6%**	**+60.7%***
Cost/income ratio	66.0%	69.3%		
Average allocated capital	7,101	9,169	-22.6%	

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

The markets were highly unstable in 2014, as additional interest rate cuts were made and risk aversion led to low volatility levels and volumes. Against this backdrop, Global Markets saw its revenues slide by -5.1% year-on-year to EUR 4,621 million or -3.1% restated for a gain on recovery on a claim in 2013.

- Equities revenues came out at EUR 2,379 million in 2014, down -5.5% compared to 2013 or -1.7% excluding the gain on recovery on a claim in 2013. Despite the adverse conditions prevailing over the year, equity derivatives proved their resilience by recording only a limited decline in revenues. The Group also firmed up its positions in cash equity and listed products (No. 1 with 11.9% market share in warrants in 2014). Revenues from structured products were solid as ever, buoyed by growing business with customers.
- At EUR 2,242 million, Fixed Income, Currencies and Commodities recorded a -4.6% decline in revenues year-on-year, spurred by turbulent markets affected by falling interest rates and evolving monetary policies. The excellent showing from emerging market activities and higher revenues in currencies and commodities helped mitigate the decreased revenues in fixed income and credit activities. Structured products recorded respectable revenues, reflecting the solidity of the customer franchise.

Financing and Advisory

(In millions of euros)	2014	2013	Change	
Net banking income	2,020	1,797	+12.4%	+11.7%*
Operating expenses	(1,278)	(1,216)	+5.1%	+3.6%*
Gross operating income	**742**	**581**	**+27.7%**	**+ 29.0%***
Net cost of risk	(43)	(138)	-68.8%	-69.3%*
Operating income	**699**	**443**	**+ 57.8%**	**+60.7%***
Net income from other assets	(10)	3	NM	NM*
Net income from companies accounted for by the equity method	0	0	NM	
Impairment losses on goodwill	0	0	NM	
Income tax	(87)	(14)	x 6.2	
Net income before non-controlling interests	602	432	+39.4%	
o/w non-controlling interests	*1*	*2*	*-50.0%*	
Group net income	**601**	**430**	**+39.8%**	**+41.6%***
Cost/income ratio	63.3%	67.7%		
Average allocated capital	3,886	3,425	+13.5%	

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

Financing and Advisory did well in 2014, generating revenues of EUR 2,020 million (+12.4%).

All the business lines made a positive contribution to this performance: capital markets activities boasted the biggest increase in revenues, financing of natural resources enjoyed a very good year despite falling commodity prices, and revenues from structured financing activities improved.

Asset and Wealth Management

(In millions of euros)	2014	2013	Change	
Net banking income	1,038	1,072	-3.2%	+2.5%*
Operating expenses	(869)	(842)	+3.2%	+6.7%*
Gross operating income	**169**	**230**	**-26.6%**	**-14.0%***
Net cost of risk	(6)	(27)	-77.8%	-46.6%*
Operating income	**163**	**203**	**-19.8%**	**-12.1%***
Net income from other assets	3	0	NM	
Net income from companies accounted for by the equity method	98	114	-14.2%	
Impairment losses on goodwill	0	0	NM	
Income tax	(46)	(47)	-1.3%	
Net income before non-controlling interests	218	271	-19.6%	
o/w non-controlling interests	*2*	*0*	*NM*	
Group net income	**216**	**271**	**-20.3%**	**-16.0%***
Cost/income ratio	83.7%	78.5%		
Average allocated capital	1,025	1,009	+1.6%	

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

Revenues for the Asset and Wealth Management business line amounted to EUR 1,038 million in 2014, up +2.5%* when adjusted for changes in Group structure and at constant exchange rates.

Private Banking assets under management hit EUR 108 billion at end-December, including the AuM from the new Private Banking model in France that was launched at the start of the year.

The EUR +4.2 billion in inflows earned in 2014 has already partially offset the loss of assets from the sale of the Group's private banking operations in Asia, thus illustrating the accelerated development in its core European markets.

Stepping up Groupwide synergies was another top priority over the year: in France with the development of the relationship banking model, internationally with the launch of a new Private Banking offer in Croatia, and through greater cooperation with the Global Markets business line in a bid to develop new products tailored to the specific needs of certain customer segments.

Private Banking turned in net banking income of EUR 815 million, up +2.1%* on 2013, and kept up a robust gross margin of 107 bp (excluding Asia).

Lyxor posted assets under management of EUR 83.6 billion, driven by solid inflows in ETFs, a segment in which Lyxor consolidated its No. 3 position in Europe. Revenues climbed +8.5%* year-on-year to EUR 202 million.

Securities Services and Brokerage

(In millions of euros)	2014	2013	Change	
Net banking income	1,047	644	+62.5%	-3.5%*
Operating expenses	(1,087)	(641)	-69.5%	-4.4%*
Gross operating income	**(40)**	**3**	**NM**	**+24.1%***
Net cost of risk	4	(0)	NM	NM*
Operating income	**(36)**	**3**	**NM**	**+31.9%***
Net income from other assets	2	1	x 2.2	
Net income from companies accounted for by the equity method	0	(148)	+100.0%	
Impairment losses on goodwill	0	(50)	+100.0%	
Income tax	13	(0)	NM	
Net income before non-controlling interests	(21)	(194)	+89.2%	
o/w non-controlling interests	*2*	*1*	*+100.0%*	
Group net income	**(23)**	**(195)**	**+88.2%**	**+72.8%***
Cost/income ratio	103.8%	99.5%		
Average allocated capital	1,048	1,139	-8.0%	

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

Securities Services saw assets under custody rise +8.7% on 2013 to EUR 3,854 billion and assets under administration gain +11.1% to EUR 549 billion over the same period.

At EUR 659 million, the business line's revenues improved by +2.6% compared to 2013, with the boost in fee income offsetting the adverse impact of the continuous drop in interest rates.

Newedge made further progress in transforming its Brokerage business and integrating it with the Global Markets activities. Revenues declined by -10.4%* relative to 2013.

CORPORATE CENTRE

(In millions of euros)	2014	2013	Change
Net banking income	(896)	(2,147)	+58.3%
Operating expenses	(96)	(249)	-61.4%
Gross operating income	**(992)**	**(2,396)**	**+58.6%**
Net cost of risk	(403)	(411)	-1.9%
Operating income	**(1,395)**	**(2,807)**	**+50.3%**
Net income from other assets	333	563	-40.9%
Net income from companies accounted for by the equity method	20	26	-21.7%
Impairment losses on goodwill	0	0	NM
Income tax	306	1,028	-70.2%
Net income before non-controlling interests	(736)	(1,191)	+38.2%
o/w non-controlling interests	*76*	*150*	*-49.3%*
Group net income	**(812)**	**(1,341)**	**+39.4%**

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

The Corporate Centre includes:

- management of the registered office's property portfolio,
- the Group's equity investment portfolio,
- the Group's Treasury functions, certain costs related to cross-business projects and certain costs incurred by the Group and not reinvoiced.

The Corporate Centre's revenues came to EUR -896 million in 2014, including in particular the revaluation of the Group's own financial liabilities (EUR -139 million, vs. EUR -1,594 million in 2013).

Operating expenses amounted to EUR -96 million in 2014 versus EUR -249 million in 2013.

Gross operating income adjusted for the revaluation of own financial liabilities was EUR -853 million in 2014 versus EUR -802 million in 2013.

Net cost of risk was EUR -403 million, including EUR -400 million in additional collective provisions for disputes, bringing the total for this provision to EUR 1.1 billion.

The Corporate Centre contributed EUR -812 million to Group net income in 2014 (vs. EUR -1,341 million in 2013), or EUR -721 million adjusted for the revaluation of own financial liabilities (EUR -296 million in 2013, which notably included the impact of the disposal of Egyptian subsidiary NSGB for EUR +417 million).

DEFINITIONS AND METHODOLOGY

Segment Information

The Group is managed based on a matrix structure, reflecting both its core businesses and its geographical structure. Segment information is therefore presented under those two levels.

The results allocated to each business line encompass income and costs directly incurred by each business, and the remuneration of capital allocated to each business line, (except for the Corporate Centre). The remuneration of allocated capital is defined using a reference rate, which is the estimated return on equity. In return, the remuneration of equity per accounts of each business line is allocated to the Corporate Centre. Transactions between Group businesses are concluded at arms-length, with terms and conditions similar to those applicable to external counterparts.

The core businesses reflect the Group's management method, through its three strategic pillars:

- **French Retail Banking**, which includes the domestic networks Societe Generale, Crédit du Nord and Boursorama;
- **International Retail Banking & Financial Services**
  - International Retail Banking including consumer finance activities;
  - Financial Services to Corporates and Insurance (operational vehicle leasing and fleet management, equipment finance and insurance activities);
- **Global Banking and Investor Solutions** encompassing:
  - Corporate and Investment Banking via the "Global Markets" and "Financing & Advisory" business lines;
  - Asset and Wealth Management;
  - Securities Services and Brokerage.

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

Capital Allocation

From 1 January 2014, the allocation of normative capital to the core businesses on the basis of their capital consumption is determined in accordance with CRR rules (10% of their risk weighted assets, supplemented by the consumption of Common Equity Tier 1 capital chargeable to each core business, after taking into account non-controlling interests and the adjustment of capital consumption related to the insurance activities). 2013 data have been adjusted further to a new allocation of capital following the implementation of CRR/CRD4. This capital allocation rule therefore applies to the Group's 3 core businesses (French Retail Banking, International Retail Banking & Financial Services and Global Banking and Investor Solutions) and allows an evaluation of capital consumption by activity as well as their level of profitability on an autonomous and uniform basis, by taking account of the Group's regulatory constraints.

Net Banking Income

Net banking income (NBI) for each core business includes:

- revenues generated by its activity;
- the yield on normative capital allocated to the core businesses, which is the yield on normative capital allocated to the core businesses, which is calculated on the basis of a long-term rate by currency. On the other hand, in order to facilitate the comparability of performances between the Group's different business lines, book capital is reassigned to the Corporate Centre at the same rate.

NB. Jointly to the change in capital allocation rules on 1 January 2014, historical remuneration of capital allocated to businesses has been adjusted for a combined effect that is neutral on the core businesses' historical results.

Moreover, capital losses and gains generated by the core businesses on the disposal of shares in non-consolidated entities, and income from the management of the Group's industrial and bank equity portfolios, are booked under NBI, as these securities are classified as available-for-sale financial assets.

Operating Expenses

Each core business' operating expenses include its direct expenses, its management overheads and a share of the head-office expenses, which are in principle almost fully redistributed between the core businesses. The Corporate Centre only books costs relating to its activity, along with certain technical adjustments.

Cost of Risk

Cost of risk is charged to each core business so as to reflect the cost of risk inherent in their activity during each financial year. Impairment losses concerning the whole Group are booked by the Corporate Centre.

Societe Generale's cost of risk is expressed in basis points. It is calculated by dividing the net allocation to provisions for commercial risks by average outstanding loans as at the end of the four quarters preceding the closing date.

Net Income from other assets

Net income from other assets essentially comprises capital losses and gains on operating fixed assets, or when the Group ceases to control a consolidated subsidiary, as well as goodwill immediately written down when the Group takes control of an entity and revalution of potential stakes priviously held by the Group in entities fully consolidated during the year.

Impairment Losses on Goodwill

Impairment losses on goodwill are booked by the core business to which the corresponding activity is attached.

Income Tax

The Group's tax position is managed centrally, with a view to optimising the consolidated expense.

Income tax is charged to each core business on the basis of a normative tax rate which takes into account the local tax rate of the countries in which it conducts its activities and the nature of its revenues. The difference between the income tax charged to the Group's consolidated companies and the sum of normative taxes of the strategic pillars is assigned to the Corporate Centre.

ROE

Group ROE is calculated on the basis of average Group shareholders' equity under IFRS excluding (i) unrealised or deferred capital gains or losses booked directly under shareholders' equity excluding conversion reserves, (ii) deeply subordinated notes, (iii) undated subordinated notes recognised as shareholders' equity ("restated"), and deducting (iv) interest payable to holders of deeply subordinated notes and of the restated, undated subordinated notes. The net income used to calculate ROE is based on Group net income excluding interest, net of tax impact, to be paid to holders of deeply subordinated notes for the period and, since 2006, holders of deeply subordinated notes and restated, undated subordinated notes (see below).

ROTE

The Group's ROTE is calculated on the basis of tangible capital, i.e. excluding cumulative average book capital (Group share), average net goodwill in the assets and underlying average goodwill relating to shareholdings in companies accounted for by the equity method. The net income used to calculate ROTE is based on Group net income excluding interest, interest net of tax on deeply subordinated notes for the period (including issuance fees paid, for the period, to external parties and the discount charge related to the issue premium for deeply subordinated notes) and interest net of tax on undated subordinated notes recognised as shareholders' equity for the current period (including issuance fees paid, for the period, to external parties and the discount charge related to the issue premium for undated subordinated notes).

Earnings per Share

For the calculation of **earnings per share**, "Group net income for the period" is corrected (reduced in the case of a profit and increased in the case of a loss) for capital gains/losses recorded on partial buybacks (i.e. a capital loss of EUR 6 million in 2014) and interest, net of tax impact, to be paid to holders of:

- deeply subordinated notes (EUR -413 million for 2014),
- undated subordinated notes recognised as shareholders' equity (EUR -7 million in 2014).

Earnings per share is therefore calculated as the ratio of corrected Group net income for the period to the average number of ordinary shares outstanding, excluding own shares and treasury shares but including (a) trading shares held by the Group and (b) shares held under the liquidity contract.

Net Assets

Net assets are comprised of Group shareholders' equity, excluding (i) deeply subordinated notes (EUR 9.4 billion), undated subordinated notes previously recognised as debt (EUR 0.3 billion) and (ii) interest payable to holders of deeply subordinated notes and undated subordinated notes, but reinstating the book value of trading shares held by the Group and shares held under the liquidity contract. **Tangible net assets** are corrected for net goodwill in the assets and goodwill under the equity method. In order to calculate Net Asset Value Per Share or Tangible Net Asset Value Per Share, the number of shares used to calculate book value per share is the number of shares issued at 31 December 2014, excluding own shares and treasury shares but including (a) trading shares held by the Group and (b) shares held under the liquidity contract.

Non-economic items, non-recurring items and legacy assets

Non-economic items correspond to the revaluation of own financial liabilities and DVA[1]. Details of these items, and other items that are restated, are given below for 2013 and 2014.

Note that the data concerning CVA[1] are communicated for information only; they are not restated at Group level.

(1) DVA (*Debit Value Adjustment*) and CVA (*Credit Value Adjustment*), value adjustments booked to reflect credit risk in accordance with IFRS 13.

2014	Net banking income	Operating expenses	Others	Cost of risk	Group net income	
Revaluation of own financial liabilities[1]	(139)				(91)	Corporate Centre
Accounting impact of DVA[1]	38				25	Group
Accounting impact of CVA	(7)				(5)	Group
Provision for disputes				(400)	(400)	Corporate Centre
Badwill Newedge			194		194	Corporate Centre
Capital gain on disposal of Private Banking subsidiary	(12)	(25)	141		102	Corporate Centre
Impairment & capital losses			(525)		(525)	International Retail Banking and Financial Services
Impact of withdrawal from consumer finance activity in Brazil			(200)		(200)	International Retail Banking and Financial Services
TOTAL	**(120)**				**(900)**	**Group**

2013	Net banking income	Operating expenses	Others	Cost of risk	Group net income	
Revaluation of own financial liabilities[1]	(1,594)				(1,045)	Corporate Centre
Accounting impact of DVA[1]	85				56	Group
Accounting impact of CVA	(208)				(136)	Group
Provision for disputes				(400)	(400)	Corporate Centre
Capital gain on NSGB disposal			417		377	Corporate Centre
Adjustment on TCW disposal			24		21	Corporate Centre
Impairment & capital losses			(8)		(8)	Corporate Centre
Capital gain on disposal of Private Banking subsidiary			166		126	Corporate Centre
Capital gain on Piraeus stake disposal	33				21	Corporate Centre
Impairment & capital losses			(50)		(50)	Global Banking and Investor Solutions
Impairment & capital losses			(131)		(131)	Global Banking and Investor Solutions
Impact of transaction with European Commission		(446)			(446)	Global Banking and Investor Solutions
Legacy assets	150	(64)		(382)	(210)	Global Banking and Investor Solutions
TOTAL	**(1,534)**				**(1,825)**	**Group**

(1) Non-economic items.

NB The sum of values contained in tables and analyses may differ slightly from the total reported figure because of rounding rules.

4. SIGNIFICANT NEW PRODUCTS OR SERVICES

Business division		New product or service
French Retail Banking	"SME personal equity plan" (January 2014, Societe Generale)	The new SME personal equity plan can invest in more than 300 listed SMEs and two eligible funds: SG Actions Euro PME and SG France PME.
	"SO-Music card" (June 2014, Societe Generale)	A new version of the payment card developed in partnership with Universal Music France, offering a wide range of services (smartphone app, music streaming, discounts on concert tickets, etc.).
	"Legal protection for professional customers" (April 2014, Societe Generale)	Designed to make day-to-day life easier for entrepreneurs and help them assert their rights.
	"Term account for associations and the public sector" (June 2014, Societe Generale)	12-month account offering a progressive rate of return; funds accessible with or without notice.
	"Avance évolutive" flexible advance (June 2014, Societe Generale)	*"Avance évolutive"* is an *à la carte* invoice financing offer (factoring with choice of invoices).
	"Discretionary portfolio management" (September 2014, Societe Generale)	An expanded discretionary portfolio management offer designed for Ebène Private Banking clients, including in particular access to external funds.
	"Grande Avenue" (October 2014, Societe Generale)	An online offer for members of the Jazz customer loyalty programme giving access to a large number of e-commerce sites, with great deals, discounts and a cash-back plan.
	"SME personal equity plan" (January 2014, Crédit du Nord)	This personal equity plan may be combined with the "ETOILE PME" fund and invests in all euro zone SME and ISE equities.
	"Homeowner's insurance sold by e-mail" (December 2014, Crédit du Nord)	Policy taken out completely online, with the estimate and the customer's acceptance sent by e-mail.
	"Regional passbook savings account" (November 2014, Crédit du Nord)	Savings vehicle promoting the regional economy.
	"SME personal equity plan" (February 2014, Boursorama)	A personal equity plan that can invest in all equities eligible for the SME personal equity plan and in 23 partner UCITS.
	"Personal protection insurance offer" (October 2014, Boursorama)	100% online personal protection insurance offer.
International Retail Banking and Financial Services	"Mobile APP" (January 2014; SGS – Serbia) (International Retail Banking)	A free new mobile app to keep customers up to date on SGS products and services, and to provide information on the promotional offers of its partners. The app also offers information on exchange rates, allows customers to directly contact the SGS customer call centre, and locates the nearest branch or ATM. The app is free and can be downloaded from Google Play Store on Android devices and from the App Store on iPhones.

Business division		New product or service
	"Mobiflouss" (March 2014; Eqdom – Morocco) (International Retail Banking)	A new mobile banking solution for customers whose credit application has been approved. With Mobiflouss, customers do not need a payment and/or withdrawal card – all they need is their mobile phone to access the funds from their loan at any Societe Generale Maroc ATM. Mobiflouss is a fully secure solution that validates the customer's telephone number and issues them a personal pin code.
	"Sogecashnet" (December 2014; SGBCI – Côte d'Ivoire) (International Retail Banking)	A new cash management solution specially reserved for business customers. What makes Sogecashnet innovative is the real-time alert system on sensitive transactions. In addition, customers can download transaction notices and account statements, and can view their accounts with other banks.
	"Vital Multisupport Premium" (July 2014; SGMA - Morocco) (International Retail Banking)	A new life insurance policy for wealth management clients. With Vital Multisupport Premium, clients can build their savings within a flexible framework in terms of investment profiles and vehicles, offering tax benefits via an innovative personal protection guarantee.
	"KB eTrading application" (November 2014; KB – Czech Republic) (International Retail Banking)	A new application for SMEs. The eTrading app allows businesses to conduct foreign exchange transactions, open term deposit accounts and expediently hedge against foreign exchange risk, directly through Komercni Banka's online banking service.
	"Packfonctionnaire" (December 2014; SGBC – Cameroon) (International Retail Banking)	A new offer reserved for civil servants, invoiced monthly. "Packfonctionnaire" offers an array of services: optional overdraft, preferred-rate loans, VISA card, online banking (MESSALIA) and a life insurance policy (QUIETUDE) covering any overdraft in the event of death.
	Auto loan with online response (April 2014; CGI – France) (Financial Services to Corporates and Insurance)	A new solution offering customers an online response to auto loan applications, at autosphere.fr. Developed in partnership with PGA Motors, this offer allows customers to choose from among nearly 100,000 multi-brand vehicles and conduct the entire purchase online: from the choice of the vehicle and its options to reservation and financing. After completing all these steps and receiving a preliminary online response to their loan application, customers then go to the dealership to finalise the sale and the credit application.
	"ALD Mobility Card" (June 2014; ALD Automotive – Netherlands) (Financial Services to Corporates and Insurance)	A new mobility service allowing a company's employees to use alternative transportation to the car such as the train, subway, bus, tram, taxi, self-service rental bike or car share, or even to reserve a shared workspace. With the mobility card, employees already leasing an ALD vehicle can also pay for parking on the street or in car parks. The card also helps minimise the impact of travel on the environment by offering a choice of faster and/or more eco-friendly means of transport.
Global Banking and Investor Solutions	"Risk Premia" allocation with SGI indices (Societe Generale Insurance Index) (Corporate and Investment Banking)	In September 2013, Societe Generale's Quant research team published a report on the concept of "Risk Premia" with a complete list of "Risk Premia" strategies. These strategies are based on a solid investment approach having relatively low correlation with traditional assets. In the original research paper, J. Turc, A. Lapthorne & their teams identified three categories of "Risk Premia": ■ Income; ■ Hedge/Momentum; ■ Relative Value. In a new article published in February 2014, J. Turc and A. Lapthorne explained that a "Risk Premia" portfolio would have to be created with a balanced allocation between Income and Hedge/Momentum strategies. Various "Risk Premia" investment solutions, with SGI indices, were successfully proposed to clients and carried out. SGI's comprehensive range makes it possible to build baskets of indices covering all asset classes, with a balanced allocation between Income and Hedge/Momentum strategies.
	"SG France PME" (March 2014, Corporate and Investment Banking)	SG France PME is the very first capital protection fund eligible for the new SME personal equity plan in France. This bespoke fund offers 70% capital protection at maturity, with secure and highly innovative access to the growth potential of the French ISE (intermediate-size enterprises) equity markets via the CAC PME index, a new index created by Euronext in conjunction with Societe Generale for the launch of the product.

Business division		New product or service
	"Europe Qualité Rendement Index" (May 2014, Corporate and Investment Banking)	The Europe Qualité Rendement Index (dividends not reinvested) is a new innovative index offering exposure to the European equity markets while hedging against foreign exchange risk. It comprises an equally-weighted basket of 25 to 75 European stocks selected quarterly according to several criteria: quality score (using filters for profitability, solidity of the company's financial structure and operational efficiency), default risk (using a filter incorporating the highest-rated stocks in terms of distance-to-default) and a high dividend yield.
	"SOLYS – Cross Asset Volatility Strategy" (May 2014, Corporate and Investment Banking)	SOLYS – Cross Asset Volatility Strategy is an open-ended Luxembourg UCITS IV sub-fund of the SOLYS fund. Launched in May 2013, the investment objective of SOLYS – Cross Asset Volatility Strategy is to offer dynamic exposure to the volatility of several asset classes (Equities, Fixed Income, Credit and Forex) through a strategy based on a systemic model aimed at generating high returns with diversified risk exposure. The Cross Asset Volatility Strategy aims to generate high returns by capturing volatility premiums in several asset classes including, but not limited to, equities, fixed income, forex and credit, while mitigating the risk of steep declines through diversification and risk management. Three EUR-denominated investment classes (A, B and EB) are available.
	"SGI Convex Family Indices" (February 2014, Corporate and Investment Banking)	The SGI Convex Family aims to replicate the delta on a put option when there is a downtrend on one of Societe Generale's selected proprietary indices over the 20 previous business days. The objective is to hedge against the widening of credit spreads or against interest rate hikes. The short position's exposure equals the delta on the put, whose strike price is close to the price of the underlying index 20 business days previous, with a maturity of one month: as such, the profile of the strategy is similar to that of a put on the underlying SG index, but at a lower cost.
	"ETF eligible for the SME personal equity plan" (April 2014, Private Banking and Asset Management)	Lyxor Asset Management (Lyxor) further expanded its range of innovative ETFs by launching the first ETF indexed to the CAC PEA-PME created by NYSE Euronext in March 2014, with limited management fees and meeting the criteria of funds eligible for the SME personal equity plan. With this new ETF, Lyxor is the first issuer to offer French investors easier access to a diversified portfolio of SMEs (index consisting of 40 companies as at April 2014). Investing in SMEs through this ETF opens up all the tax benefits of the SME personal equity plan while guarding against the liquidity risk sometimes associated with small caps. Other foreign or institutional investors may also be interested in the fundamentals-based construction of the index: the investment universe of the NYSE Euronext PEA-PME index does not vary according to market prices, but rather according to the actual economic reality experienced by companies.
	"AIFMD fund of funds" (May 2014, Private Banking and Asset Management)	In July 2013, the European AIFM Directive came into force. In line with this new regulation, designed specifically for alternative investment fund managers, Lyxor is gradually setting up a range of onshore solutions in Europe. In May 2014, Lyxor launched two managed account funds in AIFMD format: Lyxor Diversified Fund (LDF) and Lyxor Focus Fund (Focus). Both are liquid, multi-strategy funds invested in hedge funds distributed on Lyxor's world-renowned managed accounts platform. The funds replicate two of the oldest funds of funds strategies implemented by Lyxor, going all the way back to 2001 for LDF and 2006 for Focus. Their objective is to generate solid risk-adjusted returns having limited correlation with traditional asset classes, which makes them good sources of diversification in investor portfolios. Lyxor is one of the biggest funds of hedge funds managers in the world with USD 9.4 billion in assets under management at 31 December 2013. This initiative gives investors access to weekly liquidity, unrivalled transparency and sophisticated risk monitoring offered by Lyxor alternative investment solutions, in a format compliant with the AIFM Directive.
	Lyxor launches the Lyxor EuroGovies Risk-Balanced fund (November 2014, Private Banking and Asset Management)	The Lyxor EuroGovies Risk-Balanced fund was launched in November 2014. Designed for bank liquidity management purposes under Basel III, this investment solution limits the costs and risks associated with observation of the Liquidity Coverage Ratio (LCR), which have a direct impact on a bank's balance sheet and income statement. Lyxor implements a dynamic risk-balanced strategy focused on debt securities issued by Level 1 issuers, consisting predominantly of European sovereign bonds. The objective is to maximise the gains generated on this low-yield investment universe while maximising risk control.

Business division		New product or service
	ETF on the JPX-Nikkei 400 (September 2014, Private Banking and Asset Management)	Lyxor has launched the first ETF on the JPX-Nikkei 400 index on the Euronext Paris market. The JPX-Nikkei 400 is a fundamental index that selects companies mainly on the basis of ROE and operating income. It prefers companies that have adopted the strictest governance and transparency standards. It is already considered as a benchmark for the Japanese market: in April 2014, the Government Pension Investment Fund (GPIF) indicated it had added the JPX Nikkei-400 to its benchmark indices.
	Lyxor broadens its Risk Factor ETF range (October 2014, Private Banking and Asset Management)	Drawing on the success of its ETF range based on SG Quality Income strategies (assets under management of nearly USD 500 million), Lyxor has launched a new ETF replicating the SG Value Beta index, also seeking to outperform over the long term. The SG Value Beta index, recently developed by Andrew Lapthorne and Georgios Oikonomou, Global Quantitative Research Strategists at SG CIB, seeks to mirror the performance of a "brave" value investor's portfolio by investing in the 200 least expensive stocks in their respective sectors on the international developed markets.

5. ANALYSIS OF THE CONSOLIDATED BALANCE SHEET

ASSETS

(in billions of euros)	31.12.2014	31.12.2013*	% change
Cash, due from central banks	57.1	66.6	-14%
Financial assets measured at fair value through profit and loss	530.5	479.1	+11%
Hedging derivatives	19.4	11.5	+69%
Available-for-sale financial assets	143.7	130.2	+10%
Due from banks	80.7	75.4	+7%
Customer loans	344.4	332.7	+4%
Lease financing and similar agreements	26.0	27.7	-6%
Revaluation differences on portfolios hedged against interest rate risk	3.4	3.0	+12%
Held-to-maturity financial assets	4.4	1.0	x4.4
Tax assets	7.4	7.3	+2%
Other assets	65.2	54.2	+20%
Non-current assets held for sale	0.9	0.1	x8.7
Investments in subsidiaries and affiliates accounted for by equity method	2.8	2.8	-0%
Tangible and intangible fixed assets	17.9	17.6	+2%
Goodwill	4.3	5.0	-13%
Total	**1,308.2**	**1,214.2**	**8%**

LIABILITIES

(in billions of euros)	31.12.2014	31.12.2013*	% change
Due to central banks	4.6	3.6	+28%
Financial liabilities measured at fair value through profit and loss	480.3	425.8	+13%
Hedging derivatives	10.9	9.8	+11%
Due to banks	91.3	86.8	+5%
Customer deposits	349.7	334.2	+5%
Securitised debt payables	108.7	138.4	-21%
Revaluation differences on portfolios hedged against interest rate risk	10.2	3.7	x2.7
Tax liabilities	1.4	1.6	-12%
Other liabilities	75.1	53.5	+40%
Non-current liabilities held for sale	0.5	0.0	n/s
Underwriting reserves of insurance companies	103.3	91.5	+13%
Provisions	4.5	3.8	+18%
Subordinated debt	8.8	7.5	+18%
Shareholders' equity	55.2	50.9	+8%
Non-controlling Interests	3.6	3.1	+18%
Total	**1,308.2**	**1,214.2**	**8%**

* Amounts restated relative to the financial statements published in 2013, due to the retrospective application of IFRS 10 and IFRS 11 (see Note 2 of the consolidated financial statements, chapter 6 of this Registration Document).

At 31st December 2014, the Group's consolidated balance sheet totalled EUR 1,308.2 billion, an increase of EUR 94 billion (+8%) compared to 31st December 2013 (EUR 1,214.2 billion). The change in consolidation method applied to Newedge Group has an impact of more than 60%. After acquiring the 50% stake stake held by Crédit Agricole CIB on 7th May 2014, Newedge Group is fully consolidated by the Societe Generale Group. Its assets and liabilities are now presented on all lines of the consolidated balance sheet, whereas previously they were netted under *Investments in subsidiaries and affiliates accounted for by the equity method.*

MAIN CHANGES IN THE CONSOLIDATED BALANCE SHEET

The main changes to the consolidated scope taken at 31st December 2014 relative to the scope at 31st December 2013, after retrospective application of IFRS 10 and IFRS 11, are as follows:

- the Group gained exclusive control of Newedge Group after acquiring the stake held by Crédit Agricole CIB, bringing its own stake in the subsidiary to 100%. At the same time, the Group sold a 5% interest in Amundi to Crédit Agricole S.A, reducing its own stake from 25% to 20%. These transactions generated income of EUR 194 million, taken to profit and loss under *Net income from other assets*;
- after purchasing several minority interests, the Group's stake in Rosbank increased from 92.4% to 99.49%;
- after the tender offer initiated by the Group in May 2014, its stake in Boursorama rose from 57.24% to 79.51%;
- after purchasing minority interests, the Group's stake in Banque Nuger, a subsidiary sub-consolidated by Crédit du Nord, rose from 64.69% to 100%;
- the Group's shareholding in Union Internationale de Banques dropped from 57.20% to 55.10% following a capital increase;
- the Group's stake in Societe Generale Bénin climbed from 79.33% to 83.19% after the exercise of a put option granted to a minority shareholder and a capital increase;
- the Group sold its entire stake in the consumer finance activity in Hungary;
- in the second half of 2014, the Group finalised the sale of its private banking assets and liabilities in Asia. The resulting capital gain before tax of EUR 141 million was taken to profit and loss under *Net income from other assets*.

Pursuant to IFRS 5, "Non-current assets held for sale and discontinued operations," the following items are recorded under *Non-current assets held for sale and associated liabilities*:

- assets and liabilities related to shipping finance activities in the United Kingdom;
- assets and liabilities belonging to Selftrade, Boursorama's UK subsidiary;
- assets and liabilities related to consumer finance activities in Brazil.

CHANGES IN MAJOR CONSOLIDATED BALANCE SHEET ITEMS

Cash, due from central banks (EUR 57.1 billion at 31st December 2014) fell by EUR 9.5 billion (-14.3%) compared to 31st December 2013.

Financial assets and liabilities at fair value through profit or loss increased by EUR 51.4 billion (+10.7%) and EUR 54.5 billion (+12.8%), respectively, relative to 31st December 2013.

Financial instruments at fair value through profit or loss mainly comprise:

- debt and equity instruments;
- trading derivatives;
- securities sold under repurchase agreements and securities purchased under resale agreements;
- securities lending agreements and amounts payable on borrowed securities.

The rise in financial assets and liabilities at fair value through profit or loss is mainly attributable to increased activity in debt and equity instruments measured using the fair value option through profit or loss. It also resulted from increased activity in trading derivatives amid declining long rates.

The impact of exchange rate fluctuations on the valuation of financial instruments is the same on the assets and liabilities sides of the balance sheet.

Customer loans, including securities purchased under resale agreements recognised at amortised cost, picked up by EUR 11.7 billion (+3.5%) compared to 31st December 2013, reflecting higher demand for cash facilities, other loans and authorised overdrafts due to persistently difficult economic conditions.

Customer deposits, including securities sold under repurchase agreements recognised at amortised cost, improved by EUR 15.6 billion (+4.7%) versus 31st December 2013 thanks in large part to the solid momentum of regulated savings account inflows and demand deposits in most geographic areas.

Due from banks, including securities purchased under resale agreements recognised at amortised cost, was up by EUR 5.3 billion (+7%) relative to 31st December 2013, sparked by the easing of the interbank market.

Due to banks, including securities sold under repurchase agreements recognised at amortised cost, increased by EUR 4.5 billion (+5.2%) versus 31st December 2013.

Available-for-sale financial assets rose by EUR 13.5 billion (+10.4%) compared to 31st December 2013, mainly thanks to the insurance activity's robust inflows and the capital increase.

Debt securities issued came down EUR 29.7 billion (-21.5%) versus 31st December 2013 due to a decline in securities issued on the interbank market and in negotiable debt securities.

Group shareholders' equity amounted to EUR 55.2 billion at 31st December 2014 versus EUR 50.9 billion at 31st December 2013. This increase was attributable primarily to the following items:

- net income for the financial year at 31st December 2014: EUR +2.7 billion;
- dividend payment in respect of financial year 2013: EUR -1.4 billion;
- increase in unrealised or deferred capital gains and losses: EUR +1.0 billion;
- two deeply subordinated note issues: EUR +2.1 billion.

After taking into account non-controlling interests (EUR 3.7 billion), Group shareholders' equity came to EUR 58.8 billion at 31st December 2014.

GEOGRAPHIC INFORMATION

(in millions of euros)	France			Europe			Americas			Other			Total		
	2014	2013(2)	2012(1)	2014	2013(2)	2012(1)	2014	2013(2)	2012(1)	2014	2013(2)	2012(1)	2014	2013(2)	2012(1)
Net banking income	10,667	10,049	9,835	9,813	8,675	8,942	1,287	1,249	1,573	1,794	2,460	2,760	23,561	22,433	23,110
Sector assets	943,255	913,774	959,778	178,848	156,452	147,509	124,468	103,285	94,416	61,599	40,682	49,186	1,308,170	1,214,193	1,250,889
Sector liabilities(3)	929,157	865,377	915,343	164,879	151,410	139,332	114,212	105,040	96,695	41,109	38,396	45,968	1,249,357	1,160,223	1,197338

(1) Amounts restated relative to the financial statements published in 2012, due to the retrospective application of the amendments to IAS 19.
(2) Amounts restated relative to the financial statements published in 2013, due to the retrospective application of IFRS 10 and IFRS 11.
(3) Sector liabilities consist of amounts payable (total liabilities excluding shareholders' equity).

6. FINANCIAL POLICY

The objective of the Group's policy with regard to capital management is to optimise the use of shareholders' equity in order to maximise short- and long-term return for shareholders, while maintaining a level of capital (Common Equity Tier 1, Tier 1 and Total Capital ratios) consistent with the market status of Societe Generale and the Group's target rating.

Since 2010, the Group has launched a major realignment programme, strengthening capital and focusing on the rigorous management of scarce resources (capital and liquidity) and proactive risk management in order to apply the regulatory changes related to the implementation of new "Basel 3" regulations.

GROUP SHAREHOLDERS' EQUITY

Group shareholders' equity totalled EUR 55.2 billion at 31 December 2014, net asset value per share was EUR 57.96 and net tangible asset value per share was EUR 51.43. Book capital includes EUR 9.4 billion in deeply subordinated notes and EUR 0.3 billion in perpetual subordinated notes[1].

At 31 December 2014, Societe Generale possessed, directly or indirectly, 20.4 million Societe Generale shares (including 9.0 million treasury shares), representing 2.54% of the capital (excluding shares held for trading purposes). In 2014, the Group acquired 21.7 million Societe Generale shares under the liquidity contract concluded on 22 August 2011 with an external investment services provider. Over this period, Societe Generale also proceeded to dispose of 21.3 million Societe Generale shares via the liquidity contract.

The information concerning the Group's capital and shareholding structure is available in Chapter 7 of this Registration Document, on page 526 and 527.

CAPITAL MANAGEMENT

Since 1 January 2014, the Group has been managed with a target Common Equity Tier 1 capital ratio of 10%[1]. The Common Equity Tier 1 ratio stood at 10.1% at end-2014, versus 10.0% at end-2013. The strong capital generation has enabled the Group to finance the growth of Risk Weighted Assets, reflecting sound commercial activity, changes in the Group core businesses' portfolio (notably this year's acquisitions), the integration of new capital requirements, and the increase in the collective provision for litigation issues, whilst still leaving a comfortable margin for shareholders' remuneration.

The phased-in Common Equity Tier 1 ratio stood at 10.9% at 31 December 2014.

The leverage ratio, calculated according to the CRR/CRD4 rules integrating the Delegated Act of October 2014 reached 3.8% as at 31 December 2014.

For capital management purposes, the Group ensures that its solvency level is always compatible with its strategic objectives and regulatory obligations.

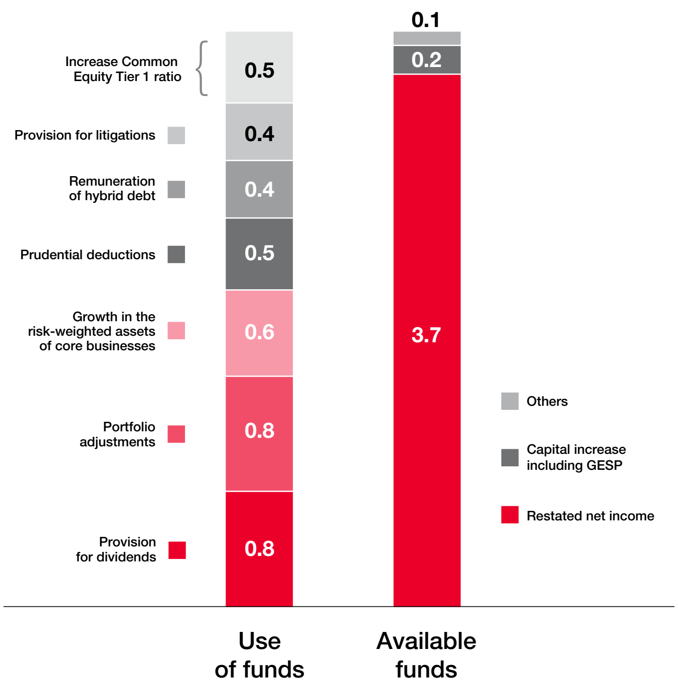
The Group also ensures that its Total Capital Ratio (Common Equity Tier 1 + hybrid securities recognised in additional Tier 1 and Tier 2) offers a sufficient safety buffer for unsecured senior lenders, particularly with a view to implementing resolution rules (see Chapter 4.2, page 155).

At end-2014, the Group Tier 1 Ratio stood at 12.6%, up +89 basis points versus end-2013. The Total Capital Ratio reached 14.3% at end-2014, up +89 basis points over the year.

Detailed information on capital management and controls together with the regulatory framework is provided in Chapter 4 of this Registration Document, page 162 and following.

(1) Solvency/leverage ratios calculated according to CRR/CRD4 rules, without the benefit of transitional provisions (fully-loaded), unless indicated otherwise. They are presented pro forma of retained earnings, net of dividend provisions, for the current financial year. 2013 data pro forma of applicable CRR/CRD4 rules. 2014 leverage ratio including the provisions of the October 2014 Delegated Act.

CREATION AND USE OF THE GROUP'S SHAREHOLDERS' EQUITY IN 2014



In 2014, the main changes in Common Equity Tier 1 capital were as follows:

Available funds (EUR 4.0 billion):

- restated net income of EUR 3.7 billion(1);
- capital increase (including the Global Employee Share ownership Plan – GESP) representing EUR 0.2 billion;
- various items for a total amount of EUR 0.1 billion;

Use of funds (EUR 3.5 billion):

- a EUR 0.8 billion dividend provision;
- changes in the Group business portfolio (notably the buyback of minority interests in Boursorama and Rosbank, as well as the integration of Newedge as a fully-owned subsidiary) for EUR 0.8 billion;
- growth in the risk-weighted assets of core businesses representing EUR 0.6 billion;
- prudential adjustments and deductions (CRR/CRD4), including Prudent Value Adjustment, representing EUR 0.5 billion overall;
- the remuneration of hybrid debt booked in equity for EUR 0.4 billion;
- increase in the Group collective provision for disputes, EUR 0.4 billion.

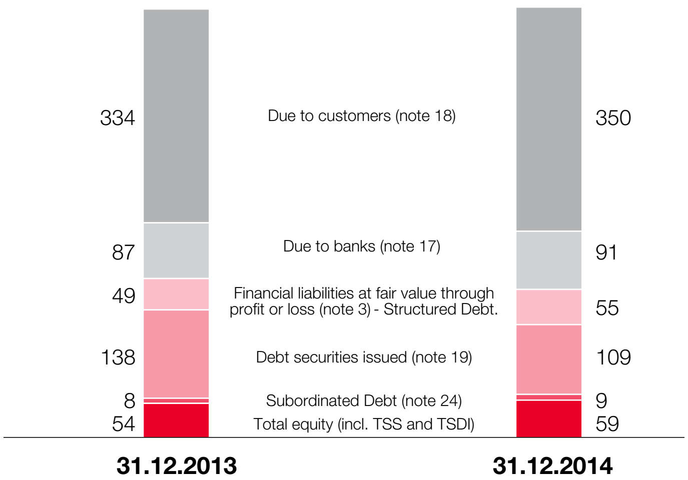
The EUR 0.5 billion difference between available funds and use of funds strengthens the Common Equity Tier 1 capital ratio.

(1) Net income restated for prudential purposes: adjustments related to goodwill impairments, revaluation of own financial liabilities, and adjustments to the Group core businesses' portfolio (notably this year's acquisitions).

GROUP DEBT POLICY*

FUNDING STRUCTURE:

Reference Financial statement as of 31 December 2014



The **Funding structure** of the Group is broken down as follows:

- Capital including TSS, TSDI (deeply subordinated notes, perpetual subordinated notes representing EUR 7 bn as of 31 December 2013 and EUR 9.8 bn as of 31 December 2014);
- Debt securities issued by the Group, of which:
  - financial liabilities reported at fair value through P&L including debt securities issued reported in the trading book, and debt securities issued measured using fair value option through P&L;
  - covered bonds issued through the following vehicles: SGSCF (EUR 8.4 bn at end-2014 and EUR 8.5 bn at end-2013); SGSFH (EUR 8.7 bn at end-2014 and EUR 8.7 bn at end-2013); CRH (EUR 7.3 bn at end-2014 and EUR 7.3 bn at end-2013);
  - securitisations and other secured debt issuance: EUR 4.5 bn at end-2014 and EUR 2.4 bn at end-2013
  - conduits (EUR 7.0 bn at end-2014 and EUR 6.7 bn at end-2013)
- Debt to customers, particularly deposits.

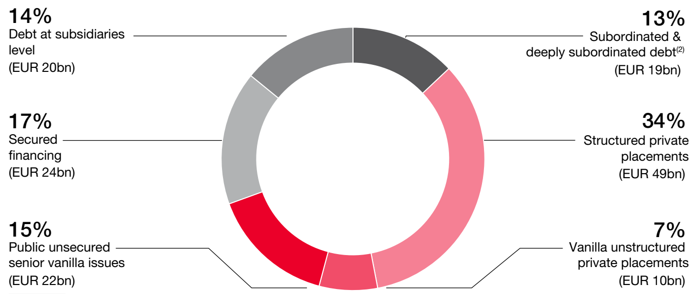
Funding resources also include funding via securities lending/ borrowing transactions and securities sold under repurchase agreements measured at fair value through P&L totaling EUR 196 bn at 31 December 2014 versus EUR 200 bn at 31 December 2013 (see Note 6 of the consolidated financial statements) which are not included in this graph.

The Societe Generale Group's debt policy is designed not only to ensure financing for the growth of the core businesses' commercial activities and debt renewal, but also to maintain repayment schedules that are compatible with the Group's ability to access the market and its future growth.

The Group's debt policy is based on 2 principles:

- firstly, maintaining an **active policy of diversifying** the Societe Generale Group's sources of refinancing in order to guarantee its stability;
- secondly, **adopting a Group refinancing structure** that consistently matches the maturities of its assets and liabilities.

GROUP LONG-TERM DEBT AT 31 DEC. 2014: EUR 144 BN(1)



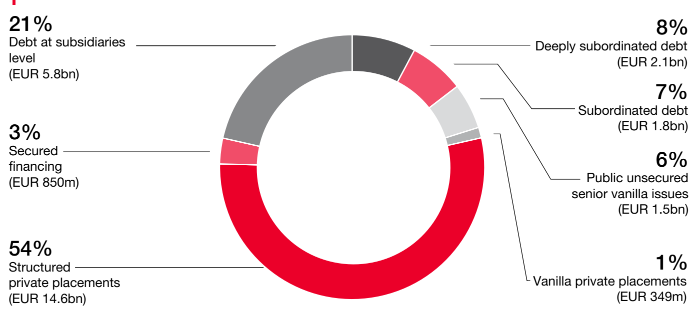
(1) Group short term debt totaled EUR 39.2 bn as of 31 December 2014, of which EUR 7.0 bn issued by conduits.

(2) Of which EUR 9.8 bn accounted as "other equity instruments" (see consolidated financial statements, changes in shareholders' equity).

Accordingly, the **Group's long-term financing plan**, implemented gradually and in a coordinated manner during the year based on a non-opportunistic issuance policy, is designed to maintain a surplus liquidity position over the medium and long term.

During the 2014 financial year, the liquidity raised under the 2014 financing programme amounted to EUR 21.2 bn in senior and subordinated debt at the parent company level. The refinancing source break down as EUR 1.5 bn in public unsecured senior vanilla issues, EUR 0.3 bn in vanilla private placements, EUR 14.6 bn in structured private placements, EUR 0.9 bn in secured financing (EUR 0.8 bn via SGSFH and EUR 0.1 bn via SGSCF), EUR 1.8 bn in subordinated Tier 2 debt and EUR 2.1 bn in deeply subordinated Additional Tier 1 debt. In addition, EUR 5.8 bn were raised in 2014 by the subsidiaries.

2014 FINANCING PROGRAMME: EUR 27 BN



* Additional information about the Group liquidity risk management is available in Chapter 4 of this Registration Document on page 265 and following and in Note 30 to the consolidated financial statements on page 506.

LONG-TERM RATINGS, SHORT-TERM RATINGS AND CHANGES OVER THE FINANCIAL YEAR

Summary table of Societe Generale long-term and short-term ratings as at 4 March 2015:

	DBRS	FitchRatings	Moody's	Standard & Poor's
Long-term senior rating	AA (low) (Negative)	A (Negative)	A2 (Negative)	A (Negative)
Short-term senior rating	R-1 (Middle)	F1	P-1	A-1

During 2014, Fitch & Moody's revised long-term rating outlooks to negative from stable to reflect the review of government/sovereign support.

Long-term ratings, outlook, and short-term ratings assigned by DBRS & Standard & Poor's as well as short-term ratings assigned by FitchRatings and Moody's remained unchanged over the period.

7. MAJOR INVESTMENTS AND DISPOSALS

The Group maintained a targeted acquisition and disposal policy in 2014, in line with its strategy focused on its core businesses and management of scarce resources.

Business division	Description of investments
2014	
International Retail Banking and Financial Services	Acquisition of a 7% stake in Rosbank, increasing the Group's stake to 99.4%.
Global Banking and Investor Solutions	Acquisition of 50% and exclusive control of Newedge.
French Retail Banking	Increase from 55.3% to 79.5% of the Group's stake in Boursorama following a tender offer and a squeeze-out. Increase to 100% of the Group's stake in Banque Nuger
Corporate Centre	Acquisition of a 3% stake in Euronext NV.
2013	
International Retail Banking and Financial Services	Acquisition of 10% of Rosbank, increasing the Group's stake to 92.4%.
French Retail Banking	Increase from 97.6% to 100% of the stake held in Banque Tarneaud following a squeeze-out by Crédit du Nord.
2012	
French Retail Banking	Increase from 79.5% to approximately 97.6% of the stake held in Banque Tarneaud following a tender offer by Crédit du Nord.

Business division	Description of disposals
2014	
Global Banking and Investor Solutions	Disposal of private banking operations in Asia (Hong Kong and Singapore).
Global Banking and Investor Solutions	Sale of 5% of Amundi to Crédit Agricole, bringing the Group's stake to 20%.
2013	
International Retail Banking and Financial Services	Disposal of a 77.17% stake in NSGB in Egypt for USD 1,974 million.
Global Banking and Investor Solutions	Disposal of the SGHP-held stake in TCW (United States).
Global Banking and Investor Solutions	Disposal of SG Private Banking Japan.
2012	
International Retail Banking and Financial Services	Disposal of a 99.1% stake in Geniki Bank in Greece.
Global Banking and Investor Solutions	The stake held in TCW decreased from 100% to approximately 89.6% due to the execution of the employee share ownership plan and an earn-out clause granted during the acquisition of Metropolitan West Asset Management in 2010.
Corporate Centre	Disposal of 51.4% of Salvepar.

8. PENDING ACQUISITIONS AND IMPORTANT CONTRACTS

Financing of the main ongoing investments

The main investments currently underway will be financed using the Group's usual sources of funds.

Pending acquisitions

On 25th February 2015, Societe Generale has announced that the partnership regarding life insurance business between Credit du Nord and Aviva France, managed through Antarius, would come to an end.

The Group announced that it intended to excercise its call option on the 50% held by Aviva in Antarius. The closing of this transaction should be effective at end-February 2017 after a two-year transition period.

Important contracts

The Group has started to refocus its consumer credit activities in Brazil, and recorded a net loss on other assets of EUR -200 m further to this withdrawal.

9. PROPERTY AND EQUIPMENT

The gross book value of Societe Generale Group's tangible operating fixed assets amounted to EUR 26.7 billion at 31st December 2014. This figure comprises land and buildings (EUR 5.1 billion), assets leased by specialised financing companies (EUR 15.8 billion) and other tangible assets (EUR 5.8 billion).

The gross book value of the Group's investment property amounted to EUR 0.6 billion at 31st December 2014.

The net book value of tangible operating assets and investment property amounted to EUR 16.3 billion, representing just 1.25% of the consolidated balance sheet at 31st December 2014. In fact, due to the nature of Societe Generale's activities, property and equipment are not material in comparison to the scale of the Group.

10. POST-CLOSING EVENTS

No post-closing event occurred after 31st December 2014 that could significantly affect the group's financial or commercial position.

11. RECENT DEVELOPMENTS AND OUTLOOK

2014 was another challenging year for the economy, with global activity posting only moderate growth that varied by region. This trend is expected to carry over into 2015, which is shaping up to deliver a weaker-than-expected global economic recovery amid myriad uncertainties both on the geopolitical front and on the commodity and forex markets.

The euro zone is struggling to return to more dynamic growth, thus slowing the reduction of public deficits. Interest rates should remain at record lows, but the deflationary risk should be kept under control by the intervention of the ECB which has announced the implementation of a more accommodative monetary policy and the use of its balance sheet to support growth. The depreciation of the euro and falling oil prices should help boost exports and stimulate domestic demand. The US economy should stay on a positive track and the Fed is expected to begin tightening its monetary policy mid-year. Emerging countries have entered a phase of more moderate growth, in particular China. Russia's economy is struggling with the consequences of the Ukrainian crisis coupled with the drop in commodity prices.

From a regulatory standpoint, 2014 saw the implementation of the Banking Union. The European Central Bank took the helm of the Single Supervisory Mechanism, overseeing some 130 euro zone banks, with the aim of strengthening the banking system, restoring the confidence of economic operators, harmonising banking supervision rules and reducing the link between banks and their national authorities.

In late October 2014, the ECB and EBA published the results of the asset quality review of European banks under the Single Supervisory Mechanism and of the stress tests of their resilience to adverse environments. This exercise confirmed the quality of Societe Generale's asset portfolio and risk management models, attributable in large part to the extensive transformation of the Group's balance sheet in recent years. The result was a very limited normative adjustment, in relation to the size of the balance sheet, of 22 basis points to the Common Equity Tier 1 ratio at the end of 2013, with no impact on the Group's other ratios. The stress tests also demonstrated the Group's financial solidity, including in a *scenario* of severe stress, with capital ratios significantly exceeding the requirements set for the purpose of the exercise.

In connection with the implementation of the SSM, the European Parliament voted for the Single Resolution Mechanism (SRM) in April 2014. In the event banks are faced with serious difficulties, under the SRM their resolution could be managed efficiently with minimal costs to taxpayers. Discussions on resolution mechanisms will lead to the establishment of new ratios, dividing equity plus senior debt (MREL: Minimum Required Eligible Liabilities, proposed by the European Union) or junior debt (TLAC: Total Loss Absorbency Capacity, proposed by the FSB) by the bank's commitments. This will in turn lead to the possible enhancement of quasi-capital (hybrid and/or subordinated instruments) and, overall, to an increase in the cost of the bank's balance sheet liabilities. In addition, a Single Resolution Fund of around EUR 55 billion will be set up for the euro zone.

Meanwhile, across the Atlantic, the Dodd-Frank Act laid the groundwork for supervision of systemic risk and of certain Corporate and Investment Banking activities in the US (mainly through the Volcker Rule on market-making). The final version of the Act called for gradual implementation as from 2015 for the most active banks. Furthermore, the "Tarullo rule" applicable to foreign financial institutions has led the Societe Generale Group to reconsider its organisation in the country.

Finally, the Banking Union will be rounded out by the Capital Markets Union in Europe. The Banking Union alone cannot meet the twofold challenge of getting financing channels flowing again and restoring financial stability in Europe. At the end of 2013, some 80% of the debt held by non-financial companies in Europe was bank-financed versus 25% in the United States. There is a gradual convergence under way between funding models on both sides of the Atlantic, leading to a sharp rise in market funding in Europe.

This trend is looked upon favourably, and even encouraged, by the European authorities, and especially the ECB.

President Juncker's announcement on the proposal of a Capital Markets Union should add a major new dimension to this financial integration plan, in that it throws non-banking players into the mix and affords a significant role to banks in the market's development. Many obstacles will have to be overcome, however, including regulatory threats on market liquidity (particularly threats to market-making), taxation, laws governing regulated savings and regulations on the operation of regulated markets. The Capital Markets Union is likely to focus on attainable goals, even if they do not cover all the issues.

In addition, there are two major pending matters in Europe which, should they be finalised, based on their current status are liable to adversely impact universal banks operating on a European scale. The first is the Barnier draft reform on bank structures and the second is the EU Financial Transaction Tax.

In terms of regulatory ratios, the Group can already meet the new requirements. Its fully-loaded Common Equity Tier One ratio was 10.1% at the end of 2014. The leverage ratio, measured as equity divided by total on- and off-balance sheet assets, after taking certain adjustments into account, was 3.8% at end-2014 (above the 3% threshold set by the Basel Committee). Minimum leverage ratio requirements will be set by the European Parliament and the Council based on a proposal by the European Commission. Although they will not come into force until 1 January 2018, banks are required to publish this ratio as from January 2015.

On the liquidity front, the Basel Committee proposed two standard ratios with harmonised parameters:

- the Liquidity Coverage Ratio (LCR) is a short-term ratio (1 month) aimed at ensuring that banks have a sufficient buffer of very high-quality liquid assets (HQLA) that can see them through a significant stress *scenario* (combining a market crisis and a specific crisis) lasting 30 days;
- the Net Stable Funding Ratio (NSFR) is a transformation ratio defined as the amount of stable funding available relative to the amount of required stable funding over a one-year period.

The definition of the LCR has been stabilised throughout the European Union, as have its technical parameters. As from 1 October 2015, the minimum LCR requirement will be 60%, meaning banks should have sufficient HQLA in their liquidity buffer to cover 60% of projected net cash outflows over a 30-day stressed period, gradually increasing to 100% by 2018. At the end of December 2014, the Group's LCR ratio was already 118%, reflecting the substantial transformation of the balance sheet conducted over the past several years.

The Basel Committee finalised the definition of the NSFR in October 2014. This final definition will be used by the European Commission to present a new regulation to the Parliament and the Council by December 2016, after the opinion published by the EBA.

In such a widely varying macroeconomic climate, the major focus of marketplace discussions is to develop a sustainable growth model for the financial sector, one that allows banks to continue funding the economy despite the budget constraints in effect. The addition of new regulatory requirements, combined with the potential for skewed competitive advantages between countries, will significantly weigh on the profitability of certain activities and could influence the development models of certain banking players as a result.

Societe Generale is ready, willing and able to continue adapting the structure of its businesses and to face the changes in its environment head-on.

12. INFORMATION ABOUT GEOGRAPHIC LOCATIONS AND ACTIVITIES AS AT 31 DECEMBER 2014

Article L.511-45 of the French Monetary and Financial Code amended by Order No. 2014-158 of 20 February 2014, requires credit institutions to publish information on the locations and activities of their entities included in their consolidation scope, in each state or territory.

Societe Generale has published the information required on the following pages (58 to 73). This information forms an integral part of the management report.

LOCATIONS BY COUNTRY OR TERRITORY

Locations		Activities
South Africa		
	SG JOHANNESBURG	Bank
Albania		
	BANKA SOCIETE GENERALE ALBANIA SH.A.	Bank
Algeria		
	ALD AUTOMOTIVE ALGERIE SPA	Specialist Financing
	SOCIETE GENERALE ALGERIE	Bank
Germany		
	AKRUN EINS GRUNDSTUCKS-VERMIETUNGSGESELLSCHAFT MBH & CO. OBJEKT SEREN 1 KG	Real Estate and Real Estate Financing
	ALD AUTOLEASING D GMBH	Specialist Financing
	ALD INTERNATIONAL GROUP HOLDINGS GMBH	Specialist Financing
	ALD INTERNATIONAL SAS & CO. KG	Specialist Financing
	ALD LEASE FINANZ GMBH	Specialist Financing
	BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH	Specialist Financing
	BDK LEASING UND SERVICE GMBH	Specialist Financing
	CAR PROFESSIONAL FUHRPARKMANAGEMENT UND BERATUNGSGESELLSCHAFT MBH & CO. KG	Specialist Financing
	CARPOOL GMBH	Broker
	EFS SA BRANCH HAMBOURG	Financial Company
	EUROPARC DREILINDEN GMBH	Group Real Estate Management Company
	EUROPARC GMBH	Group Real Estate Management Company
	EUROPARC KERPEN GMBH	Group Real Estate Management Company
	GEFA GESELLSCHAFT FUR ABSATZFINANZIERUNG MBH	Specialist Financing
	GEFA LEASING GMBH	Specialist Financing
	GEFA VERSICHERUNGSDIENST GMBH	Insurance
	HANSEATIC BANK GMBH & CO KG	Specialist Financing
	HANSEATIC GESELLSCHAFT FUR BANKBETEILIGUNGEN MBH	Portfolio Management
	HSCE HANSEATIC SERVICE CENTER GMBH	Services
	IFVB INSTITUT FUR VERMOGENSBILDUNG GMBH	Services
	INTERLEASING DELLO HAMBURG GMBH	Specialist Financing
	MILAHA QATAR GMBH & CO.KG	Financial Company
	MILAHA RAS LAFFAN GMBH & CO.KG	Financial Company
	NAMENDO GMBH	Services
	ONVISTA	Financial Company
	ONVISTA BANK	Broker
	ONVISTA BETEILIGUNG HOLDING GMBH	Services
	ONVISTA MEDIA GMBH	Services
	PEMA GMBH	Specialist Financing
	PODES DREI GRUNDSTUCKS-VERMIETUNGSGESELLSCHAFT MBH &CO OBJEKTE WEL 4 KG	Real Estate and Real Estate Financing
	PODES GRUNDSTUCKS - VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKTE WEL 3 KG	Real Estate and Real Estate Financing
	PODES ZWEI GRUNDSTUCKS-VERMIETUNGSGESELLSCHAFT MBH &CO OBJEKTE WEL 3 KG	Real Estate and Real Estate Financing
	RED & BLACK AUTO GERMANY 1 UG (HAFTUNGSBESCHRANKT)	Financial Company
	RED & BLACK AUTO GERMANY 2 UG (HAFTUNGSBESCHRANKT)	Financial Company
	RED & BLACK CAR SALES 1UG	Financial Company
	RED & BLACK TME GERMANY 1 UG	Financial Company
	SG EFFEKTEN	Financial Company
	SG EQUIPMENT FINANCE INTERNATIONAL GMBH	Specialist Financing
	SG EQUIPMENT FINANCE SA & CO KG	Specialist Financing
	SG FRANCFORT	Bank
	SGSS DEUTSCHLAND KAPITALANLAGEGESELLSCHAFT MBH	Specialist Financing
	SOGECAP DEUTSCHE NIEDERLASSUNG	Insurance
	SOGESSUR DEUTSCHE NIEDERLASSUNG	Insurance
	TOAST MEDIA GMBH	Services
	TRADE & GET GMBH	Services
Australia		
	NEWEDGE AUSTRALIA PTY LTD	Broker
Austria		
	ALD AUTOMOTIVE FUHRPARKMANAGEMENT UND LEASING GMBH	Specialist Financing
	SG EQUIPMENT LEASING AUSTRIA GMBH	Specialist Financing
	SG VIENNE	Bank

Locations		Activities
Bahamas		
	SG PRIVATE BANKING (BAHAMAS) LTD.	Bank
Belgium		
	AXUS SA/NV	Specialist Financing
	BASTION EUROPEAN INVESTMENTS S.A.	Financial Company
	MILFORD	Specialist Financing
	PEMA TRUCK TRAILER VERHUUR	Specialist Financing
	SG BRUXELLES	Bank
	SG EQUIPMENT FINANCE BENELUX B.V. BELGIAN BRANCH	Specialist Financing
	SOCIETE GENERALE IMMOBEL	Financial Company
	SOCIETE GENERALE PRIVATE BANKING NV/SA	Bank
Benin		
	SOCIETE GENERALE BENIN	Bank
Bermuda		
	CATALYST RE INTERNATIONAL LTD.	Insurance
	CATALYST RE LTD.	Insurance
Brazil		
	ALD AUTOMOTIVE S.A.	Specialist Financing
	BANCO CACIQUE S.A.	Bank
	BANCO PECUNIA S.A.	Bank
	BANCO SOCIETE GENERALE BRASIL S.A.	Bank
	CACIQUE PROMOTORA DE VENDAS LTDA	Specialist Financing
	COBRACRED COBRANCA ESPECIALIZADA LTDA	Financial Company
	CREDIAL EMPREENDIMENTOS E SERVICOS LTDA	Specialist Financing
	MORDENO SOCIEDADES ANONIMAS	Financial Company
	NEWEDGE REPRESENTACOES LTDA (NEWEDGE BRAZIL)	Broker
	SG EQUIPMENT FINANCE S.A. ARRENDAMENTO MERCANTIL	Specialist Financing
	SG SD FUNDO DE INVESTIMENTO MULTIMERCADO - INVESTIMENTO NO EXTERIOR	Financial Company
	SOCIETE GENERALE S.A. CORRETORA DE CAMBIO, TITULOS E VALORES MOBILIARIOS	Broker
Bulgaria		
	REGIONAL URBAN DEVELOPMENT FUND	Specialist Financing
	SG EXPRESS BANK	Bank
	SOCIETE GENERALE FACTORING	Specialist Financing
	SOGELEASE BULGARIA	Specialist Financing
Burkina Faso		
	SOCIETE GENERALE BURKINA FASO	Bank
Cameroon		
	SOCIETE GENERALE CAMEROUN	Bank
Canada		
	SG CONSTELLATION CANADA LTD.	Specialist Financing
	SG HAMBROS TRUST COMPANY (CANADA) INC	Financial Company
	SOCIETE GENERALE (CANADA BRANCH)	Bank
	SOCIETE GENERALE (CANADA)	Bank
	SOCIETE GENERALE CAPITAL CANADA INC	Broker
China		
	ALD FORTUNE AUTO LEASING & RENTING SHANGHAI CO. LTD	Specialist Financing
	FORTUNE SG FUND MANAGEMENT CO. , LTD.	Financial Company
	SOCIETE GENERALE (CHINA) LIMITED	Bank
	SOCIETE GENERALE LEASING AND RENTING CO. LTD	Specialist Financing
Cyprus		
	VPRG LIMITED	Group Real Estate Management Company
South Korea		
	NEWEDGE FINANCIAL HONG KONG LTD (SEOUL BRANCH)	Broker
	SG SEC. (HK) LTD, SEOUL BRANCH	Broker
	SG SECURITIES KOREA CO LTD.	Broker
	SG SEOUL	Bank
Ivory Coast		
	SG DE BANQUES EN COTE D'IVOIRE	Bank
	SOGEBOURSE EN COTE D'IVOIRE	Portfolio Management
Croatia		
	ALD AUTOMOTIVE D.O.O. ZA. OPERATIVNI I FINANCIJSKI LEASING	Specialist Financing
	SG LEASING D.O.O.	Specialist Financing
	SOCIETE GENERALE-SPLITSKA BANKA D.D.	Bank

Locations	Activities
Curacao	
SGA SOCIETE GENERALE ACCEPTANCE N.V. ("SGA")	Financial Company
Denmark	
ALD AUTOMOTIVE A/S	Specialist Financing
NF FLEET A/S	Specialist Financing
PEMA LAST OG- TRAILERUDLEJNING A/S	Specialist Financing
SG FINANS AS DANISH BRANCH	Specialist Financing
United Arab Emirates	
NEWEDGE GROUP (DUBAI BRANCH)	Broker
SOCIETE GENERALE BANK & TRUST DUBAI	Bank
SOCIETE GENERALE DUBAI	Bank
Spain	
ALD AUTOMOTIVE S.A.U	Specialist Financing
ALTURA MARKETS, SOCIEDAD DE VALORES, SA	Broker
GENEFIM SUCURSAL EN ESPANA	Real Estate and Real Estate Financing
SELF TRADE BANK SA	Broker
SG EQUIPMENT FINANCE IBERIA, E.F.C, S.A.	Specialist Financing
SOCGEN INVERSIONES FINANCIERAS SA	Financial Company
SOCIETE GENERALE SUCCURSAL EN ESPANA	Bank
SODEPROM	Real Estate and Real Estate Financing
Estonia	
ALD AUTOMOTIVE EESTI AS	Specialist Financing
United States	
AEGIS HOLDINGS (ONSHORE) INC.	Financial Company
ANTALIS US FUNDING CORP	Financial Company
BARTON CAPITAL LLC	Financial Company
CGI FINANCE INC	Financial Company
CGI NORTH AMERICA INC.	Specialist Financing
CLASSIC YACHT DOCUMENTATION, INC.	Services
LYXOR ASSET MANAGEMENT HOLDING CORP.	Portfolio Management
LYXOR ASSET MANAGEMENT INC.	Financial Company
NEWEDGE FACILITIES MANAGEMENT INC	Services
NEWEDGE USA, LLC	Broker
SG AMERICAS EQUITIES CORP.	Financial Company
SG AMERICAS OPERATIONAL SERVICES, INC.	Services
SG AMERICAS SECURITIES HOLDINGS, LLC	Bank
SG AMERICAS SECURITIES, LLC	Broker
SG AMERICAS, INC.	Financial Company
SG CONSTELLATION, INC.	Financial Company
SG EQUIPMENT FINANCE USA CORP.	Specialist Financing
SG MORTGAGE FINANCE CORP.	Financial Company
SG REINSURANCE INTERMEDIARY BROKERAGE, LLC	Insurance
SG STRUCTURED PRODUCTS, INC.	Specialist Financing
SGAIF, INC.	Financial Company
SGAIH, INC.	Financial Company
SGB FINANCE NORTH AMERICA INC.	Financial Company
SOCIETE GENERALE (NEW YORK)	Bank
SOCIETE GENERALE ENERGY LLC	Financial Company
SOCIETE GENERALE FINANCIAL CORPORATION	Financial Company
SOCIETE GENERALE INVESTMENT CORPORATION	Financial Company
SOCIETE GENERALE NORTH AMERICA, INC.	Financial Company
TENDER OPTION BOND PROGRAM	Financial Company
TROPICANA FUNDING INCORPORATED	Financial Company
Finland	
AXUS FINLAND OY	Specialist Financing
NF FLEET OY	Specialist Financing
France	
9 RUE DES BIENVENUS	Real Estate and Real Estate Financing
AIR BAIL	Specialist Financing
AIX - BORD DU LAC - 3	Real Estate and Real Estate Financing
ALBIGNY AVORAUX	Real Estate and Real Estate Financing
ALD AUTOMOTIVE RUSSIE SAS	Specialist Financing
ALD INTERNATIONAL	Specialist Financing

Locations	Activities
ALPRIM	Real Estate and Real Estate Financing
AMUNDI GROUP	Financial Company
ANTALIS SA	Financial Company
ANTARIUS	Insurance
ANTARIUS FONDS ACTIONS PLUS	Financial Company
ANTARIUS FONDS OBLIGATAIRE	Financial Company
ANTARIUS OBLI 1-3 ANS	Financial Company
ANTARIUS ROTATION SECTORIELLE	Financial Company
AQPRIM	Real Estate and Real Estate Financing
AVIVA INVESTORS RESERVE EUROPE	Financial Company
BANQUE COURTOIS	Bank
BANQUE FRANCAISE COMMERCIALE OCEAN INDIEN	Bank
BANQUE KOLB	Bank
BANQUE LAYDERNIER	Bank
BANQUE NUGER	Bank
BANQUE POUYANNE	Bank
BANQUE RHONE ALPES	Bank
BANQUE TARNEAUD	Bank
BOURSORAMA SA	Broker
BREMANY LEASE SAS	Specialist Financing
CAEN - RUE BASSE	Real Estate and Real Estate Financing
CAEN - RUE DU GENERAL MOULIN	Real Estate and Real Estate Financing
CARBURAUTO	Group Real Estate Management Company
CARRERA	Group Real Estate Management Company
CENTRE IMMO PROMOTION	Real Estate and Real Estate Financing
CHARTREUX LOT A1	Real Estate and Real Estate Financing
CHEMIN DES COMBES	Real Estate and Real Estate Financing
COEUR EUROPE	Real Estate and Real Estate Financing
COMPAGNIE FINANCIERE DE BOURBON	Specialist Financing
COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	Group Real Estate Management Company
COMPAGNIE GENERALE D'AFFACTURAGE	Services
COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS	Specialist Financing
CONTE	Group Real Estate Management Company
CREDINORD CIDIZE	Financial Company
CREDIT DU NORD	Bank
DARWIN DIVERSIFIE 0-20	Portfolio Management
DARWIN DIVERSIFIE 40-60	Portfolio Management
DARWIN DIVERSIFIE 80-100	Portfolio Management
DEVILLE AV LECLERC	Real Estate and Real Estate Financing
DISPONIS	Specialist Financing
ESNI - COMPARTIMENT SG-CREDIT CLAIMS -1	Financial Company
ETOILE CLIQUET 90	Financial Company
ETOILE GARANTI FEVRIER 2020	Financial Company
ETOILE GARANTI JUILLET 2018	Financial Company
ETOILE ID	Financial Company
ETOILE PATRIMOINE 50	Financial Company
ETOILE TOP 2007	Financial Company
FCC ALBATROS	Portfolio Management
FCT BLANCO	Financial Company
FCT CODA	Financial Company
FCT COMPARTMENT SOGECAP SG 1	Financial Company
FCT MALZIEU	Financial Company
FCT R&B BDDF PPI	Portfolio Management
FCT RED & BLACK FRENCH SMALL BUSINESS	Specialist Financing
FCT WATER DRAGON	Financial Company
FENWICK LEASE	Specialist Financing
FINANCIERE UC	Real Estate and Real Estate Financing
FINAREG	Portfolio Management
FINASSURANCE SNC	Broker
FPS	Portfolio Management
FQA FUND	Financial Company
FRANFINANCE	Specialist Financing
FRANFINANCE LOCATION	Specialist Financing

Locations	Activities
GALYBET	Real Estate and Real Estate Financing
GENE ACT 1	Portfolio Management
GENEBANQUE	Bank
GENECAL FRANCE	Specialist Financing
GENECAR - SOCIETE GENERALE DE COURTAGE D'ASSURANCE ET DE REASSURANCE	Insurance
GENECOMI	Specialist Financing
GENEFIM	Real Estate and Real Estate Financing
GENEFIMMO HOLDING	Real Estate and Real Estate Financing
GENEFINANCE	Portfolio Management
GENEGIS I	Group Real Estate Management Company
GENEGIS II	Group Real Estate Management Company
GENEVAL	Portfolio Management
GENEVALMY	Group Real Estate Management Company
GENINFO	Portfolio Management
IMAPRIM AMENAGEMENT	Real Estate and Real Estate Financing
INORA LIFE FRANCE	Insurance
INTER EUROPE CONSEIL	Financial Company
INVESTIR IMMOBILIER - MAROMME	Real Estate and Real Estate Financing
INVESTIR IMMOBILIER NORMANDIE	Real Estate and Real Estate Financing
ISSY 11-3 GALLIENI	Real Estate and Real Estate Financing
KOLB INVESTISSEMENT	Financial Company
LA BANQUE POSTALE FINANCEMENT	Specialist Financing
LA CROIX BOISEE	Real Estate and Real Estate Financing
LA FONCIERE DE LA DEFENSE	Portfolio Management
LA MADELEINE	Real Estate and Real Estate Financing
LES MESANGES	Real Estate and Real Estate Financing
LIBECAP	Portfolio Management
LIRIX	Portfolio Management
LYXOR ASSET MANAGEMENT	Financial Company
LYXOR INTERNATIONAL ASSET MANAGEMENT	Financial Company
NEWEDGE GROUP	Broker
NICE BROC	Real Estate and Real Estate Financing
NICE CARROS	Real Estate and Real Estate Financing
NOAHO	Real Estate and Real Estate Financing
NORBAIL IMMOBILIER	Real Estate and Real Estate Financing
NORBAIL SOFERGIE	Real Estate and Real Estate Financing
NORIMMO	Real Estate and Real Estate Financing
ONYX	Group Real Estate Management Company
OPCI SOGECAPIMMO	Real Estate and Real Estate Financing
OPERA 72	Group Real Estate Management Company
ORADEA VIE	Insurance
ORPAVIMOB	Specialist Financing
PACTIMO	Real Estate and Real Estate Financing
PAREL	Services
PARTICIPATIONS IMMOBILIERES RHONE ALPES	Real Estate and Real Estate Financing
PHILIPS MEDICAL CAPITAL FRANCE	Specialist Financing
PRAGMA	Real Estate and Real Estate Financing
PRIMAXIA	Real Estate and Real Estate Financing
PRIORIS	Financial Company
PROJECTIM	Real Estate and Real Estate Financing
RED & BLACK AUTO FRANCE 2012	Financial Company
RED & BLACK CONSUMER FRANCE 2013	Financial Company
RIVAPRIM	Real Estate and Real Estate Financing
S.C.I. LE DOMAINE DE STONEHAM	Real Estate and Real Estate Financing
SAGEMCOM LEASE	Specialist Financing
SAINT CLAIR	Real Estate and Real Estate Financing
SAINT-MARTIN 3	Real Estate and Real Estate Financing
SARL DT 6 NANTES	Real Estate and Real Estate Financing
SARL SEINE CLICHY	Real Estate and Real Estate Financing
SAS ANTONY - DOMAINE DE TOURVOIE	Real Estate and Real Estate Financing
SAS COPRIM RESIDENCES	Real Estate and Real Estate Financing
SAS DE LA RUE DORA MAAR	Real Estate and Real Estate Financing
SAS LOIRE ATLANTIQUE TERTIAIRE	Real Estate and Real Estate Financing

Locations	Activities
SAS NOAHO AMENAGEMENT	Real Estate and Real Estate Financing
SAS NORMANDIE HABITAT	Real Estate and Real Estate Financing
SAS NORMANDIE RESIDENCES	Real Estate and Real Estate Financing
SAS PARNASSE	Real Estate and Real Estate Financing
SAS SOGEPROM TERTIAIRE	Real Estate and Real Estate Financing
SAS TOUR D2	Real Estate and Real Estate Financing
SC ALICANTE 2000	Group Real Estate Management Company
SC CHASSAGNE 2000	Group Real Estate Management Company
SCCV 29 ET 31 AVENUE CHARLES DE GAULLE A LA TESTE DE BUCH	Real Estate and Real Estate Financing
SCCV 3 CHATEAUX	Real Estate and Real Estate Financing
SCCV BALMA ENTREPRISE	Real Estate and Real Estate Financing
SCCV BASSENS LES MONTS	Real Estate and Real Estate Financing
SCCV BLAINVILLE LEMARCHAND	Real Estate and Real Estate Financing
SCCV CAEN CHARITE - ILOT 3	Real Estate and Real Estate Financing
SCCV CHARITE - REHABILITATION	Real Estate and Real Estate Financing
SCCV CHARTREUX LOT E	Real Estate and Real Estate Financing
SCCV CHARTREUX LOTS B-D	Real Estate and Real Estate Financing
SCCV ETERVILLE RUE DU VILLAGE	Real Estate and Real Estate Financing
SCCV LES ECRIVAINS	Real Estate and Real Estate Financing
SCCV LES PATIOS D’OR DE FLEURY LES AUBRAIS	Real Estate and Real Estate Financing
SCCV LES SUCRES	Real Estate and Real Estate Financing
SCCV MARCQ PROJECTIM	Real Estate and Real Estate Financing
SCCV MARQUET PROJECTIM	Real Estate and Real Estate Financing
SCCV POURCIEUX-BARONNES	Real Estate and Real Estate Financing
SCCV RIVER GREEN	Real Estate and Real Estate Financing
SCCV VERNAISON - RAZAT	Real Estate and Real Estate Financing
SCDM PARTICIPATIONS	Portfolio Management
SCI AIX BORD DU LAC-1	Real Estate and Real Estate Financing
SCI AIX-BORD DU LAC-2	Real Estate and Real Estate Financing
SCI AQPRIM PROMOTION	Real Estate and Real Estate Financing
SCI ASC LA BERGEONNERIE	Real Estate and Real Estate Financing
SCI AVARICUM	Real Estate and Real Estate Financing
SCI BRAILLE/HOTEL DE VILLE	Real Estate and Real Estate Financing
SCI CAP COURROUZE	Real Estate and Real Estate Financing
SCI CENTRE IMMO PROMOTION RESIDENCES	Real Estate and Real Estate Financing
SCI CHARITE - GIRANDIERE	Real Estate and Real Estate Financing
SCI CHELLES AULNOY MENDES FRANCE	Real Estate and Real Estate Financing
SCI DREUX LA ROTULE NORD	Real Estate and Real Estate Financing
SCI DU 84 RUE DU BAC	Real Estate and Real Estate Financing
SCI ETAMPES NOTRE-DAME	Real Estate and Real Estate Financing
SCI ETRECHY SAINT NICOLAS	Real Estate and Real Estate Financing
SCI EUROPARC HAUTE BORNE 1	Real Estate and Real Estate Financing
SCI EUROPARC ST MARTIN DU TOUCH 2002	Real Estate and Real Estate Financing
SCI GOUSSAINVILLE SAINT-JUST	Real Estate and Real Estate Financing
SCI HEGEL PROJECTIM	Real Estate and Real Estate Financing
SCI LA MANTILLA COMMERCES	Real Estate and Real Estate Financing
SCI LA MARQUEILLE	Real Estate and Real Estate Financing
SCI LAVOISIER	Real Estate and Real Estate Financing
SCI LE HAMEAU DES GRANDS PRES	Real Estate and Real Estate Financing
SCI LE PARC DE BORDEROUGE	Real Estate and Real Estate Financing
SCI LES JARDINS D’IRIS	Real Estate and Real Estate Financing
SCI LES PORTES DU LEMAN	Real Estate and Real Estate Financing
SCI LES RESIDENCES GENEVOISES	Real Estate and Real Estate Financing
SCI LIEUSAINT RUE DE PARIS	Real Estate and Real Estate Financing
SCI LINAS COEUR DE VILLE 1	Real Estate and Real Estate Financing
SCI L’OREE DES LACS	Real Estate and Real Estate Financing
SCI LYON JOANNES	Real Estate and Real Estate Financing
SCI MARCOUSSIS BELLEJAME	Real Estate and Real Estate Financing
SCI NOAHO RESIDENCES	Real Estate and Real Estate Financing
SCI PARIS 182 CHATEAU DES RENTIERS	Real Estate and Real Estate Financing
SCI PROJECTIM HABITAT	Real Estate and Real Estate Financing
SCI PROJECTIM HELLEMMES SEGUIN	Real Estate and Real Estate Financing
SCI PROJECTIM MARCQ COEUR DE VILLE	Real Estate and Real Estate Financing

Locations	Activities
SCI PRONY	Real Estate and Real Estate Financing
SCI QUINTESSENCE-VALESCURE	Real Estate and Real Estate Financing
SCI REIMS GARE	Real Estate and Real Estate Financing
SCI RESIDENCE DU DONJON	Real Estate and Real Estate Financing
SCI RHIN ET MOSELLE 1	Real Estate and Real Estate Financing
SCI RIVA PRIM HABITAT	Real Estate and Real Estate Financing
SCI RIVA PRIM RESIDENCES	Real Estate and Real Estate Financing
SCI SAINT OUEN L'AUMONE - L'OISE	Real Estate and Real Estate Financing
SCI SAINT-DENIS WILSON	Real Estate and Real Estate Financing
SCI SAINT-PIERRE-DES-CORPS/CAP 55	Real Estate and Real Estate Financing
SCI SCS IMMOBILIER D'ENTREPRISES	Real Estate and Real Estate Financing
SCI SOGEADI TERTIAIRE	Real Estate and Real Estate Financing
SCI SOGECIP	Real Estate and Real Estate Financing
SCI SOGECTIM	Real Estate and Real Estate Financing
SCI SOGEPROM ATLANTIQUE	Real Estate and Real Estate Financing
SCI SOGEPROM CIP CENTRE	Real Estate and Real Estate Financing
SCI TERRES NOUVELLES FRANCILIENNES	Real Estate and Real Estate Financing
SCI TOULOUSE CENTREDA 3	Real Estate and Real Estate Financing
SCI VALENCE-CHAMPS DE MARS	Real Estate and Real Estate Financing
SCI VELRI	Group Real Estate Management Company
SCI-LUCE-LE CARRE D' OR-LOT E	Real Estate and Real Estate Financing
SEFIA	Financial Company
SG 29 HAUSSMANN	Financial Company
SG 29 REAL ESTATE	Services
SG CAPITAL DEVELOPPEMENT	Portfolio Management
SG CONSUMER FINANCE	Portfolio Management
SG EURO CT	Broker
SG EUROPEAN MORTGAGE INVESTMENTS	Financial Company
SG FINANCIAL SERVICES HOLDING	Portfolio Management
SG OPTION EUROPE	Broker
SG SECURITIES (PARIS) SAS	Broker
SG SERVICES	Specialist Financing
SGB FINANCE S.A.	Financial Company
SNC BON PUITS 1	Real Estate and Real Estate Financing
SNC BON PUITS 2	Real Estate and Real Estate Financing
SNC COPRIM RESIDENCES	Real Estate and Real Estate Financing
SNC D'AMENAGEMENT FORUM SEINE ISSY LES MOULINEAUX	Real Estate and Real Estate Financing
SNC DU 10 RUE MICHELET	Real Estate and Real Estate Financing
SNC ISSY FORUM 10	Real Estate and Real Estate Financing
SNC ISSY FORUM 11	Real Estate and Real Estate Financing
SNC PROMOSEINE	Real Estate and Real Estate Financing
SOCIETE « LES PINSONS »	Real Estate and Real Estate Financing
SOCIETE ANONYME DE CREDIT A L'INDUSTRIE FRANCAISE (CALIF)	Bank
SOCIETE CIVILE DE CONSTRUCTION-VENTE ANNA PURNA	Real Estate and Real Estate Financing
SOCIETE CIVILE IMMOBILIERE DES COMBEAUX DE TIGERY	Real Estate and Real Estate Financing
SOCIETE CIVILE IMMOBILIERE DOMION	Real Estate and Real Estate Financing
SOCIETE CIVILE IMMOBILIERE FONTENAY - ESTIENNES D'ORVES	Real Estate and Real Estate Financing
SOCIETE CIVILE IMMOBILIERE NAXOU	Real Estate and Real Estate Financing
SOCIETE CIVILE IMMOBILIERE TOULDI	Real Estate and Real Estate Financing
SOCIETE CIVILE IMMOBILIERE VOGRE	Real Estate and Real Estate Financing
SOCIETE CIVILE IMMOBILIERE VOLTAIRE PHALSBOURG	Real Estate and Real Estate Financing
SOCIETE DE BOURSE GILBERT DUPONT	Financial Company
SOCIETE DE LA RUE EDOUARD VII	Portfolio Management
SOCIETE DES TERRAINS ET IMMEUBLES PARISIENS (STIP)	Group Real Estate Management Company
SOCIETE EN NOM COLLECTIF PARNASSE	Real Estate and Real Estate Financing
SOCIETE FINANCIERE D'ANALYSE ET DE GESTION	Financial Company
SOCIETE GENERALE	Bank
SOCIETE GENERALE CAPITAL PARTENAIRES	Portfolio Management
SOCIETE GENERALE DE BANQUE AUX ANTILLES	Bank
SOCIETE GENERALE ENERGIE	Broker
SOCIETE GENERALE EQUIPMENT FINANCE S.A.	Specialist Financing
SOCIETE GENERALE PARTICIPATIONS INDUSTRIELLES	Portfolio Management

Locations		Activities
	SOCIETE GENERALE POUR LE DEVELOPPEMENT DES OPERATIONS DE CREDIT-BAIL IMMOBILIER "SOGEBAIL"	Real Estate and Real Estate Financing
	SOCIETE GENERALE SCF	Financial Company
	SOCIETE GENERALE SECURITIES SERVICES FRANCE	Financial Company
	SOCIETE GENERALE SECURITIES SERVICES HOLDING	Portfolio Management
	SOCIETE GENERALE SECURITIES SERVICES NET ASSET VALUE	Services
	SOCIETE GENERALE SFH	Specialist Financing
	SOCIETE IMMOBILIERE DU 29 BOULEVARD HAUSSMANN	Group Real Estate Management Company
	SOCIETE IMMOBILIERE URBI ET ORBI	Real Estate and Real Estate Financing
	SOCIETE MARSEILLAISE DE CREDIT	Bank
	SOGE BEAUJOIRE	Group Real Estate Management Company
	SOGE PERIVAL I	Group Real Estate Management Company
	SOGE PERIVAL II	Group Real Estate Management Company
	SOGE PERIVAL III	Group Real Estate Management Company
	SOGE PERIVAL IV	Group Real Estate Management Company
	SOGECAMPUS	Group Real Estate Management Company
	SOGECAP	Insurance
	SOGECAP ACTIONS	Financial Company
	SOGECAP LONG TERME N° 1	Financial Company
	SOGEFIM HOLDING	Portfolio Management
	SOGEFIMUR	Specialist Financing
	SOGEFINANCEMENT	Specialist Financing
	SOGEFINERG SG POUR LE FINANCEMENT DES INVESTISSEMENTS ECONOMISANT L'ENERGIE	Specialist Financing
	SOGEFONTENAY	Group Real Estate Management Company
	SOGELEASE FRANCE	Specialist Financing
	SOGEMARCHE	Group Real Estate Management Company
	SOGEPALM	Real Estate and Real Estate Financing
	SOGEPARTICIPATIONS	Portfolio Management
	SOGEPROM	Real Estate and Real Estate Financing
	SOGEPROM ENTREPRISES	Real Estate and Real Estate Financing
	SOGEPROM ENTREPRISES REGIONS	Real Estate and Real Estate Financing
	SOGEPROM HABITAT	Real Estate and Real Estate Financing
	SOGEPROM PARTENAIRES	Real Estate and Real Estate Financing
	SOGEPROM RESIDENCES	Real Estate and Real Estate Financing
	SOGEPROM SERVICES	Real Estate and Real Estate Financing
	SOGESSUR	Insurance
	SOGINFO - SOCIETE DE GESTION ET D'INVESTISSEMENTS FONCIERS	Group Real Estate Management Company
	SOPHIA-BAIL	Real Estate and Real Estate Financing
	STAR LEASE	Specialist Financing
	SOGEPROM ME[(1)]	Real Estate and Real Estate Financing
	TEMSYS	Specialist Financing
	URBANISME ET COMMERCE	Real Estate and Real Estate Financing
	URBANISME ET COMMERCE PROMOTION	Real Estate and Real Estate Financing
	VALMINVEST	Group Real Estate Management Company
	VOURIC	Portfolio Management
Georgia		
	BANK REPUBLIC	Bank
	GEORGIAN MILL COMPANY LLC	Specialist Financing
	MERTSKHALI PIRVELI	Specialist Financing
Ghana		
	SOCIETE GENERALE GHANA LIMITED	Bank
Gibraltar		
	HAMBROS (GIBRALTAR NOMINEES) LIMITED	Services
	SG HAMBROS BANK (GIBRALTAR) LIMITED	Bank
Greece		
	ALD AUTOMOTIVE S.A. LEASE OF CARS	Specialist Financing
	SOGECAP GREECE	Insurance
Guernsey		
	ARAMIS CORP. LIMITED	Financial Company
	ARAMIS II SECURITIES CO LTD	Financial Company
	CDS INTERNATIONAL LIMITED	Services
	HAMBROS (GUERNSEY NOMINEES) LTD	Services

Locations		Activities
	HTG LIMITED	Services
	SG HAMBROS BANK (CHANNEL ISLANDS) LTD GUERNSEY BRANCH	Bank
Guinea		
	SG DE BANQUES EN GUINEE	Bank
Equatorial Guinea		
	SG DE BANQUES EN GUINEE EQUATORIALE	Bank
Hong Kong		
	NEWEDGE BROKER HONG KONG LTD	Broker
	NEWEDGE FINANCIAL HONG KONG LTD	Broker
	NEWEDGE GROUP, HONG KONG BRANCH	Broker
	SG HONG KONG	Bank
	SG SECURITIES (HK) NOMINEES LTD	Broker
	SG SECURITIES (HONG-KONG) LTD	Broker
	SG SECURITIES ASIA INTERNATIONAL HOLDINGS LTD (HONG-KONG)	Broker
	SOCIETE GENERALE ASIA LTD	Financial Company
	SOCIETE GENERALE BANK AND TRUST HONG KONG BRANCH	Bank
	TH INVESTMENTS (HONG KONG) 1 LIMITED	Financial Company
	TH INVESTMENTS (HONG KONG) 2 LIMITED	Financial Company
	TH INVESTMENTS (HONG KONG) 3 LIMITED	Financial Company
Hungary		
	ALD AUTOMOTIVE MAGYARORSZAG KFT	Specialist Financing
	SG EQUIPMENT FINANCE HUNGARY ZRT	Specialist Financing
	SG EQUIPMENT LEASING HUNGARY LTD	Specialist Financing
Cayman Islands		
	AEGIS HOLDINGS (OFFSHORE) LTD.	Financial Company
	BRIDGEVIEW II LIMITED	Specialist Financing
	SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD	Bank
British Virgin Islands		
	TNS SERVICES LIMITED[(2)]	Services
India		
	ALD AUTOMOTIVE PRIVATE LIMITED	Specialist Financing
	NEWEDGE BROKER INDIA PTE LTD	Broker
	SG ASIA HOLDINGS (INDIA) PVT LTD	Broker
	SG MUMBAI	Bank
	SOCIETE GENERALE GLOBAL SOLUTION CENTRE PRIVATE	Services
Ireland		
	ALD RE LIMITED	Insurance
	CONDORCET GLOBAL OPPORTUNITY UNIT TRUST	Financial Company
	EFS SA BRANCH DUBLIN	Financial Company
	INORA LIFE LTD	Insurance
	IRIS II SPV LIMITED	Financial Company
	RED & BLACK PRIME RUSSIA MBS	Financial Company
	SG DUBLIN	Bank
	SGBT FINANCE IRELAND LIMITED	Specialist Financing
	SGSS (IRELAND) LIMITED	Financial Company
	SOCIETE GENERALE HEDGING LIMITED	Financial Company
Italy		
	ALD AUTOMOTIVE ITALIA S.R.L	Specialist Financing
	CGL ITALIA SPA	Financial Company
	FIDITALIA S.P.A	Specialist Financing
	FRAER LEASING SPA	Specialist Financing
	SG EQUIPMENT FINANCE ITALY S.P.A.	Specialist Financing
	SG FACTORING SPA	Specialist Financing
	SG LEASING SPA	Specialist Financing
	SG MILAN	Bank
	SGB FINANCE ITALIA SPA	Financial Company
	SOCECAP SA RAPPRESENTANZA GENERALE PER L'ITALIA	Insurance
	SOCIETE GENERALE ITALIA HOLDING S.P.A	Specialist Financing
	SOCIETE GENERALE SECURITIES SERVICES S.P.A.	Bank
	SOGESSUR SA	Insurance
Japan		
	LYXOR ASSET MANAGEMENT JAPAN CO LTD	Portfolio Management
	NEWEDGE JAPAN INC	Broker

Locations		Activities
	SG TOKYO	Bank
	SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD, TOKYO BRANCH	Bank
Jersey		
	CLARIS IV LTD	Financial Company
	ELMFORD LIMITED	Services
	HANOM I LIMITED	Financial Company
	HANOM II LIMITED	Financial Company
	HANOM III LIMITED	Financial Company
	JD CORPORATE SERVICES LIMITED	Services
	LYXOR MASTER FUND	Financial Company
	NEWMEAD TRUSTEES LIMITED	Financial Company
	SG HAMBROS (FOUNDATIONS) LTD	Financial Company
	SG HAMBROS BANK (CHANNEL ISLANDS) LTD	Bank
	SG HAMBROS FUND MANAGERS (JERSEY) LTD	Portfolio Management
	SG HAMBROS NOMINEES (JERSEY) LTD	Financial Company
	SG HAMBROS PROPERTIES (JERSEY) LTD	Financial Company
	SG HAMBROS TRUST COMPANY (CHANNEL ISLANDS) LTD	Financial Company
	SGH TRUSTEES (JERSEY) LIMITED	Services
	SOLENTIS INVESTMENT SOLUTIONS PCC	Financial Company
Latvia		
	ALD AUTOMOTIVE SIA	Specialist Financing
Lebanon		
	SG DE BANQUE AU LIBAN	Bank
Lithuania		
	UAB ALD AUTOMOTIVE	Specialist Financing
Luxembourg		
	ALEF II	Financial Company
	AXUS LUXEMBOURG SA	Specialist Financing
	CHABON SA	Financial Company
	CODEIS SECURITIES S.A.	Financial Company
	COMPTOIR DE VALEURS DE BANQUE	Financial Company
	EUROPEAN FUND SERVICES SA	Financial Company
	IVEFI SA	Financial Company
	LX FINANZ S.A.R.L.	Financial Company
	LYXOR ASSET MANAGEMENT LUXEMBOURG S.A.	Financial Company
	RED & BLACK AUTO LEASE GERMANY 1 SA	Specialist Financing
	ROSINVEST	Financial Company
	SG ISSUER	Financial Company
	SGBT ASSET BASED FUNDING SA	Financial Company
	SGBT SECURITIES	Financial Company
	SOCIETE GENERALE BANK & TRUST	Bank
	SOCIETE GENERALE BANK & TRUST CREDIT INTERNATIONAL	Financial Company
	SOCIETE GENERALE CAPITAL MARKET FINANCE	Financial Company
	SOCIETE GENERALE FINANCING AND DISTRIBUTION	Financial Company
	SOCIETE GENERALE LDG	Financial Company
	SOCIETE GENERALE LIFE INSURANCE BROKER SA	Financial Company
	SOCIETE GENERALE PRIVATE WEALTH MANAGEMENT S.A.	Financial Company
	SOCIETE GENERALE RE SA	Insurance
	SOGELIFE	Insurance
	WELL INVESTMENTS SA	Financial Company
Macedonia		
	OHRIDSKA BANKA AD SKOPJE	Bank
Madagascar		
	BANKY FAMPANDROSOANA VAROTRA SG	Bank
Malta		
	LNG MALTA INVESTMENT 1 LIMITED	Financial Company
	LNG MALTA INVESTMENT 2 LIMITED	Financial Company
Morocco		
	ALD AUTOMOTIVE SA MAROC	Specialist Financing
	ATHENA COURTAGE	Insurance
	FONCIMMO	Group Real Estate Management Company
	LA MAROCAINE VIE	Insurance
	SG MAROCAINE DE BANQUES	Bank

Locations		Activities
	SOCIETE D' EQUIPEMENT DOMESTIQUE ET MENAGER "EQDOM"	Specialist Financing
	SOCIETE GENERALE DE LEASING AU MAROC	Specialist Financing
	SOCIETE GENERALE TANGER OFFSHORE	Financial Company
	SOGECAPITAL GESTION	Financial Company
	SOGEFINANCEMENT MAROC	Specialist Financing
Mauritius		
	SG SECURITIES BROKING (M) LIMITED	Broker
Mexico		
	ALD AUTOMOTIVE S.A. DE C.V.	Specialist Financing
	ALD FLEET SA DE CV SOFOM ENR	Specialist Financing
	SGFP MEXICO, S. DE R.L. DE C.V.	Financial Company
Moldova		
	MOBIASBANCA GROUPE SOCIETE GENERALE	Bank
Monaco		
	CRÉDIT DU NORD - MONACO	Bank
	SOCIÉTÉ MARSEILLAISE DE CRÉDIT - MONACO	Bank
	SOCIÉTÉ GÉNÉRALE (SUCCURSALE MONACO)	Bank
	SOCIETE GENERALE PRIVATE BANKING (MONACO)	Bank
Montenegro		
	SOCIETE GENERALE BANKA MONTENEGRO A.D.	Bank
Norway		
	ALD AUTOMOTIVE AS	Specialist Financing
	NF FLEET AS	Specialist Financing
	SG FINANS AS	Specialist Financing
New Caledonia		
	CREDICAL	Specialist Financing
	SOCIETE GENERALE CALEDONIENNE DE BANQUE	Bank
New Zealand		
	SG HAMBROS TRUST COMPANY (NEW ZEALAND) LIMITED	Financial Company
Netherlands		
	ALVARENGA INVESTMENTS B.V.	Specialist Financing
	AXUS FINANCE NL B.V.	Specialist Financing
	AXUS NEDERLAND BV	Specialist Financing
	BRIGANTIA INVESTMENTS B.V.	Financial Company
	HERFSTTAFEL INVESTMENTS B.V.	Specialist Financing
	HORDLE FINANCE BV	Financial Company
	MONTALIS INVESTMENT BV	Specialist Financing
	SG AMSTERDAM	Bank
	SG EQUIPMENT FINANCE BENELUX BV	Specialist Financing
	SOGELEASE B.V.	Specialist Financing
	SOGELEASE FILMS	Specialist Financing
	TYNEVOR B.V.	Financial Company
The Philippines		
	SOCIETE GENERALE MANILA OFFSHORE BRANCH(2)	Bank
Poland		
	ALD AUTOMOTIVE POLSKA SP Z O.O.	Specialist Financing
	EURO BANK S.A.	Specialist Financing
	PEMA POLSKA SP.Z O.O.	Services
	SG EQUIPMENT LEASING POLSKA SP Z.O.O.	Specialist Financing
	SOCIETE GENERALE S.A. ODDZIAL W POLSCE	Bank
	SOGESSUR SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance
	SOGECAP SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance
French Polynesia		
	BANQUE DE POLYNESIE	Bank
	SOGELEASE BDP "SAS"	Specialist Financing
Portugal		
	SGALD AUTOMOTIVE SOCIEDADE GERAL DE COMERCIO E ALUGUER DE BENZ SA	Specialist Financing
Czech Republic		
	ALD AUTOMOTIVE SRO	Specialist Financing
	ESSOX SRO	Specialist Financing
	FACTORING KB	Financial Company
	KB PENZIJNI SPOLECNOST, A.S.	Financial Company

Locations	Activities
KB REAL ESTATE	Real Estate and Real Estate Financing
KOMERCNI BANKA A.S	Bank
KOMERCNI POJISTOVNA A.S	Insurance
MODRA PYRAMIDA STAVEBNI SPORITELNA AS	Financial Company
NP 33	Real Estate and Real Estate Financing
PEMA PRAHA SPOL. S.R.O.	Specialist Financing
PROTOS	Financial Company
SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O.	Specialist Financing
SOGEPROM CESKA REPUBLIKA S.R.O.	Real Estate and Real Estate Financing
SOGEPROM MICHLE S.R.O.	Real Estate and Real Estate Financing
TRANSFORMED FUND	Financial Company
VN 42	Real Estate and Real Estate Financing
Romania	
ALD AUTOMOTIVE SRL	Specialist Financing
BRD - GROUPE SOCIETE GENERALE SA	Bank
BRD FINANCE IFN S.A.	Financial Company
S.C. BRD SOGELEASE IFN S.A.	Specialist Financing
S.C. ROGARIU IMOBILIARE S.R.L.	Real Estate and Real Estate Financing
SOCIETE GENERALE EUROPEAN BUSINESS SERVICES S.A.	Services
SOGEPROM ROMANIA SRL	Real Estate and Real Estate Financing
United Kingdom	
ACR	Financial Company
ALD AUTOMOTIVE GROUP PLC	Specialist Financing
ALD AUTOMOTIVE LIMITED	Specialist Financing
ALD FUNDING LIMITED	Specialist Financing
BRIDGEVIEW II LIMITED (UK BRANCH)	Specialist Financing
BRIGANTIA INVESTMENTS B.V. (UK BRANCH)	Financial Company
HORDLE FINANCE B.V. (UK BRANCH)	Financial Company
LNG INVESTMENT 1 LTD	Financial Company
LNG INVESTMENT 2 LTD	Financial Company
LYXOR ASSET MANAGEMENT UK LLP	Financial Company
SELF TRADE UK NOMINEES LIMITES	Financial Company
SELFTRADE UK MARKETING SERVICE	Services
SELFTRADE UK SERVICES	Services
SG EQUIPMENT FINANCE (DECEMBER) LIMITED	Specialist Financing
SG EQUIPMENT FINANCE LEASING LIMITED	Specialist Financing
SG EQUIPMENT FINANCE OPERATING LEASING LIMITED	Specialist Financing
SG EQUIPMENT FINANCE RENTAL LIMITED	Specialist Financing
SG FINANCIAL SERVICES LIMITED	Financial Company
SG HAMBROS (LONDON) NOMINEES LIMITED	Financial Company
SG HAMBROS BANK LIMITED	Bank
SG HAMBROS LIMITED (HOLDING)	Bank
SG HAMBROS TRUST COMPANY LTD	Financial Company
SG HEALTHCARE BENEFITS TRUSTEE COMPANY LIMITED	Financial Company
SG INVESTMENT LIMITED	Financial Company
SG LEASING (ASSETS) LIMITED	Specialist Financing
SG LEASING (CENTRAL 1) LIMITED	Specialist Financing
SG LEASING (CENTRAL 3) LIMITED	Specialist Financing
SG LEASING (DECEMBER) LIMITED	Specialist Financing
SG LEASING (JUNE) LIMITED	Specialist Financing
SG LEASING (MARCH) LIMITED	Specialist Financing
SG LEASING (USD) LIMITED	Specialist Financing
SG LEASING (UTILITIES) LIMITED	Specialist Financing
SG LEASING IX	Specialist Financing
SG LEASING XII	Specialist Financing
SG LONDRES	Bank
SGFLD LIMITED	Financial Company
SOCGEN NOMINEES (UK) LIMITED	Financial Company
SOCIETE GENERALE EQUIPMENT FINANCE LIMITED	Specialist Financing
SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED	Financial Company
SOCIETE GENERALE NEWEDGE UK LTD	Broker
SOCIETE GENERALE SECURITIES SERVICES UK LIMITED	Broker

Locations	Activities
STRABUL NOMINEES LIMITED	Financial Company
TALOS HOLDING LTD	Financial Company
TALOS SECURITIES LTD	Broker
TH INVESTMENTS (HONG KONG) 2 LIMITED	Financial Company
TH LEASING (JUNE) LIMITED	Specialist Financing
TH STRUCTURED ASSET FINANCE LIMITED	Financial Company
THE EIFFEL LIMITED PARTNERSHIP	Specialist Financing
THE FENCHURCH PARTNERSHIP	Financial Company
THE MARS MARITIME LIMITED PARTNERSHIP	Financial Company
THE SATURN MARITIME LIMITED PARTNERSHIP	Financial Company
TYNEVOR B.V. (UK BRANCH)	Financial Company
Russian Federation	
ALD AUTOMOTIVE OOO	Specialist Financing
AVTO LCC	Services
BSGV LEASING LLC	Specialist Financing
CLOSED JOINT STOCK COMPANY SG FINANCE	Financial Company
COMMERCIAL BANK DELTACREDIT	Bank
CREDIT INSTITUTION OBYEDINYONNAYA RASCHOTNAYA SISTEMA	Financial Company
INKAKHRAN NCO	Financial Company
LLC RUSFINANCE	Specialist Financing
LLC RUSFINANCE BANK	Specialist Financing
PMD-SERVICE	Group Real Estate Management Company
PROEKTINVEST LLC	Group Real Estate Management Company
RB FACTORING LLC	Specialist Financing
RB LEASING LLC	Specialist Financing
RB SECURITIES	Financial Company
RBS AVTO	Group Real Estate Management Company
REAL INVEST LLC	Real Estate and Real Estate Financing
ROSBANK	Bank
SG STRAKHOVANIE LLC	Insurance
SOCIETE GENERALE STRAKHOVANIE ZHIZNI LLC	Insurance
SOSNOVKA LLC	Group Real Estate Management Company
VALMONT LLC	Group Real Estate Management Company
Senegal	
SG DE BANQUES AU SENEGAL	Bank
Serbia	
ALD AUTOMOTIVE D.O.O BEOGRAD	Specialist Financing
SOCIETE GENERALE BANKA SRBIJA	Bank
Singapore	
NEWEDGE FINANCIAL SINGAPORE PTE LTD	Broker
SG SECURITIES (SINGAPORE) PTE. LTD.	Broker
SG SINGAPOUR	Bank
SOCIETE GENERALE BANK & TRUST SINGAPORE BRANCH	Bank
Slovakia	
ALD AUTOMOTIVE S.R.O	Specialist Financing
KOMERCNI BANKA BRATISLAVA	Bank
PEMA SLOVAKIA SPOL.S.R.O.	Specialist Financing
SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O. ORGANIZACNA ZLOZKA (SLOVAK REPUBLIC BRANCH)	Specialist Financing
TRUCKCENTER ZVOLEN SPOL. S.R.O.	Services
Slovenia	
ALD AUTOMOTIVE OPERATIONAL LEASING DOO	Specialist Financing
SKB LEASING D.O.O.	Specialist Financing
SKB BANKA	Bank
Sweden	
ALD AUTOMOTIVE AB	Specialist Financing
NF FLEET AB	Specialist Financing
PEMA TRUCK- OCH TRAILERUTHYRNING AB	Specialist Financing
SG FINANS AS SWEDISH BRANCH	Specialist Financing
Switzerland	
ALD AUTOMOTIVE AG	Specialist Financing
NEWEDGE GROUP, PARIS, ZURICH BRANCH	Broker
PEMA TRUCK- UND TRAILERVERMIETUNG GMBH	Specialist Financing

Locations		Activities
	ROSBANK (SWITZERLAND)	Bank
	SG EQUIPMENT FINANCE SCHWEIZ AG	Specialist Financing
	SG PRIVATE BANKING (LUGANO-SVIZZERA) SA	Bank
	SG PRIVATE BANKING SUISSE SA	Bank
	SG ZURICH	Bank
Taiwan		
	SG SECURITIES (HONG KONG) LIMITED	Broker
	SG TAIPEI	Bank
Chad		
	SOCIETE GENERALE TCHAD	Bank
Thailand		
	SG BANGKOK(2)	Bank
Tunisia		
	UNION INTERNATIONALE DE BANQUES	Bank
Turkey		
	ALD AUTOMOTIVE TURIZM TICARET ANONIM SIRKETI	Specialist Financing
	SG ISTANBUL	Bank
Ukraine		
	FIRST LEASE LTD.	Specialist Financing

(1) Including 142 property holding companies (SCIs) accounted for by the equity method among them 141 in France and 1 in the Czech Republic in the process of being wound up.

(2) Entities in the process of being wound up.

STAFF AND FINANCIAL INFORMATION BY COUNTRY OR TERRITORY

Country	Staff*	NBI*	Earnings before corporate tax*	Corporate tax*	Deferred corporate tax*	Subsidies*
South Africa	80	11	6	(2)	(0)	-
Albania	400	21	5	(0)	0	-
Algeria	1,412	134	63	(15)	(3)	-
Germany	3,115	744	191	(29)	(8)	-
Australia	26	9	(2)	0	1	-
Austria	54	11	4	(1)	0	-
Bahamas	44	15	4	0	0	-
Belgium	471	193	102	(15)	(0)	-
Benin	218	19	1	(0)	1	-
Bermuda[1]	0	12	12	0	(0)	-
Brazil	1,182	195	(167)	(29)	25	-
Bulgaria	1,506	93	35	(3)	(0)	-
Burkina Faso	246	29	9	(1)	(0)	-
Cameroon	625	72	19	(9)	(0)	-
Canada	108	49	12	(6)	1	-
China	537	84	12	(0)	1	-
Cyprus	0	1	1	0	0	-
South Korea	136	117	39	(9)	2	-
Ivory Coast	1,147	111	48	(10)	1	-
Croatia	1,459	138	32	(4)	1	-
Curacao[2]	0	1	1	0	0	-
Denmark	146	57	33	(9)	2	-
United Arab Emirates	79	17	4	0	0	-
Spain	562	400	233	(46)	(7)	-
Estonia	-	-	0	-	-	-
United States	2,455	1,205	219	(35)	(187)	-
Finland	86	59	43	(7)	(3)	-
France	51,794	10,576	321	(347)	33	-
Georgia	956	41	15	(2)	(1)	-
Ghana	709	62	11	(5)	(0)	-
Gibraltar	50	16	0	0	(0)	-
Greece	38	4	1	(0)	(0)	-
Guernsey	0	(0)	(0)	0	0	-
Guinea	290	28	12	(5)	0	-
Equatorial Guinea	289	27	12	(4)	(1)	-
Hong Kong	1,038	673	342	(31)	3	-
Hungary	-	-	3	-	-	-
Cayman Islands[3]	0	(0)	(0)	0	0	-
India[4]	3,968	61	56	(19)	1	-
Ireland	53	5	13	(0)	(0)	-
Italy	1,938	619	114	(70)	32	-
Japan	284	306	179	(42)	(4)	-
Jersey	219	60	20	(2)	(0)	-
Latvia	-	-	1	-	-	-
Lebanon	-	-	15	-	-	-
Lithuania	-	-	1	-	-	-
Luxembourg	1,275	834	590	(96)	(26)	-
Macedonia	375	19	4	(0)	0	-
Madagascar	805	44	19	(4)	0	-
Malta	0	0	0	(0)	0	-
Morocco	3,778	436	130	(59)	10	-
Mauritius	-	-	(0)	-	-	-
Mexico	90	8	2	1	0	-

Country	Staff*	NBI*	Earnings before corporate tax*	Corporate tax*	Deferred corporate tax*	Subsidies*
Moldova	736	22	6	(1)	(0)	-
Monaco	315	140	63	(21)	-	-
Montenegro	258	21	6	(1)	0	-
Norway	328	129	61	(7)	(6)	-
New Caledonia	312	79	42	(17)	1	-
New Zealand	0	0	0	0	0	-
Netherlands	164	32	7	(3)	0	-
Poland	3,328	195	43	(0)	(9)	-
French Polynesia	283	52	3	(6)	4	-
Portugal	85	16	11	(2)	(0)	-
Czech Republic	8,436	1,118	586	(97)	(5)	-
Romania	8,250	596	24	(2)	(10)	-
United Kingdom	2,934	1,452	243	(50)	(45)	-
Russian Federation	20,966	1,234	187	(41)	(10)	-
Senegal	756	51	(34)	(0)	8	-
Serbia	1,301	93	9	0	3	-
Singapore	376	142	110	0	15	-
Slovakia	103	15	11	(3)	2	-
Slovenia	837	108	44	(4)	(4)	-
Sweden	124	54	30	(3)	(4)	-
Switzerland	709	232	36	(3)	(0)	-
Taiwan	31	32	21	(3)	(1)	-
Chad	195	21	6	(1)	0	-
Thailand	0	0	(0)	(0)	0	-
Tunisia	1,229	91	34	(12)	(2)	-
Turkey	125	22	3	0	(0)	-
Ukraine	-	-	4	-	-	-
Total	**136,223**	**23,561**	**4,375**	**(1,192)**	**(192)**	**-**

*

Staff: Full-time equivalent (FTE) as at 31/12/2014. Staff of entities accounted for by the equity method are excluded.

NBI: Net banking income by territorial contribution to the consolidated statement, in millions of euros, before elimination of intragroup reciprocal transactions. Net income from companies accounted for by the equity method is directly recorded in earnings before tax, there is no contribution from them.

Earnings before tax: Earnings before tax by territorial contribution to the consolidation statement before elimination of intragroup reciprocal transactions.

Corporate taxes: Such as presented in the consolidated financial statements in accordance with IFRS standards and by distinguishing current taxes from deferred taxes.

Public subsidies received: Non-matching or non-refundable subsidies granted by a public entity on a one-off or renewable basis to complete a clearly defined project.

(1) Revenues from entities located in Bermuda are taxed in the United States and France, respectively.

(2) Revenue from the entity located in Curacao is taxed in France.

(3) Revenues from entities located in Cayman Islands are taxed in the United States, United Kingdom and Japan, respectively.

(4) Most of the staff located in India is assigned to a shared services centre whose re-invoicing income is recorded in general and administrative expenses and not in NBI.

3

CORPORATE GOVERNANCE

1. Corporate Governance structure and main bodies 76

Presentation of Gouvernance and structure of supervision committees 76
Board of Directors 77
General Management 83
Additional information about the members of the Board and the Deputy Chief Executive Officers 85
Executive Committee 85
Group Management Committee 86

2. Chairman's report on Corporate Governance 87

Corporate Governance declaration 87
Board of Directors 87
Vice-Chairmen 93
Board Committees 94
Assessment of the Board of Directors and Chief Executive Officers 97
Training 98
Specific conditions relating to shareholder participation in the General Meeting 98
Attendance fees paid to company Directors 98
Compensation and Benefits in kind awarded to Chief Executive Officers, and disclosure of information as provided for in Article L. 225-100-3 of the French Commercial Code 98

3. Remuneration of Group Senior Management 99

Remuneration of Chief Executive Officers 99
Remuneration of the other Members of the Executive Committee who are not Chief Executive Officers 104
Change in Governance in 2015 105
Transactions carried out by Chief Executive Officers and Directors in Societe Generale Shares 105
Standard tables in accordance with AMF recommendations 106
Remuneration components due or granted for fiscal year 2014 to Chief Executive Officers and submitted to a shareholder vote 115
Employee share plans 123

4. Statutory Auditors' special report on related party agreements and commitments 124

5. Report of the Chairman on internal control and risk management 126

6. Statutory Auditors' special report on the report of the Chairman on internal control and risk management 140

1. CORPORATE GOVERNANCE STRUCTURE AND MAIN BODIES

PRESENTATION OF GOUVERNANCE AND STRUCTURE OF SUPERVISION COMMITTEES

BOARD OF DIRECTORS

AUDIT, INTERNAL CONTROL AND RISK COMMITTEE*

COMPENSATION COMMITTEE

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

GENERAL MANAGEMENT

Prepares and supervises the implementation of the strategy determined by the Board of Directors

EXECUTIVE COMMITTEE

Implements the Group's strategy

COMMITTEES CHAIRED BY THE GENERAL MANAGEMENT

CORISQ
Supervises guidelines governing risks, particularly supervision of credit, country, market and operational risks. Architecture and implementation of the system for monitoring these risks.

LARGE EXPOSURES COMMITTEE
Examines and oversees the Group's main individual exposures.

FINANCE COMMITTEE
Validates the structural risk management and supervision system. Reviews changes in the Group's structural risks and the exposure limits of each Group entity.

INTERNAL CONTROL COORDINATION COMMITTEE
Responsible for the architecture of the Group's entire internal control system, as well as the consistency and effectiveness of the system.

RESULTS COMMITTEE
Examines the results of the business divisions and measures their performance relative to the budget.

The composition of the Board of Directors is presented on pages 77 and following of this Registration Document. The Internal Rules of the Board of Directors defining its powers are provided in Chapter 7 (page 541).

The composition of the General Management, the Executive Committee and the Management Committee is presented in the respective sections of this Chapter (see pages 83, 85 and 86).

The different Board of Directors Committees and their powers, along with their activity reports, are presented in the Chairman's Report on Corporate Governance in this Chapter (page 87), covering in particular the:

- role of the Vice-Chairman, page 87 (report on page 93);
- Board of Directors' activity report, page 92;
- Audit, Internal Control and Risk Committee, page 94;
- Compensation Committee, page 96;
- Nomination and Corporate Governance Committee, page 97.

* In January 2015, the Audit, Internal Control and Risk Committee was split into two separate committees: the Audit and Internal Control Committee and the Risk Committee.

BOARD OF DIRECTORS

(AT 1 JANUARY 2015)

FRÉDÉRIC OUDÉA

Chairman and Chief Executive Officer

Date of birth: 3 July 1963

Year of first appointment: 2009 – Term of office expires in: 2015

Holds 65,987 shares directly*
1,818 shares through Societe Generale Actionnariat (Fonds E)

Professional address: Tours Societe Generale, 75886 Paris Cedex 18

Other offices held:

Does not hold any other office within or outside the Societe Generale Group.

Biography: Frédéric Oudéa is a graduate of the *École Polytechnique* and the *École Nationale d'Administration*. From 1987 to 1995, he held a number of posts in the French senior civil service Audit Department of the Ministry of Finance, Ministry of the Economy and Finance, Budget Ministry and Cabinet of the Ministry of the Treasury and Communication. He joined Societe Generale in 1995 and went from being Deputy Head to Head of the Corporate Banking arm in London. In 1998, he became Head of Global Supervision and Development of Equities. Appointed Deputy Chief Financial Officer of the Societe Generale Group in May 2002. Appointed Chief Financial Officer in January 2003. Appointed Chief Executive Officer of the Group in 2008. Chairman and Chief Executive Officer of Societe Generale since May 2009.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
None	None	None	None

ANTHONY WYAND

First Vice-Chairman of the Board of Directors

Date of birth: 24 November 1943

Year of first appointment: 2002 – Term of office expires in: 2015

Company Director

Chairman of the Audit and Internal Control Committee and Risk Committee, Member of the Nomination and Corporate Governance Committee and the Compensation Committee

Holds 1,656 shares

Other offices held in French listed companies:
Director: Société Foncière Lyonnaise.

Offices held in foreign listed companies:
Director: Unicredit SpA.

Offices held in French unlisted companies:
Director: Aviva France, Aviva Participations.

Biography: a British national, Anthony Wyand was appointed Vice-Chairman of the Board of Directors of Societe Generale on 6 May 2009. He joined Commercial Union in 1971, was Chief Financial Officer and Head of European Operations (1987-1998), Executive Managing Director of CGNU Plc (1998-2000) and Executive Director of Aviva until June 2003.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
Director: Société Foncière Lyonnaise, Unicredit SpA, Aviva France, Aviva Participations.	*Director:* Société Foncière Lyonnaise, Unicredit SpA, Aviva France, Aviva Participations.	*Director:* Société Foncière Lyonnaise, Unicredit SpA, Aviva France, Aviva Participations.	*Director:* Société Foncière Lyonnaise, Unicredit SpA, Aviva France, Aviva Participations.

LORENZO BINI SMAGHI

Second Vice-Chairman of the Board of Directors

Date of birth: 29 November 1956

Year of first appointment: 2014 – Term of office expires in: 2018

Independent Director

Holds 1,000 shares

Other offices held in foreign listed companies:
Non-Executive Chairman of the Board of Directors: SNAM (Italy).

Director: TAGES Holding (Italy), Morgan Stanley (United Kingdom) (until 31 March 2014).

Biography: an Italian national with a Degree in Economic Sciences from *Université Catholique de Louvain* (Belgium) and a Ph.D. in Economic Sciences from the University of Chicago. Began his career in 1983 as an economist in the Research Department at the Bank of Italy. Was appointed Head of the Policy Division of the European Monetary Institute in 1994. Became Director General of International Financial Relations in Italy's Economy and Finance Ministry in October 1998. Chairman of SACE from 2001 to 2005. Member of the Executive Board of the European Central Bank from June 2005 to December 2011. Currently Non-Executive Chairman of the Board of Directors of SNAM (Italy).

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
Non-Executive Chairman of the Board of Directors: SNAM (Italy). *Non-Executive Member of the Board of Directors:* TAGES Holding (Italy).	*Non-Executive Chairman of the Board of Directors:* SNAM (Italy).	None	None

Note: professional addresses are only given for those still in employment. For other Board members, please send any post to Societe Generale's postal address, see Chapter 7, page 534.

* O/w 23,996 shares received as a share-based payment in 2014.

ROBERT CASTAIGNE

Company Director

Date of birth: 27 April 1946

Year of first appointment: 2009 – Term of office expires in: 2018

Independent Director, Member of the Audit, Internal Control and Risk Committee

Holds 1,000 shares

Other offices held in French listed companies:
Director: Sanofi, Vinci.

Biography: graduated with an engineering degree from *École Centrale de Lille* and *École Nationale Supérieure du Pétrole et des Moteurs*. Holds a Ph.D. in economics. Spent his entire career with Total SA, first as an engineer, and then in various positions. From 1994 to 2008, he was Chief Financial Officer and a Member of the Executive Committee of Total SA.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
Director: Sanofi, Vinci.	*Director:* Sanofi, Vinci.	*Director:* Sanofi, Vinci, Compagnie Nationale à Portefeuille (until 3 October 2011).	*Director:* Sanofi-Aventis, Vinci, Compagnie Nationale à Portefeuille.

MICHEL CICUREL

Chairman of Michel Cicurel Conseil

Date of birth: 5 September 1947

Year of first appointment: 2004 – Term of office expires in: 2016

Independent Director, Member of the Nomination and Corporate Governance Committee and the Compensation Committee.

Holds 1,138 shares

Other offices held in French listed companies:
Member of the Supervisory Board: Publicis.

Offices held in French unlisted companies not belonging to the Director's Group:
Chairman: Michel Cicurel Conseil.
Chairman of the Board of Directors: Banque Leonardo.
Director: Bouygues Telecom, Cogepa.

Biography: after a career at the French Treasury from 1973 to 1982, was appointed project director and then Deputy Chief Executive Officer of Compagnie Bancaire from 1983 to 1988 and Chief Executive Offier of Cortal from 1983 to 1989. Deputy Director of Galbani (BSN Group) from 1989 to 1991. Director and Chief Executive Officer, and subsequently Vice-Chairman and Chief Executive Officer, of CERUS from 1991 to 1999. Chairman of the Management Board of La Compagnie Financière Edmond De Rothschild and of Compagnie Financière Saint-Honoré from 1999 to June 2012. Michel Cicurel is Chairman of Michel Cicurel Conseil.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
Chairman: Michel Cicurel Conseil *Chairman of the Board of Directors:* Banque Léonardo. *Member of the Supervisory Board:* Publicis. *Director:* Bouygues Telecom, Cogepa.	*Chairman:* Michel Cicurel Conseil (since July 2012) *Chairman of the Management Board:* La Compagnie Financière Edmond de Rothschild, Compagnie Financière Saint-Honoré (until June 2012). *Member of the Supervisory Board:* Publicis. *Director:* Bouygues Telecom.	*Chairman of the Management Board:* La Compagnie Financière Edmond de Rothschild Banque, Compagnie Financière Saint-Honoré. *Chairman of the Supervisory Board:* Edmond de Rothschild Corporate Finance. *Vice-Chairman of the Supervisory Board:* Edmond de Rothschild Private Equity Partners. *Member of the Supervisory Board:* Publicis, Siaci Saint-Honoré, Newstone Courtage (until 1 December 2011), Milestone (since 4 July 2011). *Chairman of the Board of Directors:* ERS, Edmond de Rothschild SGR Spa (Italy), Edmond de Rothschild SIM Spa (Italy) (until 21 April 2011), Edmond de Rothschild Investment Services Ltd. (Israel). *Director:* Edmond de Rothschild Ltd. (London), Edmond de Rothschild Private Banking SA (Geneva), Bouygues Telecom. *Permanent representative of La Compagnie Financière Edmond de Rothschild Banque:* Edmond de Rothschild Asset Management (Chairman of the Supervisory Board), Edrim Solutions. *Permanent representative of Compagnie Financière Saint-Honoré:* Cogifrance. *Non-Voting Director:* Paris-Orléans.	*Member of the Supervisory Board:* Publicis. *Director:* Edmond de Rothschild Private Banking SA, (Geneva), Edmond de Rothschild Ltd. (London), Bouygues Telecom. *Chairman of the Management Board:* La Compagnie Financière Edmond de Rothschild Banque SA, Compagnie Financière Saint-Honoré. *Permanent representative of Compagnie Financière Edmond de Rothschild Banque:* Edmond de Rothschild Asset Management, Edmond de Rothschild Financial Services, Equity Vision. *Chairman of the Supervisory Board:* Edmond de Rothschild Asset Management (SAS). *Member of the Supervisory Board:* Siaci Saint-Honoré, Newstone Courtage. *Permanent representative of La Compagnie Financière Edmond de Rothschild:* Edrim Solutions. *Vice-Chairman of the Supervisory Board:* Edmond de Rothschild Private Equity. Partners (SAS), Edmond de Rothschild Corporate Finance (SAS). *Chairman of the Board of Directors:* Edmond de Rothschild SGR Spa (Italy) Edmond de Rothschild SIM Spa (Italy), ERS. *Permanent representative of Compagnie Financière Saint-Honoré:* Cogifrance. *Non-Voting Director:* Paris-Orléans

Note: professional addresses are only given for those still in employment. For other Board members, please send any post to Societe Generale's postal address, see Chapter 7, page 534.

YANN DELABRIÈRE

Chairman and Chief Executive Officer of Faurecia

Date of birth: 19 December 1950

Year of first appointment: 2012 – Term of office expires in: 2016

Independent Director

Holds 1,000 shares

Professional address: 2 rue Hennape, 92735 Nanterre Cedex

Other offices held in French listed companies:
Chairman and Chief Executive Officer: Faurecia.
Director: Capgemini.

Biography: a graduate of *École Normale Supérieure* and *École Nationale d'Administration*, with an advanced degree in Mathematics. Yann Delabrière began his career at Cour des Comptes (Court of Auditors). He became Chief Financial Officer of Coface (1982-1987) then Printemps Group (1987-1990) before becoming Chief Financial Officer of PSA Peugeot Citroën from 1990 to 2007. He was also Chairman and Chief Executive Officer of Banque PSA Finance. Member of the Board and Chairman of the Audit Committee of Cap Gemini since 2003. Mr. Delabrière has been CEO and Chairman of Faurecia since 2007.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
Chairman and Chief Executive Officer: Faurecia. *Director:* Cap Gemini.	*Chairman and Chief Executive Officer:* Faurecia. *Director:* Cap Gemini.	*Chairman and Chief Executive Officer:* Faurecia. *Director:* Cap Gemini.	*Chairman and Chief Executive Officer:* Faurecia. *Director:* Cap Gemini.

JEAN-MARTIN FOLZ

Company Director

Date of birth: 11 January 1947

Year of first appointment: 2007 – Term of office expires in: 2015

Independent Director, Chairman of the Nomination and Corporate Governance Committee, Member of the Compensation Committee.

Holds 2,011 shares

Other offices held in French listed companies:
Director: Alstom, AXA, Saint-Gobain.

Offices held in foreign listed companies:
Director: Solvay (Belgium) (until 13 May 2014).

Biography: served as Chairman of the PSA Peugeot Citroën Group from 1997 to February 2007, after holding management, then executive management, positions with the Rhône-Poulenc Group, Schneider Group, Péchiney Group and Eridania-Beghin-Say.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
Director: Alstom, Axa, Saint-Gobain, Eutelsat (until 7 November 2013), Solvay (Belgium).	*Director:* Alstom, Axa, Saint-Gobain, Eutelsat, Solvay (Belgium).	*Director:* Alstom, Axa, Saint-Gobain, Eutelsat, Solvay (Belgium). *Member of the Board:* ONF Participations (SAS).	*Director:* Alstom, Axa, Carrefour, Saint-Gobain, Solvay (Belgium).

KYRA HAZOU

Company Director

Date of birth: 13 December 1956

Year of first appointment: 2011 – Term of office expires in: 2015

Independent Director, Member of the Audit and Internal Control Committee and Risk Committee.

Holds 1,000 shares

Biography: a British and US national, was Managing Director and Group Legal Counsel for Salomon Smith Barney/Citibank from 1985 to 2000, after practising as a lawyer in both London and New York. From 2001 to 2007, she was Non-Executive Director, Member of the Audit Committee and the Risk Committee of the Financial Services Authority in the United Kingdom.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
None	None	None	None

Note: professional addresses are only given for those still in employment. For other Board members, please send any post to Societe Generale's postal address, see Chapter 7, page 534.

JEAN-BERNARD LÉVY

Chairman and Chief Executive Officer of EDF

Date of birth: 18 March 1955

Year of first appointment: 2009 – Term of office expires in: 2017

Independent Director, Chairman of the Compensation Committee, Member of the Nomination and Corporate Governance Committee.

Holds 1,000 shares

Professional address: 22-30 avenue de Wagram, 75008 Paris

Other offices held in French listed companies:
Chairman and Chief Executive Officer: EDF (since 26 November 2014), Thales (until 27 November 2014).
Director: Vinci

Offices held in French unlisted companies:
Chairman of the Supervisory Board: Viroxis (until 25 May 2014).
Chairman: JBL Consulting & Investment SAS (until 19 December 2014).
Director: DCNS (until 1 December 2014).

Biography: graduate of *École Polytechnique and Télécom* Paris Tech. Chairman and Chief Executive Officer of EDF since 26 November 2014. Chairman and Chief Executive officer of Thalès from 20 December 2012 to 27 November 2014. Chairman of the Management Board of Vivendi from 2005 to 2012. Joined Vivendi in August 2002 as Chief Executive officer. Jean-Bernard Lévy was Managing Partner responsible for Corporate Finance of Oddo et Cie from 1998 to 2002. From 1995 to 1998, he was Chairman and Chief Executive Officer of Matra Communication. From 1993 to 1994, he was Director of the Cabinet of Gérard Longuet, French Minister for Industry, the Postal Service, Telecommunications and Foreign Trade. From 1988 to 1993, he was Head of Telecommunication Satellites at Matra Marconi Space. From 1986 to 1988, Jean-Bernard Lévy was technical advisor to the Cabinet of Gérard Longuet, Deputy Minister for the Postal Service and Telecommunications, and from 1978 to 1986 he was an engineer at France Télécom.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013

Chairman and CEO: Thalès

Chairman of the Supervisory Board: Viroxis.

Chairman: JBL Consulting.

Director: Vinci, DCNS.

2012

Chairman and Chief Executive Officer: SFR (until 28 June 2012).

Chairman: JBL Consulting & Investment SAS.

Chairman of the Management Board: Vivendi (until 28 June 2012).

Chairman of the Board of Directors: Activision Blizzard Inc (until 28 June 2012), GVT Brésil (until 28 June 2012).

Chairman of the Supervisory Board: Canal+ Group (until 28 June 2012), Canal+ France (until 28 June 2012), Viroxis.

Vice-Chairman of the Supervisory Board: Maroc Télécom (until 28 June 2012).

Director: Vinci.

2011

Chairman of the Board of Directors: Activision Blizzard Inc, GVT (Brésil), Institut Télécom.

Chairman of the Supervisory Board: Canal+ Group, Canal+ France, Viroxis.

Vice-Chairman of the Supervisory Board: Maroc Télécom

Director: Vinci, SFR.

2010

Chairman of the Board of Directors: Activision Blizzard, GVT (Brazil), Institut Télécom.

Vice-Chairman of the Supervisory Board: Canal+ Group, Maroc Télécom.

Director: Vinci, Vivendi Games Inc., Activision Blizzard Inc., NBC Universal Inc.

ANA MARIA LLOPIS RIVAS

Founder, Chairman and Chief Executive Officer of Global Ideas4all

Date of birth: 5 August 1950

Year of first appointment: 2011 – Term of office expires in: 2015

Independent Director

Holds 1,000 shares

Other offices held in foreign listed companies:
Non-Executive Chairman of the Board of Directors: DIA

Offices held in foreign unlisted companies:
Founder, Chairman and Chief Executive Officer: Global Ideas4all.
Director: AXA Spain, R&R Music (until 31 December 2014).

Biography: a Spanish national, spent 11 years working in the Spanish banking sector (Banesto and Santander Group) where she notably founded an online bank and brokerage firm; Executive Chairman of Razona, a financial consulting firm, she was then appointed Executive Vice President of Financial and Insurance Markets for the consultancy Indra, as well as Non-Executive Director and Member of the Audit Committee of Reckitt-Benckiser, and then member of the Supervisory Board of ABN AMRO. She is currently Founder, Chairman and Chief Executive Officer of Global Ideas4all, Non-Executive Chairman of the Board of Directors of DIA and Director of Axa Spain.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013

Founder, Chairman and Chief Executive Officer: Global Ideas4all.

Non-Executive Chairman of the Board of Directors: DIA.

Director: AXA Spain (since July 2013), R&R Music.

2012

Founder, Chairman and Chief Executive Officer: Global Ideas4all.

Non-Executive Chairman of the Board of Directors: DIA.

Director: Service Point Solutions (until 28 June 2012), R&R Music (since June 2012) (formerly Polyphonic & Music Intelligent Solutions).

2011

Founder, Chairman and Chief Executive Officer: Global Ideas4all.

Non-Executive Chairman of the Board of Directors: DIA (since July 2011).

Director: Service Point Solutions, British American Tobacco (until May 2011), Polyphonic & Music Intelligent Solutions

2010

Founder, Chairman and Chief Executive Officer: Global Ideas4all.

Member of the Supervisory Board: ABN Amro.

Director: Service Point Solutions, British American Tobacco, Polyphonic & Music Intelligent Solutions.

Note: professional addresses are only given for those still in employment. For other Board members, please send any post to Societe Generale's postal address, see Chapter 7, page 534.

NATHALIE RACHOU

Founder and Chief Executive Officer of Topiary Finance Ltd.

Date of birth: 7 April 1957

Year of first appointment: 2008 - Term of office expires in: 2016

Independent Director, Member of the Audit, Internal Control and Risk Committee.

Holds 1,048 shares

Professional address: 11 Elvaston Place, London SW7 5QG, United Kingdom

Other offices held in French listed companies:
Director: Veolia Environnement, Altran.

Offices held in foreign unlisted companies:
Director: Topiary Finance.

Biography: HEC graduate. From 1978 to 1999, held a number of positions at Banque Indosuez and Crédit Agricole Indosuez: foreign exchange dealer, Head of Asset/Liability Management, founder then CEO of Carr Futures International Paris (brokerage subsidiary of Banque Indosuez trading on the Paris Futures Exchange), Corporate Secretary of Banque Indosuez and Global Head of Foreign Exchange and Currency Options at Crédit Agricole Indosuez. In 1999, she founded Topiary Finance Ltd., an asset management company based in London. She has also been a Foreign Trade Advisor for France since 2001.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
Director: Topiary Finance, Liautaud et Cie (until 21 November 2013), Veolia Environnement, Altran.	*Director:* Liautaud et Cie, Veolia Environnement, Altran.	*Director:* Liautaud et Cie.	*Director:* Liautaud et Cie.

ALEXANDRA SCHAAPVELD

Company Director

Date of birth: 5 September 1958

Year of first appointment: 2013 - Term of office expires in: 2017

Independent Director, Member of the Audit, Internal Control and Risk Committee.

Holds 1,000 shares

Other offices held in French listed companies:
Member of the Supervisory Board: Vallourec SA.

Other offices held in foreign listed companies:
Member of the Supervisory Board: Bumi Armada Berhad (Malaysia).

Offices held in foreign unlisted companies:
Member of the Supervisory Board: FMO (Netherlands).

Biography: a Dutch national, Alexandra Schaapveld graduated from the University of Oxford in politics, economy and philosophy and holds a Master's Degree in Development Economics from Erasmus University. She began her career at the ABN AMRO Group, where she held various positions from 1984 to 2007 in the Investment Banking Division. She was particularly responsible for coverage of major bank clients. In 2008, she was Head of Investment Banking for Western Europe at the Royal Bank of Scotland Group. Member of the Supervisory Boards of FMO and Holland Casino (Netherlands), Bumi Armada (Malaysia) and Vallourec (France). She has no professional activity aside from holding non-executive offices.

Detailed information on offices and positions held in previous years (at 31 December of each year)

2013	2012	2011	2010
Member of the Supervisory Board: Vallourec (France), FMO and Holland Casino* (Netherlands), Bumi Armada Berhad (Malaysia).	*Member of the Supervisory Board:* Vallourec (France), FMO and Holland Casino* (Netherlands), Bumi Armada Berhad (Malaysia).	*Member of the Supervisory Board:* Vallourec (France), Holland Casino* (Netherlands), Bumi Armada Berhad (Malaysia).	*Member of the Supervisory Board:* Vallourec (France), Holland Casino* (Netherlands).

FRANCE HOUSSAYE

Product and Partnership Coordinator at the Rouen Branch

Date of birth: 27 July 1967

Year of first appointment: 2009 – Term of office expires in: 2015

Director elected by employees.

Professional address: Tours Société Générale, 75886 Paris cedex 18

Biography: Societe Generale employee since 1989.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
None	None	None	None

BÉATRICE LEPAGNOL

Union Activities Advisor at the Agen branch

Date of birth: 11 October 1970

Year of first appointment: 2012 – Term of office expires in: 2015

Director elected by employees

Professional address: Tours Société Générale, 75886 Paris cedex 18

Biography: Societe Generale employee since 1990.

Detailed information on offices and positions held in previous years (at 31 December of each year).

2013	2012	2011	2010
None	None	None	None

Note: professional addresses are only given for those still in employment. For other Board members, please send any post to Societe Generale's postal address, see Chapter 7, page 534.

* Foundation.

Directors whose term of office expires in 2015

FRÉDÉRIC OUDÉA

Date of birth: 3 July 1963

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Year of first appointment: 2009 - Term of office expires in: 2015

ANTHONY WYAND

Date of birth: 24 November 1943

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

Company Director, Chairman of the Audit and Internal Control Committee and Risk Committee, Member of the Nomination and Corporate Governance Committee and the Compensation Committee.

Year of first appointment: 2002 – Term of office expires in: 2015

JEAN-MARTIN FOLZ

Date of birth: 11 January 1947

COMPANY DIRECTOR

Independent Director, Chairman of the Nomination and Corporate Governance Committee, Member of the Compensation Committee.

Year of first appointment: 2007 – Term of office expires in: 2015

KYRA HAZOU

Date of birth: 13 December 1956

COMPANY DIRECTOR

Independent Director, Member of the Audit and Internal Control Committee and Risk Committee.

Year of first appointment: 2011 – Term of office expires in: 2015

ANA MARIA LLOPIS RIVAS

Date of birth: 5 August 1950

FOUNDER, CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF GLOBAL IDEAS4ALL

Independent Director.

Year of first appointment: 2011 – Term of office expires in: 2015

Terms of office of Employee-Elected Directors expiring in 2015*

FRANCE HOUSSAYE

Date of birth: 27 July 1967

PRODUCT AND PARTNERSHIP COORDINATOR AT THE ROUEN BRANCH

Director elected by employees. Member of the Compensation Committee.

Year of first appointment: 2009 – Term of office expires in: 2015

BÉATRICE LEPAGNOL

Date of birth: 11 October 1970

UNION ACTIVITIES ADVISOR

Director elected by employees.

Year of first appointment: 2012 – Term of office expires in: 2015

* The election of employee representatives will be held from 12 to 19 March 2015 (second round).

GENERAL MANAGEMENT

(AT 1 JANUARY 2015)

FRÉDÉRIC OUDÉA

Date of birth: 3 July 1963

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

See page 77.

SÉVERIN CABANNES

Date of birth: 21 July 1958

DEPUTY CHIEF EXECUTIVE OFFICER

Holds 23,340 shares directly*
1,309 shares through Societe Generale Actionnariat (Fonds E)

Other offices held in French unlisted companies belonging to the Societe Generale Group: Director: Amundi Group, Crédit du Nord.

Offices held in French unlisted companies outside the Societe Generale Group: Member of the Supervisory Board: Steria Sca Group (until 16 October 2014).

Biography: worked for Crédit National, Elf Atochem, then the La Poste Group (1983-2001). Joined Societe Generale in 2001 as Group Chief Financial Officer until 2002. Deputy CEO responsible for the Steria Group's strategy and finance, then CEO (2002-2007). In January 2007, Séverin Cabannes became Societe Generale's Group Head of Corporate Resources and has been a Deputy Chief Executive Officer since May 2008.

BERNARDO SANCHEZ INCERA

Date of birth: 9 March 1960

DIRECTEUR GÉNÉRAL DÉLÉGUÉ

Holds 11,667 shares**

Other offices held in French listed companies belonging to the Societe Generale Group: Director: Banque Roumaine de Développement, Societe Generale de Banques en Côte d'Ivoire. Member of the Supervisory Board: Rosbank, Komerčni Banka A.S.

Offices held in French unlisted companies belonging to the Societe Generale Group: Chairman: Crédit du Nord (since 28 May 2014). Director: Boursorama (since 17 November 2014), Franfinance (until 23 October 2014), Sogecap, Compagnie Générale de Location d'Équipements (until 5 December 2014).

Offices held in French unlisted companies outside the Societe Generale Group: Director: ALD Automotive Group Plc (until 5 October 2014), Societe Generale de Banques au Cameroun, Societe Generale de Banques au Sénégal. Member of the Supervisory Board: Societe Generale Marocaine de Banques.

Biography: a Spanish national. From 1984 to 1992, Bernardo Sanchez Incera was a corporate relationship manager and Deputy Head of the Corporate Business Branch of Crédit Lyonnais La Défense. From 1992 to 1994, he was Director and CEO of Crédit Lyonnais Belgium. From 1994 to 1996, he was Deputy Director of Banca Jover Spain. From 1996 to 1999, he was CEO of Zara France. From 1999 to 2001, he was Head of International Operations for the Inditex Group, then Chairman of LVMH Mode et Maroquinerie Europe and of LVMH Fashion Group France from 2001 to 2003. From 2003 to 2004, he was Chief Executive Officer of Vivarte France, then in 2004, Executive Managing Director of Monoprix France until 2009. He joined Societe Generale in November 2009, where he has been a Deputy Chief Executive Officer since 1 January 2010.

* O/w 8,974 shares received as a share-based payment in 2014.
**O/w 7,500 shares received as a share-based payment in 2014.

OFFICES HELD OVER THE PAST FIVE YEAR

	2014	2013	2012	2011	2010
Frédéric OUDÉA Chairman and Chief Executive Officer *Professional address:* Tours Societe Generale, 75886 Paris Cedex 18	Did not hold any other office.				
Séverin CABANNES Deputy Chief Executive Officer *Professional address:* Tours Societe Generale, 75886 Paris Cedex 18	*Director:* Crédit du Nord, Amundi Group. *Member of the Supervisory Board:* Steria Sca Group (until 16 October 2014).	*Director:* Crédit du Nord, TCW Group (until 6 February 2013), Amundi Group. *Member of the Supervisory Board:* Steria Sca Group.	*Director:* Crédit du Nord, TCW Group, Amundi. *Member of the Supervisory Board:* Steria Sca Group.	*Director:* Crédit du Nord, TCW Group, Amundi Group. *Member of the Supervisory Board:* Steria Sca Group.	*Director:* Crédit du Nord, TCW Group. *Member of the Supervisory Board:* Komerčni Banka, Steria Sca Group.
Bernardo SANCHEZ INCERA Deputy Chief Executive Officer *Professional address:* Tours Societe Generale, 75886 Paris Cedex 18	*Chairman:* Crédit du Nord (since 28 May 2014). *Director:* Boursorama (since 17 November 2014), ALD Automotive Group (until 5 October 2014), Banque Roumaine de Développement, Franfinance (until 23 October 2014), Sogecap, Compagnie Générale de Location d'Equipements (until 5 December 2014), Societe Generale de Banques au Cameroun, Societe Generale de Banques en Côte d'Ivoire, Societe Generale de Banques au Sénégal. *Member of the Supervisory Board:* Rosbank, Komerčni Banka A.S., Societe Generale Marocaine de Banques.	*Director:* ALD Automotive Group, Banque Roumaine de Développement, Franfinance, Sogecap, Compagnie Générale de Location d'Equipements, National Societe Generale Bank (until 28 March 2013), Rosbank, Societe Generale de Banques au Cameroun, Societe Generale de Banques en Côte d'Ivoire, Societe Generale de Banques au Sénégal. *Member of the Supervisory Board:* Komerčni Banka A.S., Societe Generale Marocaine de Banques.	*Director:* ALD Automotive Group, Banque Roumaine de Développement, Franfinance, Sogecap, Compagnie Générale de Location d'Equipements, National Societe Generale Bank, Rosbank, Societe Generale de Banques au Cameroun, Societe Generale de Banques en Côte d'Ivoire, Societe Generale de Banques au Sénégal. *Member of the Supervisory Board:* Komerčni Banka A.S., Societe Generale Marocaine de Banques.	*Director:* ALD Automotive Group, Banque Roumaine de Développement, Franfinance, Sogecap, Compagnie Générale de Location d'Equipements, National Societe Generale Bank, Rosbank, Societe Generale de Banques au Cameroun, Societe Generale de Banques en Côte d'Ivoire, Societe Generale de Banques au Sénégal. *Member of the Supervisory Board:* Komerčni Banka A.S., Societe Generale Marocaine de Banques.	*Director:* ALD Automotive Group, Banque Roumaine de Développement, Franfinance, National Societe Generale Bank, Rosbank, Societe Generale de Banques au Cameroun, Societe Generale de Banques en Côte d'Ivoire, Societe Generale de Banques au Sénégal. *Member of the Supervisory Board:* Komerčni Banka A.S., Societe Generale Marocaine de Banques.

ADDITIONAL INFORMATION ABOUT THE MEMBERS OF THE BOARD AND THE DEPUTY CHIEF EXECUTIVE OFFICERS

Absence of conflicts of interest

To the best of the Board of Directors' knowledge:

- there are no potential conflicts of interest between the Board of Directors' and the Deputy Chief Executive Officers' obligations towards Societe Generale and their professional or private interests. Should the case arise, conflicts of interest are governed by article 10 of the Board of Directors' Internal Rules;
- none of the persons referred to above has been selected pursuant to an arrangement or understanding with shareholders, customers, suppliers or other parties;
- there is no family relationship between any of the persons referred to above;
- no restrictions other than legal have been agreed to by any of the persons referred to above with regard to the disposal of their stake in Societe Generale's capital.

Absence of criminal convictions

To the best of the Board of Directors' knowledge:

- no convictions for involvement in fraud have been delivered against any of its members or any of the Deputy Chief Executive Officers in the past five years;
- none of its members, nor any of the Deputy Chief Executive Officers, has been involved (in their capacity as members of the Boards of Directors, Management Board or Supervisory Board, or as senior executives) in bankruptcy, sequestration or liquidation proceedings in the past five years;
- on 18 December 2014, the AMF's Sanctions Committee imposed financial sanctions against Faurecia and Yann Delabrière, in his capacity as Chairman and Chief Executive Officer of Faurecia, for failure to duly inform the public. Faurecia and Yann Delabrière have appealed this decision. There are no other criminal charges and/or official public sanctions from a statutory or legal authority pending against any members of the Board or Deputy Chief Executive Officers;
- none of its members, nor any of the Deputy Chief Executive Officers, has been prevented by a court from acting as a member of the administrative, management or supervisory body of an issuer or from taking part in the management or conduct of an issuer's business in the past five years.

EXECUTIVE COMMITTEE

(AT 1 JANUARY 2015)

The Executive Committee is responsible for the strategic management of the Group, under the authority of the Chairman and Chief Executive Officer.

Frédéric OUDÉA
Chairman and Chief Executive Officer

Séverin CABANNES
Deputy Chief Executive Officer

Bernardo SANCHEZ INCERA
Deputy Chief Executive Officer

Laurent GOUTARD
Head of Societe Generale French Retail Banking

Caroline GUILLAUMIN
Head of Group Communication

Didier HAUGUEL
Co-Head of International Banking and Financial Services

Philippe HEIM
Group Chief Financial Officer

Edouard-Malo HENRY
Group Head of Human Resources

Françoise MERCADAL-DELASALLES
Group Head of Corporate Resources and Innovation

Benoît OTTENWAELTER
Group Chief Risk Officer

Jean-Luc PARER
Co-Head of International Banking and Financial Services

Patrick SUET
Corporate Secretary and Group Chief Compliance Officer

Didier VALET
Head of Corporate & Investment Banking, Private Banking, Asset Management and Securities Services

GROUP MANAGEMENT COMMITTEE

(AT 1 JANUARY 2015)

The Group Management Committee, which comprises nearly sixty of the Group's senior executives, meets to discuss Group strategy and other issues of general interest to the Group.

Frédéric Oudéa, Chairman and Chief Executive Officer

Séverin Cabannes, Deputy Chief Executive Officer

Bernardo Sanchez Incera, Deputy Chief Executive Officer

Laurent Goutard, Head of Societe Generale French Retail Banking

Caroline Guillaumin, Head of Group Communication

Didier Hauguel, Co-Head of International Banking and Financial Services

Philippe Heim, Group Chief Financial Officer

Edouard-Malo Henry, Group Head of Human Resources

Françoise Mercadal-Delasalles, Group Head of Corporate Resources and Innovation

Benoît Ottenwaelter, Group Chief Risk Officer

Jean-Luc Parer, Co-Head of International Banking and Financial Services

Patrick Suet, Corporate Secretary & Group Chief Compliance Officer

Didier Valet, Head of Corporate & Investment Banking, Private Banking, Asset Management and Securities Services

Hervé Audren de Kerdrel, Deputy Chief Financial Officer

Pascal Augé, Head of Global Transaction and Payment Services

Thierry Aulagnon, Head of Coverage and Investment Banking

Philippe Aymerich, Chief Executive Officer of Crédit du Nord

Albert Boclé, Head of Sales and Marketing of Societe Generale French Retail Banking

Alain Bozzi, Deputy Chief Compliance Officer

Gilles Briatta, Deputy Corporate Secretary

Marie Cheval, Chairman and Chief Executive Officer of Boursorama

Thierry d'Argent, Global Head of Corporate Finance, Societe Generale Corporate & Investment Banking

Véronique de La Bachelerie, Chief Executive Officer of Societe Generale Bank & Trust

Bruno Delas, Head of Information Systems and Process Automation of French Retail Banking

Pierre-Yves Demoures, Chief Operating Officer of International Banking and Financial Services

Marie-Christine Ducholet, Chief Executive Officer of Societe Generale Equipment Finance

Claire Dumas, Chief Financial Officer of French Retail Banking

Daniel Fields, Head of Global Markets

Ian Fisher, Head of Corporate and Investment Banking activities for the United Kingdom and Ireland

Patrick Folléa, Deputy Head of Private Banking and Head of Societe Generale Private Banking France

Olivier Garnier, Group Chief Economist

Jean-Marc Giraud, Head of the Inspection and Audit Division

Donato Gonzalez-Sanchez, Head of Corporate & Investment Banking, Private Banking, Asset Management, Securities Services for Spain and Portugal

Eric Groven, Deputy Head of Societe Generale French Retail Banking

Arnaud Jacquemin, Deputy Chief Risk Officer

Jochen Jehmlich, Chief Executive Officer of GEFA Group and Deputy Chief Executive Officer of Societe Generale Equipment Finance

William Kadouch-Chassaing, Deputy Chief Financial Officer and Head of Group Strategy

Jean-Louis Klein, Head of Coverage for Large Corporates, Societe Generale French Retail Banking

Slawomir Krupa, Deputy Head of Global Finance and CEO of Central and Eastern Europe, Middle East and Africa, Corporate & Investment Banking, Private Banking, Asset Management, Securities Services

Albert Le Dirac'h, Chairman of the Management Board of Komerčni Banka

Christophe Leblanc, Chief Operating Officer, Corporate & Investment Banking, Private Banking, Asset Management and Securities Services

Diony Lebot, Deputy Group Chief Risk Officer

Philippe Lhotte, Chairman and Chief Executive Officer of Banque Roumaine de Développement

Anne Marion-Bouchacourt, Group Chief Country Officer for China

Mike Masterson, Head of the Operational Vehicle Leasing and Fleet Management businesses, ALD Automotive

Laetitia Maurel, Head of Group Media Relations

Alexandre Maymat, Head of the Africa/Asia/Mediterranean Basin & Overseas region, International Banking and Financial Services

Jean-François Mazaud, Head of Private Banking

Christophe Mianné, Deputy Head of Corporate & Investment Banking, Private Banking, Asset Management and Securities Services

Hikaru Ogata, Head of the Asia-Pacific region, Corporate & Investment Banking, Private Banking, Asset Management and Securities Services

Dmitriy Olyunin, Chief Executive Officer of Rosbank

Craig Overlander, Head of Societe Generale Americas, Corporate & Investment Banking, Private Banking, Asset Management and Securities Services

Pierre Palmieri, Head of Global Finance

Philippe Perret, Head of the Insurance businesses

Bruno Prigent, Head of the Securities Services business

Sylvie Rémond, Client Relations and Investment Banking Advisor

Giovanni-Luca Soma, Head of the Europe region, International Banking and Financial Services

Catherine Théry, Head of Group Internal Control Coordination and Head of the Enterprise Risk Management Programme

Vincent Tricon, Head of Corporate and Investment Banking for Societe Generale French Retail Banking SME and ISE clients

Guido Zoeller, Head of Societe Generale Corporate & Investment Banking activities in Germany

2. CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE DECLARATION

Societe Generale refers to the most recent version of the AFEP-MEDEF Corporate Governance Code for listed companies (June 2013 – document available on the www.medef.fr website). In accordance with the "comply or explain" principle, Societe Generale would point out that it applies all the recommendations except for the recommendations listed below:

AFEP-MEDEF provision not applied in 2014	Justifications
Article 10.2: measure the actual contribution of each Director to the work conducted by the Board of Directors and their involvement in discussions.	This recommendation of a formal assessment of each Director's individual contribution is not deemed relevant by the Board of Directors, as a positive assessment of the Board's collective operation can only be the result of satisfactory individual contributions. Having said that, in the interest of further improving each Director's participation, the Board of Directors decided as of 2013 that the First Vice-Chairman would perform an individual evaluation with each Director on a yearly basis.
Article 16.2.1: the Audit Committee must have sufficient time to review the financial statements (at least two days before the review conducted by the Board).	Given that several members of the Audit Committee live abroad, meetings held to review the financial statements usually take place the day before the Board meets. Every effort is made to ensure that the necessary information and documents are delivered sufficiently in advance for the Directors to be able to fulfil their duties.
Article 23.2.4: award performance shares during the same period of the calendar year.	The final European regulation governing remuneration in credit institutions had not been made public at the usual award date for long-term incentives to Chief Executive Officers (May). Consequently, the award was decided by the Board at its meeting of 31 July 2014. The Group no longer awards stock options to its Chief Executive Officers.

The operation of the Board of Directors and the Committees has been governed by Internal Rules since early 2000.

In early 2015, the Board of Directors redrafted the Internal Rules, notably in order to include the provisions resulting from Directive CRD4, and to include the Director's Charter for improved clarification.

The Internal Rules (version in force as from 1 January 2015) and the Company's by-laws are included in the Registration Document (See Chapter 7). Unless otherwise indicated, the extracts provided below were taken from the Internal Rules or the Director's Charter in force in 2014. The full versions of these documents can be found in the 2014 Registration Document.

BOARD OF DIRECTORS

1. Chairman's Office and General Management

Pursuant to the law and the Company's By-laws, it is the responsibility of the Board of Directors to decide if the offices of Chairman and Chief Executive Officer are held by the same person or are separate.

From 13 May 2008 until the resignation of Daniel Bouton as Chairman on 6 May 2009, the offices of Chairman and Chief Executive Officer were separate.

As of 6 May 2009, the Board of Directors decided to combine the offices of Chairman and Chief Executive Officer in order to establish a tighter and more responsive governance structure, and appointed Frédéric Oudéa as Chairman and Chief Executive Officer. The merger of the two offices took effect on 24 May 2009.

The Board of Directors also decided to create the office of Vice-Chairman of the Board of Directors on 6 May 2009. This position was assigned to Anthony Wyand, who is also Chairman of the Audit, Internal Control and Risk Committee, and a member of the two other Committees.

On 21 May 2014, the Board of Directors decided to create the office of Second Vice-Chairman and appointed Lorenzo Bini Smaghi to this position.

Extract from Article 5 of the Internal Rules of the Board of Directors:

5.2 - The Board of Directors may appoint a First Vice-Chairman to assist the Chairman with his duties, including in particular the organisation and correct operation of the Board of Directors and its Committees, management of conflicts of interest, and supervision of corporate governance, internal control and risk management.

To this end, the First Vice-Chairman chairs the Audit, Internal Control and Risk Committee, and is a member of the Nomination and Corporate Governance Committee and the Compensation Committee. He may question the members of the Group Executive Committee and the managers responsible for drawing up the financial statements and for internal control, risk management, compliance, and internal audits. From a more general standpoint, he may question the Group's executive managers and Statutory Auditors. He is provided with the information and documents he deems necessary to accomplish his duties.

At least once a year, the First Vice-Chairman holds a meeting with the Directors who are not employees of the Group, from which the Chairman and Chief Executive Officer is excluded, primarily to prepare for the performance assessment of the Chief Executive Officers and to discuss the future of the Company's General Management. He conducts an annual review with each Director on his contribution to the work conducted by the Board of Directors.

With the approval of the Chairman and Chief Executive Officer, he may represent the Company during meetings with third parties regarding corporate governance, internal control and risk management.

5.3 - The Board of Directors may also appoint a Second Vice-Chairman, in charge of specific duties assigned by the Board of Directors with the approval of the Chairman and Chief Executive Officer. The Second Vice-Chairman may attend meetings of the Board Committees. He may question members of the Executive Committee and is provided with the information and documents he deems necessary to accomplish his duties. With the approval of the Chairman and Chief Executive Officer, he may represent the Company during meetings with third parties in France and abroad.

5.4 - As needed, the Vice-Chairmen may call upon the services of the Secretary's Office of the Board of Directors, and may be provided with the resources needed to fulfil their duties.

In 2014, Frédéric Oudéa was assisted by three, and then two, Deputy Chief Executive Officers: Séverin Cabannes (in office since May 2009), Bernardo Sanchez Incera (in office since 1 January 2010) and Jean-François Sammarcelli (in office from 1 January 2010 to 31 August 2014).

Séverin Cabannes is specifically in charge of: Finance, Risks, Resources, and Global Banking and Investor Solutions.

Bernardo Sanchez Incera is specifically in charge of French Retail Banking in its entirety, and supervision of International Retail Banking and Financial Services.

At the end of 2013, following the adoption of Directive CRD 4 calling for the separation of the offices of Chairman and Chief Executive Officer, the Board of Directors approved a letter to the ACPR (French Prudential Supervisory and Resolution Authority) requesting that the two offices remain combined. The ACPR decided that the offices could remain combined until the end of Frédéric Oudéa's term of office (2015).

On 15 January 2015, the Board of Directors issued a decision regarding the governance structure to be implemented after the General Meeting of 19 May 2015, at which time the offices of Chairman and Chief Executive Officer will once again be separate. The Board of Directors decided to appoint Lorenzo Bini Smaghi as Chairman and Frédéric Oudéa as Chief Executive Officer.

2. Limitations imposed on the powers of the Chief Executive Officer

The by-laws do not impose any specific limitations on the powers of the Chief Executive Officer or Deputy Chief Executive Officers, who fulfil their duties in accordance with current laws and regulations, the by-laws, the Internal Rules and the guidelines approved by the Board of Directors.

Article 1 of the Internal Rules defines the cases in which the prior approval of the Board of Directors is required (strategic investment projects exceeding a given amount, etc.). See powers of the Board of Directors below, page 92.

3. Composition of the Board

The Board has 12 Directors appointed by the General Meeting and 2 Directors elected by the employees. A representative of the Works Council takes part in the meetings of the Board of Directors, without a deciding vote.

The Directors appointed by the General Meeting have four–year mandates. The expiry dates for these mandates are staggered, ensuring that between two and five Directors are appointed or their terms of office renewed every year. Two Directors are elected by Societe Generale's employees for a three-year mandate (2012-2015).

The average age of the Directors is 59. In 2014, the General Meeting approved the renewal of Robert Castaigne's mandate, and the appointment of Lorenzo Bini Smaghi as a replacement for Gianemilio Osculati. Robert Castaigne and Lorenzo Bini Smaghi were appointed as Independent Directors.

Changes in the composition of the Board in 2014

Director	Departure	Appointment	Re-appointment	Nationality
R. CASTAIGNE			20 May 2014	French
G. OSCULATI	20 May 2014			Italian
L. BINI SMAGHI		20 May 2014		Italian

3.1 EXPERIENCED AND COMPLEMENTARY DIRECTORS

The make-up of the Board is intended to strike a balance between experience, expertise and independence, in accordance with the principle of equality. Expertise and experience in the financial industry, and in managing large international companies, are the basic criteria for selecting Directors. Five Directors are non-French nationals.

The wide-ranging knowledge and skills held by the Directors are highly complementary. Their diverse backgrounds cover the entire spectrum of the bank's activities and associated risks.

3.2 DIRECTOR BIOGRAPHIES

	Professional expertise			
DIRECTOR	**Banking & Finance**	**Other business**	**International**	**Brief bio**
Frédéric OUDÉA	X		X	Societe Generale Group since 1995: Investment Banking until 2001 – Group Chief Financial Officer between 2003 and 2008 – Chairman and Chief Executive Officer since 2009.
Anthony WYAND	X		X	In the insurance business (Commercial Union, CGU, Aviva) since 1971 – Executive Director from 2000 to 2003.
Lorenzo BINI SMAGHI	X		X	1994 to 1998: Head of the Policy Division of the European Monetary Institute. 1998: Director General of International Financial Relations in Italy's Economy and Finance Ministry. Chairman of SACE from 2001 to 2005. Member of the Executive Board of the ECB from 2005 to 2011. Non-Executive Chairman of SNAM.
Robert CASTAIGNE		X	X	TOTAL SA: Chief Financial Officer and member of the Executive Committee from 1994 to 2008.
Michel CICUREL	X		X	Banking experience dating back to 1983 – Chairman of the Management Board of La Compagnie Financière Edmond de Rothschild and Compagnie Financière Saint-Honoré from 1999 to 2012.
Yann DELABRIÈRE	X		X	Chief Financial Officer of Coface from 1982 to 1987, Printemps Group from 1987 to 1990, and PSA from 1990 to 2007. Chairman and Chief Executive Officer of Faurecia since 2007.
Jean-Martin FOLZ		X	X	Chairman of automotive group PSA Peugeot Citroën from 1997 to 2007.
Kyra HAZOU	X		X	1985 to 2000: Managing Director and Chief Legal Officer at Salomon Smith Barney/Citibank. 2001 to 2007: Non-Executive Director, member of the Audit Committee and Risk Committee of the Financial Services Authority in the United Kingdom.
Jean-Bernard LÉVY		X	X	Vivendi, 2002-2012: Chief Executive Officer then Chairman of the Management Board in 2005. Chairman and Chief Executive Officer of Thalès from December 2012 to November 2014. Chairman and Chief Executive Officer of EDF since November 2014.
Ana Maria LLOPIS RIVAS	X		X	Ana Maria worked in the Spanish banking sector for 11 years (Banesto and Santander Group).
Nathalie RACHOU	X		X	Banking experience from 1978 to 1999 (Banque Indosuez) – Founded an asset management company in 1999.
Alexandra SCHAAPVELD	X		X	Banking experience: Alexandra worked in the Dutch banking sector (ABN Amro) for 23 years; she was specifically responsible for managing key accounts at the bank.
France HOUSSAYE	X			Employee of Societe Generale since 1989.
Béatrice LEPAGNOL	X			Employee of Societe Generale since 1990.

3.3 REPRESENTATION OF MEN AND WOMEN IN ACCORDANCE WITH THE PROVISIONS OF THE LAW OF 27 JANUARY 2011 AND THE AFEP-MEDEF CODE

There are six women and eight men on the Board of Directors, i.e. 42% women or 33% excluding staff-elected Directors, in accordance with the provisions of the Law of 27 January 2011.

3.4 OVER 83% OF THE BOARD'S DIRECTORS ARE INDEPENDENT (71% INCLUDING STAFF-ELECTED DIRECTORS IN THE CALCULATION)

In accordance with the AFEP-MEDEF Corporate Governance Code, the Board of Directors, based on the report by its Nomination and Corporate Governance Committee, examined the independence of each of its members at 31 December 2014 against the criteria set out in the aforementioned report.

In particular, it examined the banking and advisory relations between the Group and the companies managed by its Directors, with a view to determining whether these relationships were of such an importance and nature as to affect the independent judgment of the Directors. This assessment was based on a multi-criteria review that included several parameters (including the company's overall debt and liquidity, the ratio of bank loans to total debt, Societe Generale's total exposure, and the ratio of this exposure to total bank loans, advisory mandates, and other commercial relations).

This review was specifically conducted for Jean-Bernard Lévy, previously Chairman and Chief Executive Officer of Thalès and currently of EDF, and for Yann Delabrière, Chairman and Chief Executive Officer of Faurecia. In both cases, the Committee observed that the economic, financial or other relations existing between the Directors, the groups they manage and Societe Generale were not of such a nature as to alter the examination conducted the previous year. In both cases, Societe Generale's exposure to the debt held by their groups was deemed compatible with the Committee's assessment criteria. They are therefore still considered as independent.

The Board of Directors also conducted a review of Lorenzo Bini Smaghi, who was given a special assignment by the General Management from August 2014 to April 2015 (see "Related-party agreements"). In the Board's view, this assignment did not call into question his status as an independent Director, as it could not be considered as adversely affecting his independence.

The following were not classified as independent Directors according to the criteria of the AFEP-MEDEF Code:

- Frédéric Oudéa serves as Chairman and Chief Executive Officer;
- Anthony Wyand has been a Director for more than 12 years;
- France Houssaye is an employee;
- Béatrice Lepagnol is an employee.

Special note should be taken of Mr. Wyand's situation, however.

Mr. Wyand has sat on Societe Generale's Board of Directors as an individual since 2002. He should therefore be considered to be independent. However, from 1989 to 2002, Mr. Wyand represented the Aviva Group (formerly CGNU) on the Board of Directors. Following a strict interpretation of the AFEP-MEDEF recommendations, the Board of Directors therefore decided to not consider Mr. Wyand as an independent Director as, for more than 12 years, he sat on the Board of Directors as a permanent representative and individual. Nonetheless, the Board believes that he has the independence of judgment required to perform the tasks entrusted to the First Vice-Chairman, particularly in terms of corporate governance, internal control and risk.

3.5 POSITION OF THE DIRECTORS IN VIEW OF THE AFEP-MEDEF CODE'S INDEPENDENCE CRITERIA

Director	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7
F. OUDÉA	X	0	0	0	0	0	0
L. BINI SMAGHI	0	0	0	0	0	0	0
R. CASTAIGNE	0	0	0	0	0	0	0
M. CICUREL	0	0	0	0	0	0	0
Y. DELABRIÈRE	0	0	0	0	0	0	0
J-M. FOLZ	0	0	0	0	0	0	0
K. HAZOU	0	0	0	0	0	0	0
F. HOUSSAYE	X	0	0	0	0	0	0
B. LEPAGNOL	X	0	0	0	0	0	0
J-B. LÉVY	0	0	0	0	0	0	0
A. M. LLOPIS RIVAS	0	0	0	0	0	0	0
N. RACHOU	0	0	0	0	0	0	0
A. SCHAAPVELD	0	0	0	0	0	0	0
A. WYAND	0	0	0	0	0	X	0

Key:
"0" indicates that an Afep-Medef independence criterion has been met.
"x" indicates that an Afep-Medef independence criterion has not been met.
Criterion 1: Status as employee or corporate officer over the past five years.
Criterion 2: Holds or does not hold cross-directorships.
Criterion 3: Maintains or does not maintain material business relations.
Criterion 4: Has or does not have close family ties with a corporate officer.
Criterion 5: Has not been a Statutory Auditor for the Company over the past five years.
Criterion 6: Has not been a Company Director for more than 12 years.
Criterion 7: Represents a major shareholder.

Ten out of 14 Directors were therefore independent at 31 December 2014, i.e. over 83% of the members of the Board of Directors using the new AFEP-MEDEF Code calculation rule, which excludes employee representatives (the figure would be 71% if employee-representative directors were included).

This proportion is well above the Board of Directors' aim of ensuring that 50% of all its members are independent, as recommended in the AFEP-MEDEF Code.

3.6 HANDS-ON DIRECTORS

Frédéric Oudéa chaired all Board meetings in 2014.
The Directors' attendance rates at the meetings of the Board and its Committees were very high.

Attendance in 2014	PERIOD	Board of Directors	CACIR	CONOM	COREM
L. BINI SMAGHI	As from 20 May	100%			
R. CASTAIGNE		100%	100%		
M. CICUREL		100%		100%	100%
Y. DELABRIÈRE		89%			
J.-M. FOLZ		100%		100%	100%
K. HAZOU		100%	100%		
F. HOUSSAYE		100%			100%
B. LEPAGNOL		100%			
J.-B. LÉVY		89%		80%	76%
A. M. LLOPIS RIVAS		100%			
G. OSCULATI	Until 20 May	83%	100%		
N. RACHOU		100%	100%		
A. SCHAAPVELD		100%	100%		
A. WYAND		100%	100%	100%	100%

The average attendance rate per meeting was 97% for the Board of Directors, 100% for the Audit, Internal Control and Risk Committee (CACIR), 95% for the Nomination Committee (CONOM) and 97% for the Compensation Committee (COREM).

3.7 DIRECTORS REQUIRED TO HOLD A SIGNIFICANT NUMBER OF SOCIETE GENERALE SHARES AND BOUND BY STRINGENT BUSINESS ETHICS RULES[1]

The Directors appointed by the General Meeting are required to hold a significant number of shares in a personal capacity: the statutory minimum is 600 shares for a Director appointed by the General Meeting. Article 16 of the Internal Rules (formerly Articles 4 and 5 of the Director's Charter) sets a target of 1,000 shares, prohibits hedging and lays down the following business ethics rules:

Article 5 of the Director's Charter:

Directors shall abstain from carrying out any transactions in Societe Generale shares and related shares during the 30 calendar days prior to the publication of Societe Generale's quarterly, half-yearly and annual results, as well as on the date of publication itself.

Directors shall abstain from carrying out speculative or leveraged transactions in the securities, and to this end:

- shall hold the acquired stocks for at least two months as of their date of purchase;
- shall abstain from using financial instruments likely to allow them to carry out speculative transactions. This applies in particular to transactions in derivatives.

The same rules apply for dealings in the shares of French or foreign listed companies that are controlled directly or indirectly by Societe Generale as defined in Article L. 233-3 of the French Commercial Code.

(1) Chief Executive Officers are also bound by specific obligations (see page 103).

4. Powers of the Board

The Board of Directors determines the Company's strategy and ensures its implementation. The Board's Internal Rules stipulate that it must regularly examine the Group's strategy, and deliberate ex ante on changes to the Group's management structure, and on transactions, in particular acquisitions and disposals, that are liable to have a significant impact on the Group's earnings, the structure of its balance sheet, or its risk profile.

Since 2003, the Internal Rules have clearly defined the rules applicable to cases in which the Board of Directors must give prior approval to investment projects or, more generally, to strategic transactions (see Chapter 7, page 541). The Board is informed of and regularly discusses the Group's policy with respect to human resources, information systems and organisation.

The Board sets the compensation of the Chief Executive Officers, approves the principles of the Group's compensation policy, including the compensation paid to traders, and decides on the implementation of stock option and performance share plans in accordance with the authorisation granted by the General Meeting.

5. Functioning of the Board

The Internal Rules govern how the Board of Directors operates (see Chapter 7, page 541). The Board is convened by the Chairman, by any means, or at the request of one-third of the Directors. It meets at least six times a year, notably in order to approve the parent company and consolidated financial statements.

At least once a year, the Board of Directors evaluates its performance. Similarly, it deliberates at least once a year on the risks to which the Company is exposed.

Each Director receives the information required to carry out his or her duties, mainly in order to prepare for each Board meeting. In addition, Directors receive any pertinent information, including that of a critical nature, on significant events affecting the Company.

Each Director receives the training necessary to fulfil his or her mandate.

6. The Board's Work

The Board held nine meetings in 2014, with each meeting lasting for an average of three hours and ten minutes. The Directors' attendance rate averaged 97% per meeting (vs. 95% in 2013).

Like each year, the Board of Directors approved the annual, half-yearly and quarterly financial statements and examined the budget. It discussed the disposals and acquisitions carried out in 2014 and approved the terms and conditions of the most significant deals (Newedge, Boursorama, etc.).

Over the course of 2014, the Board continued to monitor the Group's liquidity profile and the capital trend in light of regulatory requirements. Similarly, it followed up on major ongoing disputes at each meeting.

The Board reviewed the Group's positioning, environment and development at a two-day seminar.

The following main topics and issues were addressed in 2014:

- preparation of Investor Day;
- changes in banking regulations (implementation of the Banking Union and transfer of supervisory authority to the ECB);
- information systems;
- resolution and recovery plans;
- offshoring;
- compliance;
- human resources;
- securities Services business line;
- International Retail Banking (particularly in Russia and Africa);
- investment banking strategy;
- insurance Business line;
- the Group's image.

The Board of Directors was informed of regulatory changes and their consequences (including the French Banking Act, the Volcker regulation, etc.).

The Board reviewed the Group's status with respect to risk exposure. It discussed the Group's risk appetite and risk mapping. It approved the overall market risk limits. It examined the annual reports submitted to the ACPR (French Prudential Supervisory and Resolution Authority) on risks and internal control, as well as the responses to the follow-up letters drafted after the ACPR's audits. It was notified of the results of the stress tests and Asset Quality Review.

The Board assessed the performance of the Chief Executive Officers and set their compensation. It also decided on performance share plans and on a capital increase reserved for employees in spring 2014. It discussed the policy regarding professional and wage equality.

The Board of Directors prepared the resolutions submitted to the Annual General Meeting.

It also discussed the General Management succession plan.

Each year, the Board conducts a review of its operation; every three years, this review is carried out by an external expert. The conclusions of the 2014 review are mentioned in the evaluation section of this report (see page 97).

On 15 January 2015, in accordance with the Ministerial Decree of 31 July 2014 amending the governance of related-party agreements and commitments, the Board of Directors carried out the annual review of related-party agreements and commitments entered into and approved in previous fiscal years and still in effect in fiscal year 2014. These consisted of pension obligations in favour of Deputy Chief Executive Officers and the non-compete agreement between the Company and Mr. Oudéa. The Board observed that the obligations in favour of Mr. Sammarcelli fell outside the scope of related-party agreements as of 31 August 2014, the date on which he resigned as Deputy Chief Executive Officer, and also deemed that the obligations and agreement in progress, which remain justified, should be maintained.

Furthermore, also in accordance with the aforementioned Ministerial Decree, the Board observed that no related-party agreements were entered into either directly or indirectly between the Chairman and Chief Executive Officer, a Deputy Chief Executive Officer, a Director or a shareholder holding more than 10% of the Company's voting rights, and a French or foreign subsidiary in which Societe Generale directly or indirectly holds more than half of the share capital. Pursuant to the law, the definition of related-party agreements does not include ordinary agreements entered into at normal conditions.

VICE-CHAIRMEN

1. Report on the Role and Activities of the 1st Vice-Chairman in 2014

Over the course of fiscal year 2014, the First Vice-Chairman assisted the Chairman with his duties, including in particular the organisation and correct operation of the Board and its Committees, as well as the supervision of corporate governance, internal control and risk management (see pages 87 to 98). He specifically took part in preparing the work related to the Group's strategy and especially ensured that each Director made an effective contribution.

The following points should be mentioned:

- the First Vice-Chairman met with General Management and the Group's principal managers, including the Chief Financial Officer, the Corporate Secretary responsible for Group compliance and the Head of the Inspection and Audit Division on a regular basis;
- the First Vice-Chairman took part in a number of seminars attended by regulators and non-executive Directors of other banks. These meetings were useful for comparing the activities of the Boards and Committees, and for improving the Group's understanding of changes in the regulatory environment;
- the First Vice-Chairman took part in the annual meeting between the French Prudential Supervisory and Resolution Authority (ACPR) and the Bank's General Management, during which the Bank's position with respect to regulatory requirements was assessed. The conclusions were then presented to the Board, and provided a key reference for the work performed by the Committees and the Board;
- in preparing for the Annual General Meeting, the First Vice-Chairman met with institutional shareholders and the main representatives of consulting firms for votes at General Meetings and institutional investors, in order to explain and discuss the resolutions. These meetings provide an opportunity to gain useful information about investor concerns, specifically regarding compensation policies, and in recent years the separation of the mandates of Chairman and Chief Executive Officer;
- the First Vice Chairman participated in a roadshow dedicated to Socially-Responsible Investment (SRI);
- the First Vice-Chairman presented the report on the Board of Directors' activities to the General Meeting;
- the First Vice-Chairman ensured that the Board exercised its role with authority. Meetings of the Board are closely followed, and topics are discussed freely. Accordingly, and in line with the Internal Rules, the role of the First Vice-Chairman is to ensure a balance with the role of the Executive Chairman, with whom he works closely on all matters of governance. In particular, the First Vice-Chairman chairs the Board when he assesses the performance of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers;
- the First Vice-Chairman took part in all the Board's Committees;
- for the first time in 2014, the First Vice-Chairman conducted individual interviews with the Directors for the purpose of reviewing their contributions to the Board's work.

2. Report on the Role and Activities of the 2nd Vice-Chairman in 2014

After his appointment at the General Meeting of 20 May 2014, Lorenzo Bini Smaghi was designated as Second Vice-Chairman by the Board of Directors as of 21 May 2014 and until further notice. In this role, Mr. Bini Smaghi attended the meetings of the Board's Committees, met with members of the Executive Committee and was provided with the documents and information he deemed necessary. With the approval of Frédéric Oudéa, he also represented the Company at meetings with third parties in France and abroad. In preparation for the Board's annual seminar in January 2015, the General Management of Societe Generale commissioned him to conduct a study on changes in the legislative and regulatory framework in the financial sector and their impacts on the Group, particularly outside France. More specifically, these studies analysed changes in the regulatory environment and in terms of strategy liable to be monitored by the European Central Bank in its role as the supervisor of systemic banks in Europe. Another aim of the studies was to lay the groundwork for the Group's major strategic choices in response to these changes. Mr. Bini Smaghi was also tasked with preparing to set up an international group of senior advisors whose role will be to shed light on international changes in the geopolitical, economic and social landscape in which the Group operates.

BOARD COMMITTEES

The Board of Directors was assisted by three Committees in 2014:

- the Audit, Internal Control and Risk Committee;
- the Compensation Committee;
- the Nomination and Corporate Governance Committee.

In January 2015, the Audit, Internal Control and Risk Committee was split into two Committees, namely the Audit and Internal Control Committee and the Risk Committee, in accordance with the CRD IV Directive. Each Committee consists of five Directors: Ms. Hazou, Ms. Rachou, Ms. Schaapveld, Mr. Castaigne and Mr. Wyand, four of whom are independent, and is chaired by Mr. Wyand. In February 2014, Mr. Lévy was appointed as Chairman of the Compensation Committee and Mr. Folz as Chairman of the Nomination and Corporate Governance Committee.

The duties of the Board's four Committees as from 1 January 2015 are set forth in Articles 10 to 13 of the Internal Rules (2015 version, see Chapter 7):

1. Audit, Internal Control and Risk Committee

Societe Generale has had an Audit Committee since 1995. This Committee, which in 2010 was renamed the Audit, Internal Control and Risk Committee, fulfils all the duties given to an Audit Committee by Directive 2006/43/EC, applicable laws and banking regulations, as well as the AMF Recommendation of 22 July 2010, which applied in 2013.

At 31 December 2014, the Committee consisted of five Directors (Ms. Hazou, Ms. Rachou, Ms. Schaapveld, Mr. Castaigne and Mr. Wyand), including four independent directors, and was chaired by Mr. Wyand. All its members are particularly qualified in the financial and accounting fields, risk analysis and internal control, as they hold or have held positions as bankers or as bank chief financial officers, auditors, or chief legal officers.

After being appointed as Second Vice-Chairman, Lorenzo Bini Smaghi attended all meetings of the Audit, Internal Control and Risk Committee.

The duties of the Audit, Internal Control and Risk Committee are set forth in Article 9 of the Internal Rules:

The Audit, Internal Control and Risk Committee's mission is to monitor issues concerning the production and control of accounting and financial information, and to monitor the efficiency of the internal control, risk assessment, monitoring and management systems.

It is particularly in charge of:

- ensuring monitoring of the process for drawing up financial information, particularly examining the quality and reliability of the systems in place, and making suggestions for their improvement, and verifying that corrective actions have been implemented if fault is found in the process;
- analysing the draft financial statements to be submitted to the Board, in order in particular to verify the clarity of the information provided, and to offer an assessment of the relevance and consistency of the accounting methods used to draw up the parent company and consolidated financial statements;
- ensuring the independence of the Statutory Auditors, in particular by reviewing the breakdown of the fees paid by the Group to them, as well as of the network to which they may belong, and through prior approval of all assignments that do not fall within the framework of the statutory audit of accounts, but which may be the consequence of, or a supplement to, the same, all others assignments being prohibited, implementing the procedure for selecting the Statutory Auditors, and submitting an opinion to the Board of Directors concerning the appointment or renewal of such as well as their remuneration;
- examining the work program of the Statutory Auditors and more generally ensuring the supervision of account monitoring by the Statutory Auditors;
- offering an assessment of the quality of internal control, in particular the consistency of risk assessment, monitoring and management systems and proposing additional actions where appropriate.

To this end, the Committee is responsible primarily for:

- reviewing the Group's internal audit program and the Annual Report on Internal Control drawn up in accordance with banking regulations, as well as formulating an opinion on the organisation and operation of the internal control departments;
- reviewing the follow-up letters sent by the French Banking Commission (Commission bancaire) and issuing an opinion on draft responses to these letters;
- examining the market risk and structural interest rate risk control procedures and being consulted about setting risk limits;
- formulating an opinion on the Group's global provisioning policy, as well as on specific provisions relating to large sums;
- examining the annual risk assessment and control procedures report drawn up in accordance with the French banking regulations;
- reviewing the policy concerning risk management and off-balance sheet commitment monitoring, in particular in the light of memoranda drafted to this end by the Finance Division, the Risk Division and the Statutory Auditors.

It gives the Board of Directors its opinion on the section of the Registration Document dealing with these issues and produces an Annual Activity Report, submitted to the Board for its approval, which is then inserted in the Registration Document.

The Committee may interview, under conditions it shall establish, the Statutory Auditors and the managers in charge of drawing up financial statements, internal control, risk management, compliance and internal audits.

The Statutory Auditors shall be invited to the meetings of the Audit, Internal Control and Risk Committee unless the Committee decides otherwise.

AUDIT, INTERNAL CONTROL AND RISK COMMITTEE (CACIR) ACTIVITY REPORT FOR 2014

The Committee met 10 times in 2014, with an attendance rate of 100%, as in 2013.

At each account closing period, the Committee interviews the Statutory Auditors without the presence of management, before hearing the presentation of the financial statements made by the Finance Division, and the comments of the Risk Division on risks of all kinds. Since 2002, one of the Chief Executive Officers has attended some of the meetings convened to approve the financial statements, and has discussed the highlights of the quarter with the Committee. More in-depth presentations are given by others managers on certain subjects, notably the principal risks, asset and liability management, internal control and the financial aspects of planned acquisitions. A training session was organised in 2014.

In 2014, the Committee reviewed the draft annual, half-yearly and quarterly consolidated financial statements before their presentation to the Board, and submitted its opinion to the Board on these statements. It reviewed the 2010-2015 strategic and financial plan. The Committee reviewed the liquidity position and the level of equity capital, particularly in the light of the planned changes to the prudential rules. It monitored the risks relating to disputes particularly closely.

As part of its risk control responsibilities, the Committee adopted a broad approach to the various risk factors and discussed the Group's risk appetite. It reviewed the Group's risk mapping and the suggested approach for defining risk appetite. It regularly examined the dashboard for the Group's reputational risks.

Over the course of the year, the Committee focused special attention on the issues surrounding information system and non-compliance risks.

As such, it ensured that adequate provisions were booked for the principal identified risks and closely monitored any changes in major risks, such as credit risk, market risk, structural interest rate, exchange rate or liquidity risk, and legal risk, as well as changes in significant on- and off-balance sheet items. It also reviewed the operational risk control structure. The Committee reviewed the Group's market risk control procedures and was consulted on the annual revision of market risk limits. It examined the Annual Report on risk measurement and supervision procedures. It also gave the Compensation Committee its opinion on the incorporation of risk within the compensation structure for regulated employees (financial market professionals and others).

In 2014, the Committee spent several meetings discussing issues pertaining to internal control.

The Committee regularly reviewed the work performed by General Inspection Department and the Internal Control Division. It was kept informed of significant compliance incidents and examined the Annual Report on internal control. It reviewed the schedule for the General Inspection Department, and audit teams, and the follow-up procedures for audit recommendations. It reviewed the activities of the subsidiaries' Audit Committees within the framework of the rules that the Group has determined in this area.

The Committee followed the bank's liquidity situation very closely. It was also consulted on the draft responses by the Group to the follow-up letters from the French Prudential Supervisory and Resolution Authority, as well as its responses to the ECB and to foreign regulatory authorities.

The main topics addressed during the year were as follows:

- review of acquisitions and disposals;
- provisioning policy;
- monitoring of relations with the regulatory authorities;
- general organisational structure of the compliance system, roles and responsibilities;
- performance and evaluation of the Risk Division;
- SGBT's risk and internal control;
- review of BRD and Komercni Banca (KB);
- review of Boursorama and its subsidiaries;
- risks associated with clearing houses;
- management of employee benefits;
- Asset Quality Review;
- goodwill impairment;
- market-related compliance risks;
- embargo-related compliance risks;
- management of banking secrecy;
- Enterprise Risk Management (corporate risk culture);
- reputational risks;
- anti-money laundering initiatives;
- IT security;
- quality of IT production and developments;
- management of risks related to the Convergence programme;
- New Product Committee;
- recovery and resolution plans;
- tax management;
- customer protection;
- outsourced services;
- dispute management.

The Committee travelled to the Czech Republic and Poland to conduct a full review of business activities in these countries.

The Committee receives a financial benchmark setting out the Group's performance in its various business lines compared with its main competitors. This benchmark is presented to the Board once a year.

The Committee discussed the audit programme and the 2014 budget for the Statutory Auditors' fees.

2. Compensation Committee

At 31 December 2014, the Compensation Committee consisted of five Directors (Mr. Cicurel, Mr. Folz, Ms. Houssaye (employee), Mr. Lévy and Mr. Wyand), including three independent Directors. It is chaired by Mr. Lévy, an independent Director. Its members have the skills required to assess the compensation policies and practices with regard to all the relevant criteria, including the Group's risk policy. After being appointed as Second Vice-Chairman, Mr. Bini Smaghi attended all meetings of the Compensation Committee.

In accordance with Article 7 of the Internal Rules, the Compensation Committee:

- proposes to the Board, in accordance with the guidelines given by the AFEP-MEDEF Corporate Governance Code and with professional standards, the policy governing the remuneration of the Chief Executive Officers and Directors, and particularly the determination criteria, structure and amount of this remuneration, including allowances and benefits in kind, personal protection insurance or pension benefits, as well as any compensation received from Group companies, and ensures that the policy is properly applied;
- prepares the annual performance appraisal of the Chief Executive Officers;
- submits a proposal to the Board of Directors for the performance share and stock option award policy and formulates an opinion on the list of beneficiaries;
- prepares the decisions of the Board relating to the employee savings plan;
- examines each year and gives the Board of Directors its opinion on the General Management's proposals for the remuneration policy principles applicable within the Group, the policy for the compensation of employees referred to by regulation No. 97-02 on internal control, particularly employees whose activities have a significant impact on the Group's risk profile, and makes sure with the General Management that the policy is being implemented. It also ensures that the General Management and Risk Management and Compliance do in fact cooperate in the definition and application of this policy, as required by professional standards, and that due consideration is given to the opinions of Risk Management and Compliance;
- checks that the report made to it by the General Management complies with regulation No. 97-02 and is consistent with the applicable professional standards. It receives all the information necessary for it to complete its mission and particularly the annual report sent to the French Prudential Supervisory Authority (Autorité de contrôle prudentiel) and compensation for individual amounts above a threshold that it determines. It shall call on the internal audit departments or outside experts where necessary. It reports to the Board on its activities. It may perform the same tasks for the Group companies monitored by the French Prudential Supervisory on a consolidated or sub-consolidated basis;
- gives the Board of Directors its opinion on the section of the Registration Document dealing with these issues and produces an Annual Activity Report, submitted to the Board for its approval, which is then inserted in the Registration Document.

COMPENSATION COMMITTEE ACTIVITY REPORT FOR 2014

The Compensation Committee met seven times in 2014, with an attendance rate of 97% (vs. 92% in 2013).

During its meetings, the Committee prepared the Board's decisions on the status and remuneration of the Chief Executive Officers. It prepared the decisions regarding multi-annual or deferred compensation.

The Committee prepared the assessments of the Chief Executive Officers and recommended their annual targets to the Board.

In accordance with CRD4 and its transposition into French law, the Compensation Committee ensured that the Group's remuneration policies comply not only with regulations, but also with the company's risk management policy and capital targets.

The Committee reviewed the principles of the remuneration policy applicable within the Group, and particularly concerning employees whose activities have a significant impact on the Group's risk profile, in accordance with the new regulations in force. It dedicated several meetings to this examination and to verifying that the structure proposed for regulated employees complies with the new and particularly complex rules. It above all ensured that the remuneration policy effectively takes into account the risks generated by the activities and adherence by employees to risk management policies and professional standards, and consulted the Audit, Internal Control and Risk Committee in this regard. The Committee also drew on work by external and internal control bodies. Lastly, it reviewed the Annual Report on remuneration.

The remuneration policy meeting the above conditions is described in detail on page 99 and following.

In addition, the Committee reviewed the terms of the capital increase reserved for employees. Lastly, it proposed the share (or share equivalents) allocation plans to the Board.

The Committee prepared the Board's work on gender equality within the Company.

3. Nomination and Corporate Governance Committee

At 31 December 2014, the Nomination and Corporate Governance Committee consisted of four Directors (Messrs. Cicurel, Folz, Lévy and Wyand), including three independent directors. It is chaired by Mr. Folz, an independent director. Its members have the skills required to assess the nomination and corporate governance policies and practices with regard to all the relevant criteria.

Under the terms of Article 8 of the Internal Rules, the Nomination and Corporate Governance Committee:

- is assigned the task of submitting proposals to the Board for the nomination of Directors and for the appointment of successors to the Chief Executive Officers, especially where a position becomes vacant unexpectedly, after carrying out any necessary inquiries;
- provides the Board with proposals for appointments to the Board's Committees;
- may propose the appointment of a Vice-Chairman;
- carries out preparatory work for the examination by the Board of Directors of corporate governance issues. It is responsible for the evaluation of the Board of Directors' performance, which is carried out each year;
- submits a proposal to the Board of Directors for the presentation of the Board of Directors to be included in the Registration Document and notably the list of independent Directors;
- gives the Board of Directors its opinion on the section of the Registration Document dealing with these issues and produces an Annual Activity Report, submitted to the Board for its approval, which is then inserted in the Registration Document;
- is informed prior to the appointment of any member of the Group's Executive Committee and any corporate department heads who do not sit on this Committee. It is informed of the list of replacements for these senior managers.

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE ACTIVITY REPORT FOR 2014

The Nomination and Corporate Governance Committee met five times in 2014, with an attendance rate of 95% (vs. 92% in 2013). After being appointed as Second Vice-Chairman, Mr. Bini Smaghi attended all meetings of the Nomination and Corporate Governance Meetings.

It prepared the Board's review of the Corporate Governance section of the 2014 Annual Report, in particular the section concerning the assessment of Directors' independence. The Committee prepared the conclusions of the Board of Directors' self-assessment of the Board's operation (see below).

The Committee prepared proposals for the appointment of Chief Executive Officers and Directors to be submitted at the 2014 General Meeting. To this end, it relied on the recommendations of a consulting firm.

It examined the succession plan for the Chief Executive Officers and Directors in order to be in a position to make a proposal to the Board at the appropriate time. It was also kept informed of the planned changes to the Executive Committee and Management Committee, including in particular the diversity of appointments made.

It prepared the governance decisions taken at the Board of Directors meeting of 15 January 2015:

- separation of the mandates of Chairman and Chief Executive Officer;
- organisation of the Committees;
- proposals for appointments to the mandates of Chairman/Chief Executive Officer/Committee Chairman;
- selection of Directors to participate in the General Meeting.

ASSESSMENT OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICERS

Since 2000, the Board of Directors has devoted part of a meeting to discussing the scope of its operation based on an assessment performed by the Directors themselves. This evaluation is performed either by a member of the Board or by the Secretary of the Board, or by a specialised external consultant, based on an interview guide or questionnaire approved by the Nomination and Corporate Governance Committee. In both cases, the answers are presented on an anonymous basis in a summary document that serves as a basis for the Board's discussions.

For 2014, the assessment was overseen by the Nomination and Corporate Governance Committee, on the basis of a report prepared by the Chairman of the Nomination and Corporate Governance Committee and the Secretary of the Board. All the Directors took part in the process via an interview. The Board of Directors discussed this assessment on 15 January 2015.

The general opinion on the Board and its operation is largely positive.

Governance has improved over the past few years, and the Directors place great trust in the Chairman.

The main points addressed were as follows:

- improving communication on the work of the Nomination and Corporate Governance Committee and the Compensation Committee, and on the regular work schedule of the Board and the Committees;
- receiving information on current Group events more often and expanding it to include regulatory and competitive matters;
- continuing to significantly improve the presentations made to the Board and reducing document transmission times;
- improving assistance offered to Directors in organising their travels.

TRAINING

New directors receive training at their request and are introduced to key staff around the Group. In addition, the annual seminar and some of the issues addressed at Board meetings provide Directors with information needed to perform their duties (for example information on regulatory conditions or changes in the competitive environment). Finally, a training session was organised in 2014 on key balance sheet indicators and IFRS.

SPECIFIC CONDITIONS RELATING TO SHAREHOLDER PARTICIPATION IN THE GENERAL MEETING

The By-laws (see Chapter 7) define the conditions for shareholders' participation in the General Meeting. A summary of these rules can be found in Chapter 7 of the Registration Document.

Any shareholder may vote at the General Meeting via the Internet under the conditions disclosed in the notice of meeting published in the *Bulletin des Annonces Légales Obligatoires* (French Mandatory Legal Announcements Gazette).

ATTENDANCE FEES PAID TO COMPANY DIRECTORS

The amount of the attendance fees was set at EUR 1,250,000 by the General Meeting of 24 May 2011.

The rules governing the distribution of attendance fees between the Directors are determined by Article 15 of the Internal Rules (See Chapter 7). They were reviewed to incorporate the change in governance that will take effect on 19 May 2015. The fixed portion of attendance fees was increased to 40%, after the allocation of a set amount to the Chairman of the Audit and Internal Control Committee and the Chairman of the Risk Committee. The Chairman and the Chief Executive Officer do not receive any attendance fees if they are also Directors.

COMPENSATION AND BENEFITS IN KIND AWARDED TO CHIEF EXECUTIVE OFFICERS, AND DISCLOSURE OF INFORMATION AS PROVIDED FOR IN ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

The information in the Chairman' Report that describes the principles and rules approved by the Board of Directors to calculate the compensation and benefits in kind awarded to the Chief Executive Officers is included in this Chapter under "Remuneration principles" (see page 99).

The section entitled "Information about Article L. 225-100-03 of the French Commercial Code" is included in Chapter 7 on page 529.

3. REMUNERATION OF GROUP SENIOR MANAGEMENT

REMUNERATION OF CHIEF EXECUTIVE OFFICERS

Compliance

The compensation of Chief Executive Officers complies with the European Capital Requirements Directive (CRD4) of 26 June 2013, whose aim is to establish remuneration policies and practices that are compatible with effective risk management. CRD4 was transposed into national law and its policies have been in effect since 1 January 2014. Societe Generale also applies the recommendations of the AFEP-MEDEF Corporate Governance Code. In keeping with these principles, the compensation of Chief Executive Officers is determined by the Board of Directors and is based on the proposal of the Compensation Committee, which meets several times a year to discuss it.

IMPACT OF CRD4 ON REMUNERATION OF CHIEF EXECUTIVE OFFICERS

CRD4 lays down guidelines on the governance and structure of remuneration policies. Specifically, it calls for:

- a maximum ratio between variable and fixed compensation, set by the General Meeting of 20 May 2014 at 200% (for the ratio calculation details, see the Notice of Meeting brochure for the May 2014 General Meeting); variable remuneration is defined as any compensation that does not meet the criteria for fixed remuneration and is thus not limited to annual variable remuneration alone;
- at least 60% of variable remuneration to be deferred over a period of at least 3 years;
- at least 50% of variable remuneration to be settled in shares or share equivalents.

Remuneration principles

In addition to complying with regulations, the Board of Directors sets remuneration principles by taking into account the business environment and the practices of peer groups in France and financial institutions in Europe. The remuneration policy combines short-term and long-term horizons, ensuring a strong alignment with shareholders' interests.

The remuneration of Chief Executive Officers is broken down into three components:

- **Fixed Remuneration (FR)** rewards experience and responsibilities, and takes into account market practices;
- **Annual Variable Remuneration (AVR)** rewards performances achieved during the year and the contribution of Chief Executive Officers to the success of the Societe Generale Group. Assessment of this component is based on:
  - a quantitative portion, capped at 60% of annual variable remuneration, based on the achievement of objectives linked to the Company's annual financial performance. Indicators are equally-weighted and are primarily determined according to the budget targets for the Group and the business lines within each CEO's scope of supervision. The results do not include solely accounting-based results linked to the revaluation of the Group's own financial liabilities or credit risk;
  - a qualitative portion, capped at 40% of annual variable remuneration, based on the achievement of key objectives underpinning the success of the Company's strategy and set in advance for the fiscal year.

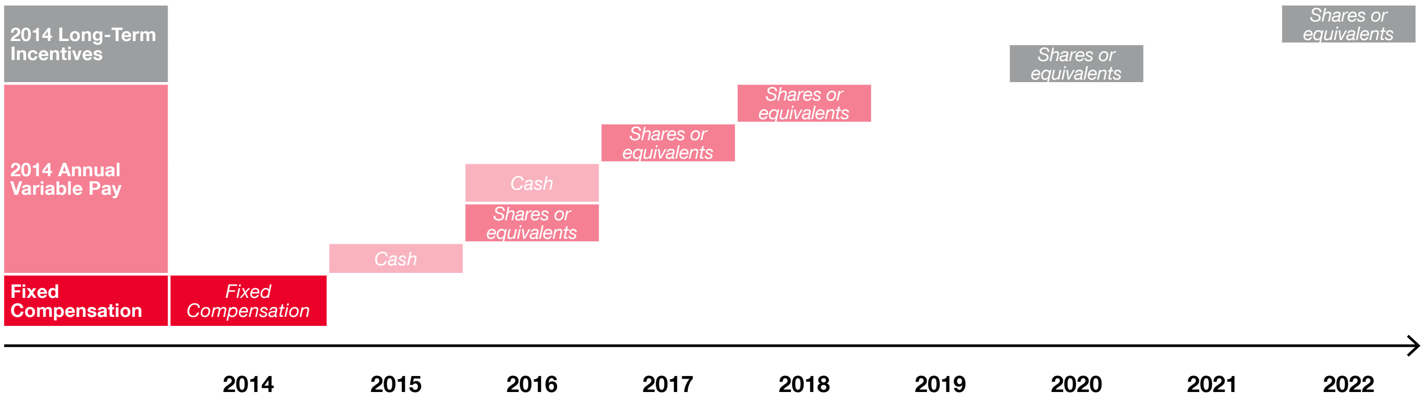
  In compliance with the AFEP-MEDEF Corporate Governance Code, since 1 September 2014 annual variable remuneration has been capped at 135% of annual fixed remuneration for the Chairman and Chief Executive Officer and at 115% for the Deputy Chief Executive Officers. These limits had been set at 150% and 120%, respectively, since 2010.

  In order to ensure sound risk management over the long term while aligning Chief Executive Officers with shareholders' interests, and in accordance with CRD4, the payment of variable remuneration is deferred over three years prorata temporis and combines payments in cash and shares (or share equivalents). These rules establish a structure where variable compensation fluctuates and is primarily linked to the performance of the Group and that of its share price;
- **Long-Term Incentives (LTIs)** aim to strengthen the link between Chief Executive Officers and shareholders' interests and to provide incentive to deliver long-term performance. Vesting of LTIs is based on the Group's performance as measured by internal and external criteria over periods of 4 and 6 years.

Pursuant to CRD4, variable remuneration (annual variable remuneration plus long-term incentives) is capped at 200% of fixed compensation. Furthermore, Chief Executive Officers are prohibited from using hedging or insurance strategies during the vesting and holding periods.

Chief Executive Officers have not received stock options since 2009.

2014 TOTAL COMPENSATION – PAYMENT TIMELINE



Note: the vesting of these shares or share equivalents granted as part of the annual variable remuneration plan and the long-term incentives scheme is conditional upon achievement of performance and presence conditions. Additional retention periods ranging from six months to one year apply.

Individual remuneration in respect of 2014

The standardised presentation of the remuneration of Chief Executive Officers is given on pages 106 to 114. In respect of 2014, they received: annual fixed remuneration, annual variable remuneration and long-term incentives.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

ANNUAL FIXED REMUNERATION

At its meeting of 31 July 2014, the Board of Directors decided to set the fixed remuneration of the Chairman and Chief Executive Officer at EUR 1,300,000. Previously, Frédéric Oudéa received a fixed salary of EUR 1,000,000 and an indemnity of EUR 300,000 granted in 2009 to compensate for the loss of benefits from the supplementary pension plan when his employment contract was terminated.

ANNUAL VARIABLE REMUNERATION IN RESPECT OF 2014

Mr. Oudéa's annual variable remuneration was set by the Board of Directors at its meeting of 11 February 2015, in accordance with the rules defined in March 2014:

- the quantitative portion was measured according to the achievement of Group targets in terms of earnings per share, gross operating income and cost/income ratio;
- the qualitative portion was determined according to specific predefined indicators covering the implementation of the strategy for the Group and the business lines, regulatory compliance and risk management, and organisation optimisation. Corporate Social Responsibility targets were established regarding management of reputational risk associated with the application of the Management sectorial and diversity policies.

The Board of Directors, upon the recommendation of the Compensation Committee, observed that 43% of Mr. Oudéa's quantitative targets had been reached. This performance decline can be attributed to the Group's decision to take an impairment on its Russian subsidiary Rosbank's goodwill in the first quarter of 2014.

Target achievement rates are presented in the table below:

Criterion	Weight	Performance range	Achievement rate
EPS	33.33%	0% to 100%	0%
GOI	33.33%	0% to 100%	58%
C/I ratio	33.33%	0% to 100%	72%
Total	**100%**		**43%**

In light of the qualitative targets assigned to him for 2014, the Board set Mr. Oudéa's achievement rate at 95%, mainly in consideration of the Societe Generale Group's successful entry in the Banking Union, the definition of the strategic plan and the progress made in implementing this plan, in line with the medium-term objectives presented on Investor Day in May 2014.

As a result, his annual variable remuneration amounted to EUR 948,767, for an overall achievement rate of 64%, applied to his average fixed remuneration for 2014. This amount is 33% lower than in 2013.

In accordance with the standards applicable to Bank Directors (European Directive CRD4), the Board of Directors defined the following vesting and payment conditions for annual variable remuneration:

- a March 2015 vested portion, representing 40% of the total amount granted, half of this amount being converted into a number of shares equivalents non-transferable for one year;
- an unvested portion, representing 60% of the total amount granted, broken down into three equal shares deferred over three years, two-thirds of which in share equivalents, subject to two performance conditions: Group profitability and Core Tier One level. Additional six-month retention period applies after each vesting.

Frédéric Oudéa does not receive any attendance fees.

His compensation for 2014 (defined as the sum of his fixed salary and his annual variable remuneration for 2014), amounting to EUR 2.05 million, represents 37 times the average gross compensation of an employee of Societe Generale SA France.

DEPUTY CHIEF EXECUTIVE OFFICERS

Jean-François Sammarcelli resigned as Deputy Chief Executive Officer on 31 August 2014 and was not replaced.

ANNUAL FIXED REMUNERATION

Jean-François Sammarcelli's annual fixed salary was EUR 650,000 for fiscal year 2014. He received EUR 433,333 for his term of office, which ended on 31 August 2014.

The annual fixed salaries of Séverin Cabannes and Bernardo Sanchez Incera have been set at EUR 650,000 and EUR 700,000, respectively, since 1 January 2011. In line with applicable European regulation and the new organisation of the General Management team (tighter structure of the Group's General Management around the Chairman and Chief Executive Officer, with two Deputy Chief Executive Officers instead of three), the Board of Directors at its meeting of 31 July 2014 decided to increase these salaries by +23% and +14%, respectively, to EUR 800,000. This decision took effect on 1 September 2014.

ANNUAL VARIABLE REMUNERATION IN RESPECT OF FISCAL YEAR 2014

The annual variable remuneration granted to the Deputy Chief Executive Officers was set by the Board of Directors at its meeting of 11 February 2015, in accordance with the rules set forth in March 2014:

- the quantitative portion was measured according to the achievement of Group targets in terms of earnings per share, gross operating income and cost/income ratio, in addition to the fulfilment of the Deputy CEO's scope of supervision budget targets in terms of gross operating income, net income before tax and cost/income ratio, with an equal weighting assigned to each indicator;
- the qualitative portion was determined according to specific predefined indicators, in line with those for the Chairman and Chief Executive Officer (see above).

The achievement rates for each of the financial targets set for each business division under supervision were precisely defined by the Finance Division; they were not made public for confidentiality reasons related to the Group's strategy.

The annual variable remuneration granted to the Deputy Chief Executive Officers in respect of 2014 was calculated as a percentage of their average fixed remuneration for the year, as follows:

- EUR 539,978 for Séverin Cabannes, based on an overall achievement rate of 67% (quantitative portion 55% and qualitative portion 85%), representing a decrease of 23% on 2013;
- EUR 494,632 for Bernardo Sanchez Incera, based on an overall achievement rate of 59% (quantitative portion 44% and qualitative portion 80%), representing a decrease of 20% on 2013;
- EUR 355,680 for Jean-François Sammarcelli (for his term of office as Deputy Chief Executive Officer until 31 August 2014), based on an overall achievement rate of 68% (quantitative portion 64% and qualitative portion 75%).

The payment conditions set by the Board of Directors are equal to those defined for the Chairman and Chief Executive Officer. Therefore, annual variable remuneration is for the most part converted into shares or share equivalents, 60% of which is subject to profitability and Core Tier One level conditions. The portion of annual variable remuneration settled in shares gives rise to the payment of an amount equivalent to the dividend payment, where applicable.

The variable compensation paid to Deputy Chief Executive Officers is reduced by the amount of any attendance fees received either from Societe Generale companies or non-Group companies in which they are Directors.

RECORD OF ANNUAL VARIABLE REMUNERATION GRANTED DURING THE YEAR TO CHIEF EXECUTIVE OFFICERS

	Gross annual variable remuneration in previous fiscal years						Gross annual variable remuneration for fiscal year 2014	
*In euros**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**Total at grant**	**o/w component paid in cash in 2015**
Mr. Oudéa	0(1)	0(1)	1,196,820	682,770	1,194,600	1,406,070	**948,767**	189,753
Mr. Cabannes	0(2)	320,000	665,281	310,144	670,176	705,120	**539,978**	107,996
Mr. Sammarcelli(3)	Not applicable	Not applicable	675,826	487,937	587,496	704,964	**355,680**	71,136
Mr. Sanchez Incera	Not applicable(4)	Not applicable(4)	667,662	391,440	560,112	619,718	**494,632**	98,926

* Nominal value at grant date.

(1) Mr. Frédéric Oudéa waived his variable remuneration for fiscal years 2008 and 2009.

(2) Mr. Séverin Cabannes waived his variable remuneration for fiscal year 2008.

(3) Mr. Sammarcelli served as Chief Executive Officer of the Societe Generale Group from 1 January 2010 to 31 August 2014. His annual variable remuneration granted in respect of fiscal year 2014 was pro-rated for his departure in August.

(4) Mr. Sanchez Incera was appointed as Chief Executive Officer of the Societe Generale Group on 1 January 2010.

Long-term incentive awards for Chief Executive Officers

The Chief Executive Officers are eligible for long-term incentives awarded in shares or share equivalents.

At its meeting of 2 May 2012, the Board of Directors set up a long-term incentive plan in order to involve the Chief Executive Officers more closely in the company's long-term growth and to align their interests with those of the shareholders.

Three awards have since been granted under this plan: the first on 2 May 2012, the second on 6 May 2013 and the third on 31 July 2014. Pursuant to the AFEP/MEDEF Code and in line with the standard presentation of remuneration packages, these awards were described as having been granted "during the fiscal year" and not "in respect of the fiscal year."

Impact of CRD 4 on the long-term incentive plan:

With the entry into force of European directive CRD4 and the obligation to limit the components of variable compensation (annual variable remuneration and long-term incentives) to a percentage of fixed remuneration, the year of reference of LTI awards must be indicated for compliance reasons.

Accordingly, at its meeting of 19 February 2015, the Board, considering that it would be unable to issue an appreciation of the compliance of compensation if awards continued to relate to the current financial year, decided to set the amounts of annual variable remuneration due in respect of fiscal year 2014 and, at the same time, the amounts of long-term incentives granted in respect of 2014.

In the interest of transparency, the tables showing the breakdown of remuneration submitted to the General Meeting for a vote in May 2015 will indicate the amounts due in respect of 2014, in addition to the amounts due in respect of 2013, which consequently include the LTI plan of 31 July 2014 (pages 115 to 122).

Under these new conditions, long-term incentives awarded in respect of 2013 remain lower than those approved by the General Meeting held in May 2014, as shown in the table below:

	Maximum number of share or share equivalents		Book value	
	6 May 2013 award	31 July 2014 award	6 May 2013 award	31 July 2014 award
Frédéric Oudéa	75,000	55,000	EUR 963,750	EUR 754,325
Séverin Cabannes	50,000	35,000	EUR 642,500	EUR 480,025
Bernardo Sanchez Incera	50,000	35,000	EUR 642,500	EUR 480,025

The details of the LTI plan approved in February 2015 (in respect of 2014) by the Board of Directors at its meeting of 19 February 2015 are as follows:

- share equivalents granted in two instalments, with vesting periods of 4 and 6 years (vs. 3 and 4 years in 2013, and 2 and 3 years in 2012), followed by a one-year retention period, thus increasing the indexing periods to 5 and 7 years;
- permanent vesting based on the relative performance of the Societe Generale share as measured by the increase in Total Shareholder Return (TSR) compared to the TSR of eleven European peers over the entire vesting period. All the share equivalents will thus not vest unless Societe Generale's TSR is in the upper quartile of the sample; if it is slightly above the median value, the vesting rate is 50% of the total number of share equivalents granted; finally, no share equivalent will vest if the TSR performance is too low.

  The complete vesting chart is shown below:

SG rank	Ranks 1*, 2 and 3	Rank 4	Rank 5	Rank 6	Ranks 7, 8 and 9	Ranks 10, 11 and 12
As a % of the max. number granted	100%	83.3%	66.7%	50%	25%	0

  * Highest rank in the sample

  The peer sample comprises the following banks: Barclays, BBVA, BNP Paribas, Crédit Agricole, Crédit Suisse, Deutsche Bank, Intesa Sanpaolo, Nordea, Santander, UBS and Unicredit.

  Furthermore, the final payment value of share equivalents shall be limited to the value of the net asset per share of Societe Generale group at 31 December 2014, i.e. EUR 58.

  Finally, in the absence of the Group's profitability (as measured by Group net income, excluding strictly accounting-related impacts associated with revaluation of own debt) for the year preceding the definitive vesting of long-term incentives, no payment will be due regardless of the performance of the Societe Generale share.

The table below indicates the number of share equivalents granted to each Chief Executive Officer under the plan with respect to 2014 and their book value:

	Maximum number granted	Book value
Frédéric Oudéa	45,000	EUR 850,500
Séverin Cabannes	27,600	EUR 521,640
Bernardo Sanchez Incera	30,000	EUR 567,000

Shareholding and ownership obligations(1)

In 2002, the Board of Directors decided that the Group's Chief Executive Officers must hold a minimum number of Societe Generale shares. In order to comply with AMF recommendations and align the interests of the Executive Officers with those of the business, the Board of Directors increased the required minimum number of shares at its meeting of 7 March 2011, respectively raising it to:

- 80,000 shares for the Chairman and Chief Executive Officer;
- 40,000 shares for the Deputy Chief Executive Officers.

Chief Executive Officers who are also former employees may hold shares directly or indirectly through the Company Savings Plan.

This minimum must be reached by the end of a five-year term of office. Until then, the Chief Executive Officer must keep 50% of the vested shares granted through Societe Generale free share plans and all shares resulting from the exercise of stock options, after deducting the cost of exercising said options and the corresponding social security charges and taxes.

In addition, and in accordance with the law, Chief Executive Officers are required to hold a certain percentage of vested shares granted through Societe Generale performance share plans or resulting from the exercise of stock options in a registered account until the end of their term of office. For shares, this percentage has been set by the Board at 20% of the vested shares of each grant and, for stock options, at 40% of the gains made on exercising the options, net of tax and any other mandatory deductions and minus any capital gains used to finance the purchase of the shares.

The Chief Executive Officers are therefore required to hold a large and increasing number of shares and are prohibited from hedging their shares or options throughout the vesting and holding period.

Each year, the Chief Executive Officers must provide the Board of Directors with the necessary information to ensure that these obligations are met in full.

In their statements to the Board, the Chief Executive Officers confirmed that they have not hedged their Societe Generale shares or Fund E shares and undertook not to do so in the future.

Post-employment benefits: pensions, severance pay, non-compete clause

PENSION

As Frédéric Oudéa terminated his employment contract by resigning when he was appointed Chairman and Chief Executive Officer, he no longer enjoys the right to any supplementary pension from Societe Generale.

SUPPLEMENTARY PENSION PLAN(2)

Regarding benefits awarded after the end of his term of office, Mr. Sammarcelli retained the supplementary pension plan for the Company's senior managers that applied to him as an employee prior to his initial appointment as Chief Executive Officer.

This plan, closed in 1991, entitled its beneficiaries, upon claiming their pension benefits from French Social Security, to a pension payment equal to a percentage of their pensionable earnings, calculated according to the number of annuities taken into account and capped at 70% of said earnings in the event of retirement after the legal retirement age set by Social Security.

The total amount of the pension is increased for beneficiaries who have raised at least three children, as well as for those who retire after the legal retirement age set by Social Security. The annuities taken into account by virtue of their years of professional service extend as much to their years of service as employees as to their terms of office as Chief Executive Officers. Their base compensation is their last annual fixed salary as an employee. The pension paid by the Company is equal to the difference between the total pension defined above and all other retirement pensions or similar benefits paid by French Social Security as well as any other retirement benefits linked to the salaried status of the beneficiaries. 60% of said pension shall be paid to any surviving spouse in the event of the death of a beneficiary.

At 31 August 2014, the date on which his term of office ended, Mr. Sammarcelli's pension rights to be covered by Societe Generale were estimated at EUR 263,000 per year, representing 33% of his 2014 remuneration (fixed salary and variable compensation in respect of 2014). The increase in pension rights between 2013 and 2014 accounted for 3.5% of this remuneration.

SUPPLEMENTARY PENSION ALLOCATION PLAN(3)

Mr. Cabannes and Mr. Sanchez Incera retain the benefits of the supplementary pension allocation plan for senior managers that applied to them as employees prior to their appointment as Chief Executive Officers.

This supplementary plan was introduced in 1991. It provides beneficiaries, upon claiming their French Social Security pension, with a total pension equal to the product of the following:

- the average, over the last ten years of their career, of the proportion of fixed salaries exceeding "Tranche B" of the AGIRC pension plus the performance-linked component limited to 5% of their fixed salary;
- the rate equal to a number of annuities (corresponding to their years of professional service at Societe Generale) divided by 60, corresponding to an acquisition of potential rights of 1.67% a year.

The AGIRC "Tranche C" pension acquired in respect of their professional service at Societe Generale is deducted from this total pension. The supplementary amount covered by Societe Generale is increased for beneficiaries who have raised at least three children, as well as for those who retire after the legal retirement age set by Social Security. It may not be less than one-third of the full-rate service value of the AGIRC "Tranche B" points acquired by the senior manager in question since gaining "Outside Classification" status.

The rights are subject to the employees being employed by the Company upon claiming their pension.

(1) AFEP-MEDEF Corporate Governance Code.
(2) Related-party agreement with Mr. Sammarcelli approved at the General Meeting in 2010.
(3) Related-party agreements with Mr. Cabannes and Mr. Sanchez-Incera approved by the General Meeting in 2009-2010.

Each year, potential rights are calculated according to seniority and projected salary at the age of retirement, based on recognised actuarial principles.

As of 31 December 2014, potential pension benefits represented respectively 14% and 12% of Mr. Cabannes' and Mr. Sanchez Incera's reference remuneration as defined in the AFEP/MEDEF Corporate Governance Code.

SEVERANCE PAY

The Chairman and Chief Executive Officer is not entitled to severance pay.

Mr. Sammarcelli resigned as Deputy Chief Executive Officer on 31 August 2014. In accordance with the commitments undertaken by Societe Generale, he did not receive any severance pay upon resignation.

Mr. Cabannes and Mr. Sanchez-Incera do not enjoy any provision for compensation in the event they are required to step down from their position as Chief Executive Officer. Although the employment contracts they held prior to their appointment are suspended during their term of office, the compensation provided for in said contracts shall remain due in the event of their unilateral termination, based on the remuneration in force on the date it was suspended. In any event, such compensation shall not exceed 2 years of total remuneration.

NON-COMPETE CLAUSE

In the event Frédéric Oudéa ceases to hold the office of Chairman and Chief Executive Officer, he is bound by a non-compete clause prohibiting him from accepting a position with a listed insurance company or credit institution either in France or abroad, or with an unlisted credit institution in France. In exchange, he may continue to receive his fixed salary. The parties will, however, be entitled to waive this clause. The non-compete clause is valid for a period of 18 months and compensated in the amount of Mr. Oudéa's fixed salary. The length of the clause is below the 24-month limit recommended by the AFEP-MEDEF Corporate Governance code.

The Deputy Chief Executive Officers are not bound by any non-compete clause.

Other benefits of Chief Executive Officers

The Chief Executive Officers have their own company car and insurance, and enjoy the same benefits in terms of health coverage and death/invalidity insurance as the employees.

No other benefit is granted to the Chief Executive Officers.

REMUNERATION OF THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE WHO ARE NOT CHIEF EXECUTIVE OFFICERS

Remuneration

The remuneration of the other members of the Executive Committee is established in accordance with the Capital Requirements Directive 4 of 26 June 2013. It is set by the General Management and reviewed by the Compensation Committee. It is made up of two components:

- a fixed salary, determined according to each member's responsibilities and taking into account market practices;
- annual variable remuneration, set at the discretion of the General Management, which depends on both the Group's results and the individual's quantitative and qualitative performance over the previous fiscal year.

  Under the rules set forth by European Directive CRD4, the structure of this variable remuneration includes a non vested component fully subject to continued employment condition, performance conditions and appropriate risk and compliance management, which deferred over five years and is indexed for at least 50% on Societe Generale share (representing 50% of the vested component and 60% of the nonvested component).

  The component of variable compensation deferred over five years, i.e. the Long-Term Incentive plan, accounts for 40% of the unvested portion. It is subject to a demanding condition: namely the relative performance of the Societe Generale share measured by the increase in Total Shareholder Return (TSR) compared to 11 European peers over the entire vesting period.

In addition to this remuneration, senior managers are also entitled to the general incentive and profit-sharing schemes established under the Company's collective agreements.

Finally, Executive Committee members have their own company car.

The remuneration granted to the other members of the Executive Committee in respect of 2014 was as follows (in millions of euros):

(in millions of euros)	Basic salary	Variable remuneration: Vested portion in cash (not deferred)	Variable remuneration: Deferred portion and LTIs	Total remuneration
Other members of the Executive Committee at 31 December 2014(1)	4.2	1.4	5.7	11.3

(1) These amounts include the pay of Ms. Guillaumin, Ms. Mercadal-Delassalles and of Messrs. Goutard, Hauguel, Heim, Henry, Ottenwaelter, Parer, Suet and Valet, for the period during which they were members of the Executive Committee.

Societe Generale shareholding obligations

The minimum number of shares that Executive Committee members are required to hold depends on their average annual total compensation. It is set at a maximum of 80,000 shares, in line with the Chairman and Chief Executive Officer's requirement.

Until the minimum shareholding level is met, senior managers must keep half of their vested shares. Shares may be held directly or indirectly through the Company Savings Plan.

CHANGE IN GOVERNANCE IN 2015

At its meeting of 15 January 2015, the Board of Directors of Societe Generale decided to separate the offices of Chairman and Chief Executive Officer. At the end of the General Meeting on 19 May 2015, Lorenzo Bini Smaghi will be appointed as Chairman of the Board of Directors. The base salary for this office has been set at EUR 850,000. He will not receive any attendance fees. As he does not live in Paris, Mr. Bini Smaghi will be provided with housing accommodations during his term of office. No other form of compensation or benefits will be granted.

TRANSACTIONS CARRIED OUT BY CHIEF EXECUTIVE OFFICERS AND DIRECTORS IN SOCIETE GENERALE SHARES

Summary statement published in compliance with Article 223-26 of the General Regulations of the AMF.

(in EUR)	Type of transaction	Date	Amount
Frédéric OUDEA, Chairman and Chief Executive Officer, performed 1 transaction:	*Acquisition of 6,000 shares of Societe Generale*	14/02/14	280,647

STANDARD TABLES IN ACCORDANCE WITH AMF RECOMMENDATIONS

Table 1

SUMMARY OF REMUNERATION AND STOCK OPTIONS OF SHARES AND SHARE EQUIVALENTS ALLOCATED TO EACH CHIEF EXECUTIVE OFFICER[1]

(In EUR)	2013 fiscal year	2014 fiscal year
Frédéric OUDEA, Chairman and Chief Executive Officer		
Remuneration due for the fiscal year (detailed in Table 2)	2,711,995	2,254,692
Value of options granted in respect of the fiscal year (detailed in Table 4)	0	0
Value of shares granted under the Long-Term Incentive Plan in respect of the fiscal year[2]	0	0
Value of share equivalents granted under the Long-Term Incentive Plan in respect of the fiscal year[2][3]	754,325	850,500
Total	**3,466,320**	**3,105,192**
Séverin CABANNES, Deputy Chief Executive Officer		
Remuneration due for the fiscal year (detailed in Table 2)	1,361,531	1,246,389
Value of options granted in respect of the fiscal year (detailed in Table 4)	0	0
Value of shares granted under the Long-Term Incentive Plan in respect of the fiscal year[2]	0	0
Value of share equivalents granted under the Long-Term Incentive Plan in respect of the fiscal year[2][3]	480,025	521,640
Total	**1,841,556**	**1,768,029**
Jean-François SAMMARCELLI, Deputy Chief Executive Officer		
Remuneration due for the fiscal year (detailed in Table 2)	1,361,000	793,040
Value of options granted in respect of the fiscal year (detailed in Table 4)	0	0
Value of shares granted under the Long-Term Incentive Plan in respect of the fiscal year[2]	0	0
Value of share equivalents granted under the Long-Term Incentive Plan in respect of the fiscal year[2][3]	0	0
Total	**1,361,000**	**793,040**
Bernardo SANCHEZ INCERA, Deputy Chief Executive Officer		
Remuneration due for the fiscal year (detailed in Table 2)	1,324,662	1 232 593
Value of options granted in respect of the fiscal year (detailed in Table 4)	0	0
Value of shares granted under the Long-Term Incentive Plan in respect of the fiscal year[2]	0	0
Value of share equivalents granted under the Long-Term Incentive Plan in respect of the fiscal year[2][3]	480,025	567,000
Total	**1,804,687**	**1,799,593**

(1) Remuneration expressed in euros, gross, before tax.

(2) This plan is detailed in the chapter on the remuneration of Chief Executive Officers.

(3) Pursuant to the decision of the Board at its meeting of 19 February 2015, the Long-Term Incentive Plan is linked to the previous fiscal year. The items presented in the "2013 Fiscal Year" column have been restated realtive to the 2014 Registration Document to reflect that the grant was made in July 2014 in respect of fiscal year 2013.

Table 2

SUMMARY OF THE REMUNERATION OF EACH CHIEF EXECUTIVE OFFICER[1]

(In EUR)	2013 fiscal year		2014 fiscal year	
	Amounts paid	Amounts due for the fiscal year	Amounts paid	Amounts due for the fiscal year
Frédéric OUDEA, Chairman and Chief Executive Officer				
– fixed salary	1,000,000	1,000,000	1,100,000	1,100,000
– non-deferred annual variable remuneration[2]	0	281,214	281,214	189,753
– deferred annual variable remuneration[2]	553,939[6]	1,124,856	1,818,808[7]	759,014
– multi-annual variable remuneration	0	0	0	0
– additional remuneration[3]	300,000	300,000	200,000	200,000
– attendance fees	0	0	0	0
– benefits in kind[4]	5,925	5,925	5,925	5,925
Total	**1,859,864**	**2,711,995**	**3,405,947**	**2,254,692**
Séverin CABANNES, Deputy Chief Executive Officer				
– fixed salary	650,000	650,000	700,000	700,000
– non-deferred annual variable remuneration[2]	83,535	141,024	125,308	107,996
– deferred annual variable remuneration[2]	251,620[6]	564,096	787,602[7]	431,982
– multi-annual variable remuneration	0	0	0	0
– attendance fees	50,500	0	15,716	0
– benefits in kind[4]	6,411	6,411	6,411	6,411
Total	**1,042,066**	**1,361,531**	**1,635,037**	**1,246,389**
Jean-François SAMMARCELLI[5], Deputy Chief Executive Officer				
– fixed salary	650,000	650,000	433,336	433,336
– non-deferred annual variable remuneration[2]	48,460	140,993	77,336	71,136
– deferred annual variable remuneration[2]	395,862[6]	563,971	805,402[7]	284,544
– multi-annual variable remuneration	0	0	0	0
– attendance fees	69,039	0	63,657	0
– benefits in kind[4]	6,036	6,036	4,024	4,024
Total	**1,169,397**	**1,361,000**	**1,383,755**	**793,040**
Bernardo SANCHEZ INCERA, Deputy Chief Executive Officer				
– fixed salary	700,000	700,000	733,338	733,338
– non-deferred annual variable remuneration[2]	60,861	123,944	110,953	98,926
– deferred annual variable remuneration[2]	317,600[6]	495,774	752,639[7]	395,706
– multi-annual variable remuneration	0	0	0	0
– attendance fees	51,160	0	12,991	0
– benefits in kind[4]	4,944	4,944	4,623	4,623
Total	**1,134,565**	**1,324,662**	**1,614,544**	**1,232,593**

(1) Remuneration expressed in euros, gross, before tax.
(2) The criteria used to calculate annual variable remuneration are detailed in the chapter on the remuneration of Chief Executive Officers.
(3) This additional compensation was awarded to Mr. Oudéa when he had to terminate his employment contract due to his appointment as Chairman and Chief Executive Officer. This compensation ended on 31 August 2014.
(4) Provision of a company car.
(5) These amounts include Mr. Sammarcelli's remuneration during his term of office as Chief Executive Officer.
(6) This amount represents the payment of the vested portion and of the first instalment of the unvested portion of the annual variable compensation due for FY 2011, both indexed to the Societe Generale share price.
(7) See the table below for a detailed breakdown of the amounts paid.

BREAKDOWN OF DEFERRED ANNUAL VARIABLE REMUNERATION PAID IN 2014 TO THE CHIEF EXECUTIVE OFFICERS

In EUR	Deferred remuneration paid in 2014 in respect of fiscal year				Total paid in 2014
	2010(1)	2011(2)	2012(3)	2012(4)	
Applicable performance condition and status of condition	SG 2013 EPS or 2011-13 TSR TSR condition met	Core Tier 1* > 9% at 31/12/2013 Condition met	N/A	Core Tier 1* > 9% at 31/12/2013 Condition met	
M. Oudéa	523,600	235,066	730,583(1)	329,559(2)	**1,818,808**
M. Cabannes	291,060	106,757	204,921(1)	184,864(2)	**787,602**
M. Sammarcelli	295,680	167,976	179,665(1)	162,081(2)	**805,402**
M. Sanchez Incera	292,110	134,767	171,262(1)	154,500(2)	**752,639**

* Core Tier One ratio measured under Basel 2 conditions.

(1) Last instalment of the unvested portion of the unindexed annual variable remuneration granted in respect of fiscal year 2010, granted in cash.

(2) Second instalment of the unvested portion of the annual variable remuneration granted in respect of fiscal year 2011, indexed to the Societe Generale share price.

(3) Value of shares delivered in April 2014, vested in March 2013 in respect of fiscal year 2012, including the dividend paid during the retention period.

(4) Value of shares delivered in October 2014, vested in March 2014 in respect of fiscal year 2012, including the dividend paid during the retention period.

Table 3

TABLE OF ATTENDANCE FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE DIRECTORS

(In EUR)	Amounts received in 2013		Amounts received in 2014		Fees/Remuneration	
Non-Executive Directors	**Balance for the 2012 fiscal year**	**Interim payment for the 2013 fiscal year**	**Balance for the 2013 fiscal year**	**Interim payment for the 2014 fiscal year**	**For the 2013 fiscal year**	**For the 2014 fiscal year***
BINI SMAGHI Lorenzo						
Attendance fees(3)						19,144
Related-Party Agreement						80,000
CASTAIGNE Robert						
Attendance fees	71,557	43,271	70,089	43,904	113,360	111,684
Other remuneration	0	0	0	0	0	0
CICUREL Michel						
Attendance fees	40,107	26,272	45,556	26,654	71,828	77,913
Other remuneration	0	0	0	0	0	0
DELABRIERE Yann						
Attendance fees	18,944	15,740	27,493	15,970	43,233	44,243
Other remuneration	0	0	0	0	0	0
DELICOURT Patrick						
Attendance fees(2)	21,559					
Other remuneration	0					
FOLZ Jean-Martin						
Attendance fees	55,131	31,480	50,901	31,940	82,381	88,485
Other remuneration	0	0	0	0	0	0
HAZOU Kyra						
Attendance fees	33,135	31,320	53,404	43,904	84,723	111,684
Other remuneration	0	0	0	0	0	0
HOUSSAYE France						
Attendance fees(4)	30,350	17,057	30,261	26,654	47,318	77,913
Societe Generale salary					49,831	53,041
LEPAGNOL Béatrice						
Attendance fees(2)	18,944	17,057	30,261	17,306	47,318	48,451
Societe Generale salary					38,824	39,080
LEVY Jean-Bernard						
Attendance fees	41,489	24,956	38,702	27,242	63,658	76,013
Other remuneration	0	0	0	0	0	0
LLOPIS RIVAS Ana Maria						
Attendance fees	30,350	17,057	30,261	17,306	47,318	48,451
Other remuneration	0	0	0	0	0	0
LULIN Elisabeth						
Attendance fees	68,772	21,877	39,460		61,337	
Other remuneration	0	0	0		0	
MARTEL Thierry						
Attendance fees(1)	18,944	15,740	15,767		31,507	
Other remuneration	0	0	0		0	
OSCULATI Gianemilio						
Attendance fees	68,772	43,271	74,174	20,773	117,445	58,462
Other remuneration	0	0	0	0	0	0
RACHOU Nathalie						
Attendance fees	71,557	43,271	74,174	43,904	117,445	111,684
Other remuneration	0	0	0	0	0	0
SCHAAPVELD Alexandra						
Attendance fees			18,703	31,836	18,703	78,321
Other remuneration			0	0	0	0

(In EUR)	Amounts received in 2013		Amounts received in 2014		Fees/Remuneration	
Non-Executive Directors	**Balance for the 2012 fiscal year**	**Interim payment for the 2013 fiscal year**	**Balance for the 2013 fiscal year**	**Interim payment for the 2014 fiscal year**	**For the 2013 fiscal year**	**For the 2014 fiscal year***
VANDEVELDE Luc						
Attendance fees	29,913					
Other remuneration	0					
WYAND Anthony						
Attendance fees	166,470	130,612	171,815	131,455	302,426	297,551
Other remuneration	0	0	0	0	0	0
TOTAL (Fees)					**1,250,000**	**1,250,000**
Non-Voting Director						
MATSUO Kenji						
Remuneration(5)	10,576		10,553		10,553	
Other remuneration	0		0		0	

* The balance of the attendance fees earned for the 2014 fiscal year was paid to Board members at the end of January 2015.

(1) Paid to Groupama.

(2) Paid to Societe Generale trade union CFDT.

(3) No interim payment for new Directors.

(4) Paid to Societe Generale trade union SNB.

(5) Paid to Meiji Yasuda Life Insurance.

Table 4

SHARE PURCHASE OR SUBSCRIPTION OPTIONS AWARDED DURING THE FISCAL YEAR TO EACH CHIEF EXECUTIVE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

The Board of Directors did not award any options in 2014.

Table 5

SHARE PURCHASE OR SUBSCRIPTION OPTIONS EXERCISED DURING THE FISCAL YEAR

The Chief Executive Officers did not exercise any options in 2014.

Table 6

SHARES GRANTED DURING THE FISCAL YEAR TO EACH CHIEF EXECUTIVE OFFICER

Societe Generale shares granted during the fiscal year by the issuer or by another Group company.

Name of the Chief Executive Officer	Date of grant	Reason for grant	Number of shares granted during the fiscal year	Value of shares granted based on the method used for the consolidated financial statements[1]	Date on which the performance condition is recorded	Date of share delivery	Performance conditions
Frédéric Oudéa	13/03/2014[1]	Payment of the annual variable remuneration due in respect of fiscal year 2013	5,974	258,555	N/A	02/03/2015	no
			5,974	257,061	31/03/2015	01/10/2015	yes[2]
			5,974	246,666	31/03/2016	03/10/2016	yes[2]
			5,975	235,296	31/03/2017	02/10/2017	yes[2]
Séverin Cabannes	13/03/2014[1]	Payment of the annual variable remuneration due in respect of fiscal year 2013	2,996	129,667	N/A	02/03/2015	no
			2,996	128,918	31/03/2015	01/10/2015	yes[2]
			2,996	123,705	31/03/2016	03/10/2016	yes[2]
			2,996	117,982	31/03/2017	02/10/2017	yes[2]
Jean-François Sammarcelli	13/03/2014[1]	Payment of the annual variable remuneration due in respect of fiscal year 2013	2,995	129,624	N/A	02/03/2015	no
			2,995	128,875	31/03/2015	01/10/2015	yes[2]
			2,995	123,664	31/03/2016	03/10/2016	yes[2]
			2,996	117,982	31/03/2017	02/10/2017	yes[2]
Bernardo Sanchez Incera	13/03/2014[1]	Payment of the annual variable remuneration due in respect of fiscal year 2013	2,633	113,956	N/A	02/03/2015	no
			2,633	113,298	31/03/2015	01/10/2015	yes[2]
			2,633	108,717	31/03/2016	03/10/2016	yes[2]
			2,633	103,688	31/03/2017	02/10/2017	yes[2]

(1) These shares are granted in order to pay a portion of deferred annual variable remuneration, in compliance with European Regulation CRD4.
(2) The performance conditions are detailed on page 108.

Table 7

PERFORMANCE SHARES RECEIVED DURING THE FISCAL YEAR BY EACH CHIEF EXECUTIVE OFFICER

	Grant date	Number of shares received during the fiscal year
Frédéric Oudéa	14/03/2013	23,996
Séverin Cabannes	14/03/2013	8,974
Jean-François Sammarcelli	14/03/2013	7,868
Bernardo Sanchez Incera	14/03/2013	7,500

Table 8

RECORD OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED INFORMATION ON SUBSCRIPTION OR PURCHASE OPTIONS

Date of General Meeting	27/05/2008	27/05/2008	30/05/2006	30/05/2006	30/05/2006
Date of Board meeting	09/03/2010	09/03/2009	21/03/2008	18/09/2007	19/01/2007
Total number of shares[(1)] available for subscription or purchase	**1,000,000**	**1,344,552[(5)]**	**2,328,128**	**135,729**	**1,418,916**
o/w number of shares available for subscription or purchase by Chief Executive Officers[(2)]					
Frédéric Oudéa	0	0	52,739	0	14,137
Séverin Cabannes	0	0	17,030	0	0
Jean-François Sammarcelli	0	28,456	26,830	0	16,747
Bernardo Sanchez Incera	0	0	0	0	0
o/w number of shares available for subscription or purchase by Executive Committee members in office at the grant date	*415,596*	*155,289*	*177,205*	*0*	*260,421*
Total number of beneficiaries	684	778	1,830	159	1,076
o/w Executive Committee members in office at the grant date	*10*	*7*	*10*	*0*	*8*
Starting date for exercising options	9/03/2014	31/03/2012	21/03/2011	18/09/2010	19/01/2010
Expiry date	8/03/2017	8/03/2016	20/03/2015	17/09/2014	18/01/2014
Subscription or purchase price[(3)]	41.20	23.18	63.60	104.17	115.60
Exercise conditions (where the plan includes several instalments)					
Number of shares subscribed at 31/12/2014	**445**	**148,089**	**0**	**0**	**0**
Total number of cancelled or lapsed subscription or purchase options	**657,392**	**912,191**	**1,362,811**	**135,729**	**1,418,916**
Subscription or purchase options outstanding at end of fiscal year	**342,163**	**284,272**	**965,317**	**0**	**0**
Potential dilutive effect[(4)]	0.04%	0.04%	0.12%	-	-

(1) Exercising one option gives entitlement to one SG Share. This table takes into account adjustments performed following capital increases. This line does not take into account options exercised since the grant date.

(2) Mr. Oudéa and Mr. Cabannes were appointed as Chief Executive Officers in 2008. Mr. Sammarcelli and Mr. Sanchez-Incera were appointed as Chief Executive Officers in 2010. Mr. Sammarcelli resigned as Chief Executive Officer on 31 August 2014.

(3) The subscription or purchase price is equal to the average market price of the Societe Generale share during the twenty trading days preceding the meeting of the Board of Directors.

(4) The dilutive effect is the result of dividing the remaining number of options that may be subscribed for by the number of shares making up the capital stock.

(5) Includes the 320,000 options granted to the Chief Executive Officers who gave them up.

Table 9

SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED TO THE TOP TEN EMPLOYEES WHO ARE NON-CHIEF EXECUTIVE OFFICERS AND OPTIONS EXERCISED BY THESE EMPLOYEES

	Total number of options granted/shares subscribed or purchased	Weighted average price (in EUR)
Options awarded during the fiscal year by the issuer and any company included in the scope for the allocation of options, to the ten employees of the issuer and any company included in this scope, whose number of options awarded is highest*	0	0.00
Options held in respect of the issuer and the companies referred to previously and exercised during the fiscal year by the ten employees of the issuer and those companies, whose number of options purchased or subscribed is highest	37,072	41.8

* Societe Generale did not grant stock options in 2014.

Table 10

RECORD OF PERFORMANCE SHARES AWARDED INFORMATION ON PERFORMANCE SHARES

Date of General Meeting	22/05/2012	22/05/2012	25/05/2010	25/05/2010	25/05/2010	27/05/2008	
Date of Board meeting	13/03/2014	14/03/2013	02/03/2012	07/03/2011	02/11/2010	09/03/2010	
Total number of shares granted	1,010,775	1,846,313	2,975,763	2,351,605	5,283,520	4,200,000	
o/w number of shares granted to Chief Executive Officers(3)							
Frédéric Oudéa		-	-	34,461(2)	-		-
Séverin Cabannes		-	-	19,156(2)	-		-
Jean-François Sammarcelli		-	-	19,460(2)	-		-
Bernardo Sanchez-Incera		-	-	19,225(2)			-
Vesting date	31/03/2016 (R) 31/03/2018 (NR)	31/03/2015 (R) 31/03/2017 (NR)	31/03/2014 (R) 31/03/2016 (NR)	31/03/2013 (R) 31/03/2015 (NR)	29/03/2013 (R) 31/03/2015 (NR) (1st instalment) 31/03/2014 (R) 31/03/2016 (NR) (2nd instalment)	Under plan 1: 31/03/2013 (R) 31/03/2014 (NR)	Under plan 2: 31/03/2012 (1st instalment) 31/03/2013 (2nd instalment)
Holding period end date(1)	31/03/2018	31/03/2017	31/03/2016	31/03/2015	29/03/2015 31/03/2016	31/03/2015 31/03/2014	31/03/2014 31/03/2015
Performance conditions	yes	yes	yes	yes	yes	Depending on list of beneficiaries	
Number of shares vested at 31/12/2014	-	969	2,207,345	1,534,259	2,193,696	3,006,290	
Total number of cancelled or lapsed shares	7,616	52,741	143,695	532,842	759,944	1,193,710	
Performance shares outstanding at 31/12/2014	1,003,159	1,792,603	624,723	284,504	2,329,880	-	

R = French tax residents.

NR = Non-French tax residents.

Free share plan granted to all employees of the Group, decided in November 2010, is described page 443 of Note 39 to the consolidated financial statements.

(1) Only for French tax residents.

(2) As the performance condition applicable for this grant was not met, the rights to these shares were forfeited.

(3) For the Chief Executive Officers, see also Tables 6 and 7 of the 2014 Registration Document.

Table 11

POSITION OF CHIEF EXECUTIVE OFFICERS

	Term of office		Employment contract(1)(4)		Supplementary pension plan(2)		Compensation or benefits due or likely to be due as a result of leaving office or changing position		Compensation relating to a non-compete clause(3)	
	start	end	yes	no	yes	no	yes	no	yes	no
Frédéric Oudéa Chairman and Chief Executive Officer	2008(5)	2015		X		X		X	X	
Séverin Cabannes Deputy Chief Executive Officer	2008	2015	X		X			X		X
Jean-François Sammarcelli Deputy Chief Executive Officer	2010	2014(6)	X		X			X		X
Bernardo Sanchez Incera Deputy Chief Executive Officer	2010	2015	X		X			X		X

(1) According to AFEP-MEDEF recommendations, the following Chief Executive Officers may not hold an employment contract for the duration of their term of office: the Chairman of the Board of Directors, the Chairman and Chief Executive Officer, and the Chief Executive Officer in companies with a Board of Directors.

(2) Details of supplementary pension plans can be found on page 103.

(3) Details of Frédéric Oudéa's compensation relating to a non-compete clause can be found on page 104.

(4) The employment contracts of Messrs. Cabannes, Sammarcelli and Sanchez-Incera have been suspended for the duration of their term of office.

(5) Mr. Oudéa was appointed as Chief Executive Officer in May 2008, then as Chairman and Chief Executive Officer in May 2009.

(6) Mr. Sammarcelli's term of office ended on 31 August 2014.

REMUNERATION COMPONENTS DUE OR GRANTED FOR FISCAL YEAR 2014 TO CHIEF EXECUTIVE OFFICERS AND SUBMITTED TO A SHAREHOLDER VOTE

Table 1

Frédéric OUDÉA, Chairman and Chief Executive Officer

Remuneration components due or granted for the fiscal year	In respect of 2014	In respect of 2013	Description
Fixed salary	EUR 1,100,000	EUR 1,000,000	Gross fixed salary paid in 2014. Mr. Oudéa's guaranteed annual salary was unchanged at EUR 1.3 million, after including the indemnity of EUR 300,000 granted in 2009 to compensate for losing the benefits of the supplementary pension plan when his employment contract was terminated. EUR 1,100,000 was the amount actually paid in respect of his fixed salary in 2014.
Annual variable remuneration			Frédéric Oudéa benefits from an annual variable remuneration which is broken down into two sub-components. A 60% portion is based on financial targets and a 40% portion on qualitative targets. These elements are described on page 100 of the 2015 registration document. As of 1 September 2014, this annual variable remuneration is capped at 135% of fixed remuneration (vs. 150% since 2010).
o/w non-deferred annual variable remuneration	EUR 189,753 (nominal amount granted)	EUR 281,214 (nominal amount granted)	**Evaluation of 2014 performance** - Given the quantitative and qualitative criteria defined by the Board of Directors in March 2014 and the achievement rates observed in fiscal year 2014, Mr. Oudéa's annual variable remuneration was set at EUR 948,767, i.e. 86% of his annual fixed compensation paid in 2014. This corresponds to an overall target achievement rate of 64% of the maximum annual variable remuneration (see page 100 of the 2015 registration document). In accordance with the European Capital Requirements Directive CRD4 applicable to credit institutions, the **payment conditions for annual variable remuneration** are as follows: ■ 60% of annual variable remuneration is conditional upon achievement of Group profitability and Core Tier One level targets as determined for fiscal years 2015, 2016 and 2017. Two-thirds of this portion are converted into SG share equivalents transferable for 3.5 years *prorata temporis*; ■ the remaining 40% of annual variable remuneration is vested immediately, with half paid in March 2015 and the other half converted into SG share equivalents subject to a one-year retention period.
o/w deferred annual variable remuneration	EUR 759,014 (nominal amount granted)	EUR 1,124,856 (nominal amount granted)	
Multi-annual variable remuneration	N/A	N/A	Frédéric Oudéa does not receive any multi-annual variable remuneration.
Additional remuneration	EUR 200,000	EUR 300,000	Additional remuneration granted to Frédéric Oudéa in May 2009, when he was appointed as Chairman and Chief Executive Officer, to compensate for the breach of his employment contract and the loss of benefits from the supplementary pension plan to which he was entitled as a salaried manager of Societe Generale. This remuneration (EUR 300,000 over the full year) was paid monthly, in addition to his fixed salary, until August 2014. It was included in his annual fixed remuneration on 1 September 2014.
Exceptional compensation	N/A	N/A	Frédéric Oudéa does not receive any exceptional compensation.
Value of options granted during the fiscal year	N/A	N/A	Frédéric Oudéa has not been awarded any stock options since 2009.

Remuneration components due or granted for the fiscal year	In respect of 2014	In respect of 2013	Description
Value of shares granted or equivalents under a long-term incentive plan in respect to the fiscal year	EUR 850,500 (amount granted in February 2015, IFRS 2 book value) This amount corresponds to a grant of 45,000 share equivalents	EUR 754,325 (amount granted in July 2014, IFRS 2 book value) This amount corresponds to a grant of 55,000 share equivalents	Since 2012, the Chief Executive Officers have been eligible for a long-term incentive plan consisting of shares or share equivalents in order to involve them more closely with the Company's long-term progress and to align their interests with those of the shareholders. At its meeting of 19 February 2015, the Board decided that, due to the entry into force of CRD4 in 2014 (which set a limit on the variable component of remuneration), this plan must be linked to the previous fiscal year. The information presented in this table takes this into account. See page 102 of the 2015 Registration Document. The details of the plan granted in respect of 2014 are as follows: ■ 45,000 share equivalents granted in two instalments, with vesting periods of 4 and 6 years (vs. 3 and 4 years in 2013 and 2 and 3 years in 2012) and a one-year retention period after each vesting period, thus increasing the indexing periods to 5 and 7 years; ■ definitive vesting depending on the relative performance of the Societe Generale share as measured by the increase in Total Shareholder Return (TSR) compared to that of 11 European peers over the entire vesting period. All the share equivalents will thus not vest unless Societe Generale's TSR is in the upper quartile of the sample; if it is slightly above the median value, the vesting rate is 50% of the total number of share equivalents granted; finally, no share equivalent will vest if the TSR performance too low. Furthermore, the final payment value of the share equivalents will be limited to the value of the net asset per share of Societe Generale group at 31 December 2014, i.e. EUR 58. Finally, in the absence of the Group's profitability (as measured by net income Group share, excluding strictly accounting-related impacts associated with revaluation of own debt) for the year preceding the definitive vesting of long-term incentives, no payment will be due regardless of the performance of the Societe Generale share.
Attendance fees	N/A	N/A	
Value of benefits in kind	EUR 5,925	EUR 5,925	Frédéric Oudéa is provided with a company car.

Remuneration components due or granted for the fiscal year that are or were put to a shareholder vote in accordance with the procedure governing related-party agreements or commitments	Amount or book value put to a vote	Description
Severance pay	N/A	Frédéric Oudéa is not entitled to severance pay.
Non-compete clause	No amount due in respect of fiscal year 2014	In the event Mr. Frédéric Oudéa ceases to hold the office of Chairman and Chief Executive Officer, he is bound by a non-compete clause prohibiting him from accepting a position with a listed insurance company or credit institution either in France or abroad, or with an unlisted credit institution in France. The parties will, however, be entitled to waive this clause. The non-compete clause is valid for a period of 18 months and compensated in the amount of Mr. Oudéa's fixed salary. The length of the clause is below the 24-month limit recommended by the AFEP-MEDEF Corporate Governance code. In accordance with the procedure for related-party agreements, this commitment was authorised by the Board of Directors on 24 May 2011 and approved by the General Meeting on 22 May 2012 (4th resolution).
Supplementary pension plan	N/A	Frédéric Oudéa does not have a supplementary pension plan from Societe Generale.

Table 2

Séverin CABANNES, Deputy Chief Executive Officer

Remuneration components due or granted for the fiscal year			**Description**
	In respect of 2014	**In respect of 2013**	
Fixed salary	EUR 700,000	EUR 650,000	Gross fixed salary paid in 2014. Séverin Cabannes' annual fixed salary was EUR 650,000 at 1 January 2014, unchanged since 2011. In order to incorporate the permanently applicable European regulation governing remuneration and the new organisational structure of the General Management (tighter structure of the Group's General Management around the Chairman and Chief Executive Officer, with two Deputy CEOs instead of three), the Board of Directors at its meeting of 31 July 2014 decided to increase his salary by +23% to EUR 800,000 as from 1 September 2014.
Annual variable remuneration			Séverin Cabannes benefits from an annual variable remuneration which is broken down into two sub-components. A 60% portion is based on financial targets and a 40% portion on qualitative targets. These elements are described on page 101 of the 2015 registration document. As of 1 September 2014, this annual variable remuneration is capped at 115% of fixed remuneration (vs. 120% since 2010).
o/w non-deferred annual variable remuneration	EUR 107,996 (nominal amount granted)	EUR 141,024 (nominal amount granted)	**Evaluation of 2014 performance** - Given the quantitative and qualitative criteria defined by the Board of Directors in March 2014 and the achievement rates observed in fiscal year 2014, Mr. Cabannes' annual variable remuneration was set at EUR 539,978, i.e. 77% of his annual fixed compensation paid in 2014. This corresponds to an overall target achievement rate of 67% of the maximum annual variable remuneration (see page 101 of the 2015 registration document).
o/w deferred annual variable remuneration	EUR 431,982 (nominal amount granted)	EUR 564,096 (nominal amount granted)	In accordance with the European Capital Requirements Directive CRD4 applicable to credit institutions, the payment conditions for annual variable remuneration are as follows: ■ 60% of annual variable remuneration is conditional upon achievement of Group profitability and Core Tier One level targets as determined for fiscal years 2015, 2016 and 2017. Two-thirds of this portion are converted into SG share equivalents transferable for 3.5 years *prorata temporis*; ■ the remaining 40% of annual variable remuneration is vested immediately, with half paid in March 2015 and the other half converted into SG share equivalents subject to a one-year retention period.
Multi-annual variable remuneration	N/A	N/A	Séverin Cabannes does not receive any multi-annual variable remuneration.
Exceptional compensation	N/A	N/A	Séverin Cabannes does not receive any exceptional compensation.
Value of options granted during the fiscal year	N/A	N/A	Séverin Cabannes has not been awarded any stock options since 2009.
Value of shares granted or equivalents under a long-term incentive plan in respect to the fiscal year	EUR 521,640 (amount granted in February 2015, IFRS 2 book value) This amount corresponds to a grant of 27,600 share equivalents	EUR 480,025 (amount granted in July 2014, IFRS 2 book value) This amount corresponds to a grant of 35,000 share equivalents	Since 2012, the Chief Executive Officers have been eligible for a long-term incentive plan consisting of shares or share equivalents in order to involve them more closely with the Company's long-term progress and to align their interests with those of the shareholders. At its meeting of 19 February 2015, the Board decided that, due to the entry into force of CRD4 in 2014 (which set a limit on the variable component of remuneration), this plan must be linked to the previous fiscal year. The information presented in this table takes this into account. See page 102 of the 2015 Registration Document. The details of the plan granted in respect of 2014 are as follows: ■ 27,600 share equivalents granted in two instalments, with vesting periods of 4 and 6 years (vs. 3 and 4 years in 2013 and 2 and 3 years in 2012) and a one-year retention period after each vesting period, thus increasing the indexing periods to 5 and 7 years; ■ definitive vesting depending on the relative performance of the Societe Generale share as measured by the increase in Total Shareholder Return (TSR) compared to that of 11 European peers over the entire vesting period. All the share equivalents will thus not vest unless Societe Generale's TSR is in the upper quartile of the sample; if it is slightly above the median value, the vesting rate is 50% of the total number of share equivalents granted; finally, no share equivalent will vest if the TSR performance too low. Furthermore, the final payment value of the share equivalents will be limited to the value of the net asset per share of Societe Generale group at 31 December 2014, i.e. EUR 58. Finally, in the absence of the Group's profitability (as measured by net income Group share, excluding strictly accounting-related impacts associated with revaluation of own debt) for the year preceding the definitive vesting of long-term incentives, no payment will be due regardless of the performance of the Societe Generale share.
Attendance fees	EUR 15,716	EUR 50,500	Variable compensation paid to Deputy Chief Executive Officers is reduced by the amount of any attendance fees received from other Societe Generale Group companies.

Remuneration components due or granted for the fiscal year			Description
	In respect of 2014	**In respect of 2013**	
Value of benefits in kind	EUR 6,411	EUR 6,411	Séverin Cabannes is provided with a company car.

Remuneration components due or granted for the fiscal year that are or were put to a shareholder vote in accordance with the procedure governing related-party agreements or commitments	Amount or book value put to a vote	Description
Severance pay	N/A	Séverin Cabannes is not entitled to severance pay for the termination of his corporate office.
Non-compete clause	No amount due in respect of fiscal year 2014	Séverin Cabannes is not bound by a non-compete clause.
Supplementary pension plan	N/A	Séverin Cabannes retains the benefits of the supplementary pension allocation plan for senior managers which applied to him as an employee prior to his appointment as Deputy Chief Executive Officer. This supplementary plan, introduced in 1991, provides beneficiaries with an annual pension to be covered by Societe Generale, as described on page 103. This pension is mainly based on Societe Generale seniority and on the proportion of the fixed salary exceeding "Tranche B" of the AGIRC pension. Each year, potential rights are calculated according to seniority and projected salary at the age of retirement, based on recognised actuarial principles. As of 31 December 2014, potential pension rights represented 14% of Mr. Cabannes' reference remuneration as defined by the AFEP-MEDER Governance Code. In accordance with the procedure governing related-party agreements, this commitment was authorised by the Board of Directors on 12 May 2008 and approved by the General Meeting on 19 May 2009 (7th resolution).

Table 3

Jean-François SAMMARCELLI, Deputy Chief Executive Officer

Remuneration components due or granted for the fiscal year			Description
	In respect of 2014	**In respect of 2013**	
Fixed salary	EUR 433,336	EUR 650,000	Gross fixed salary of 650,000 in respect of fiscal year 2014, unchanged since 2011 and paid until the end of his term of office on 31 August 2014.
Annual variable remuneration			Jean-François Sammarcelli benefits from an annual variable remuneration which is broken down into two sub-components. A 60% portion is based on financial targets and a 40% portion on qualitative targets. These elements are described on page 101 of the 2015 registration document. This annual variable remuneration is capped at 120% of fixed remuneration.
o/w non-deferred annual variable remuneration	EUR 71,136 (nominal amount granted)	EUR 140,993 (nominal amount granted)	**Evaluation of 2014 performance** - Given the quantitative and qualitative criteria defined by the Board of Directors in March 2014 and the achievement rates observed in fiscal year 2014, Mr. Sammarcelli's annual variable remuneration was set at EUR 355,680, i.e. 82% of his annual fixed compensation paid in 2014. This corresponds to an overall target achievement rate of 68% of the maximum annual variable remuneration (see page 101 of the 2015 registration document).
o/w deferred annual variable remuneration	EUR 284,544 (nominal amount granted)	EUR 563,971 (nominal amount granted)	In accordance with the European Capital Requirements Directive CRD4 applicable to credit institutions, the payment conditions for annual variable remuneration are as follows: ■ 60% of annual variable remuneration is conditional upon achievement of Group profitability and Core Tier One level targets as determined for fiscal years 2015, 2016 and 2017. Two-thirds of this portion are converted into SG share equivalents transferable for 3.5 years *prorata temporis*; ■ the remaining 40% of annual variable remuneration is vested immediately, with half paid in March 2015 and the other half converted into SG share equivalents subject to a one-year retention period.
Multi-annual variable remuneration	N/A	N/A	Jean-François Sammarcelli does not receive any multi-annual variable remuneration.
Exceptional compensation	N/A	N/A	Jean-François Sammarcelli does not receive any exceptional compensation.
Value of options granted during the fiscal year	N/A	N/A	Jean-François Sammarcelli has not been awarded any stock options since 2009.
Value of shares granted or equivalents under a long-term incentive plan in respect to the fiscal year	N/A	N/A	As Mr. Sammarcelli resigned from office on 31 August 2014, he was not entitled to the 2013 and 2014 long-term incentive plan for Chief Executive Officers.
Attendance fees	EUR 63,657	EUR 69,039	Variable compensation paid to Deputy Chief Executive Officers is reduced by the amount of any attendance fees received from other Societe Generale Group companies.
Benefits in kind	EUR 4,024	EUR 6,036	Jean-François Sammarcelli is provided with a company car.

Remuneration components due or granted for the fiscal year that are or were put to a shareholder vote in accordance with the procedure governing related-party agreements or commitments	Amount or book value put to a vote	Description
Severance pay	N/A	Jean-François Sammarcelli is not entitled to severance pay for the termination of his corporate office.
Non-compete clause	N/A	Jean-François Sammarcelli is not bound by a non-compete clause.
Supplementary pension plan	No amount is to be paid for 2014 fiscal year	Jean-François Sammarcelli retains the benefits of the supplementary pension allocation plan for senior managers which applied to him as an employee prior to his appointment as Deputy Chief Executive Officer. This plan is closed since 1991. At 31 August 2014, the date on which his term of office ended, Mr. Sammarcelli had vested pension rights to be covered by Societe Generale estimated at EUR 263,000 par year, i.e. 33% of his reference salary as defined by the AFEP-MEDEF Governance Code. The increase in benefits between 2013 and 2014 was 3.5% of this remuneration. In accordance with the procedure governing related-party agreements, this commitment was authorised by the Board of Directors on 12 January 2010 and approved by the General Meeting on 25 May 2010 (7th resolution).

Table 4

Bernardo SANCHEZ INCERA, Deputy Chief Executive Officer

Remuneration components due or granted for the fiscal year			Description
	In respect of 2014	**In respect of 2013**	
Fixed salary	EUR 733,338	EUR 700,000	Gross fixed salary paid in 2014. Bernardo Sanchez Incera's annual fixed salary was EUR 700,000 at 1 January 2014, unchanged since 2011. In order to incorporate the permanently applicable European regulation governing remuneration and the new organisational structure of the General Management (tighter structure of the Group's General Management around the Chairman and Chief Executive Officer, with two Deputy CEOs instead of three), the Board of Directors at its meeting of 31 July 2014 decided to increase his salary by +14% to EUR 800,000 as from 1 September 2014.
Annual variable remuneration			Bernardo Sanchez Incera benefits from an annual variable remuneration which is broken down into two sub-components. A 60% portion is based on financial targets and a 40% portion on qualitative targets. These elements are described on page 101 of the 2015 registration document. As of 1 September 2015, this annual variable remuneration is capped at 115% of fixed remuneration (vs. 120% since 2010).
o/w non-deferred annual variable remuneration	EUR 98,926 (nominal amount granted)	EUR 123,944 (nominal amount granted)	**Evaluation of 2014 performance** - Given the quantitative and qualitative criteria defined by the Board of Directors in March 2014 and the achievement rates observed in fiscal year 2014, Mr. Sanchez Incera's annual variable remuneration was set at EUR 494,632, i.e. 67% of his annual fixed compensation paid in 2014. This corresponds to an overall target achievement rate of 59% of the maximum annual variable remuneration (see page 101 of the 2015 registration document).
o/w deferred annual variable remuneration	EUR 395,706 (nominal amount granted)	EUR 495,774 (nominal amount granted)	In accordance with the European Capital Requirements Directive CRD4 applicable to credit institutions, the payment conditions for annual variable remuneration are as follows: ■ 60% of annual variable remuneration is conditional upon achievement of Group profitability and Core Tier One targets as determined for fiscal years 2015, 2016 and 2017. Two-thirds of this portion are converted into SG share equivalents transferable for 3.5 years *prorata temporis*; ■ the remaining 40% of annual variable remuneration is vested immediately, with half paid in March 2015 and the other half converted into SG share equivalents subject to a one-year retention period.
Multi-annual variable remuneration	N/A	N/A	Bernardo Sanchez Incera does not receive any multi-annual variable remuneration.
Exceptional compensation	N/A	N/A	Bernardo Sanchez Incera does not receive any exceptional compensation.
Value of options granted during the fiscal year	N/A	N/A	Bernardo Sanchez Incera has not been awarded any stock options since 2010.
Value of shares granted or equivalents under a long-term incentive plan in respect to the fiscal year	EUR 567,000 (amount granted in February 2015, IFRS 2 book value) This amount corresponds to a grant of 30,000 share equivalents	EUR 480,025 (amount granted in July 2014, IFRS 2 book value) This amount corresponds to a grant of 35,000 share equivalents	Since 2012, the Chief Executive Officers have been eligible for a long-term incentive plan consisting of shares or share equivalents in order to involve them more closely with the Company's long-term progress and to align their interests with those of the shareholders. At its meeting of 19 February 2015, the Board decided that, due to the entry into force of CRD4 in 2014 (which set a limit on the variable component of remuneration), this plan must be linked to the previous fiscal year. The information presented in this table takes this into account. See page 102 of the 2015 Registration Document. The details of the plan granted in respect of 2014 are as follows: ■ 30,000 share equivalents granted in two instalments, with vesting periods of 4 and 6 years (vs. 3 and 4 years in 2013 and 2 and 3 years in 2012) and a one-year retention period after each vesting period, thus increasing the indexing periods to 5 and 7 years; ■ definitive vesting depending on the relative performance of the Societe Generale share as measured by the increase in Total Shareholder Return (TSR) compared to that of 11 European peers over the entire vesting period. All the share equivalents will thus not vest unless Societe Generale's TSR is in the upper quartile of the sample; if it is slightly above the median value, the vesting rate is 50% of the total number of share equivalents granted; finally, no share equivalent will be vested if the TSR performance too low. Furthermore, the final payment value of the share equivalents will be limited to the value of the net asset per share of Societe Generale group at 31 December 2014, i.e. EUR 58. Finally, in the absence of the Group's profitability (as measured by net income Group share, excluding strictly accounting-related impacts associated with revaluation of own debt) for the year preceding the definitive vesting of long-term incentives, no payment will be due regardless of the performance of the Societe Generale share.

Remuneration components due or granted for the fiscal year			Description
	In respect of 2014	In respect of 2013	
Attendance fees	EUR 12,991	EUR 51,160	Variable compensation paid to Deputy Chief Executive Officers is reduced by the amount of any attendance fees received from other Societe Generale Group companies.
Value of benefits in kind	EUR 4,623	EUR 4,944	Bernardo Sanchez Incera is provided with a company car.

Remuneration components due or granted for the fiscal year that are or were put to a shareholder vote in accordance with the procedure governing related-party agreements or commitments	Amount or book value put to a vote	Description
Severance pay	N/A	Bernardo Sanchez Incera is not entitled to severance pay for the termination of his corporate office.
Non-compete clause	N/A	Bernardo Sanchez Incera is not bound by a non-compete clause.
Supplementary pension plan	No amount due in respect of fiscal year 2014	Bernardo Sanchez Incera retains the benefits of the supplementary pension allocation plan for senior managers which applied to him as an employee prior to his appointment as Deputy Chief Executive Officer. This supplementary plan, introduced in 1991, provides beneficiaries with an annual pension to be covered by Societe Generale, as described on page 103. This pension is mainly based on Societe Generale seniority and on the proportion of the fixed salary exceeding "Tranche B" of the AGIRC pension. Each year, potential rights are calculated according to seniority and projected salary at the age of retirement, based on recognised actuarial principles. As of 31 December 2014, potential pension rights represented 12% of Mr. Sanchez Incera's reference remuneration as defined by the AFEP-MEDER Governance Code. In accordance with the procedure governing related-party agreements, this commitment was authorised by the Board of Directors on 12 January 2010 and approved by the General Meeting on 25 May 2010 (8th resolution).

EMPLOYEE SHARE PLANS

General policy

The Group has suspended stock-option grants since 2011. Free shares have been issued in France since 2006 and abroad since 2009, as authorised at the General Meeting. The Board of Directors, following the recommendations of the Compensation Committee, has defined the following policy:

Performance shares are granted with the aim of motivating, rewarding and securing the long-term loyalty of three categories of employees:

- employees who have made a significant contribution to the Group's results with respect to their responsibilities;
- high-potential employees whose expertise is highly sought-after on the job market;
- employees whose work has proved extremely valuable to the company.

The grant of these financial instruments is accounted for under personnel expenses in the Company's financial statements in accordance with IFRS 2.

Vesting conditions and history of performance conditions

Vesting conditions for options and shares were tightened during the General Meeting in May 2010. Consequently, as of 2011, grants are wholly contingent on continued employment within the Group at the vesting date and on collective performance, regardless of the category or level of the beneficiary. Between 2006 and 2010, Group performance conditions were applied to certain grants to Group senior managers, managers and experts. In accordance with AFEP-MEDEF recommendations, Group performance conditions applied to Group senior managers are demanding and established in advance.

The table below presents a history of performance conditions applied to free share plans.

HISTORY OF PERFORMANCE CONDITIONS FOR PLANS AT VESTING DATE

Year of plan	Description of performance conditions	Condition met
2006 Plan	Average ROE for 2006-2007 and 2006-2008 (depending on vesting period)	No
2007 Plan	Average ROE for 2007-2008 and 2007-2009 (depending on vesting period)	No
2008 Plan	2009 and 2010 EPS (depending on vesting period)	No
2009 Plan	Average EPS for 2009-2011	No
2010 Plan	2012 ROE and relative TSR	No
2011 Plan	2012 ROE and relative TSR 2012 EPS and relative TSR 2012 EPS	No No Yes
2012 Plan	2013 Group net income	Yes
2013 Plan	2014 Group net income	Yes

In addition, the two performance conditions of the "free share plan"(1) granted in November 2010 to all employees of the Group were met. The first one was based on the positive Group net income for FY 2012. The second condition was contingent on the improvement of customer satisfaction worldwide between 2010 and 2013 in the Group's three core businesses.

2014 Plan

Based on a proposal by the Compensation Committee, the Board of Directors at its meeting of 13 March 2014 granted performance shares to certain members of staff in accordance with the 20th resolution of the General Meeting of 22 May 2012. There were 6,082 plan beneficiaries granted a total of 1 million shares, i.e. 0.13% of the share capital.

The Chief Executive Officers and members of the Group Management Committee were not beneficiaries of the plan. Plan beneficiaries comprised 2,343 women and 3,739 men belonging to other employee categories (including non-executives) working in nearly 76 different countries; 37% work outside France.

All free share grants are conditional on employment with the Group during the entire vesting period and are also subject to a performance conditions. For plan beneficiaries, the performance condition is based on Societe Generale Group's net income, and for Boursorama Group employees on Boursorama Group's net income.

There are two vesting periods depending on whether shares are granted to French tax residents or non-French tax residents, with this status being assessed on the grant date. For French tax residents, the shares vest after two years. In accordance with French legislation, the shares are subject to a two-year holding period. For non-French tax residents, the shares vest after four years.

(1) See details on pg. 444 and pg. 445, Note 41 to the consolidated financial statements.

4. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

ERNST & YOUNG et Autres

1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1

DELOITTE & ASSOCIÉS

185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

SOCIETE GENERALE

Société Anonyme
17, cours Valmy
92972 Paris-La Défense

General Meeting of Shareholders to approve the financial statements for the year ended December 31, 2014

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French commercial code (Code de Commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French commercial code (Code de Commerce) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the general meeting of shareholders

In accordance with Article L. 225-40 of the French Commercial Code (Code de Commerce), we have been advised of the following agreement which received prior authorization from your Board of Directors.

1- With Mr. Lorenzo Bini Smaghi, Director since May 20, 2014

Nature and purpose

Service agreement signed on July 31, 2014 to prepare two study reports for the Board of Directors and Executive Management.

Conditions

The Board of Directors asked Mr. Lorenzo Bini Smaghi to prepare two study reports for the members of the Board of Directors and Executive Management in order to further analyse legislative and regulatory changes in the financial sector and their impacts on Group Société Générale, particularly at the international level.

The service agreement was approved by your Board of Directors on July 31, 2014. It entered into effect on August 1, 2014 and will end on April 30, 2015. A lump-sum of K€ 200 excluding taxes shall be paid to Mr. Lorenzo Bini Smaghi for this service.

The expense recorded in 2014 for this service amounts to K€ 80 excluding taxes.

Agreements and commitments approved in prior years which were not implemented during the year

In addition, we have been advised that the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years were not implemented during the year.

1- With Mr. Frédéric Oudéa, Chairman and Chief Executive Officer

Nature and purpose

Non-compete clause for Mr. Frédéric Oudéa.

Conditions

The non-compete clause for Mr. Frédéric Oudéa had been authorized by your board of directors on May 24, 2011 and approved by the General Meeting of Shareholders on May 22, 2012.

Under the condition that he will not be employed for an eighteen-month period following the termination of his terms of office, in a listed bank or insurance Company in or outside France, or in a non-listed bank in France, Mr. Frédéric Oudéa will be entitled, during the same period, to a compensation to be paid on a monthly basis, equal to his basic salary. Parties will however have a right to waive such clause.

2- With Mr. Jean-François Sammarcelli, Deputy Chief Executive Officer until August 31, 2014

Nature and purpose

Supplementary pension plan for Mr. Jean-François Sammarcelli.

Conditions

Under the terms of this plan, Mr. Jean-François Sammarcelli retains the benefits of the supplementary pension allocation plan for senior managers set up on January 1, 1986. This plan applied to him as employee prior to its initial appointment as Deputy Chief Executive Officer. This plan, closed in 1991, entitles its beneficiaries to a total amount of pension payments equal to a percentage of the base remuneration, calculated according to the number of years of service, capped at a maximum of 70% of this remuneration for a settlement at the legal retirement age set by French Social Security. The additional allocation to be paid by your Company is increased for beneficiaries who have brought up at least three children, as well as for those retiring after the legal retirement age set by French Social Security. The annuities to be taken into account through the period of their professional activities include both services provided as employee as well as Deputy Chief Executive Officers. The base remuneration is the last basic salary as employee. The cost for your company is equal to the difference between the total pension as defined above and all other retirement pensions or similar paid by French Social Security as well as any other retirement benefits in consideration of salaried activities of the beneficiaries. 60% of said pension shall be paid to any surviving spouse in the event of the death of a beneficiary.

Mr. Jean-François Sammarcelli ceased his duties as Deputy Chief Executive Officer on August 31, 2014 and retired on January 31, 2015.

No benefits regarding his pension were paid in 2014.

3- With Messrs. Bernardo Sanchez Incera and Séverin Cabannes, Deputy Chief Executive Officers

Nature and purpose

Supplementary pension plan for Messrs. Bernardo Sanchez Incera and Séverin Cabannes.

Conditions

The payment of pension benefits to Mr. Bernardo Sanchez Incera was authorized by your Board of Directors on January 12, 2010 and approved by your Shareholders' Meeting held on May 25, 2010.

The payment of pension benefits to Mr. Séverin Cabannes was authorized by your Board of Directors on May 12, 2008 and approved by your Shareholders' Meeting held on May 19, 2009.

Under the terms of this plan, Messrs. Bernardo Sanchez Incera and Séverin Cabannes retain the benefits of the supplementary pension allocation plan for senior managers which applied to them as employees prior to their initial appointment as Deputy Chief Executive Officers. This supplementary plan was introduced in 1991. It provides its beneficiaries, upon the liquidation of their French Social Security pension, with a total pension equal to the product of the followings:

- The average, over the last ten years of the career, of the proportion of basic salaries exceeding "Tranche B" of the AGIRC pension increased by a variable part limited to 5% of the basic fixed salary;
- The rate equal to the ratio between a number of annuities corresponding to the years of professional services within your Company and 60.

The AGIRC "Tranche C" pension vested in respect of his professional services within your Company is deducted from this total pension. The additional allocation to be paid by your Company is increased for beneficiaries who have brought up at least three children, as well as for those retiring after the legal retirement age set by French Social Security. It may not be less than a third of the full rate service value of the AGIRC "Tranche B" points vested by the manager since his appointment in the "Outside Classification" category of your company.

The rights are subject to the employee being present in the Company upon liquidation of his pension.

Paris-La Défense and Neuilly-sur-Seine, March 4, 2015
The statutory auditors

French original signed by

ERNST & YOUNG et Autres	DELOITTE & ASSOCIÉS
Isabelle SANTENAC	*Jean-Marc MICKELER*

5. REPORT OF THE CHAIRMAN ON INTERNAL CONTROL AND RISK MANAGEMENT

This report has been prepared in compliance with article L. 225-37 of the French commercial code[(1)]. It summarises the internal controls of the consolidated Societe Generale Group and is in no way intended to give a detailed description of the situation of the Group's activities and subsidiaries or of the practical implementation of the procedures. The Chairman of each French limited liability company carrying out a public offering, and that is a subsidiary of the Group, is required to draft a specific report.

Given the extent and diversity of the risks inherent in banking, internal control is a vital instrument in risk management policy that plays an important role in ensuring the sustainability of activities. It forms part of a strict regulatory framework defined at a national level, and is also the focus of various projects at an international level (Basel Committee, European Union). Internal control concerns all personnel in all areas of the Group. While the primary responsibility therein lies with the operational staff, a number of Corporate Divisions are also involved, notably the Risk Division, the Group Corporate Secretary (notably in charge of Compliance and its control), all of the Group's finance departments and the Internal Audit Division. These entities all contributed to the production of this report. The report was approved by the Board of Directors after being examined by the Audit, Internal Control and Risk Committee.

RISK MANAGEMENT

Banking activities are exposed to various types of risks

Given the diversity and evolution of the Group's activities, risk management involves the following main categories:

- **credit and counterparty risk (including country risk):** risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. Credit risk includes counterparty risk linked to market transactions (replacement risk) and as well as securitisation activities. In addition, credit risk may be further amplified by concentration risk, which arises from a large exposure to a given risk, to one or more counterparties, or to one or more homogeneous groups of counterparties;
- **market risk:** risk of a loss of value on financial instruments arising from changes in market parameters, volatility of these parameters and correlations between them. These parameters include but are not limited to exchange rates, interest rates, and the price of securities (equity, bonds), commodities, derivatives and other assets, including real estate assets;
- **structural interest and exchange rate risk:** risk of loss or of write-downs in the Group's assets arising from variations in interest or exchange rates. Structural interest and exchange rate risk arises from commercial activities and from transactions entered into by the Corporate Centre (operations involving equity capital, investments and bond issues);
- **liquidity risk:** risk of the Group not being able to meet its cash or collateral requirements as they arise and at a reasonable cost;
- **operational risks (including accounting and environmental risks):** risk of losses or sanctions due in particular to inadequacies or failures in internal procedures or systems, human error or external events;
- **non-compliance risk (including legal and tax risks):** risk of legal, administrative or disciplinary sanction, material financial losses or reputational damage arising from failure to comply with the provisions governing the Group's activities;
- **reputational risk:** risk arising from a negative perception on the part of customers, counterparties, shareholders, investors or regulators that could negatively impact the Group's ability to maintain or engage in business relationships and to sustain access to sources of financing;
- **strategic risk:** risks inherent to the choice of a given business strategy or resulting from the Group's inability to execute its strategy;
- **business risk:** risk of losses if costs exceed revenues;
- **risk related to insurance activities:** through its insurance subsidiaries, the Group is also exposed to a variety of risks linked to the insurance business. In addition to balance sheet management risks (interest rate, valuation, counterparty and exchange rate risk), those include premium pricing risk, mortality risk and structural risk of life and non-life insurance activities.

The Group is also exposed to the following risks:

- **risk related to investment portfolio:** risk of unfavorable changes in the value of the Group's investment portfolio;
- **risk related to specialised finance activities:** through its Specialised Financial Services activities, mainly in its operational vehicle leasing subsidiary, the Group is exposed to residual value risk (when the net resale value of an asset at the end of the lease is less than estimated).

(1) The Corporate Governance section of this report is on pages 87 to 98.

Managing and assessing risks

The implementation of a high-performance and efficient risk management structure is a critical undertaking for the Societe Generale Group, in all businesses, markets and regions in which the bank operates, as well as the balance between strong risk culture and the development of its activities.

THE ENTERPRISE RISK MANAGEMENT PROGRAMME (ERM)

The ERM project closely monitored by members of Executive Committee and Board of Directors' Audit, Internal Control and Risk Committee(1), aims to improve the consistency and effectiveness of the Group's risk management system by fully integrating risk prevention and control with the day-to-day management of the bank's businesses. This project is based on three principles: (i) taking greater account of risk in the bank's strategic management (in particular, by continually improving oversight of the Group's "Risk Appetite" – see section below); (ii) optimizing permanent control measures (see chapter on Internal Control); and (iii) strengthening risk culture among all Group employees.

In 2014, the ERM programme:

- supervised permanent control reinforcement (described hereafter);
- has promoted the risk culture development through training and awareness-building intended to bank's employees;
- has contributed to the Risk Appetite Statement formalisation that summarizes Group's target risk profile in order to assure a common vision on this topic in the bank.

THE GROUP'S RISK APPETITE

Societe Generale defines risk appetite as the level of risk, by type and by business, that the Group is prepared to incur given its strategic targets. Risk appetite is defined using both quantitative and qualitative criteria.

Since 2009, the Risk Division and the Finance Division, in coordination with the operating divisions, have jointly carried out measures as part of the Group Risk Appetite exercise, consisting in formally defining a three-year overview including:

- targets for certain key Group indicators (financial solidity, profitability, solvency, leverage and liquidity);
- risk/return ratios for the different Group businesses; and
- the Group's risk profile, by risk type (credit, market, operational and structural).

To determine these factors and develop the Risk Appetite approach, earnings sensitivities to business cycles and credit, market and operational events are taken into account under both a core budgetary macroeconomic scenario and a macroeconomic scenario of severe but plausible stress.

The Risk Appetite exercise is one of the strategic oversight tools available to the Group governing bodies. It is fully integrated with the budgeting process and draws on the global stress test system (details below), which is also used to ensure capital adequacy under stressed economic *scenarii*.

Governing bodies discuss it at different key moments:

- during preliminary budget preparation with a view to allocating scarce resources to the business;

  The positioning of businesses in terms of risk / return ratio as well as the Group's risk profile by type of risk, are analysed and approved by the Audit, Internal Control and Risk Committee2. Simultaneously, three-year targets suggested by the Executive Committee for the Group's key indicators are approved by the Board of Directors after being examined by the Audit, Internal Control and Risk Committee(1);
- during the finalisation of the budget process, the Board of Directors, based on the Executive Committee's recommendations and after examination by the Audit, Internal Control and Risk Committee2, approves the trajectory in relation to various Group key indicators and their adequacy given the established targets.

The Group's risk appetite strategy is implemented by General Management in collaboration with the Executive Committee and applied by corporate and operating divisions through an appropriate operational steering system for risks, covering:

- governance (decision-making, management and supervisory bodies);
- management (identification of risk areas, authorisation and risk-taking processes, risk management policies through the use of limits and guidelines, resource management); and
- supervision (budgetary monitoring, reporting, leading risk indicators, permanent controls and internal audits).

Essential indicators for determining Risk Appetite and their adaptations are regularly supervised over the year in order to detect any events that may result in unfavourable developments on the Group's risk profile. Such events may give rise to remedial action, up to the deployment of the recovery plan in the most severe cases.

PREVENTIVE RECOVERY AND RESOLUTION PLANS

In accordance with the applicable regulation, the Group has specified preventive recovery and resolution plans:

- recovery plan describes, in a preventive manner, provisions that should allow the Group to deal autonomously with a severe stress situation: watchfulness and alert system, crisis management system, crisis communication, list of recovery options enabling the bank to re-establish its financial soundness. This plan is updated on an annual basis;
- resolution plan includes information necessary to resolution authorities in order to think-out possible strategies and actions in order to limit the impact of an hypothetical failure of the Group. The resolution plan should allow to maintain activities fundamental to driving the economy (first of all, deposits and means of payment), and to preserve at best Group's components values.

(1) These topics will be addressed by the Board of Directors' Risk Committee from 1 January 2015.

STRESS TEST FRAMEWORK

Stress tests or crisis simulations are used to measure the potential impact of a downturn in activity on the behaviour of a portfolio, activity, entity or the Group. At Societe Generale, they are used help identify, measure and manage risk and to assess the Group's capital adequacy. They are an important measure of the resilience of the Group and its activities and portfolios, and a core component in the definition of its risk appetite.

The Group's stress test framework covers credit risk, market risk, operational risk, liquidity risk and structural interest rate and exchange rate risk. Stress tests are based on extreme but plausible hypothetical economic *scenarii* by the Group's economists. These *scenarii* are translated into impact on the Group's activities, taking into account the activities' potential counter-measures and systematically combining quantitative methods with expert judgment (risk, finance or business lines).

CREDIT RISK

Validation of credit risk is part of the Group's risk management strategy in accordance with its risk appetite. Societe Generale's credit policy is based on the principle that any credit risk undertaking must be based on sound knowledge of the client and the client's business, an understanding of the purpose and structure of the transaction and the sources of repayment of the debt. Credit decisions must also ensure that the structure of the transaction will minimise the risk of loss in the event the counterparty defaults.

Limits are set for certain countries, geographical regions, sectors, products or types of customers with a view to minimising the most significant risks. In addition, major concentration risks are analysed periodically for the entire Group.

The Risk Division has defined a control and monitoring system, in conjunction with the Group's business divisions and based on the credit risk policy, to provide a framework for the Group's credit risk management. The credit risk policy is periodically reviewed by the Audit, Internal Control and Risk Committee(1).

Credit risk supervision is organised by division (French Networks, International Banking & Financial Services, Global Banking and investor Solutions) and is supplemented by departments with a more cross-business approach (monitoring of country risk and risk linked to financial institutions). The team that handles counterparty risk on market transactions reports to the Market Risk Department.

Within the Risk Division, each of these departments is responsible for:

- setting global and individual credit limits by client, client group or transaction type;
- authorising transactions submitted by the sales departments;
- validating credit score or internal client rating criteria;
- monitoring and supervision of large exposures and various specific credit portfolios;
- approving specific and general provisioning policies.

In addition, a specific department performs comprehensive portfolio analyses and provides the associated reports, including those for the supervisory authorities. A monthly report on the Risk Division's activity is presented to the Risk Committee and specific analyses are submitted to the General Management.

MARKET RISKS

Although primary responsibility for managing risk exposure lies with the front office managers, the supervision system is based on an independent structure, the Market Risk Department of the Risk Division. This Department carries out the following tasks:

- ensuring the existence and the implementation of an effective market risks framework based on suitable limits;
- assessment of the limit applications submitted by the different businesses within the framework of the overall set of limits authorised by the Board of Directors and the General Management, and based on their consumptions;
- proposal to the Group Risk Committee of appropriate market risks limits by Group activity;
- definition of risk measurement methods, approval of the valuation models used to calculate risks and results, and definition of provisions for market risks (reserves and adjustments to earnings).

To carry out these different tasks, the Market Risk Department uses the data and analysis provided by the Finance Department of GBIS (FIND), which monitors the Group's market positions on a permanent, daily and independent basis, notably *via*:

- daily calculation and certification of market risk indicators based on formal and secure procedures;
- reporting and first-level analysis of these indicators;
- daily monitoring of the limits set for each activity, in conjunction with the Market Risk Department;
- verification of the market parameters used to calculate risks and results in line with the methodologies defined by the Market Risk Department;
- monitoring and control of the gross nominal value of positions. This system is based on alert levels applied to all instruments and desks which are defined in collaboration with the Market Risk Department, and contributes to the detection of possible rogue trading operations.

Accordingly, the Finance Department of GBIS, in conjunction with the Market Risk Department, defines the architecture and functionalities of the information system used to produce the risk indicators for market operations to ensure it meets the needs of the different business lines.

A daily report on use of limits on VaR (Value at Risk) and stress tests (extreme *scenarii*) and other major market risks metrics (sensitivity, nominal, etc.) at various level (either Societe Generale, or Global Banking and Investors Solutions, or Global Market) is submitted to the General Management and the managers of the business lines, in addition to a monthly report which summarises the key events in the area of market risk management.

(1) This topic will be reviewed by the Board of Directors' Risk Committee from 1 January 2015.

STRUCTURAL AND LIQUIDITY RISKS

The general principle for the Group is to minimise structural interest rate and exchange rate risks as much as possible within consolidated entities. Wherever possible, commercial transactions are therefore hedged against interest rate and exchange rate risks. Any structural interest rate risk exposure must comply with the sensitivity limits set for each entity and for the overall Group in accordance with the structural risk appetite, as validated by the Executive Committee. As for exchange rates, the Group's policy is to immunise its Common Equity Tier 1 against fluctuations of the major currencies in which it operates.

Given that liquidity is a scarce resource, the Group's objective is to finance its activities at the best possible rates under normal conditions. The plan for short- and long-term financing, in addition to resources gathered from clients, is sized conservatively while ensuring diversification in terms of products and issuing areas.

Targets are validated by the Board of Directors in accordance with the Risk Appetite exercise.

In compliance with the regulatory principles that advocate the segregation of risk oversight and control functions, liquidity risk monitoring and management have been provided by two distinct entities:

- **the Balance Sheet and Global Treasury Management Department**, responsible for structural risk oversight and the supervision and coordination of all of the Group's treasury functions (external Group financing, internal entity financing and centralised collateral management). It also manages the Group's central funding department, and implements financial deals;
- **the Structural Risk Monitoring and Control Department**, which is dedicated to Group structural risk control, and in particular verification of models and monitoring of compliance with limits and management practices by the Group's Core Businesses divisions, business lines and entities.

Each entity carries out the Level 1 control of structural risks and is responsible for performing the periodic assessment of risks incurred, risk reporting, developing hedging proposals and implementing decisions taken. Each entity is required to comply with Group standards and the limits assigned to it.

The Finance Departments of the Core Businesses must ensure compliance with these principles for each entity within their remit.

OPERATIONAL RISK

Societe Generale has no appetite for operational risk, the Group aims to contain operational losses within a limit of maximum 1% of recurring income. The Group has an active prevention policy which consists of securing operational processes as well as the promotion of a risk culture within the organisation. The limit in terms of operational losses is set as a percentage of NBI.

The Operational Risk Department ensures the cross-business monitoring and management of these risks within the Group and is responsible for all reporting to the General Management, Board of Directors and the banking supervisory authorities. It also endeavours to improve the consistency and integrity of the system. Procedures and tools have been rolled out within the Group in order to identify, evaluate (both quantitatively and qualitatively) and manage its operational risk:

- Risk and Control Self-Assessment, the aim of which is to identify and measure the Group's exposure to the different categories of operational risk in order to accurately map the levels of intrinsic and residual risk, having taken into account the quality of risk prevention and control systems;
- Key Risk Indicators (KRIs), which provide upstream alerts as to the risks of operating losses;
- *scenario* analyses, which consist in estimating infrequent but severe potential losses to which the Group could be exposed;
- data collection and analysis on internal losses and losses incurred in the banking industry following the materialisation of operational risks;
- monitoring of major action plans within the Group, based on the deployment of an IT application.

The Business Continuity and Crisis Management function reports to the Operational Risk Department. It is committed to improving the Group's business continuity and crisis plans, notably by testing them on a regular basis, by reinforcing the incorporation of this issue within the Group by the implementation of appropriate tools and measures.

COMPENSATION POLICY AND RISK

Since the end of 2010, within the regulatory framework defined by the European Capital Requirements Directive CRD4, Societe Generale has implemented specific governance to determine variable compensation. In addition to financial market professionals, the rules established by this directive now also apply to all persons whose activity is liable to have a material impact on the risk profile of the institutions that employ them, including those carrying out control functions.

According to the principles approved by the Board of Directors, based on the proposal of the Compensation Committee, the mechanisms and processes relating to the compensation of such employees take into account not only the financial result generated by the transactions they perform, but also the way that this result is generated through the control and management of all risks as well as the observance of risk and compliance policies. The compensation paid to employees performing control functions is independent of the results of the transactions they control, but is rather based on criteria specific to their activity.

The variable part of the compensation includes a non-deferred portion and a deferred portion awarded over three years *prorata temporis* under conditions of presence, performance and possible claw-back. Fifty per cent at least of this compensation is awarded in the form of equity or equity-equivalent instruments. These terms of payment aim to align the compensation with the company's performance and risk horizon.

The Risk Division and Compliance Division contribute to the definition and application of this policy.

The regulatory framework defined by the European Directive CRD4, published in June 2013 and in force since 1st January 2014, does not change the rules related to the variable pay setting of those whose activity is liable to have a material impact on the Group risk profile and of control functions. The principles and governance described above remain applicable within Societe Generale.

REPUTATIONAL RISK

Every quarter, the Compliance Department, using information coming from Core Businesses and Corporate Divisions, in particular the Group Communication Division, draws up a risk reputation dashboard. This dashboard is communicated quarterly to the members of COMEX and twice a year to the members of Audit Internal Control and Risk Committee(1).

Moreover, the Compliance Officers participate as required in various events (new product committees, ad hoc committees, etc.) organised to approve the new types of transactions, products, projects or clients and must prepare a written notice of their assessment of the level of reputational risk.

RISK QUANTIFICATION PROCEDURES AND METHODOLOGIES

Societe Generale has been authorised by its supervisory authorities to calculate its capital requirements:

- for credit risk by using the internal ratings-based approach (IRB method) for most of its exposures to credit risk.

  Only selected activities and exposures currently use the standard approach, and they have a limited impact on the Group's regulatory capital.

  The system for monitoring rating models is operational, as required by Basel 2. This system is described in detail in Chapter 9 of this Registration Document;
- for market risk by using internal models (VaR – Value at Risk, Stressed VaR, IRC – Incremental Risk Charge and CRM – Comprehensive Risk Measure).

  These models cover almost all of the transactions involved. Only some transactions are still calculated using the standard method. Over the last several years, the Group has completed significant projects to improve its calculation system, which have been approved by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR – French Prudential and Resolution Supervisory Authority);
- for counterparty risk on market transactions by using the internal model since 2013 to calculate the EEPE (Effective Expected Positive Exposure) indicator. Based on this new indicator, the Exposure at Default (EAD) linked to the counterparty risk has been calculated since June 2012 for “simple” products and since December for derivatives. This new method is used for 90% of transactions. The Group uses the marked- to-market valuation method for the rest of these transactions;
- for operational risks by using the Advanced Measurement Approach (AMA).

Lastly, its information systems are regularly upgraded to accommodate changes in the products processed and the associated risk management techniques, both locally (within the banking entities) and centrally (Risk Division).

The players involved in risk management and control

RISK MANAGEMENT ORGANISATION AND PROCEDURES ARE DEFINED AT THE HIGHEST MANAGEMENT LEVEL

Two main bodies govern group risk management: the Board of Directors and General Management.

The procedures for managing, preventing and evaluating risks are regularly analysed in depth by the Board of Directors and, in particular, its Audit, Internal Control and Risk Committee.

In the first place, the Board of Directors defines the Company's strategy by assuming and controlling risks, and ensures that it is applied. A risk dashboard is submitted to it. In particular, the Board of Directors ensures the adequacy of the Group's risk management infrastructure, monitors changes in the cost of risk and approves the risk limits for market risks. Presentations on the main aspects of, and notable changes to, the Group's risk management strategy are made to the Board of Directors by the General Management at least once a year (more often if circumstances require it), including the Group's Code of Tax Conduct.

Within the Board of Directors, the Audit, Internal Control and Risk Committee is responsible for examining the consistency of the internal framework for monitoring risks as well as ensuring compliance with this framework and with existing laws and regulations.

(1) This topic will be addressed by the Board of Directors' Risk Committee from 1 January 2015.

THE ROLE OF THE BOARD OF DIRECTORS' AUDIT, INTERNAL CONTROL AND RISK COMMITTEE(1)

This Committee's mission is to monitor issues concerning the production and control of accounting and financial information, and to monitor the efficiency of the internal control and risk assessment, monitoring and management systems.

It is particularly in charge of:

- ensuring monitoring of the process for drawing up financial information, particularly examining the quality and reliability of the systems in place and making suggestions for their improvement, and verifying that corrective actions have been implemented if faults are found in the procedure;
- analysing the draft financial statements to be submitted to the Board in order, in particular, to verify the clarity of the information provided and to offer an assessment of the relevance and consistency of the accounting methods used to draw up parent company and consolidated financial statements;
- ensuring the independence of Statutory Auditors, in particular by reviewing the breakdown of the fees paid by the Group to them as well as to the network to which they may belong and through prior approval of all assignments that do not fall within the framework of a statutory audit of accounts, but which may be the consequence of, or a supplement to, the same, all other assignments being prohibited; implementing the procedure for selecting the Statutory Auditors and submitting an opinion to the Board of Directors concerning the appointment or renewal of such as well as their remuneration;
- examining the work programme of the Statutory Auditors and more generally ensuring the supervision of account monitoring by the Statutory Auditors;
- offering an assessment of the quality of internal control, in particular the consistency of risk assessment, monitoring and management systems, and proposing additional actions where appropriate.

To this end, the Committee is responsible primarily for:

- reviewing the Group's internal audit programme and the Annual Report on Internal Control drawn up in accordance with banking regulations, as well as formulating an opinion on the organisation and operation of the internal control departments;
- reviewing the follow-up letters sent by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR – French Prudential and Resolution Supervisory Authority) and issuing an opinion on draft responses to these letters;
- examining the market risk and structural interest rate risk control procedures and being consulted about setting risk limits;
- formulating an opinion on the Group's global provisioning policy, as well as on specific provisions relating to large sums;
- examining the annual risk assessment and control procedures report in accordance with the French banking regulations;
- reviewing the policy concerning risk management and off-balance sheet commitment monitoring, in particular in the light of memoranda drafted to this end by the Finance Division, the Risk Division and the Statutory Auditors.

Aside from the persons referred to in Article 6, the Committee may interview, under conditions it shall establish, the Statutory Auditors and the managers in charge of drawing up financial statements, internal control, risk management, compliance and internal audits. The Statutory Auditors shall be invited to the meetings of the Audit, Internal Control and Risk Committee unless the Committee decides otherwise.

It gives the Board of Directors its opinion on the section of the Registration Document dealing with these issues and produces an Annual Activity Report, submitted to the Board for its approval, which is then inserted in the Registration Document.

Chaired by General Management, three specialised committees of the Group Executive Committee are responsible for central oversight of internal control and risk management:

- the **Risk Committee**, which met 16 times in 2014, discusses the Group's risk strategy, particularly management of the different risks (credit, country, market and operational risks) as well as the structure and implementation of the risk monitoring system. The Group also has a Large Exposures Committee, which focuses on reviewing large individual exposures;
- the **Finance Committee**, which, as part of its oversight of the Group's financial policy, validates the structural risk monitoring and control system and reviews changes in the Group's structural risks through reports consolidated by the Finance Division;
- the **Group Internal Control Coordination Committee** (Group ICCC), which manages the consistency and effectiveness of the internal control mechanism as a whole.

(1) The Internal Rules of the Board of Directors, updated on 1 January 2015 after the Board of Directors' Audit Internal Control and Risk Committee have been split into Audit and Internal Control Committee and Risk Committee, are available on page 541 of the Registration Document.

UNDER THE AUTHORITY OF GENERAL MANAGEMENT, THE GROUP'S CORPORATE DIVISIONS, WHICH ARE INDEPENDENT FROM THE CORE BUSINESSES, CONTRIBUTE TO THE MANAGEMENT AND INTERNAL CONTROL OF RISKS

The Corporate Divisions provide the Group's Executive Committee with all the information needed to assume its role of managing the Group's strategy, under the authority of the Chief Executive Officer.

With the exception of the Core Businesses Finance Departments, all the Corporate Divisions report directly to the Group's General Management or to the Group Corporate Secretary (who in turn reports directly to the General Management), also responsible for compliance within the Group.

- The main responsibility of the **Risk Division** is:
  - to contribute to the development of the activities and the profitability of Societe Generale Group by working under the aegis of the General Management and in connection with the Finance department and the Core Businesses;
  - to define the Group's Risk Appetite (broken down among the businesses);
  - to establish a risk management and monitoring system.

  In exercising its functions, the Risk Division reconciles independence from and close cooperation with the Core Businesses, these being responsible first for the transactions they initiate.

  Accordingly, the Risk Division is responsible for:
  - providing hierarchical and functional supervision of the Group's Risk structure; to this end, the Head of Risk Management is responsible for the Group's Risk function as defined by Regulation No. 97-02 of the French Banking and Financial Regulation Committee (CRBF), as amended by the decree of 19 January 2010,
  - alongside the Finance Division, setting the Group's risk appetite which is then submitted to the executive body and to the Boards of Directors for their approval,
  - identifying all Group risks,
  - putting into practice a governance and monitoring system for these risks, including cross-business risks, and submitting regular reports on their nature and their extent to the General Management, the Board of Directors and the supervisory authorities,
  - contributing to the definition of risk policies, taking into account the aims of the pillars and the corresponding risk issues,
  - defining or validating risk analysis, assessment, approval and monitoring methods and procedures,
  - validating transactions and limits proposed by the business managers,
  - defining the risk monitoring information system, and ensuring its suitability for the needs of the businesses and its consistency with the Group's information system.

RISK RELATED TO NEW PRODUCTS AND ACTIVITIES

Core Businesses and Corporate Divisions submit all new products, businesses or activities to the New Product Committee. The aim of the committee, jointly managed by the Risk Division and by the entity that initiated the project, is to ensure prior to the launch of a new product, business or activity that:

- all associated risks are fully identified, understood and correctly mitigated;
- compliance issues are assessed with respect to the laws and regulations in force, the codes of good professional conduct and the risks to the image and reputation of the Group;
- all the support functions are committed and have no, or no longer have, any reservations.

This committee is underpinned by a very broad definition of a new product, which ranges from the creation of a new product, to the adaptation of an existing product to a new environment or the transfer of activities involving new teams or new systems.

Throughout the whole Group, 624 New Product Committee meetings were held in 2014.

- the **Group Finance Division**, which, in addition to its financial management responsibilities, also carries out extensive accounting and finance controls (structural risk related to interest rates, exchange rates and liquidity); as such:
  - the **Balance Sheet and Global Treasury Management Department** within the Group Finance Division is responsible for defining its policy for interest rate, exchange rate and liquidity risks, and, in particular, evaluating and planning for the Group's financing needs. It also defines steering indicators and global stress test scenarios for different structural risks, sets the main limits for Core Businesses and entities, analyses Group exposure to structural risks, defines hedging actions and provides regulatory monitoring for structural risks,
  - the **Accounting Affaires Department** attends to the proper running of accounting closings and the quality of financial statements and Group regulatory reports,
  - the **Structural Risk Monitoring and Control Department** is responsible for identifying the Group's structural risks; monitoring limits; defining principles and validating models applied by the Group's entities; consolidating and reporting on structural risks, and defining and monitoring the structural risk measurement standards framework while periodically reviewing the structure of asset-liability management of the Group's entities.

    Reporting to the Group Chief Financial Officer, the Structural Risk Monitoring and Control Department (liquidity, interest rate and exchange rate risk) is also functionally supervised by the Head of the Risk Division, to whom it gives a summary of its activity and who validates its work plan jointly with the Chief Financial Officer. It is included in the governance of the Group's risk structure as defined by Regulation No. 97-02 of the French Banking and Financial Regulation Committee

(CRBF). Furthermore, several Risk Division departments are involved on various levels in supervising ALM risks (reviewing models related to market activities, contributing to validating all of the Group's liquidity models, giving opinions on limits set by liquidity indicators, and monitoring potential limit overruns as part of escalation procedures). Their actions are coordinated by the cross-business risk monitoring department for the Head of the Risk Division;

- the **Finance Departments** of the Core Businesses, which are hierarchically attached to the managers of the Core Businesses and functionally attached to the Group Finance Division. They make sure that accounts are prepared correctly at the local level and control the quality of the information in the consolidated financial reports submitted to the Group;
- the **Group Compliance Division**, which reports to the Corporate Secretary, who is also Head of Compliance, ensures that all laws, rules and ethical principles applicable to the Group's banking and investment activities are compliant with. It also provides reputational risk protection;
- the **Group Legal Department**, which reports to the Corporate Secretary, monitors the security and legal compliance of the Group's activities relying if necessary on legal departments of its subsidiaries and branches;
- the **Group Tax Department**, which reports to the Corporate Secretary, monitors compliance with all applicable tax laws in France and abroad;
- the **Group Human Resources Division**, which notably monitors the implementation of compensation policies;
- the **Group Corporate Resources Division**, which is specifically responsible for information system security;
- the **Group Internal Audit Division**, which is in charge of internal audits, under the authority of the Head of Group Internal Audit.

INTERNAL CONTROL

FRAMEWORK

INTERNAL CONTROL IS PART OF A STRICT REGULATORY FRAMEWORK APPLICABLE TO ALL BANKING ESTABLISHMENTS

In France, the conditions for conducting internal controls in banking establishments are defined in the amended Regulation(1) No. 97- 02 of the French Banking and Financial Regulation Committee (CRBF), which is updated regularly. This text, which applies to all credit institutions and investment companies, defines the concept of internal control, together with a number of specific requirements relating to the assessment and supervision of the various risks inherent to the activities of the companies in question, and the procedures under which the supervisory organ must assess and evaluate how internal control is carried out.

The Basel Committee defined the four principles – independence, universality, impartiality, and sufficient resources – which must form the basis of internal control carried out by credit institutions.

At Societe Generale, these principles have been applied primarily through directives, one of which establishes the general framework for the Group's internal control, another of which constitutes the Group Audit Charter, while the others relate to the work of the Risk Division, management of credit risks, market risks, operational risks, structural risks (interest rate, exchange rate, liquidity), compliance control and reputational risk control.

Internal control covers all resources that enable the Group's General Management to ascertain whether the transactions carried out and the organisation and procedures in place within the Company are compliant with the legal and regulatory provisions in force, professional and ethical practices, internal regulations and the policies defined by the Company's executive body. Internal control aims to:

- prevent malfunctions;
- measure and exercise sufficient control over the risks involved;
- ensure the adequacy and effectiveness of internal processes, including those which help safeguard assets;
- detect irregularities;
- guarantee the reliability, integrity and availability of financial and management information;
- check the quality of information and communication systems.

THE INTERNAL CONTROL SYSTEM IS BASED ON FIVE KEY PRINCIPLES

- the completeness of the scope of controls, which concern all risk types and apply to all the Group's entities;
- the proportionality of controls to the magnitude of the risks involved;
- the individual responsibility of operational staff in managing the risks he takes and controlling the operations he processes;
- the responsibility of functions, with regard to their expertise and independence, in defining normative controls and,
- the independence of level 2 permanent control and internal audit.

The internal control system is organised according to the "three lines of defence" model in accordance with the texts of the Basel Committee:

- as **a first line of defenc**e, the operational management is responsible for risks, their prevention and management, as well as for implementing corrective or remedial actions;
- **the second line of defence** is provided by functions, which provide the necessary expertise to define first line of defence controls and ensure their satisfactory operation; it includes teams dedicated to performance of second-level permanent controls;
- **the third line of defence** is provided by internal audit.

(1) The decree from 3 November 2014 related to credit institutions, payment institutions and investment firms under the control of the *Autorité de Contrôle Prudentiel et de Résolution* (French Prudential and Resolution Authority) replaces the Regulation No 97-02.

INTERNAL CONTROL IS BASED ON A BODY OF STANDARDS AND PROCEDURES

All Societe Generale Group activities are governed by rules and procedures covered by a set of documents referred to collectively as the "Normative Documentation". This documentation includes any documents:

- setting forth rules for action and behaviour applicable to Group staff;
- defining the structures of the businesses and the sharing of roles and responsibilities;
- describing the management rules and internal procedures specific to each business and activity.

The Normative Documentation primarily includes:

- Directives, which define the governance of the Societe Generale Group, the structures and duties of its Business and Corporate Divisions, as well as the operating principles of cross-business systems and processes (Code of Conduct, Charters, etc.);
- Instructions, which set out the operating framework of an activity and the management principles and rules applicable to products and services rendered, and also define internal procedures.

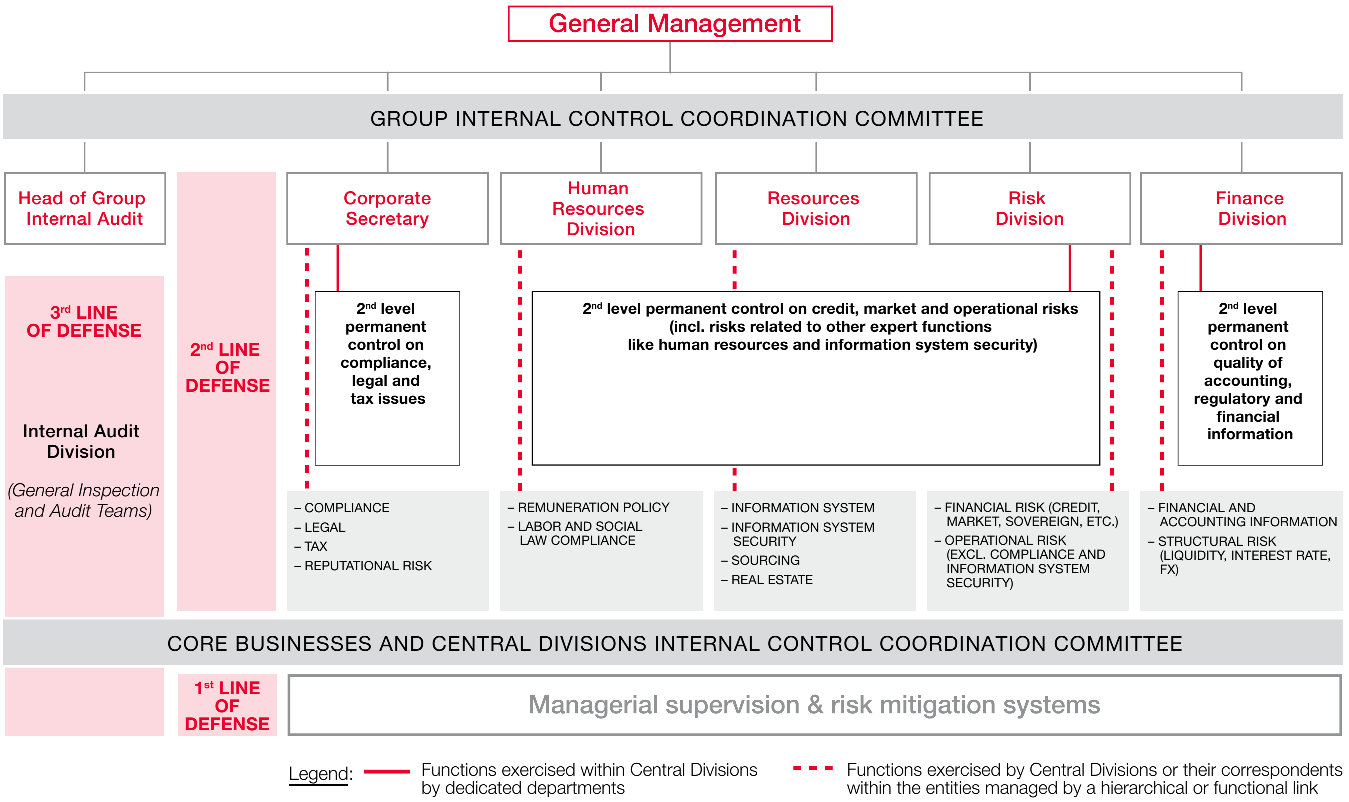
The Normative Documentation has force of law within the Group. It falls under the responsibility of the Group Corporate Secretary, who serves as Group Head of Compliance vis-à-vis supervisory bodies in France and abroad.

In addition to the Normative Documentation, operating procedures specific to each Group activity are applied. The regulations and procedures in force are designed to follow basic rules of internal control such as:

- segregation of functions;
- immediate, irrevocable recording of all transactions;
- reconciliation of information from various sources.

COORDINATION OF THE INTERNAL CONTROL SYSTEM OCCURS AT THE GROUP LEVEL AND IS ROLLED OUT IN EACH BUSINESS DIVISION AND CORPORATE DIVISION

In accordance with the provisions of amended Regulation No. 97- 02 of the French Banking and Financial Regulation Committee (CRBF), the internal control system includes both permanent controls and internal audits.



Every year, the Head of internal control presents the Group's Annual Report on Internal Control and Risk Management drawn up in accordance with banking regulations to members of Executive Committee.

A Deputy Chief Executive Officer is responsible for ensuring the overall consistency and effectiveness of the internal control system.

This Deputy Chief Executive Officer also chairs the Group Internal Control Coordination Committee (Group ICCC), comprised of the Corporate Secretary, the Chief Risk Officer, the Chief Financial Officer, the Group Chief Information Officer, the Head of Human Resources, the Head of Group Internal Audit, and the Head of Internal Control Coordination.

The Group Internal Control Coordination Committee met 13 times in 2014. The Committee reviewed the risk control and management system of all Group Core Businesses and Corporate Divisions. In addition, the Committee addressed the following issues in 2013:

- monitoring of relations with regulators;
- prevention of market abuse risk;
- reputational risk management;
- respect of banking secrecy;
- new product committee's functioning;
- risks and controls linked to the realisation of Accenture Post-Trade Processing project;
- risks related to the information system's opening;
- payment instruments risks;
- onboarding process in GBIS: risks and controls;
- risks linked to data management;
- roll-out of internal control and risk management systems: ongoing projects' progress report;
- validation of Group Reporting Key Controls;
- consistency of internal control and risk management systems;
- review of the level 2 permanent control's annual work programme.

Furthermore, two presentations on the progress of internal control system reinforcement to the members of Executive Committee have completed meetings of the Group ICCC on internal control and risk management systems.

The structure implemented at the Group level to coordinate the actions of participants in internal control is rolled out in all Core Businesses. All of the Group's business and Corporate Divisions have an Internal Control Coordination Committee. Chaired by the head of the business or Corporate Division, these Committees bring together the competent heads of internal audit and permanent control for the business or Corporate Division, as well as the Head of Group Internal Control Coordination and the heads of the Group-level control functions.

PERMANENT CONTROL SYSTEM

Group's internal control system is based on:

- **first-level permanent control**, under the responsibility of Core Businesses and Corporate Divisions, forms the cornerstone of the permanent control system. It aims to ensure the compliance, validity and security of transactions completed.

In 2014, Société Générale has launched:

- a review of relevance of controls, based on an end-to-end process analysis,
- the performance of controls, in some cases, by staff dedicated to that mission and under the responsibility of operational managers in order to secure most critical process,
- the creation of a function, implemented within each business and having the following main missions: the consolidation of reports related to controls and monitoring of corrective actions and the training of employees on the control systems,
- the design of a certification system, reserved until now to the finance function, expanded to all Group's reporting key controls.

In the transition phase, pending the implementation of the certification tool, Managers of Core Businesses and Corporate Divisions attest the effectiveness of the system in place in their entities from the beginning of the year 2015 for periodic reviews held in Group ICCC;

- **second-level permanent control**, independent from operational staff, comes under three Corporate Divisions and has been significantly reinforced in 2014.

FIRST-LEVEL PERMANENT CONTROL

The first-level permanent control, performed by operational staff on all transactions completed, consists of:

- risk mitigation systems: they are security rules and controls, automated or not, fully integrated to the processing of operations and controls programmed in IT applications;
- managerial supervision: management must regularly ensure, in a formalised manner, employee compliance with the rules and procedures for processing transactions and the effective performance of operational controls. Managers can rely on first-level controls carried out by dedicated teams.

Core Businesses and Corporate Divisions define and implement a first-level permanent control system for their entire scope. They regularly assess its pertinence and change it in accordance with changes to their activities and the associated risks within their scope.

The library of the normative controls (BCN for "Bibliothèque des Contrôles Normatifs") structures the Group's first-level permanent control system and helps to ensure its overall consistency. It groups together all the control objectives set by a function in order to control the risks inherent in its area of expertise. The key controls are rolled-out into managerial supervision controls in the Core Businesses and the Corporate Divisions, such a roll-out should be validated by expert functions.

SECOND-LEVEL PERMANENT CONTROL

The second-level permanent control aims to ensure that first level controls exist and that they are effective and properly executed. This review and further work result in the formulation of a qualified opinion on the effectiveness of first level controls. At the Group level, second-level permanent control is carried out within teams reporting to the Corporate Divisions in charge of the following three functions:

- **the Finance function**, where the second-level permanent control mission covers the quality of accounting, regulatory, and financial information;
- **the Compliance function**, where the second-level control mission covers compliance controls and includes legal and tax controls other than accounting or operational controls;
- **the Risk function**, where the control mission covers credit and market risks, structural risks, operational risks – which includes in particular risks specific to the various businesses (and particularly fraud) – as well as risks related to purchasing, communication, real estate, human resources, processes and information systems.

AT THE SAME TIME, THE CORPORATE DIVISIONS, WITH THE SUPPORT OF THE FUNCTIONS UNDER THEIR RESPONSIBILITY, CONTRIBUTE TO THE PERMANENT CONTROL OF THE GROUP'S TRANSACTIONS

The Risk Division, with agents in the Group's Core Businesses and subsidiaries, is responsible for implementing the credit, market and operational risk control system and ensuring risks are monitored in a consistent fashion across the Group.

According to the latest voluntary census (at the end of December 2014), Group Risk function dedicated to risk management and permanent control was staffed by around 5,200 people* (including 785 within the Group Risk Division itself at the end of December 2014).

*measured in full-time equivalent (FTE).

The Head of Information System Security and Operational Risk Management coordinates the management of information system risks at the Group level.

The system for management, monitoring and communication related to information system security and risks is coordinated at the Group level by the Head of Information System Security and Operational Risk Management. This system has been rolled out within each of the core businesses, business lines and entities.

At the operating level, the Group has a CERT (Computer Emergency Response Team) that manages incidents, monitors developments in information system security and combats cybercrime using a multitude of information and supervision sources both internal and external to the Group. In terms of IT operational risks not based on information security considerations, the creation in 2014 of a central team dedicated to this topic, highlights the will of the Group to strengthen risk management and control system throughout the IT function.

The information system risk management and security system is governed by the "Strategic Security Initiatives" validated by General Management and all businesses which are part of the Corporate Divisions Supervisory Committee. It is regularly updated to keep up with technological developments, new threats (such as targeted attacks) or new applications (for example, cloud computing).

In 2013, an Information Security Masterplan has been developed by the Information Security function in the context of the Digital transition and the improvement of cybercrime threats. The Group Security Action Plan whose deployment was initiated in 2014 is based on four strategic priorities: securing the most sensitive applications of the Group, securing sensitive data, securing our customers' transactions done through the Internet, and the enhancement of our detection capabilities and response to cyber attacks.

End of 2014 a first assessment allowed us to strengthen our strategic vision and affirm our commitment to enhance the management of information security. In 2015, this action plan will be monitored quarterly to the profit of the Executive Management in order to measure progress and adjust the allocated resources to maintain and acceptable level of residual risk.

Within the Group Finance Division, the Balance Sheet and Global Treasury Management Department is responsible for defining principles and approving Group standards governing structural interest rate and liquidity risks (maturity standards, risk monitoring indicators and tools) to be applied by all entities included in the Group's scope of consolidation.

The organisational structure for Level 1 and Level 2 controls was formally defined jointly by the Balance Sheet Management Department and the Finance Departments of the Core Businesses. These documents describe the responsibilities of different players for a given process.

The entities' Finance Departments are responsible for controlling structural risk. Structural risk managers are in charge of drafting quarterly reports and carrying out Level 1 controls before publishing them.

The Balance Sheet Management Department performs Level 2 structural risk controls at entities, and consolidates Group entity positions.

The Group's Corporate Secretary is responsible for monitoring Group compliance. He also ensures Group legal and tax security and compliance.

He is assisted in these tasks by:

- **the Compliance Department**, which verifies that all laws, regulations and ethical principles applicable to the Group's banking and investment services activities are observed, and that all staff respect codes of good conduct and individual compliance. To do so, it coordinates the compliance function. It also monitors the prevention of reputational risk.

  The Compliance Department is organised in three transversal departments (financial security, standards and governance, steering and control) and four teams dedicated to business lines compliance and hierarchically attached to head of the Department. Compliance Department focuses on building the compliance function by relying on a coordinated network of compliance officers covering all of the Group's entities, to providing the function with a consistent framework of standards, to raising awareness and training its participants in preventing non compliance risks and to starting the deployment of standard checks in the whole Group for major non-compliance risks;
- **the Group Compliance Committee**, which meets monthly and includes the Compliance officers from Core Businesses and Corporate Divisions, as well as the heads of Internal Control Coordination, Internal Audit, the Operational Risk Department and the Legal Department. The Committee examines current compliance issues, keeps up to date with the major changes in regulation and makes sure that compliance discrepancies, reported in accordance with the collecting procedure in the whole Group, are covered by appropriate corrective actions;

- **the Legal and Tax Departments**, which monitor the legal and tax compliance and security of all of the Group's activities.

These Corporate Divisions have a hierarchical or functional authority on departments exercising the same type of function in branches. The Corporate Division teams driver orientations of legal and fiscal politics and are responsible for compliance monitoring and training as well as for the distribution of relevant information throughout the Group.

INTERNAL AUDIT

The General Inspection and Audit Division comprises, under the authority of the Group Head of Inspection and Audit, all internal audit and inspection teams, whose main role is to perform independent audits with the aim to verify as part of an objective, rigorous and impartial approach the compliance of operations with internal procedures and regulatory requirements, the level of risk effectively incurred, and the effectiveness and appropriate nature of the Group's permanent control system.

The Group's General Inspection and Audit Division is independent from the Group's operating entities. It covers all Group entities and activities and may focus on any aspect of their operations, without any restriction.

Each Audit Department regularly identifies the areas of risk to which the entities within its perimeter are exposed. It then defines an annual audit plan ensuring all entities within the perimeter are reviewed at an adequate frequency. Internal audit teams issue recommendations based on their findings and follow that they are adequately implemented.

To fulfil its mandate, the Group's General Inspection and Audit Division is provided with adequate resources, from a qualitative and quantitative point of view.

The Group's General Inspection and Audit Division has some 1 300 staff. The Division comprises of the General Inspection department, Internal Audit departments and Transversal functions providing support to Inspection and Audit teams. In France Internal Audit teams report directly into the Group Head of Inspection and Audit. Abroad Internal Audit teams have a strong functional reporting line (control over staffing, audit plans, audit assignments) into the head of the Audit department in charge of supervising the entity they belong to.

The General Inspection teams perform audits covering all aspects of Group's activities worldwide without any restriction. General Inspection report their findings, conclusions and recommendations to General Management. Assignments carried out by Inspection teams are based on an annual audit plan validated by General Management. On the basis of their findings, Inspection teams issue recommendations, the implementation of which is monitored on a quarterly basis by the Group Executive Committee.

Following the implementation of a new organisation – effective February 3rd, 2014 – the Internal Audit comprises 4 distinct departments aligned to the Group's organisation:

- **Retail Banking Africa and France:** handles the audit of Retail Banking activities in France as well as the audit of the activities of International Banking and Financial Services (IBFS) business in France and all activities of the Group in Africa, the Mediterranean and the French Overseas Territories;
- **Europe and Russia IBFS:** in charge of the audit of the Group's activities in Russia, in all Central and Eastern European countries as well as in the following countries in Western and Southern Europe: Germany, Austria, the Netherlands, Norway, Denmark, Sweden, Finland and Italy;
- **Global Banking and Investor Services:** is responsible for the audit of GBIS activities in France as well as for the audit of the Group's activities in the United Kingdom, Luxembourg, the Americas and the Middle-East;
- **Information Systems, Corporate Divisions and Specialised Audits:** newly created, is responsible for the audit of the Group's IT infrastructure and IT security as well as of the audit of the Group's Corporate Divisions and associated Group functions. It also comprises specialised audit teams (audit of accounting and prudential norms, legal and tax audit, audit of risks associated with internal models).

  The IT audit teams are organised as a global function with strong expertise on IT security and the ability to interact with all teams within the General Inspection and Audit Division.

  Besides covering the audit of Corporate Divisions, the teams in charge of the audit of Corporate Divisions also monitor other audit teams on matters related to compliance or finance on a Group-wide basis.

As part of his role, the Group Head of Inspection and Audit is a permanent member of the Audit, Internal Control and Risk Committee of the Board of Directors, of the Group Internal Control Coordination Committee and the Audit Committees of the Group's main affiliates. The Group Head of Inspection and Audit presents the Internal Control and Risk Committee of the Board of Directors with the internal audit and inspection section of the Annual Report on the internal control, required in article 42 of amended French Banking and Financial Regulation Committee (CRBF) regulation No. 97- 02, as well as the most important recommendations which are behind schedule. The Audit, Internal Control and Risk Committee validates the Group's annual audit and inspection plan and opines on the organisation and operations of the General Inspection and Audit division.

The Group Head of Inspection and Audit also maintains regular organised contact with the Statutory Auditors and representatives of the regulators.

The General Inspection and Audit division participates to Internal Control Coordination Committees and Audit committees at various levels (Core Business or Corporate Division, business line, affiliate…) within the Group. It presents it activity report on the perimeter under review, as well as the audit plan and reports on the monitoring of recommendations. It may also present any matters requiring the attention from the Group's management or supervisory bodies.

CONTROL OF THE PRODUCTION AND PUBLICATION OF FINANCIAL AND MANAGEMENT INFORMATION

THE PLAYERS INVOLVED

There are many participants in the production of financial data:

- **the Board of Directors' Audit, Internal Control and Risk Committee**[1] has the task of examining the draft financial statements which are to be submitted to the Board, as well as verifying the conditions under which they were prepared and ensuring not only the relevance but also the consistency of the accounting principles and methods applied. The Statutory Auditors meet with the Audit, Internal Control and Risk Committee during the course of their assignment;
- **the Group Finance Division gathers** all accounting and management data compiled by the subsidiaries and Core Businesses in a series of standardised reports. It consolidates and verifies this information so that it can be used in the overall management of the Group and disclosed to third parties (supervisory bodies, investors, etc.);
- **the Finance Divisions of subsidiaries** and Core Businesses carry out certification on the accounting data and entries booked by the back offices and on the management data submitted by the front offices. They are accountable for the financial statements and regulatory information required at the local level and submit reports (accounting data, finance control, regulatory reports, etc.) to the Group Finance Division. Practically, they can produce these statements on their own or delegate their preparation to Shared Service Centers placed under Group Finance Division governance. Within the Finance Department of Global Investment and Banking Solutions, Product Control departments are more specifically responsible for guaranteeing, independently of the businesses, the production and validation of market activities' income statement and balance sheet. In particular, they are in charge of validating the valuations of the financial instruments traded and the reconciliation of the economic results produced by the front office with the accounting results produced by the back office;
- the Risk Division **consolidates the risk monitoring data from the Group's Core Businesses and subsidiaries** in order to control credit, market and operational risks. This information is used in Group communications to the Group's governing bodies and to third parties. Furthermore, in collaboration with the Group Finance Division, it is responsible for the Basel 3 approval process, including producing solvency ratios;
- the **back offices** are responsible for all support functions to front-offices and ensure contractual settlements and deliveries. They check that financial transactions are economically justified, book transactions and manage means of payment.

Beyond consolidating accounting and financial information as described above, the Group Finance Division is charged with significant control responsibilities: it monitors the financial aspects of the Group's capital transactions and its financial structure, manages its assets and liabilities, and consequently defines, manages and controls the Group's financial position and structural risks. Furthermore, it ensures that the regulatory financial ratios are respected, defines accounting standards, frameworks, principles and procedures for the Group, ensures they are observed and verifies the accuracy of all financial and accounting data published by the Group.

ACCOUNTING STANDARDS

Local financial statements are drawn up in accordance with local accounting standards, and the consolidated Group financial statements are prepared in accordance with the standards defined by the Group Finance Division, which are based on IFRS as adopted by the European Union. The Group Finance Division has its own standards unit, which monitors the applicable regulations and drafts new internal standards to comply with any changes in the regulatory framework.

PROCEDURES FOR PRODUCING FINANCIAL AND ACCOUNTING DATA

Each entity within the Group prepares its own accounting and management statements on a monthly basis. This information is then consolidated each month at the Group level and published for the markets on a quarterly basis. Data reported are subject to analytical reviews and consistency checks performed by Core Business Finance Departments and sent to the Group Finance Division. The Group Finance Division transmits the consolidated financial statements, management reports and regulatory statements to General Management and any interested third parties.

In practice, procedures have been tailored to the growing complexity of products and regulations. Moreover, specific action plans can be implemented where necessary.

INTERNAL CONTROL PROCEDURES GOVERNING THE PRODUCTION OF FINANCIAL AND ACCOUNTING DATA

ACCOUNTING DATA ARE COMPILED INDEPENDENTLY OF THE FRONT OFFICES

Accounting and management data are compiled by the back and middle offices and product control teams independently of the sales teams, thereby guaranteeing that information is both accurate and objective. These teams carry out a series of controls defined by Group procedures on financial and accounting data:

- daily verification of the economic justification of all of the reported information;
- reconciliation, within the specified deadlines, of accounting and management data using specific procedures.

Given the increasing complexity of the Group's financial activities and organisation, staff training and IT tools are upgraded on a permanent basis to make sure the production and verification of accounting and management data are effective and reliable.

(1) Audit and Internal Control Committee from 1 January 2015.

SCOPE OF CONTROL

In practice, the internal control procedures implemented in the Group's businesses are designed to guarantee the quality of financial and accounting information, and notably to:

- ensure that the transactions entered in the Group's accounts are exhaustive and accurate;
- validate the valuation methods used for certain transactions;
- ensure that transactions are correctly assigned to the corresponding fiscal period and recorded in the accounts in accordance with the applicable accounting regulations, and that the accounting aggregates used to prepare the Group financial statements are compliant with the regulations in force;
- ensure the inclusion of all entities that must be consolidated in accordance with Group regulations;
- check that the operational risks associated with the production and transmission of accounting data through the IT system are correctly controlled, that the necessary adjustments are accurately performed, that the reconciliation of accounting and management data is satisfactory, and that the flows of cash payments and other items generated by transactions are exhaustive and adequate.

CONTROL BY THE FINANCE DEPARTMENTS OF CORE BUSINESSES

The Finance Department of each subsidiary verifies the accuracy and consistency of the financial statements with respect to the relevant accounting frameworks (local standards and IFRS for subsidiaries as well as French standards for branches). It performs Level 1 and 2 controls to guarantee the accuracy of disclosed information.

The data received for consolidation from each subsidiary are supplied from corporate accounting data by the subsidiaries, after they are locally brought into compliance with Group accounting principles. Each subsidiary must be able to explain the transition from the parent company financial statements to the financial statements reported through the consolidation tool.

Finance departments of Core Business contribute also to ensure the quality and accuracy of financial statements relevant from their scope of activity. As such, their main assignments in terms of accounting control are:

- to ensure the adequacy of means that disposes each accounting data producer to stakes involved;
- to oversight the set up of audit recommendations and the advance of associated action plans;
- to define key control's implementation modalities and certify on a quarterly basis the issued results.

SUPERVISION BY THE GROUP FINANCE DIVISION

Once the statements produced by the entities have been restated according to Group standards, they are entered into a central database and processed to produce the consolidated statements.

The department in charge of consolidation checks that the consolidation scope is compliant with the applicable accounting standards and performs multiple checks on data received for consolidation. These checks include confirming that gathered data is properly aggregated, verification of recurrent and non-recurrent consolidation entries, exhaustive treatment of critical points in the consolidation process, and treatment of any residual differences in reciprocal/intercompany accounts. Ultimately, the department ensures the overall consolidation process was correct by carrying out analytical reviews of the summary data and checking the consistency of the main aggregates in the financial statements. Changes in shareholders' equity, goodwill, provisions and any deferred taxes consolidated in the fiscal year in question are also analysed.

The Group Finance Division also has a team dedicated to second-level accounting and regulatory permanent control. This team performs controls to ensure that Group accounting standards are correctly applied on specific issues or by taking part in acquisitions and to verify the consistency of accounting treatment at the cross-business level. This team is also in charge of organising and coordinating the first-level key controls certification process on a quarterly basis.

THE ACCOUNTING AUDIT SYSTEM

CONTROLS BY ALL OPERATIONAL STAFF INVOLVED IN THE PRODUCTION OF ACCOUNTING, FINANCIAL AND MANAGEMENT DATA

The operational staff monitor their activities via a permanent supervision process, under the direct responsibility of their management teams, repeatedly verifying the quality of the controls carried out on accounting data and the associated accounting treatment.

CONTROLS BY THE AUDIT TEAMS AND SPECIALISED AUDIT TEAMS OF THE GENERAL INSPECTION AND AUDIT DIVISION

As part of their assignments, audit teams verify the quality of the accounting and management data produced by the audited entities. They check certain accounts, assess the reconciliations between accounting and management data, and the quality of the permanent supervision procedures for the production and control of accounting data. They also identify any areas where manual processing may be required to make up for gaps in IT tools and which therefore need to be checked closely.

The team in charge of the audit of accounting norms is part of the Audit department covering the Group's Corporate Divisions. Its mandate is to:

- provide its expertise in identifying the Group's main accounting risks;
- carry out audits to verify the proper application of the Group's accounting standards in areas deemed to be the most significant for the accuracy of the Group's accounting information;
- conduct training sessions and create methodologies to help share expertise in the auditing of accounting risks.

Based on their audit findings, the teams issue recommendations to the parties involved in the production and control of accounting, financial and management data in order to improve this process through more specific initiatives targeted towards particular entities or activities.

CONTROLS CARRIED OUT BY THE GENERAL INSPECTION DEPARTMENT

General Inspection teams generally perform accounting audits as part of their assignments, and may also conduct specific audits to check the quality of the controls carried out by staff responsible for producing accounting, financial and management data.

6. STATUTORY AUDITORS' SPECIAL REPORT ON THE REPORT OF THE CHAIRMAN ON INTERNAL CONTROL AND RISK MANAGEMENT

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

DELOITTE & ASSOCIÉS

185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 1 723 040

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG et Autres

1/2, place des Saisons
92400 Courbevoie - Paris-La-Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

Statutory auditors' report, prepared in accordance with article L. 225-235 of the French commercial code (Code de commerce), on the report prepared by the chairman of the board of directors of Société Générale

To the Shareholders,

In our capacity as statutory auditors of Société Générale and in accordance with article L. 225-235 of the French commercial code (Code de commerce), we hereby report on the report prepared by the chairman of your company in accordance with article L. 225-37 of the French commercial code (Code de commerce) for the year ended December 31, 2014.

It is the chairman's responsibility to prepare and submit for the board of directors' approval a report on the internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French commercial code (Code de commerce) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- confirm that the report also includes the other information required by article L. 225-37 of the French commercial code (Code de commerce). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the chairman's report is based and of the existing documentation;

- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the chairman of the board of directors in accordance with article L. 225-37 of the French commercial code (Code de commerce).

Other information

We confirm that the report prepared by the chairman of the board of directors also contains the other information required by article L. 225-37 of the French commercial code (Code de commerce).

Neuilly-sur-Seine and Paris-La Défense, March 4, 2015
The statutory auditors

French original signed by

DELOITTE & ASSOCIÉS	ERNST & YOUNG et Autres
Jean-Marc Mickeler	*Isabelle Santenac*

4

RISKS AND CAPITAL ADEQUACY

PILLAR 3 REPORT

1. Introduction 144
Key figures 144
Types of risks 146
Risk factors 147

2. Governance and risk management organisation 155
Introduction 155
Risk management governance, control and organisation principles 156
Risk Appetite 158
Stress test and risk mapping framework 160

3. Capital management and adequacy 162
Basel 3 regulatory framework 162
Scope of application – prudential scope 163
Regulatory capital 165
Capital requirements 169
Capital management 172
Leverage ratio management 173
Ratio of large exposures 173
Appendix: information on regulatory own funds and solvency ratios 174

4. Credit risks 198
Credit risk management: organisation and structure 198
Credit policy 198
Risk supervision and monitoring system 198
Replacement risk 200
Hedging of credit risk 201
Risk measurement and internal ratings 203
Credit risk: quantitative information 209
Credit risk: additional quantitative information 214

5. Securitisation 233
Securitisations and regulatory framework 233
Accounting methods 233
Structured entities 234
Monitoring of securitisation risks 234
Societe Generale's securitisation activities 234
Prudential treatment of securitisation positions 242

6. Market risks 247
Organisation 247
Independent pricing verification 247
Methods for measuring market risk and defining limits 248
99% Value At Risk (VAR) 248
Stress test assessment 251

7. Operational risks 255
Operational risk management: organisation and governance 255
Operational risk measurement 255
Operational risk monitoring process 256
Operational risk modelling 258
Operational risk insurance 260

8. Structural interest rate and exchange rate risks 261
Organisation of the management of structural interest rate and exchange rate risks 261
Structural interest rate risk 262
Structural exchange rate risk 263

9. Liquidity risk 265
Governance and organisation 265
The group's approach to liquidity risk management 266
Refinancing strategy 266
Publication of information relative to asset encumbrance 269
Liquidity reserve 271
Regulatory ratios 271
Balance sheet schedule 272

10. Compliance, reputational and legal risks 274
Compliance 274
Risks and litigation 281

11. Other risks 284
Equity risks 284
Strategic risks 286
Risks relating to underlying activities 286
Risks relating to insurance activities 286
Environmental and social risks 286

12. Specific financial information 287
Provisions for assets affected by the financial crisis in 2008 287
Unhedged positions in CDO (Collateralised Debt Obligations) tranches exposed to the US real estate sector 287
Protection acquired to hedge exposure to CDOs or other assets 288
Exposure to US residential mortgage market: residential loans and RMBS 289
Exposure to residential mortgage markets in Spain and the United Kingdom 290

A cross-reference table between disclosures included in the Registration Document and CRD requirements is included in Chapter 9, page 559.

1. INTRODUCTION

KEY FIGURES

The Group set out to reduce its risk profile over the course of 2014 against a persistently difficult macroeconomic backdrop.

	31.12.2014	31.12.2013
Indicators		
Total Group exposure (EAD[1]) in EURbn	722	650
Percentage of Group EAD to industrialised countries	86%	86%
Percentage of Corporate EAD to investment grade counterparties	64%	65%
Cost of risk in basis points (bp)[2]	61	75
Gross doubtful loans ratio (doubtful loans/gross book outstandings)	6.0%	6.6%
Gross doubtful loans coverage ratio (overall provisions/doubtful loans)	63%	61%
Average annual VaR in EURm	24	25
Group global sensitivity to structural interest rate risk (in % of Group regulatory capital)	<1.5%	<1.5%
Regulatory ratios[3]		
Solvency ratio	14.3%	13.4%
Tier 1 Ratio	12.6%	11.8%
Common Equity Tier 1 ratio	10.1%	10.0%
One-month liquidity ratio	>118%	>100%
CRR leverage ratio[4]	3.8%	3.5%
Phased-in Basel 3 regulatory ratio		
Common Equity Tier 1 ratio	10.9%	10.9%

(1) The EAD reported here are presented in accordance with the Capital Requirements Directive (CRD), transposed into French regulation.

(2) Calculated by dividing the net allocation to provisions for commercial risks by average outstanding loans as at the end of the four quarters preceding the closing date, excluding legacy assets in 2013.

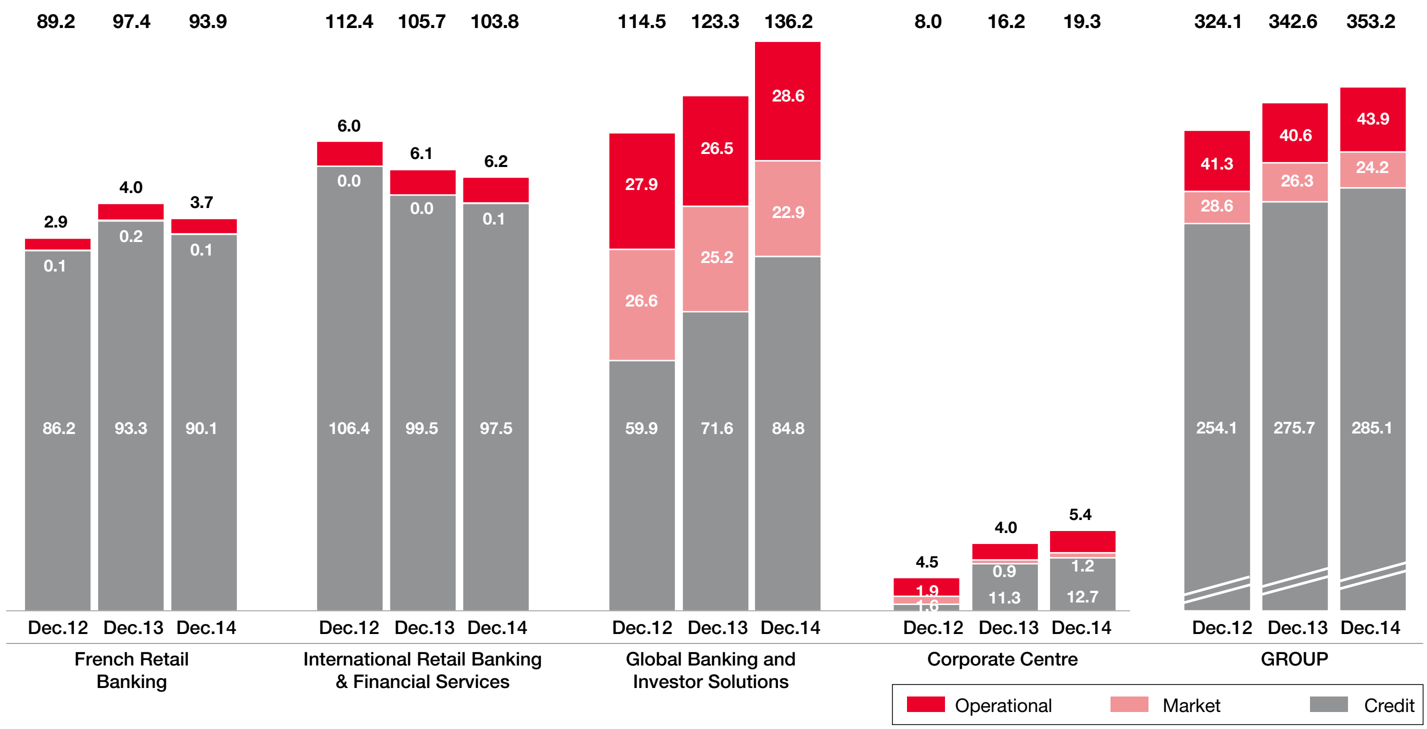
(3) Fully loaded proforma based on CRR/CRD4 rules as published on 26th June 2013, including Danish compromise for insurance.

(4) 2014: fully loaded based on CRR rules as adopted by the EU in October 2014 (Delegated Act); 2013 calculated using previously applicable rules.

NB. Most technical terms are defined in the Glossary section, on pages 566 and following.

In accordance with provisions of article R 511-16-1 of the French Monetary and Financial Code, return on assets (i.e. Net Income divided by the total balance sheet per consolidated accounts) for Societe Generale stood at 0.23% in 2014 and 0.20% in 2013. On a prudential basis (fully loaded) the ratio was 0.22% in 2014 and 0.19% in 2013, (calculated by dividing the Group Net Income reflected in Table 7 by the Total Balance Sheet for prudential purposes (Table 2).

RISK-WEIGHTED ASSETS* (IN EUR BN)



* Includes the entities reported under IFRS 5 until disposal.

NB: 2014 and 2013: fully loaded figures based on CRR/CRD4 rules, 2012 under Basel 2.5.

Credit risks accounted for 81% of the Group's risk-weighted assets.

At 31st December 2014, 86% of the Group's on and off-balance sheet exposure was concentrated in the major industrialised countries. Almost half of the overall amount of outstanding loans was to French customers (25% exposure to non-retail portfolio and 18% to retail portfolio).

The Group's exposure at default excluding securitisation was split into: 25% for retail customers, 42% for corporates, 11% for institutions (Basel classification banks and public-sector entities), 20% for sovereigns and 2% for securitisations.

The corporates' portfolio is diversified in terms of sectors; the majority of the exposure is concentrated in investment grade counterparties.

The credit portfolio analysis is detailed on p. 209 and following as at 31st December 2014.

Recent developments and outlook are detailed in the risk factors section below as well as in the "Group Strategy" section, p. 6 and "Recent Developments and Outlook" section, p. 55.

TYPES OF RISKS

The Group is exposed to the risks inherent in its core businesses. Given the diversity and changes in the Group's activities, its risk management focuses on the following main categories of risks, any of which could adversely affect its business, results of operations and financial situation:

- **credit and counterparty risk (including country risk):** risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. Credit risk includes the counterparty risk linked to market transactions (replacement risk), as well as securitisation activities. In addition, credit risk may be further amplified by concentration risk, which arises from a large exposure to a given risk, to one or more counterparties, or to one or more homogeneous groups of counterparties.

  Country risk arises when an exposure can be negatively affected by changing political, economic, social and financial conditions in the country of operation.

  Validation of credit risk is part of the Group's risk management strategy based on its risk appetite. Societe Generale's credit policy is based on the principle that approval of any credit risk undertaking must be based on sound knowledge of the client and the client's business, an understanding of the purpose and structure of the transaction and the sources of repayment of the debt. Credit decisions must also ensure that the structure of the transaction will minimise the risk of loss in the event the counterparty defaults.

  Limits are set for certain countries, geographical regions, sectors, products or types of customers with a view to minimising the most significant risks. In addition, major concentration risks are analysed periodically for the entire Group.

- **market risk:** risk of decline in the value of financial instruments arising from changes in market parameters, the volatility of these parameters and correlations between them. These parameters include, but are not limited to exchange rates, interest rates, and the price of securities (equities, bonds), commodities, derivatives and other assets, including real estate assets.

  Positions and risks are subject to daily controls and compared to predefined limits that, for major positions, are validated by the Board of Directors on the advice of the Audit, Internal Control and Risk Committee, in accordance with the risk appetite defined by the Board of Directors;

- **operational risks (including accounting and environmental risks):** risk of losses or sanctions due in particular to failures in internal procedures or systems, human error or external events. As such, the Group has an active prevention policy which consists of securing operational processes and promoting a risk culture throughout the Group;

- **structural interest and exchange rate risk:** risk of loss or write-downs in the Group's assets arising from variations in interest or exchange rates. Structural interest and exchange rate risk arises from commercial activities and from transactions entered into by the Corporate Centre.

  The general principle for the Group is to minimise structural interest rate and exchange rate risks as much as possible within consolidated entities. Wherever possible, commercial transactions are therefore hedged against interest rate and exchange rate risks. Any residual structural interest rate risk exposure is contained by sensitivity limits set for each entity and for the overall Group in accordance with the structural risk appetite as validated by the Finance Policy Committee. As for exchange rates, the Group's policy is to immunise its Common Equity Tier 1 against fluctuations of the major currencies in which it operates;

- **liquidity risk:** risk of the Group not being able to meet its cash or collateral requirements as they arise and at reasonable cost.

  Given that liquidity is a scarce resource, the Group's objective is to finance its activities at the best possible rates under normal conditions whilst maintaining adequate buffers to cover outflows in periods of stress. The scope of the Group's short and long-term financing plan, which supplements customer deposits, is conservative with reduced concentration in the short term while ensuring diversification in terms of products and regions. Targets are validated by the Board of Directors in accordance with Risk Appetite;

- **non-compliance risk (including legal and tax risks):** risk of legal, administrative or disciplinary sanctions, material financial losses or reputational damage arising from failure to comply with the provisions governing the Group's activities;

- **reputational risk:** risk arising from negative perception by customers, counterparties, shareholders, investors or regulators, which could adversely affect the Group's ability to maintain or establish business relations and its access to funding sources.

  Compliance and adherence to ethical rules that meet the profession's highest standards are part of the Societe Generale Group's core values. It is not just the responsibility of a select few, but concerns the culture of its entire staff. Moreover, those rules even go beyond the strict application of current regulatory provisions, particularly as there are countries in which said provisions fall short of Societe Generale's ethical standards.

The Group is also exposed to the following risks:

- **strategic risk:** risk tied to the choice of a given business strategy or resulting from the Group's inability to execute its strategy;
- **business risk:** risk of losses if costs exceed revenues;

- **risk related to insurance activities:** through its insurance subsidiaries, the Group is also exposed to a variety of risks linked to the insurance business. In addition to balance sheet management risks (interest rate, valuation, counterparty and exchange rate risk), those include premium pricing risk, mortality risk and structural risk of life and non-life insurance activities, including pandemics, accidents and catastrophic events (such as earthquakes, hurricanes, industrial disasters, acts of terrorism or military conflicts);

Moreover, the Group is also exposed to the following risks:

- **risk related to specialised finance activities**: through its Specialised Financial Services activities, mainly in its operational vehicle leasing subsidiary, the Group is exposed to residual value risk (when the net resale value of an asset at the end of the lease is less than estimated);
- **investment portfolio risk:** risk of unfavourable changes in the value of the Group's investment portfolio.

RISK FACTORS

1. The global economy and financial markets continue to display high levels of uncertainty, which may materially and adversely affect the Group's business, financial situation and results of operations.

As part of a global financial institution, the Group's businesses are highly sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The Group could be confronted with a significant deterioration in market and economic conditions resulting from, in particular, crises affecting capital or credit markets, liquidity constraints, regional or global recessions, sharp fluctuations in commodity prices (including oil), currency exchange rates or interest rates, inflation or deflation, sovereign debt rating downgrades, restructurings or defaults, or adverse geopolitical events (including acts of terrorism and military conflicts). Such occurrences, which may develop quickly and may not be hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Group's financial situation, results of operations or cost of risk.

Financial markets have in recent years experienced significant disruptions as a result of concerns regarding the sovereign debt of various Eurozone countries. The high debt levels of some European sovereigns, recent restructurings and past write-downs, have given rise to renewed concerns about sovereign defaults in the Eurozone. The outcome of this situation cannot yet be predicted. In the recent past, these concerns generated disruptions that contributed to increasing the exchange rate volatility of the euro against other major currencies, negatively affecting stock prices, deteriorating the funding conditions of financial institutions and creating uncertainty regarding the near-term economic prospects of European Union countries, as well as the quality of credit extended to sovereign debtors in the European Union. Austerity and other measures introduced by public or private sector actors in order to address these issues may themselves lead to economic contraction and adversely affect the Group. Moreover, the prolonged period of weak demand and very low inflation in the euro area fosters the risk of deflation, which might adversely affect banks through low Interest rates, with a particular impact on interest rate margins for retail banks.

The Group is exposed to the risk of substantial losses if sovereign states, financial institutions or other credit counterparties become insolvent or are no longer able to fulfil their obligations to the Group. The Group holds sovereign bonds issued by some of the countries that have been most significantly affected by the current Eurozone crisis. In addition, the erosion of a sovereign state's perceived credit quality will often negatively affect the market perception of financial institutions located in that state. A worsening of the Eurozone crisis may trigger a significant decline in the Group's asset quality and an increase in its loan losses in the affected countries. The Group's inability to recover the value of its assets in accordance with the estimated percentages of recoverability based on past historical trends (which could prove inaccurate) could further adversely affect its performance. It may also become necessary for the Group to invest resources to support the recapitalisation of its businesses and/or subsidiaries in the Eurozone or in countries closely connected to the Eurozone such as those in Central and Eastern Europe. The Group's activities and/or subsidiaries in certain countries could become subject to emergency legal measures or restrictions imposed by local or national authorities, which could adversely affect its business, financial situation and results of operations.

2. A number of exceptional measures taken by governments, central banks and regulators have recently been or could soon be completed or terminated, and measures at the European level face implementation risks.

In response to the financial crisis, governments, central banks and regulators implemented measures intended to support financial institutions and sovereign states and thereby stabilise financial markets. Central banks took measures to facilitate financial institutions' access to liquidity, in particular by lowering interest rates to historic lows for a prolonged period.

Various central banks decided to substantially increase the amount and duration of liquidity provided to banks, loosen collateral requirements and, in some cases, implement "non-conventional" measures to inject substantial liquidity into the financial system, including direct market purchases of government bonds, corporate commercial paper and mortgage-backed securities. These central banks may decide, acting alone or in concert, to modify their monetary policies or to tighten their policies regarding access to liquidity, which could substantially and abruptly decrease the flow of liquidity in the financial system. For example, in October 2014, the US Federal Reserve terminated its asset purchase under its 3rd quantitative easing programme and there is some expectation that the US Federal Reserve will begin raising its key interest rates by the end of 2015 if economic activity continues to gather momentum to reduced the size of its balance sheet int the future althrough at this stage it is not possible to determine the date, pace and scale of thihsis potential development. Such changes, or concerns about their potential impact, could increase volatility in the financial markets and push interest rates significantly higher. Given the uncertainty of the nascent economic recovery, such changes could have an adverse effect on financial institutions and, hence, on the Group's business, financial situation and results of operations.

Steps taken in 2014 to support the Eurozone, including exceptional monetary policy measures, the 2014 launch of a Single Supervisory Mechanism under the supervision of the European Central Bank (ECB) and the successful 2014 completion of the Asset Quality Review (AQR) process and Stress Tests covering all major European banks have contributed to a tangible easing of financial stability tensions. In June and September 2014, the ECB further eased monetary conditions by announcing additional interest rate cuts (including negative interest rates for deposit facilities). It also launched Targeted Longer-term Refinancing Operations (TLTRO) and two new asset purchase programmes, namely the ABS purchase programme (ABSPP) and the third covered bond purchase programme (CBPP3). In response to continued low inflation and an economic environment that continues to be weak, on 22 January 2015, the ECB announced an expanded asset repurchase programme consisting of up to EUR 60 billion in public and private debt repurchases, starting in March 2015 and lasting until at least September 2016. In spite of these measures, a resurgence of financial tension in eurozone markets cannot be ruled out, which could result in national policies restricting cross-border flows of liquidity.

3. **The Group's results may be affected by regional market exposures.**

The Group's performance is significantly affected by economic, financial and political conditions in the principal markets in which it operates, such as France and other European Union countries. In France, the Group's principal market, stagnant economic and financial activity, reduced levels of consumer spending and an unfavourable trend in the real estate market have had, and could continue to have, a material adverse impact on its business, resulting in decreased demand for loans, higher rates of non-performing loans and, decreased asset values. In the other European Union countries, economic stagnation or a deteriorating economic environment could result in increased loan losses or higher levels of provisioning.

The Group is involved in commercial banking and investment banking operations in emerging markets, in particular in Russia and other Central and Eastern European countries as well as in North Africa. Capital markets and securities trading activities in emerging markets may be more volatile than those in developed markets and more vulnerable to certain risks, such as political instablity and currency volatility. It is likely that these markets will continue to be characterised by higher levels of uncertainty and therefore risk. Unfavourable economic or polical changes affecting these markets could have a material effect on the business, results and financial position of the Group.

This is also true in Russia given the ongoing Ukraine crisis. Since March 2014, the United States, the European Union and other countries and international organisations have imposed several rounds of sanctions against Russian individuals and businesses. These sanctions combined with the substantial decline in world oil prices have adversely impacted the value of the rouble, financing conditions and economic activity in Russia. There is a risk of further adverse developments in the event of increased geopolitical tensions and/or additional sanctions by Western countries and/or by the Russian Federation.

Unfavourable developments in the political or economic conditions affecting the markets in which the Group operates may adversely affect its business, results of operations or financial situation.

4. **The Group operates in highly competitive industries, including in its home market.**

The Group is subject to intense competition in the global and local markets in which it operates. On a global level, it competes with its peers principally in its core businesses (French Retail Banking, International Retail Banking and Financial Services, and Global Banking and Investor Solutions). In local markets, including France, the Group faces substantial competition from locally-established banks, financial institutions, businesses providing financial and other services and, in some instances, governmental agencies. This competition exists in all of the Group's lines of business.

In France, the presence of large domestic competitors in the banking and financial services sector, as well as emerging market participants such as online retail banking and financial services providers, has resulted in intense competition for virtually all of the Group's products and services. The French market is a mature market and one in which the Group holds significant market share in most of its lines of business. Its financial situation and results of operations may be adversely affected if it is unable to maintain or increase its market share in key lines of business. The Group also faces competition from local participants in other geographic markets in which it has a significant presence. In addition, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms, or have declared bankruptcy. Such changes could result in the Group's remaining competitors benefiting from greater capital resources or other advantages, such as the ability to offer a broader range of products and services or greater geographic diversity. As a result of these factors, and Societe Generale competitors' efforts to increase market share by reducing prices, the Group has experienced pricing pressures in the past, and may continue to experience them in the future.

Competition on a global level, as well as on a local level in France and in other key markets, could have a material adverse effect on the Group's business, results of operations and financial situation.

5. Reputational damage could harm the Group's competitive position.

The financial services industry is highly competitive and the Group's reputation for financial strength and integrity is critical to its ability to attract and retain customers and counterparties. Its reputation could be harmed by events attributable to it and the decisions of its management, as well as by events and actions of others outside its control. Independent of the merit of information being disseminated, negative comments concerning the Group could have adverse effects on its business and its competitive position.

The Group's reputation could be adversely affected by a weakness in its management of conflicts in interest or in implementing appropriate procedures. Such weaknesses could be the result of misconduct by employees or by external stakeholders. Reputational issues could also result from a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action, especially if any of these events become the focus of extensive media reports. Reputational damage could translate into a loss of business or investor confidence that could have a material adverse effect on the Group's results of operations and financial position.

6. The Group depends on access to financing and other sources of liquidity, which may be restricted for reasons beyond its control.

The ability to access short-term and long-term funding is essential to the Group's businesses. Societe Generale funds itself on an unsecured basis, by accepting deposits, by issuing long-term debt, promissory notes and commercial paper and by obtaining bank loans or lines of credit. The Group also seeks to finance many of its assets on a secured basis, including by entering into repurchase agreements. If the Group is unable to access secured or unsecured debt markets on terms it considers acceptable or if it experiences unforeseen outflows of cash or collateral, including material decreases in customer deposits, the Group's liquidity could be impaired. In particular, if the Group does not continue to successfully attract customer deposits (because, for example, competitors raise the interest rates that they are willing to pay to depositors, and accordingly, customers move their deposits elsewhere), the Group may be forced to turn to more expensive funding sources, which would reduce the Group's net interest margin and results.

The Group's liquidity could be adversely affected by factors the Group cannot control, such as general market disruptions, operational difficulties affecting third parties, negative views about the financial services industry in general, or the Group's short-term or long-term financial prospects in particular, as well as changes in credit ratings or even market perceptions of the Group or other financial institutions.

The Group's credit ratings can have a significant impact on the Group's access to funding and also on certain trading revenues. In connection with certain OTC trading agreements and certain other securities agreements, the Group may, for example, be required to provide additional collateral to certain counterparties in the event of a credit ratings downgrade. The ratings agencies continue to monitor certain issuer-specific factors, including governance, the level and quality of earnings, capital adequacy, funding and liquidity, risk appetite and management, asset quality, strategic direction, and business mix. Additionally, the rating agencies look at the regulatory and legislative environment, as well as the macro-economic environment in which the bank operates. A deterioration in the macro-economic environment or a change in the perceived level of government support following, for example, the implementation of the BRRD, may lead to a ratings downgrade of the Group or of other actors in the European banking industry.

Lenders have the right to accelerate some of the Group's debts upon the occurrence of certain events, including the Group's failure to provide the necessary collateral following a downgrade of its credit rating below a certain threshold, and other events of default set out in the terms of such indebtedness. If the relevant lenders declare all amounts outstanding due and payable due to a default, the Group may be unable to find sufficient alternative financing on acceptable terms, or at all, and the Group's assets might not be sufficient to repay its outstanding indebtedness in full.

Moreover, the Group's ability to access the capital markets and the cost of its long-term unsecured funding is directly related to its credit spreads in both the bond and credit derivatives markets, which are also outside of its control. Liquidity constraints may have a material adverse effect on the Group's business, financial situation, results of operations and ability to meet its obligations to its counterparties.

7. The protracted decline of financial markets or reduced liquidity in such markets may make it harder to sell assets and could lead to material losses.

In a number of the Group's businesses, a protracted market decline, particularly in asset prices, can reduce the level of activity in the financial markets or reduce market liquidity. These developments can lead to material losses if the Group is not able to close out deteriorating positions in a timely way or adjust the hedge of its positions. This is especially true for the assets the Group holds for which the markets are relatively illiquid by nature. Assets that are not traded in regulated markets or other public trading markets, such as derivatives contracts between banks, are valued based on the Group's internal models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that the Group did not anticipate.

8. The volatility of the financial markets may cause the Group to suffer significant losses on its trading and investment activities.

Market volatility could adversely affect the Group's trading and investment positions in the debt, currency, commodity and equity markets, as well as its positions in private equity, property and other investments. Severe market disruptions and extreme market volatility have occurred in recent years and may occur again in the future, which could result in significant losses for the Group's capital markets activities. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products.

Market volatility makes it difficult to predict trends and implement effective trading strategies; it also increases risk of losses from net long positions when prices decline and, conversely, from net short positions when prices rise. Such losses, if significant, could adversely affect the Group's results of operations and financial situation.

9. Changes in interest rates may adversely affect the Group's banking and asset management businesses.

The Group's performance is influenced by changes and fluctuations in interest rates in Europe and in the other markets in which it operates. The amount of net interest earned during any given period may significantly affect the Group's overall revenues and profitability. The Group's management of interest rate sensitivity may also affect its results of operations. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in applicable interest margins and balance sheet values. Any mismatch between interest owed by the Group and interest due to it (in the absence of suitable protection against such mismatch) could have adverse material effects on the Group's business, financial situation and results of operations.

10. Fluctuations in exchange rates could adversely affect the Group's results of operations.

The Group's main operating currency is the euro. However, a significant portion of the Group's business is carried out in currencies other than the euro, such as, the US dollar, the British pound sterling, the Czech koruna, the Romanian lei, the Russian rouble and the Japanese yen. The Group is exposed to exchange rate movements to the extent its revenues and expenses or its assets and liabilities are recorded in different currencies. Because the Group publishes its consolidated financial statements in euros, which is the currency of most of its liabilities, the Group is also subject to translation risk in the preparation of its financial statements. Fluctuations in the rate of exchange of these currencies into euros may have a negative impact on the Group's consolidated results of operations, financial position and cash flows from year to year, despite any hedges that may be implemented by the Group to limit its foreign exchange exposure. Exchange rate fluctuations may also affect the value (denominated in euros) of the Group's investments in its subsidiaries outside the Eurozone.

11. The Group is subject to extensive supervisory and regulatory regimes in the countries in which it operates and changes in these regimes could have a significant effect on the Group's business.

The Group is subject to extensive regulation and supervision in all jurisdictions in which it operates. The rules applicable to banks seek principally to limit their risk exposure, preserve their stability and financial solidity and protect depositors, creditors and investors. The rules applicable to financial services providers govern, among other things, the sale, placement and marketing of financial instruments. The banking entities of the Group must also comply with requirements as to capital adequacy and liquidity in the countries in which they operate. Compliance with these rules and regulations requires significant resources. Non-compliance with applicable laws and regulations could lead to fines, damage to the Group's reputation, forced suspension of its operations or the withdrawal of operating licenses.

Since the onset of the financial crisis, a variety of measures have been proposed, discussed and adopted by numerous national and international legislative and regulatory bodies, as well as other entities. Certain of these measures have already been implemented, while others are still under discussion. It therefore remains difficult to accurately estimate the future impacts or, in some cases, to evaluate the likely consequences of these measures.

In particular, the Basel 3 reforms are being implemented in the European Union through the Capital Requirements Regulation (CRR) and Capital Requirements Directive 4 (CRD4) which came into effect on January 1, 2014, with certain requirements being phased in over a period of time, until 2019. Basel 3 is an international regulatory framework to strengthen capital and liquidity reglements with the goal of promoting a more resilient banking sector. Recommendations and measures addressing systemic risk exposure of global banks, including additional loss absorbency requirements, were adopted by the Basel Committee and by the Financial Stability Board, which was established following the G20 London summit in 2009. Societe Generale, among other global banks, has been named by the Financial Stability Board as a "systemically important financial institution" and as a result will be subject to additional capital buffer requirements.

In France, the banking law of July 26, 2013 on the separation and regulation of banking activities requires that banks with balance sheets over a certain threshold develop and communicate to the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR - French Prudential and Resolution Supervisory Authority) a preventative recovery plan outlining expected recovery measures in case of significant deterioration of their financial situation. This law also expands the powers of the ACPR over these institutions in times of resolution in particular by allowing it to transfer the shares or branches of activity to a relay institution or depreciate capital instruments and subordinated debt or convert such debt into capital instruments. Starting on January 1, 2015, the resolution powers of the ACPR were superseded by those of the Single Resolution Board (SRB), which works in close cooperation with the national resolution authorities and with the ACPR (in particular, for the purpose of resolution planning). Starting on January 1, 2016, the SRB will assume full resolution powers, provided that the conditions for the transfer of contributions to the Single Resolution Fund have been met by that date. Such reforms could impact the Group and its structure in ways that cannot currently be estimated.

The French banking law of July 26, 2013 also mandates the separation of certain market activities by significant credit institutions that are considered to be "speculative" (i.e. those deemed not necessary for financing the economy). Unless an exception applies under the law (such as market making), this obligation covers all banks' proprietary trading. All institutions subject to this requirement were required to have identified the relevant activities by July 1, 2014. Under the law, such proprietary trading activities must be transferred to a dedicated subsidiary by July 1, 2015. The 2013 law also mandates greater transparency regarding tax obligations arising from activities carried out in foreign countries, and limits certain bank charges. The above-mentioned reforms could impact the Group and its structure in ways that cannot currently be estimated.

Since November 2014, Societe Generale and all other major financial institutions in the euro area are subject to the supervision of the European Central Bank as part of the implementation of the single supervisory mechanism. In addition, Societe Generale will be subject to the Single Resolution Mechanism as from January 2016. The impact of this new supervisory structure on the Group cannot yet be fully evaluated; nevertheless, the new structure and the implementation of additional supervisory measures may increase volatility in financial markets.

Moreover, the European Directive establishing a framework for the recovery and resolution of credit institutions and investment firms was adopted on April 15, 2014.

The implementation into French Law is still ongoing. The "bail-In" power under this Directive, allowing write-down of debt principal or conversion into shares for a failed institution, will become applicable to credit institutions' senior debt starting January 1, 2016, and shall apply to all such debt regardless of issuance date. The existence of this bail-In power may increase the cost of senior debt funding for entities like the Group. These reforms could have an impact on the Group and its structure, which may not be currently estimated.

The US Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank") will affect the Group and some of its businesses. Under Dodd-Frank, US regulators are required to implement significant structural reforms in the financial services industry, and many of its provisions apply to non-US banking organisations with US operations. Among other things, Dodd-Frank establishes or calls for new systemic risk oversight, bank capital standards, the orderly liquidation of failing systemically significant financial institutions, regulation of the over-the-counter derivatives market, and limitations on banking organisations' trading and fund activities. While certain provisions of Dodd-Frank were effective immediately on enactment, other provisions are subject to transition periods and a lengthy rulemaking process, or their implementation has been postponed by US regulators. As a consequence, it is difficult at this time to assess the overall impact (including extraterritorial impact) that Dodd-Frank and its implementing regulations could have on the Group or on the financial services industry as a whole.

The European Market Infrastructure Regulation (EMIR) published in 2012 places new constraints on derivatives market participants in order to improve the stability and transparency of this market. Specifically, EMIR requires the use of central counterparties for products deemed sufficiently liquid and standardised, the reporting of all derivative products transactions to a trade repository, and the implementation of risk mitigation procedures (e.g., exchange of collateral) for OTC derivatives not cleared by central counterparties. Some of these measures are already in effect, while others are expected to come into force in 2015, making it difficult to accurately estimate their impact.

In March 2014, the EBA published the final draft Regulatory Technical Standards ("RTS") laying out the requirements related to Prudent Valuation. Even though a prudent valuation of fair value assets was already specified in CRD3, the RTS implement uniform Prudent Valuation standards across Europe. The Additional Valuation Adjustments (AVAs), defined as the difference between the prudent valuation and the accounting fair value, have to be deducted from Core Tier One Capital.

Lastly, additional reforms are being considered that seek to enhance the harmonisation of the regulatory framework and reduce variability in the measurement of Risk Weighted Assets (RWA) across banks. In December 2014, the Basel Committee on Banking Supervision (BCBS) published a consultative paper for a revision to methods for measuring credit risk, including, for example, the establishment of RWA floors and integrating standard approaches that are more sensitive to risk. At this stage there is no clarity on any of these changes and it is therefore difficult to estimate their impact.

Other projects are also being developed at the European level, such as the Barnier-Liikanen project on bank structure or other projects related to money market funds and secure funding. Those and other proposals for banking sector reform may have a significant impact on the Group, particularly in term of the cost of capital allocated to each type of banking activity, although it is too early to estimate their impact at this time.

12. The Group is exposed to counterparty risk and concentration risk.

The Group is exposed to credit risk with respect to numerous counterparties in the ordinary course of its trading, lending, deposit-taking, clearance and settlement, and other activities. These counterparties include institutional clients, brokers and dealers, commercial and investment banks and sovereign states. The Group may realise losses if a counterparty defaults on its obligations and the collateral that it holds does not represent a value equal to, or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure it is intended to cover. Many of the Group's hedging and other risk management strategies also involve transactions with financial services counterparties. The weakness or insolvency of these counterparties may impair the effectiveness of the Group's hedging and other risk management strategies, which could in turn materially adversely affect its business, results of operations and financial situation.

The Group may also have concentrated exposure to a particular counterparty, borrower or issuer (including sovereign issuers), or to a particular country or industry. A ratings downgrade, default or insolvency affecting such a counterparty, or a deterioration of economic conditions in such a country or industry, could have a particularly adverse effect on the Group's business, results of operations and financial situation. The systems the Group uses to limit and monitor the level of its credit exposure to individual entities, industries and countries may not be effective to prevent concentration of credit risk. Because of a concentration of risk, the Group may suffer losses even when economic and market conditions are generally favourable for its competitors.

13. The financial soundness and conduct of other financial institutions and market participants could adversely affect the Group.

The Group's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding and other relationships. As a result, defaults by, or even rumours or questions about, one or more financial services institutions, or the loss of confidence in the financial services industry generally, may lead to market-wide liquidity scarcity and could lead to further losses or defaults. The Group has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose the Group to credit risk in the event of default by counterparties or clients. In addition, the Group's credit risk may be exacerbated if the collateral it holds cannot be realised for any reason or is not sufficient to recover the full amount of the Group's exposure.

14. The Group's hedging strategies may not prevent all risk of losses.

If any of the variety of instruments and strategies that the Group uses to hedge its exposure to various types of risk in its businesses is not effective, it may incur significant losses. Many of its strategies are based on historical trading patterns and correlations or may not be effective in the future. For example, if the Group holds a long position in an asset, it may hedge that position by taking a short position in another asset whose value has historically moved in an offsetting direction. However, the hedge may only cover a part of its exposure to the long position, and the strategies used may not protect against all future risks or may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the Group's hedging strategies.

15. The Group's results of operations and financial situation could be adversely affected by a significant increase in new provisions or by inadequate provisioning.

The Group regularly sets aside provisions for loan losses in connection with its lending activities. Its overall level of loan loss provisions, recorded as "cost of risk" in its income statement, is based on its assessment of the recoverability of the relevant loans. This assessment relies on an analysis of various factors, including prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, certain economic conditions and the amount and type of any guarantees and collateral. Notwithstanding the care with which the Group carries out such assessments, it has had to increase its provisions for loan losses in the past and may have to substantially increase its provisions in the future following an increase in defaults or for other reasons. Significant increases in loan loss provisions, a substantial change in the Group's estimate of its risk of loss with respect to loans for which no provision has been recorded, or the occurrence of loan losses in excess of its provisions, could have a material adverse effect on its results of operations and financial situation.

16. The Group relies on assumptions and estimates which, if incorrect, could have a significant impact on its financial statements.

When applying the IFRS accounting principles disclosed in the Financial Information (Chapter 6) of the Registration Document and for the purpose of preparing the Group's consolidated financial statements, the Management makes assumptions and estimates that may have an impact on figures recorded in the income statement, on the valuation of assets and liabilities in the balance sheet, and on information disclosed in the notes to the consolidated financial statements.

In order to make these assumptions and estimates, the Management exercises judgment and uses information available at the date of preparation of the consolidated financial statements. By nature, valuations based on estimates involve risks and uncertainties relating to their occurrence in the future. Actual future results may differ from these estimates, which could have a significant impact on the Group's financial statements.

The use of estimates principally relates to the following valuations:

- fair value of financial instruments, that are not quoted on an active market, presented in the balance sheet or the notes to the financial statements;

- the amount of impairment of financial assets (Loans and receivables, Available-for-sale financial assets, Held-to-maturity financial assets), lease financing and similar agreements, tangible or intangible fixed assets and goodwill;
- provisions recognised under liabilities, including provisions for employee benefits or underwriting reserves of insurance companies, and deferred profit-sharing on the asset side of the balance sheet;
- the amount of deferred tax assets recognised in the balance sheet;
- initial value of goodwill determined for each business combination; and
- in the event of the loss of control of a consolidated subsidiary, fair value of the entity's interest retained by the Group, where applicable.

17. The Group is exposed to legal risks that could negatively affect its financial situation or results of operations.

The Group and certain of its former and current representatives may be involved in various types of litigation including civil, administrative and criminal proceedings. The large majority of such proceedings arise from transactions or events that occur in the Group's ordinary course of business. There has been an increase in investor litigation and regulatory actions against intermediaries such as banks and investment advisors in recent years, in part due to the challenging market environment. This has increased the risk, for the Group as well as for other financial institutions, of losses or reputational harm deriving from litigation and other proceedings. Such proceedings or regulatory enforcement actions could also lead to civil or criminal penalties that adversely affect the Group's business, financial situation and results of operations.

It is inherently difficult to predict the outcome of litigation, regulatory proceedings and other adversarial proceedings involving the Group's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, cases where claims for damages are of unspecified or indeterminate amounts or cases involving novel legal claims. In preparing the Group's financial statements, management makes estimates regarding the outcome of legal, regulatory and arbitration matters and records a provision when losses with respect to such matters are probable and can be reasonably estimated. Should such estimates prove inaccurate or the provisions set aside by the Group to cover such risks inadequate, its financial situation or results of operations could be materially and adversely affected. (See "Compliance, reputational and legal risks" section).

18. If the Group makes an acquisition, it may be unable to manage the integration process in a cost-effective manner or achieve the expected benefits.

The selection of an acquisition target is carried out by the Group following a careful analysis of the business or assets to be acquired. However, such analyses often cannot be exhaustive due to various factors. As a result, certain acquired businesses may include undesirable assets or expose the Group to increased risks, particularly if the Group was unable to conduct full and comprehensive due diligence prior to the acquisition.

The successful integration of a new business typically requires effectively coordinating business development and marketing initiatives, retaining key managers, recruitment and training, and consolidating information technology systems. These tasks may prove more difficult than anticipated, require more management time and resources than expected, and/or the Group may experience higher integration costs and lower savings or earn lower revenues than expected. The pace and degree of synergy building is also uncertain.

19. The Group's risk management system may not be effective and may expose the Group to unidentified or unanticipated risks, which could lead to significant losses.

The Group has devoted significant resources to develop its risk management policies, procedures and assessment methods, and intends to continue to do so in the future. Nonetheless, its risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic market environments or against all types of risk, including risks that it fails to identify or anticipate. Some of its qualitative tools and metrics for managing risk are based upon observed historical market behaviour. The Group applies statistical and other tools to these observations in order to assess its risk exposures. These tools and metrics may fail to predict accurate future risk exposures that arise from factors the Group did not anticipate or correctly evaluate in its statistical models. Failure to anticipate these risks or accurately estimate their impact could significantly affect the Group's business, financial situation and results of operations.

20. Operational failure, termination or capacity constraints affecting institutions the Group does business with, or failure or breach of the Group's information technology systems, could result in losses.

The Group is exposed to the risk of operational failure, termination or capacity constraints of third parties, including clients, financial intermediaries that it uses to facilitate cash settlement or securities transactions (such as clearing agents, exchanges and clearing houses), and other market participants. An increasing number of derivative transactions are now cleared on exchanges or will be in the near future, which has increased the Group's exposure to these risks, and could affect its ability to find adequate and cost-effective alternatives in the event of any such failure, termination or constraint. The interconnectivity of multiple financial institutions with clearing agents, exchanges and clearing houses, and the increased centrality of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could materially impact the Group's ability to conduct business. Industry consolidation, whether among market participants or financial intermediaries, can exacerbate these risks as disparate complex systems need to be integrated, often on an accelerated basis. As the Group becomes more interconnected with its clients, it also faces the risk of operational failure with respect to its clients' information technology and communication systems. Any failure, termination or constraint could adversely affect its ability to effect transactions, service its clients, manage its exposure to risk or expand its businesses or result in financial loss or liability to its clients, impairment of its liquidity, disruption of its businesses, regulatory intervention or reputational damage.

In addition, an increasing number of companies, including financial institutions, have experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks and resulted in the loss, theft or disclosure of confidential data. Because the techniques used to obtain unauthorised access, disable or degrade service or sabotage information systems change frequently and often are not recognised until launched against a target, the Group may be unable to anticipate these techniques or to implement effective countermeasures in a timely manner.

The Group relies heavily on communications and information systems to conduct its business. Any failure, interruption or breach in security of these systems, even if only brief and temporary, could result in business interruptions and lead to additional costs related to information retrieval and verification, reputational harm and a potential loss of business. A failure, interruption or security breach of its information systems could have a material adverse effect on its business, results of operations and financial situation.

21. The Group may incur losses as a result of unforeseen or catastrophic events, including the emergence of a pandemic, terrorist attacks or natural disasters.

The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic or other widespread health crises (or concerns over the possibility of such crises), terrorist attacks or natural disasters, could create economic and financial disruptions, lead to operational difficulties (including travel limitations or relocation of affected employees) that could impair the Group's ability to manage its businesses, and expose its insurance activities to significant losses and increased costs (such as re-insurance premiums).

22. The Group may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

During the recent market downturn, the Group experienced a decline in the volume of transactions that it executed for its clients, resulting in lower revenues from this activity. There is no guarantee that the Group will not experience a similar trend in future market downturns, which may occur periodically and unexpectedly. Furthermore, changes in applicable regulations, such as the adoption of a financial transaction tax, could also impact the volume of transactions that the Group executes for its clients, resulting in lower revenues from these activities. In addition, because the fees that the Group charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues the Group generates from its asset management, custodial and private banking businesses.

23. The Group's ability to retain and attract qualified employees is critical to the success of its business, and the failure to do so may materially adversely affect its performance.

Societe Generale's employees are its most important resource, and industry competition for qualified personnel is intense. In order to attract, retain and engage talented employees, the Group must offer career paths, training and development opportunities and compensation levels in line with its competitors and market practices. If the Group were unable to continue to engage highly-qualified employees, its performance, including its competitive position and client satisfaction, could be materially adversely affected. Furthermore, the financial industry in Europe will continue to experience more stringent regulation of employee compensation, including rules related to bonuses and other incentive-based compensation, clawback requirements and deferred payments, and Societe Generale, like all participants in the financial industry, will need to adapt to this changing environment in order to attract and retain qualified employees.

In Europe, CRD4 has severely constrained compensation policy, in particular, the way variable compensation may be determined, structured and paid to regulated staff: it limits, for example, the ratio of variable to fixed compensation, deferred payments, and compensation based on the share price. It also introduces malus conditions, and imposes clawback requirements. In order to remain competitive with peers in the financial industry which are not submitted to these rules, the Group may have to increase the proportion of fixed compensation costs which may reduce its ability to pay variable compensation based on performance. This could lead to difficulties in attracting suitable profiles or retaining key employees, and could have consequences in the long term on the profitability of the Group.

The Group has undertaken a review of the risks that could have a material adverse effect on its business, financial situation and results of operations, and does not consider there to be other significant risks beyond those presented in the "Types of risks" and "Risk factors" sections.

2. GOVERNANCE AND RISK MANAGEMENT ORGANISATION

INTRODUCTION

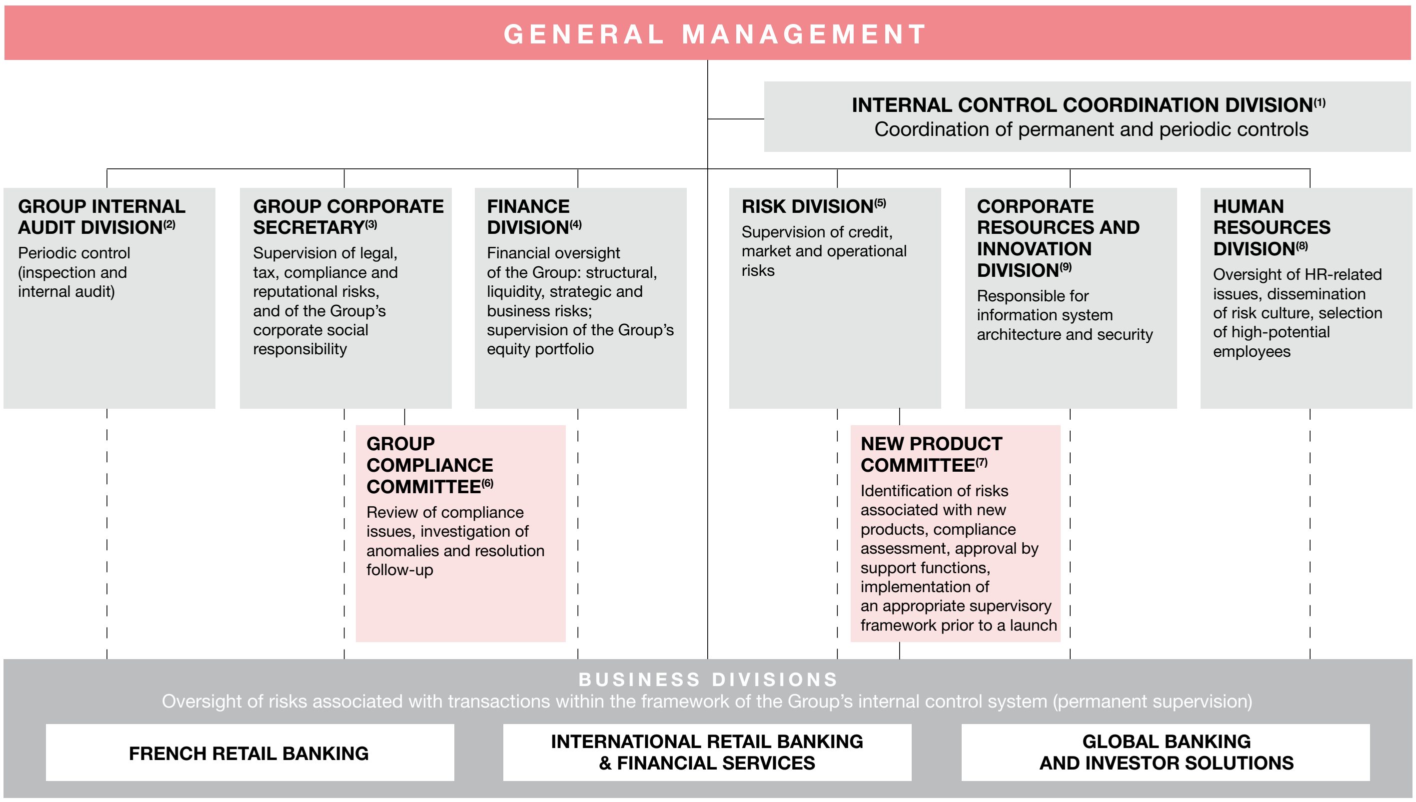
Implementing a high-performance and efficient risk management structure is a critical undertaking for Societe Generale, in all businesses, markets and regions in which it operates, as are maintaining a balance between strong risk culture and promoting innovation. The Group's risk management, supervised at the highest level (see Board of Directors' mission page 130) is compliant with the regulations in force, in particular Regulation No. 97-02 of the French Banking and Financial Regulation Committee (CRBF) as amended by the decree of 19 January 2010 and the CRD3 and CRD4 European Directives. Specifically, the main objectives of the Group's risk management strategy are:

- to contribute to the development of the Group's various businesses by optimising its overall risk-adjusted profitability in accordance with its risk appetite;
- to guarantee the Group's sustainability as a going concern, through the implementation of an efficient system for risk analysis, measurement and monitoring;
- to make risk management a differentiating factor and a competitive strength acknowledged by all.

This can take the form of:

- clear principles for governing, managing and organising risks;
- determining and formally defining the Group's risk appetite;
- effective risk management tools;
- a risk culture that is cultivated and established at each level of the Group.

These various items are currently under focus, with a series of initiatives established as part of the ERM (Enterprise Risk Management) programme, which aims to improve the consistency and effectiveness of the Group's risk management system by fully integrating risk prevention and control in the day-to-day management of the bank's businesses.



(1) Permanent and periodic controls, page 133 and following.
(2) See page 135.
(3) Legal and tax risks, page 281; compliance and reputational risks, page 274; corporate social responsibility, page 293.
(4) Structural risks, page 261; liquidity risk, page 265; equity portfolio, page 284.
(5) Credit risk, page 198; market risk, page 247; operational risk, page 255.
(6) Group Compliance Committee, page 136.
(7) New Product Committee, page 132.
(8) See page 313 and following, particularly page 316 (training), page 318 (high-potential employees), page 326 (remuneration).
(9) See page 136.

RISK MANAGEMENT GOVERNANCE, CONTROL AND ORGANISATION PRINCIPLES

The Group's risk management governance is based on:

- strong managerial involvement in the risk management system and promotion of risk culture, throughout the entire organisational structure, from the Board of Directors down to operational teams;
- clearly defined internal rules and procedures;
- continuous supervision by an independent body to monitor risks and to enforce rules and procedures.

The Group's risk management is based on two key principles:

- risk assessment departments must be independent from the operating divisions;
- the risk management approach and risk monitoring must be consistent throughout the Group.

Compliance with these principles forms part of the consolidation plans for subsidiaries acquired by the Group.

Group risk management is governed by two main bodies: the Board of Directors, via the Audit, Internal Control and Risk Committee[(1)], and the Risk Committee. The Group's Corporate Divisions, such as the Risk Division and some departments of the Finance Division, which are independent from the business divisions, are dedicated to permanent risk management and control under the authority of the General Management.

BOARD OF DIRECTORS

The Board of Directors defines the Group's strategy, by assuming and controlling risks, and ensures its implementation. In particular, the Board of Directors ensures the adequacy of the Group's risk management infrastructure, monitors changes in the portfolio and particularly in the cost of risk, and approves the market risk limits. Presentations on the main aspects and notable changes of the Group's risk management strategy are made to the Board of Directors by the General Management at least once a year (more often if circumstances so require), as part of the Risk Appetite exercise.

AUDIT, INTERNAL CONTROL AND RISK COMMITTEE (CACIR)[(1)]

Within the Board of Directors, the Audit, Internal Control and Risk Committee plays a crucial role in the assessment of the quality of the Group's internal control. More specifically it is responsible for examining the internal framework for risk monitoring to ensure its consistency and compliance with procedures, laws and regulations in force. Specific presentations are made by relevant managers to the Committee, which reviews the procedures for controlling certain market risks as well as structural interest rate risks, and is consulted about the setting of risk limits. It also issues an opinion on the Group's overall provisioning policy as well as on large specific provisions. Finally, the Group's risk map and risk appetite indicators are presented to the Committee annually, and every year it examines the Annual Report on Internal Control, which is submitted to the Board of Directors and the French Prudential Supervisory and Resolution Authority (ACPR).

GENERAL MANAGEMENT

The Group General Management chairs particularly the Risk Committee, the Large Exposures Committee, the Finance Policy Committee and the Group Internal Control Coordination Committee.

RISK COMMITTEE (CORISQ) AND LARGE EXPOSURES COMMITTEE (CGR)

The Group Risk Committee, chaired by the General Management, is made up of members of the Group's Executive Committee (COMEX), managers of the Risk Division, and, when needed, representatives of the Divisions concerned by the agenda. It convenes at least once a month in order to deal with the major trends in terms of Group risks.

Generally, the Risk Committee, after a proposal by the Risk Division (RISQ), makes the main decisions concerning the management of various risks (credit, country, market and operational risks).

The Large Exposures Committee (CGR) constitutes an ad hoc body which, under the chairmanship of General Management, groups the operational and RISQ managers responsible for some individual exposures.

FINANCE POLICY COMMITTEE

The Finance Policy Committee, being chaired by the General Management, defines the Group's financial strategy and ensures the control of scarce resources (capital, liquidity, balance sheet), their allocation and the control of structural risks.

INTERNAL CONTROL COORDINATION COMMITTEE

The Group Internal Control Coordination Committee, manages the consistency and effectiveness of the internal control mechanism as a whole.

(1) Starting from the 1st January 2015 separation of CACIR into two Committees: the Risk Committee and the Audit and Internal Control Committee

RISK DIVISION

The main role of the Risk Division is to contribute to the development of the Group's business and profitability by defining, in conjunction with the Finance Division and the core businesses, the Group's risk appetite (adapted in the Group's different businesses) and implementing a risk management and monitoring system. In carrying out its duties, the Risk Management Division combines independence from the business lines and close cooperation with the core businesses, which hold primary responsibility for the transactions they initiate.

Accordingly, the Risk Division is responsible for:

- carrying out hierarchical and functional supervision of the Group's risk structure; the Head of Risk is responsible for the Group's risk in terms of the Regulation No. 97-02 of the CRBF as amended by the decree of 19 January 2010;
- alongside the Finance Division, setting the Group's risk appetite which is then submitted to the executive body and to the Board of Directors for their approval;
- recording all Group risks;
- implementing a governance and monitoring system for these risks across all business lines, and regularly reporting on the nature and extent of these risks to the General Management, the Board of Directors and the banking supervision authorities;
- helping to define the Group's risk policies, taking into account business objectives and corresponding risk issues;
- defining and approving risk analysis, measurement, approval and monitoring methods and procedures;
- approving the transactions and limits proposed by business managers;
- defining and approving the "risk" information system and ensuring its suitability for the needs of the businesses.

FINANCE DIVISION

The finance Division is responsible of the Group overall and integrated financial management and as such is responsible for assessing and managing the structural interest rate, foreign exchange and liquidity risks.

Management and monitoring of structural risks are ensured by two separate entities, in accordance with the principles of regulation that advocate a separation of control and risk functions:

- the "Management of Balance Sheet and Financing" department, responsible for balance sheet management and the Group's financing, including through the implementation of financing plans and resilience plans in accordance with the objectives and in compliance with regulatory obligations. The main objective is to ensure a protected cost of borrowing and diversification guaranteeing the security of the Group;
- the ALM Risk Control Department is responsible for supervising structural risk for the entire Group. As such, this department is responsible for defining standards for measuring and modelling for the control of structural risk models and for monitoring structural risk limits and asset-liability management practices. This department is functionally overseen by the Risk Division.

The control of scarce resources (capital, liquidity, balance sheet) and performance in line with the strategic objectives and in compliance with regulatory requirements is placed under the sole responsibility of the department of financial and strategic steering.

Lastly, a department is in charge of maintaining and developing in accordance with banking regulations, Recovery and Resolution plans. The recovery plan strengthens the Group's resilience describing preventively provisions that would allow the Group to cope independently in a very severe crisis. The resolution plan provides the necessary information to the authorities to design strategies that could be undertaken in order to limit the impact of a hypothetical Group failure on the economy and the markets.

OTHER DIVISIONS

The respective roles of the Divisions in the risk management are described in the diagram on p.155. It should be noted that the bank's risk management principles, procedures and infrastructures and their implementation are monitored by the Inspection and Audit Division. The Inspection and Audit Division carries out regular risk audits, including credit application reviews, spanning all Group divisions, whose conclusions are sent to the heads of the operating divisions, the Risk Division and the General Management for certain scopes.

NEW PRODUCT COMMITTEE

Each division submits all new products, businesses or activities to the New Product Committee.

This Committee, which is jointly managed by the Risk Division and the business divisions, aims to ensure that, prior to the launch of a new product, business or activity:

- all associated risks are fully identified, understood and correctly addressed;
- compliance is assessed with respect to the laws and regulations in force, codes of good professional conduct and risks to the image and reputation of the Group;
- all the support functions are committed and have no, or no longer have, any reservations.

This process is underpinned by a very broad definition of a new product, which ranges from the creation of a new product, to the adaptation of an existing product to a new environment or the transfer of activities involving new teams or new systems.

ENTERPRISE RISK MANAGEMENT (ERM) PROGRAMME

Launched in January 2011, the ERM programme aims to improve the consistency and effectiveness of the Group's risk management system by fully integrating risk prevention and management with the day-to-day management of the bank's businesses. This programme is structured around three objectives:

- taking greater account of risks in the Bank's strategic management, in particular, by continually improving the Group's management of risk appetite (see paragraph below);
- strengthening permanent control and its operational processes (see the Internal Control chapter, page 133);
- strengthening the risk culture within the bank through a Group initiative called "RISK Culture".

The ERM programme is closely monitored at the highest level of the bank: it is supervised by General Management, with the participation of members of the Executive Committee, and is the subject of regular reporting to the Audit, Internal Control and Risk Committee (CACIR)[1] of the Board of Directors

A dedicated team is responsible for the management and cross-fertilisation of a portfolio of projects within the Group's various business lines and departments.

With the aid of repeated awareness campaigns and an innovative training strategy, the risk culture continues to grow in France and abroad. Examples include:

- raising awareness among employees of cross-risks and weak signals is one of the first themes dealt with by the digital training programme, known as MOOC (Massive Online Open Courses) ;
- specific events led by experts and coordinated together take place simultaneously in all regions where the Group operates. This has made it possible, for example, to raise awareness among 3,000 employees on the issue of information security during the "Risk Hours";
- the application and respect by the business lines of the social and environmental commitments taken by the Group have been the subject of specific measures within the programme (creation of a charter, including practical guides to the implementation of the principal commitments, etc.);
- feedback, the preferred way to share and develop best practices, is widely used in the awareness-raising process (debriefing at team meetings, conferences, comic strips, newsletters, etc.).

Led by the Group's management, the development of a solid risk culture makes it possible to create a shared vision of the Group's expectations in this area and to act responsibly at all levels of the organisation. The progress made, measured by an internal barometer, attests to the legitimacy of this approach.

RISK APPETITE

Societe Generale defines risk appetite as the level of risk, by type and by business, that the Group is prepared to incur in view of its strategic targets. Risk appetite is defined using both quantitative and qualitative criteria.

Since 2009, the Risk Division and the Finance Division, in coordination with the operating divisions, have jointly carried out measures as part of the Group Risk Appetite exercise, consisting in formally defining a three-year overview including:

- targets for certain key Group indicators (financial solidity, profitability, solvency, leverage and liquidity);
- risk/return ratios for the different Group businesses;
- the Group's risk profile, by risk type (credit, market, operational and structural).

To determine these factors and develop the Risk Appetite approach, earnings sensitivities to business cycles and credit, market and operational events are taken into account under both a core budgetary macroeconomic scenario and a macroeconomic scenario of severe but plausible stress.

The Risk Appetite exercise is one of the strategic oversight tools available to the Group governing bodies. It is fully integrated with the budgeting process and draws on the global stress test system (details below), which is also used to ensure capital adequacy under stressed economic scenarii.

It is discussed by governing bodies at various key moments:

- during preliminary budget preparation with a view to allocating scarce resources to the business;
- the positioning of the various businesses in terms of the risk/return ratio as well as the Group's risk profile by type of risk, are analysed and approved by the Audit, Internal Control and Risk Committee[1], Simultaneously, three-year targets suggested by the Executive Committee for the Group's key indicators are approved by the Board of Directors after being reviewed by the Audit, Internal Control and Risk Committee[1];
- during the finalisation of the budget process, the Board of Directors, based on the Executive Committee's recommendations and after review by the Audit, Internal Control and Risk Committee[1], approves the trajectory in relation to various Group key indicators and their adequacy given the set targets.

(1) Starting from the 1st January 2015 separation of CACIR into two Committees: the Risk Committee and the Audit and Internal Control Committee.

The Group's risk appetite strategy is implemented by General Management in collaboration with the Executive Committee and applied by the various corporate and operating divisions through an appropriate operational steering system for risks, covering:

- governance (decision-making, management and supervisory bodies);
- management (identification of risk areas, authorisation and risk-taking processes, risk management policies through the use of limits and guidelines, resource management);
- supervision (budgetary monitoring, reporting, leading risk indicators, permanent controls and internal audits).

Essential indicators for determining Risk Appetite and their various adaptations are regularly supervised over the year in order to detect any events that may result in unfavourable developments on the Group's risk profile. Such events may give rise to remedial action, up to the implementation of the recovery plan (see page 161) in the most severe cases.

RAS (Risk Appetite Statement)

Societe Genérale is developing a balanced universal banking model with a strong European foothold and a global presence focused on few fields of strong business expertise. This is reflected through:

- a well-balanced capital allocation between the Group's businesses (retail banking, international financial services, investment banking and investor solutions), with retail banking activities holding a predominant place. Capital market activities receive a limited capital allocation;
- a geographically balanced model, with a high percentage of revenues generated in mature countries. The Group has a diversified portfolio of businesses dedicated to retail customers in Europe and Africa. For business, large corporates and investor customers, the Group pursues activities across the world in which it has recognised expertise.

The Group's growth strategy focuses on its existing areas of expertise, its quality franchise and the search for synergies within the Group.

Societe Genérale seeks to achieve sustainable profitability that is consistent with its cost of capital and universal banking model. To this end, the Group:

- is intent on controlling the volatility of its results;
- calibrates its capital and liquidity ratios to ensure a significant safety margin compared to the minimum regulatory requirements;
- maintains a rating in line with its principal peers, providing access to financing that is compatible with the development of its activities;
- monitors the stability and diversification of its funding sources;
- ensures sufficient resilience in scenarii of liquidity shortages;
- tightly controls its structural interest-rate and foreign-exchange risks.

Societe Genérale aims to maintain a quality credit portfolio with a high preponderance of Investment Grade loans and receivables and diversification between retail, corporate and financial institution customers:

- for the same type of product, the same lending criteria are applied, regardless of whether or not it is meant to be redistributed;
- any credit risk undertaking is based on sound knowledge of the customer and its business and an understanding of the purpose and nature of the transaction, as well as the sources of debt repayment;
  - obligorr ratings, based on internal models that follow Basel principles and parameters, are one of the key criteria of the credit policy,
  - as a general rule, collateral is not the principal criterion of the lending decision,
  - risks of individual concentration are strictly managed,
  - with the exception of small loan transactions, the Group prefers to share the credit risk of each of its operations through syndication, while maintaining a final portion as a sign of commitment to its customers and to continue monitoring originated exposures over time;
- concentration by sector and by type of counterparty or business is monitored periodically, in particular through stress tests, and may result in the setting of limits;
- lastly, in the area of retail banking, the loan approval process for individual customers is based on decisions and recommendations drawn from analysis and decision-making tools used within the Group and designed using statistical models.

Capital market activities, which focus on the needs of the Group's clients, are subject to strict controls:

- market risk is controlled in the form of a global stress test limit applied to all activities, rounded out by a range of more specific limits, such as Value at Risk (VAR) and Stressed Value at Risk (SVaR) limits, limits on long-term positions or nominal limits;
- the Group's appetite for market risk, characterised by a revenue/consumption of limits ratio in stress tests, is broadly stable;
- market risk limits are mainly determined according to the manoeuvrability of positions (nature and complexity of the product, maturity, size of SG's position relative to the market and participation effect), the risk/reward performance of the transaction or the activity and the market conditions;
- these limits are rounded out by alert thresholds to avoid any risk of breaches.

Societe Genérale aims to contain losses linked to operational risks globally to a maximum of 1% of recurrent revenues.

The Group's activities strictly comply with provisions relating to banking and financial activities, be they legislative or regulatory in nature, professional or ethical rules, or internal rules, at the national and international levels. In particular:

- the Group ensures that compliance rules are rigorously respected, in particular in the area of anti-money laundering and counter-terrorism financing, embargo directives and international financial sanctions, the fight against corruption and its tax code of conduct commitments;
- the Group is attentive to the loyalty of the behaviour of its employees' conduct toward clients and all its stakeholders, as well as the integrity of its banking and financial practices.

Societe Genérale considers its reputation to be an asset a high value that must be protected to ensure the Group's sustainable development. The prevention and detection of the risk of harm to its reputation are integrated within all the Group's operating practices.

- the preservation of the Group's reputation notably involves making its employees aware of the values of responsibility, ethical behaviour and commitment;
- lastly, in a spirit of social and environmental responsibility, the Group has committed to comply with a body of business conduct principles formalised in a set of internal instructions applicable to the entire Group.

STRESS TEST AND RISK MAPPING FRAMEWORK

The Groupe risk apetite is based on risks estimated during the risk mapping process and stressed assements supported by standard and extreme stress scenarii.

Group risk mapping

This procedure aims to identify and estimate the main risks of potential loss expected for the year to come, in all risk categories: credit risks, market risks, operational and structural risks. These risks are placed on a grid relating impact and probability of occurrence for each risk. A loss level is assigned to each scenario, combining statistical approaches that use historical data, and independent expert analyses. These scenarii are categorised on a scale representing three distinct levels of stress: base case, stress and extreme stress.

It may relate to isolated losses that are material because of their extent (for example, the default of a major counterparty), or of events involving many counterparties (for example, contagion affecting a sector of activity or several sectors, within a country or a specific region).

The risk map is presented annually to the members of the Audit, Internal Control and Risk Committee (of the Risk Committee of the Board of Directors starting from the 1st January 2015) as well as the Board of Directors.

Stress test framework

Stress tests or crisis simulations are used to measure the potential impact of a downturn in activity on the behaviour of a portfolio, activity, entity or the Group. At Societe Generale, they are used to help identify, measure and manage risk and to assess the Group's capital adequacy. They are an important measure of the resilience of the Group and its activities and portfolios, and a core component in the definition of its risk appetite. The Group's stress test framework covers credit risk, market risk, operational risk, liquidity risk and structural interest rate and exchange rate risk. Stress tests are based on extreme but plausible hypothetical economic defined by the Group's economists. These scenarii are translated into impacts on the Group's activities, taking into account the activities' potential counter-measures and systematically combining quantitative methods with expert judgement (risk, finance or business lines).

In concrete terms, the stress test framework in place includes:

- an annual global stress test which is incorporated into the budget process as part of the group Risk Appetite exercise and Internal Capital Adequacy Assessment Process ICAAP for the ECB and the Autorité de Contrôle Prudentiel et de Résolution (ACPR-French Prudential Supervision and Resolution Authority). It makes it possible to check the Group's compliance with the prudential ratios. It covers the entire Group and is based on two global three-year horizon macroeconomic scenarii: a core budgetary macroeconomic scenario and a macroeconomic scenario of severe but plausible stress. For each scenario, (core and stressed), potential losses relating to credit, market and operational risks are estimated over three years.
- specific credit stress tests (on portfolios, countries, activities, etc.), both recurrent or on request, which complement the global analysis with a more granular approach and allow for the identification, measurement and operational management of risk.

Credit risk is modelled based on the historical relationship between portfolio performance and relevant economic variables (gross domestic product, unemployment, exchange rates, property prices, etc.). In line with the regulatory Pillar, stress tests systematically factor in the potential impact of the performance of the Group's main counterparties against a stressed market backdrop:

- market stress tests using internal models (VaR, EEPE, CVA, etc.) as well as forecast market variables (indexes, credit spreads, etc.) that are consistent with the chosen economic scenariiand are also used to revalue available-for-sale assets. Set out in greater detail on section 6 Market risks in this chapter, this stress test assessment is based on 3 historical scenarii and 15 theoretical scenarii that factor in exceptional market occurrences;
- operational risk stress tests which use scenario analyses and the modelling of losses to calibrate the Group's capital in terms of operational risk, and which are used to ascertain the exposure to operational loss linked to the severity of economic scenarii, including exposure to rare and extreme losses not covered by the historical period;
- stress tests to analyse the Group's sensitivity to structural interest rate and exchange rate risks. The Group measures the sensitivity of its fixed-rate position to different yield curve configurations (steepening and flattening). The measurement of the net interest income sensitivity is also used by the Group to quantify the structural interest rate risk of significant entities.
  With respect to exchange rate risk, stress scenarii are applied to various currencies, major or peripheral;
- liquidity stress tests to ensure that the time period during which the Group may continue to operate is respected in a stressed market environment.

Along with the internal stress test exercises, the Group is part of a selection of European banks that participate in the large-scale international stress tests supervised by the EBA (European Banking Authority) and ECB (European Central Bank).

RECOVERY AND RESOLUTION PLANS

In November 2011, the G20 countries adopted the principles described by the FSB, supervising the development and long-term success of credible resolution and recovery plans for systemic banks. As an extension, a European Directive was passed by the European Parliament on 15 April 2014 which defines a recovery and resolution system common to all of the European Union. The transposition of this directive into the member states' law is in progress and should be completed in France during 2015. In parallel, the European Banking Authority is complementing the framework with a set of technical standards.

The establishment, at European level, of the Single Resolution Mechanism (SRM) has also been decided. This system, when fully operational (1 January 2016) will define the resolution strategies and related plans for banks under the Banking Union, which has been subject to the supervision of the European Central Bank since 4 November 2014.

Since then, the group's recovery plan is therefore supervised by the European Central Bank.

The Group's recovery and resolution plans are updated annually. Strictly confidential, they are regularly enriched to reflect changes in regulations and the work of competent authorities.

The recovery plan strengthens the Group's resilience by describing preventively provisions that would allow it to face a deep crisis independently. It includes all the elements necessary for the effective management of severe financial crisis: vigilance and warning system, crisis management plan, crisis communication, list of recovery options which would, according to the case, restore a healthier financial situation.

The resolution plan includes the information required for the resolution authorities to devise strategies and actions that could be undertaken in order to limit the impact of the hypothetical failure of the Group on the economy. The resolution plan aims to limit the systemic impact of such an event. It should allow the protection of activities essential to the economy, starting for example with deposits and means of payment, but also to safeguard as much as possible the value of the Group's various components to limit the final losses borne by investors and shareholders.

3. CAPITAL MANAGEMENT AND ADEQUACY

BASEL 3 REGULATORY FRAMEWORK

In response to the financial crisis in recent years, the Basel Committee, mandated by the G20, has defined the new rules governing capital and liquidity aimed at making the banking sector more resilient. The new so-called Basel 3 rules were published in December 2010. They were translated into European law by a directive (CRD4) and a regulation (CRR) which entered into force on 1 January 2014.

The general framework defined by Basel 2, which is developed around three pillars, is upheld:

- Pillar 1 sets minimum solvency requirements and defines the rules that banks must use to measure risks and calculate associated capital requirements, according to standard or more advanced methods;
- Pillar 2 relates to the discretionary supervision implemented by national banking supervisors, which allows them – based on a constant dialogue with supervised credit institutions – to assess the adequacy of capital requirements as calculated under Pillar 1, and to calibrate additional capital requirements with regard to risks;
- Pillar 3 encourages market discipline by developing a set of qualitative or quantitative disclosure requirements which will allow market participants to make a better assessment of capital, risk exposure, risk assessment processes and hence capital adequacy of the institution.

In terms of capital, the main new measures introduced to strengthen banks' solvency are as follows:

- the complete revision and harmonisation of the definition of capital, particularly with the amendment of the deduction rules, the definition of a standardised Common Equity Tier 1 (or CET1) ratio, and new Tier 1 capital eligibility criteria for hybrid securities;
- new capital requirements for the counterparty risk of market transactions, to factor in the risk of a change in CVA (Credit Value Adjustment) and hedge exposures on the central counterparties (CCP);
- the setup of capital buffers that can be mobilised to absorb losses in case of difficulties. The new rules require the creation of a conservation buffer and a countercyclical buffer to preserve their solvency in the event of adverse conditions. Moreover, an additional buffer is required for systemically important banks. Thus the Societe Generale group, as a global systemically important bank (GSIB)(1), has had its Common Equity Tier 1ratio requirement increased by an additional 1%. Requirements related to capital buffers will gradually enter into force as from 1 January 2016, for full application by January 2019;
- in addition to these measures, there will be measures to contain the size and consequently the use of excessive leverage. To do this, the Basel Committee has defined a leverage ratio, for which the definitive regulations were published in January 2014. The Basel leverage ratio compares the bank's Tier 1 capital to the balance sheet and off-balance sheet items, with restatements for derivatives and pensions. Banks are obligated to publish this ratio as of 2015. By 2018, regulators will decide whether it is relevant to set a minimum requirement applicable to all banks.

Lastly, Societe Generale Group is classified as a financial conglomerate and is therefore subject to additional supervision by the Autorité de Contrôle Prudentiel et de Résolution (ACPR - French Prudential Supervision and Resolution Authority).

At 31 December 2014, Societe Generale Group's financial conglomerate equity covered the solvency requirements for banking activities, as well as insurance activities.

(1) The criteria allowing to estimate the systematic importance of Societe Generale in 2013, which applies in 2014, are published on its web site www.societegenerale.com.

SCOPE OF APPLICATION – PRUDENTIAL SCOPE

The Group's prudential reporting scope includes all fully and proportionally consolidated subsidiaries, with the exception of insurance subsidiaries, which are subject to a separete capital supervision.

TABLE 1: DIFFERENCE BETWEEN ACCOUNTING SCOPE AND PRUDENTIAL REPORTING SCOPE

Type of entity	Accounting treatment	Prudential treatment under Basel 3
Subsidiaries with a finance activity	Full consolidation	Capital requirement based on the subsidiary's activities
Subsidiaries with an Insurance activity	Full consolidation	Weighted equity value
Holdings, joint ventures with a finance activity by nature	Equity method	Weighted equity value

The following table provides a reconciliation of the consolidated balance sheet and the accounting balance sheet within the prudential scope. The amounts presented are accounting data and not a measure of risk-weighted assets, EAD or prudential capital.

TABLE 2 : RECONCILIATION OF THE CONSOLIDATED BALANCE SHEET AND THE ACCOUNTING BALANCE SHEET WITHIN THE PRUDENTIAL SCOPE

ASSETS at 31.12.2014 *(in EUR m)*	**Consolidated balance sheet**	**Prudential restatements(1)**	**Accounting balance sheet within the prudential scope**	**Cross ref. Table 6a, p. 174**
Cash and amounts due from Central Banks	57,065	-0	57,065	
Financial assets at fair value through profit or loss	530,536	-16,881	513,655	
Hedging derivatives	19,448	(419)	19,029	
Available-for-sale assets	143,722	(78,156)	65,566	
Loans and advances to credit institutions	80,709	(7,559)	73,150	
of which subordinated loans to credit institutions	*481*	*(0)*	*481*	*1*
Loans and advances to clients	344,368	809	345,177	
Lease financing and equivalent transactions	25,999	-	25,999	
Revaluation of macro-hedged items	3,360	-	3,360	
Financial assets held to maturity	4,368	-	4,368	
Tax assets	7,447	204	7,651	
of which deferred tax assets that rely on future profitability excluding those arising from temporary differences	*1,691*	*950*	*2,641*	*2*
of which deferred tax assets arising from temporary differences	*4,489*	*(732)*	*3,757*	3
Other assets	65,238	(423)	64,815	
of which defined-benefit pension fund assets	*18*	*-*	*18*	*4*
Non-current assets held for sale	866	-	866	
Investments in subsidiaries and affiliates accounted for by the equity method	2,796	3,033	5,829	
Tangible and intangible assets	17,917	(525)	17,392	
of which intangible assets exclusive of leasing rights	*1,478*	*(37)*	*1,441*	*5*
Goodwill	4,331	5	4,336	5
TOTAL ASSETS	**1,308,170**	**(99,912)**	**1,208,258**	

(1) Restatement of subsidiaries excluded from the prudential scope and reconsolidation of intragroup transactions related to its subsidiaries.

NB. The table 6a on page 174 provides detailed information on the creation of own funds and solvency ratios

LIABILITIES at 31.12.2014 *(in EUR m)*	**Consolidated balance sheet**	**Prudential restatements[1]**	**Accounting balance sheet within the prudential scope**	**Cross ref. Table 6a, p. 174**
Central banks	4,607	-	4,607	
Liabilities at fair value through profit or loss	480,330	1,370	481,700	
Hedging derivatives	10,902	(0)	10,902	
Amounts owed to credit institutions	91,290	(1,570)	89,720	
Amounts owed to clients	349,735	2,131	351,866	
Debt securities	108,658	4,210	112,868	
Revaluation reserve of interest-rate-hedged portfolios	10,166	-	10,166	
Tax liabilities	1,416	(390)	1,026	
Other Liabilities	75,124	(1,788)	73,336	
Debts related to Non-current assets held for sale	505	-	505	
Technical provisions of insurance companies	103,298	(103,298)	-	
Provisions	4,492	(23)	4,469	
Subordinated debts	8,834	245	9,079	
of which redeemable subordinated notes including revaluation differences on hedging items	*8,394*	*240*	*8,634*	*6*
Total debts	1,249,357	(99,113)	1,150,244	
EQUITY				
Equity, Group share	55,168	0	55,168	
of which capital and related reserves	*19,974*	-	*19,974*	*7*
of which other capital instruments	*9,069*	-	*9,069*	*8*
of which retained earnings	*5,578*	-	*5,578*	*9*
of which accumulated other comprehensive income (including gains and losses accounted directly in equity)	*17,855*	*(0)*	*17,855*	*10*
of which net income	*2,692*	*(0)*	*2,692*	*11*
Minority interests	3,645	(799)	2,846	12
Total equity	58,813	(799)	58,014	
TOTAL LIABILITIES	**1,308,170**	**(99,912)**	**1,208,258**	

(1) Restatement of subsidiaries excluded from the prudential scope and reconsolidation of intragroup transactions related to its subsidiaries.

The main Group companies outside the prudential reporting scope are as follows:

TABLE 3: SUBSIDIARIES OUTSIDE THE PRUDENTIAL REPORTING SCOPE

Company	Activity	Country
ANTARIUS	Insurance	France
CATALYST RE INTERNATIONAL LTD.	Insurance	Bermuda
SOCIETE GENERALE STRAKHOVANIE ZHIZNI LLC	Insurance	Russia
SOGELIFE	Insurance	Luxembourg
GENECAR - SOCIETE GENERALE DE COURTAGE D'ASSURANCE ET DE REASSURANCE	Insurance	France
INORA LIFE LTD	Insurance	Ireland
SG STRAKHOVANIE LLC	Insurance	Russia
SOGECAP	Insurance	France
KOMERCNI POJSTOVNA A.S	Insurance	Czech Republic
LA MAROCAINE VIE	Insurance	Morocco
ORADEA VIE	Insurance	France
SOCIETE GENERALE RE SA	Insurance	Luxembourg
SOGESSUR	Insurance	France
LA BANQUE POSTALE FINANCEMENT	Bank	France
SG BANQUE AU LIBAN	Bank	Lebanon
AMUNDI	Asset Management	France

Regulated financial subsidiaries and affiliates outside Societe Generale's prudential consolidation scope are all in compliance with their respective solvency requirements. More generally, all regulated Group undertakings are subject to solvency requirements set by their respective regulators.

REGULATORY CAPITAL

Reported according to International Financial Reporting Standards (IFRS), Societe Generale's regulatory capital consists of the following components:

COMMON EQUITY TIER 1 CAPITAL

According to CRR/CRD4 regulations, Common Equity Tier 1 capital is made up primarily of the following:

- ordinary shares (net of repurchased shares and treasury shares) and related share premium accounts;
- retained earnings;
- components of other comprehensive income;
- other reserves.

Deductions from Common Equity Tier 1 capital essentially involve the following:

- estimated dividend payment;
- goodwill and intangible assets net of associated deferred tax liabilities;
- unrealised capital gains and losses on cash flow hedging;
- income on own credit risk;
- deferred tax assets on tax loss carryforwards;
- deferred tax assets resulting from temporary differences beyond a threshold;
- assets from defined benefit pension funds, net of deferred taxes;
- any positive difference between expected losses on customer loans and receivables, risk-weighted using the Internal Ratings Based (IRB) approach, and the sum of related value adjustments and collective impairment losses;
- expected loss on equity portfolio exposures;
- value adjustments resulting from the requirements of prudent valuation;
- securitisation exposures weighted at 1,250%, where these positions are not included in the calculation of total risk-weighted exposures.

ADDITIONAL TIER 1 CAPITAL

Pursuant to Regulation CRR/CRD4, additional Tier 1 capital is composed of deeply subordinated notes that are issued directly by the bank, and have the following features:

- these instruments are perpetual and constitute unsecured, deeply subordinated obligations. Ranking junior to all other obligations of the bank including undated and dated subordinated debt, and senior only to common stock shareholders;
- in addition, Societe Generale may elect, on a discretionary basis, not to pay the interest and coupons linked to these instruments. This compensation is paid out of distributable items;
- they include neither a step-up in compensation nor any other incentive to redeem;
- they must have a loss-absorbing capacity;
- subject to the prior approval of the European Central Bank, Societe Generale has the option to redeem these instruments at certain dates, but not earlier than five years after their issuance date.

Deductions of additional Tier 1 capital essentially apply to the following:

- AT1 hybrid treasury shares;
- holding of AT1 hybrid shares issued by financial sector entities.

TABLE 4: TOTAL AMOUNT OF DEBT INSTRUMENTS ELIGIBLE FOR TIER 1 EQUITY

Issuance date	Currency	Issue amount (in currency m)	First call date	Yield before the call date and frequency	Yield after the call date and frequency	Book value at 31.12.2014	Book value at 31.12.2013
26-Jan-05	EUR	1000 M	26-Jan-15	4.196% annually	Euribor 3 months +1.53% annually	-	728
05-Apr-07	USD	200 M	05-Apr-17	3-months USD Libor + 0.75 % annually	3-months USD Libor +0.75 % annually	52	46
05-Apr-07	USD	1100 M	05-Apr-17	5.922 % semi-annually	3-months USD Libor +0.75 % annually	665	586
19-Dec-07	EUR	600 M	19-Dec-17	6.999 % annually	Euribor 3 months + 3.35% annually	468	468
16-Jun-08	GBP	700 M	16-Jun-18	8.875 % annually	Libor 3 months + 3.40% annually	649	606
07-Jul-08	EUR	100 M	07-Jul-18	7.715 % annually	Euribor 3 months + 3.70% annually	100	100
27-Feb-09	USD	450 M	29-Feb-16	9.5045 % annually	Libor 3 months + 6.77% annually	371	326
04-Sep-09	EUR	1000 M	04-Sep-19	9.375 % annually	Euribor 3 months + 8.9% annually	1,000	1,000
07-Oct-09	USD	1000 M	07-Apr-15	8.75% annually	8.75% annually	824	725
06-Sep-13	USD	1250 M	29-Nov-18	8.25% annually	Mid Swap Rate USD 5 years + 6.394%	1,030	906
18-Dec-13	USD	1750 M	18-Dec-23	7.875% annually	Mid Swap Rate USD 5 years + 4.979%	1,441	1,269
07-Apr-14	EUR	1000 M	07-Apr-21	6.75% annually	Mid Swap Rate USD 5 years + 5.538%	1,000	-
25-Jun-14	USD	1500 M	27-Jan-20	6% semi-annually	Mid Swap Rate USD 5 years + 4.067%	1,235	-
TOTAL						**8,835**	**6,761**

TIER 2 CAPITAL

Tier 2 capital includes:

- Undated deeply subordinated notes;
- Dated subordinated notes ;
- any positive difference between (i) the sum of value adjustments and collective impairment losses on customer loans and receivables exposures, risk-weighted using the IRB approach and (ii) expected losses, up to 0.6% of the total credit risk-weighted assets using the IRB approach;
- value adjustments for credit risk related to collective impairment losses on customer loans and receivables exposures, risk-weighted using the standard approach, up to 1.25% of the total credit risk-weighted assets;

Deductions of Tier 2 capital essentially apply to the following:

- Tier 2 hybrid treasury shares;
- holding of Tier 2 hybrid shares issued by financial sector entities;
- share of non-controlling interest in excess of the minimum capital requirement in the entities concerned.

Tier 2 instruments are listed in Note 16 to the parent company financial statements for dated subordinated notes issued by Societe Generale SA and in Note 26 to the consolidated financial statements for undated subordinated notes.

All capital instruments and their features are detailed in Capital instruments' main features in the appendix to this chapter.

TABLE 5: CHANGES IN DEBT INSTRUMENTS ELIGIBLE FOR THE SOLVENCY CAPITAL REQUIREMENTS

(In EUR m)	**31.12.13**	**Issues**	**Redemptions**	**Prudential supervision valuation haircut**	**Others**	**31.12.14**
Debt instruments eligible for Tier 1	6,761	2,102	(728)	-	701	8,835
Debt instruments eligible for Tier 2	6,652	1,725	(378)	(1,410)	169	6,759
Total eligible debt instruments	**13,413**	**3,827**	**(1,106)**	**(1,410)**	**870**	**15,594**

CALCULATION OF REGULATORY RATIOS

In accordance with Pillar 1, minimum capital requirements are set by comparing the group's own funds with the sum of risk-weighted assets for credit risk and the capital requirement multiplied by 12.5 for market risk and operational risk.

Since 1 January 2014, the new regulatory framework sets minimum requirements to be met for the Common Equity Tier 1 (CET1) ratio and the Tier 1 ratio. For 2014, the minimum requirement for CET1 is 4%, and for Tier 1, 5.5%. For subsequent years, the minimum requirement for CET1 is 4.5%, and for Tier 1, 6%.

Meanwhile, total own funds requirements, including CET1, Additional Tier 1 (AT1) and Tier 2 capital, is 8%

TABLE 6: REGULATORY CAPITAL AND CRR/CRD4 SOLVENCY RATIOS – FULLY LOADED

(In EUR m)	31.12.2014	31.12.2013*
Shareholders' equity (IFRS) , Group share	**55,168**	**51,008**
Deeply subordinated notes	(9,364)	(6,561)
Perpetual subordinated notes	(335)	(414)
Consolidated shareholders' equity, Group share, net of deeply subordinated and perpetual subordinated notes	**45,470**	**44,033**
Non-controlling interests	2,671	2,787
Intangible assets	(1,419)	(1,455)
Goodwill	(5,132)	(5,926)
Proposed dividends (General Meeting of Shareholders) and interest expenses on deeply subordinated and perpetual subordinated notes	(1,120)	(910)
Deductions and regulatory adjustments	(4,679)	(4,269)
Common Equity Tier One Capital	**35,792**	**34,260**
Deeply subordinated notes and preferred shares	8,835	6,761
Other additional tier 1 capital	50	38
Additional Tier 1 deductions	(27)	(796)
Tier One Capital	**44,650**	**40,263**
Tier 2 instruments	6,759	6,653
Other tier 2 capital	441	356
Tier 2 deductions	(1,337)	(1,312)
Total regulatory capital	**50,514**	**45,960**
Total risk-weighted assets	**353,196**	**342,610**
Credit risk-weighted assets	285,095	275,744
Market risk-weighted assets	24,170	26,295
Operational risk-weighted assets	43,931	40,571
Solvency ratios		
Common Equity Tier 1 Ratio	10.1%	10.0%
Tier 1 Ratio	12.6%	11.8%
Total capital adequacy ratio	14.3%	13.4%

* 2013 data pro forma for applicable Basle 3 rules.

Group shareholders' equity at 31 December 2014 totalled EUR 55.2 billion (compared to EUR 51.0 billion at 31 December 2013). After taking into account non-controlling interests and prudential deductions, Common Equity Tier 1 capital was EUR 35.8 billion at 31 December 2014, vs. EUR 34.3 billion at 31 December 2013. The table below shows the key factors in this change.

TABLE 7: FULLY LOADED REGULATORY CAPITAL FLOWS

(In EUR m)	
End-2013 Common Equity Tier One Capital*	**34,260**
Change in share capital resulting from the capital increase	203
Net income, Group share	2,692
Change in the provision for 2015 dividends	(942)
Change linked to translation differences	(347)
Change in value of financial instruments	620
Change in non-controlling interests	(117)
Change in goodwill and intangible assets	831
Change in deductions	(410)
Other	(998)
End-2014 Common Equity Tier 1 capital	**35,792**
End-2013 Additional Tier 1 capital*	**6,003**
Change in debt instruments eligible for additional Tier 1	2,074
Change in other additional Tier 1 capital	12
Change in deductions	768
End-2014 Additional Tier 1 capital	**8,858**
End-2013 Tier 2 capital*	**5,697**
Change in debt instruments eligible for Tier 2	107
Change in other Tier 2 capital	85
Change in deductions	(25)
End-2014 Tier 2 capital	**5,864**

* 2013 data pro forma for applicable Basle 3 rules.

TABLE 8 : FULLY LOADED DEDUCTIONS AND REGULATORY ADJUSTMENTS UNDER CRR/CRD4

(In EUR m)	**31.12.2014**	**31.12.2013***
Unrecognised minority interests	(1,366)	(1,195)
Defered tax assets	(2,641)	(2,665)
Prudent Valuation Adjustment	(557)	0
Adjustments related to changes in the value of own liabilities	880	814
Others	(995)	(1,223)
Total Basel 3 deductions and regulatory adjustments	**(4,679)**	**(4,269)**

* 2013 data pro forma for applicable Basel 3 rules.

CAPITAL REQUIREMENTS

The Basel 3 Accord established the rules for calculating minimum capital requirements with the aim of more accurately assessing the risks to which banks are exposed. The calculation of risk-weighted assets for credit risk takes into account the transaction risk profile, by means of two approaches for determining risk-weighted assets: a standard method, and advanced methods based on internal models for rating counterparties.

TABLE 9: GROUP CAPITAL REQUIREMENTS AND RISK-WEIGHTED ASSETS

(In EUR m)	31.12.2014		31.12.2013	
Type of risk	**Minimum capital requirements**	**Risk-weighted assets**	**Minimum capital requirements**	**Risk-weighted assets**
Sovereign	0	0	0	0
Institutions	0	3	0	3
Corporate	282	3,519	321	4,018
Total credit risk assessed using the foundation IRB approach	**282**	**3,523**	**322**	**4,021**
Sovereign	415	5,187	402	5,027
Institutions	859	10,733	680	8,506
Corporate	7,517	93,961	6,721	84,017
Retail	2,413	30,162	2,306	28,825
Total credit risk assessed using the advanced IRB approach	**11,203**	**140,044**	**10,110**	**126,376**
Shares in the banking book	1,418	17,725	737	9,212
Securitisation positions	130	1,629	171	2,141
Other non-credit obligation assets	3	37	1,287	16,085
Total credit risk assessed using the IRB approach	**13,037**	**162,957**	**12,627**	**157,834**
Sovereign	900	11,256	44	553
Institutions	347	4,342	261	3,261
Corporate	4,248	53,102	3,830	47,877
Retail	2,145	26,813	2,655	33,185
Shares in the banking book	409	5,115	9	107
Securitisation positions	30	374	22	269
Other non-credit obligation assets	1,218	15,221	443	5,543
Total credit risk assessed using the standard approach	**9,298**	**116,224**	**7,264**	**90,795**
Credit, counterparty and delivery risk	**0**	**0**	**19,890**	**248,630**
Value at Risk	319	3,983	477	5,961
Stressed Value at Risk	828	10,349	643	8,038
Incremental default and migration risk (IRC)	422	5,276	585	7,307
Correlation portfolio (CRM)	173	2,160	155	1,938
Market risk assessed using the IRB approach	**1,741**	**21,769**	**1,860**	**23,244**
General risk and specific risk related to interest rates (excluding securitisation)	26	323	62	772
Specific risk related to securitisation positions	24	300	67	840
Market risk assessed using the standard approach for ownership interests	36	445	5	61
Market risk assessed using the standard approach for currency positions	101	1,268	105	1,316
Market risk assessed using the standard approach for commodities	5	64	5	61
Market risk assessed using the standard approach	**192**	**2,401**	**244**	**3,051**
Market risk	**1,934**	**24,170**	**2,104**	**26,295**
Operational risk assessed using AMA	284	3,556	2,907	36,334
Operational risk assessed using the standardised approach	3,230	40,375	339	4,237
Operational risk	**3,514**	**43,931**	**3,246**	**40,571**
Credit Value Adjustment	**505**	**6,318**		
Basel 3 impacts	**0**	**0**	**2,210**	**27,620**
Totals	**28,288**	**353,600**	**27,449**	**343,115**

phased-in amounts

Further information on each type of risk (credit risk, market risk and operational risk) is provided in the ad-hoc sections of this chapter.

CHANGE IN RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

The following table presents the risk-weighted assets as well as the Group's capital requirements, classified by risk type.

From 31 December 2013 to 31 December 2014, the Group's capital requirements and risk-weighted assets increased by EUR 839 million and EUR 10,485 million, respectively.

TABLE 10: CRR/CRD4 RISK WEIGHTED-ASSETS AT END-DECEMBER 2014

(In EUR bn)	Credit	Market	Operational	Total
French Retail Banking	90.1	0.1	3.7	93.9
International Retail Banking and Financial Services	97.5	0.1	6.2	103.8
Global Banking and Investor Solutions	84.8	22.9	28.6	136.2
Corporate Centre	13.1	1.2	5.4	19.7
Group	**285.5**	**24.2**	**43.9**	**353.6**

Risk-weighted assets (EUR 353.6 billion) by type of activity break down as follows:

- credit risk accounted for 80.7% of risk-weighted assets at 31st December 2014, or EUR 285.5 billion (compared to EUR 276.2 billion at 31st December 2013 - proforma Basel 3, phased-in);
- market risk accounted for 6.8% of risk-weighted assets at 31st December 2014, or EUR 24.2 billion (compared to EUR 26.3 billion at 31st December 2013);
- operational risk accounted for 12.4% of risk-weighted assets at 31st December 2014, or EUR 43.9 billion (compared to EUR 40.6 billion at 31st December 2013).

CHANGE IN CREDIT RISK RWAS

(in EUR bn)	
End-2013 Credit risk RWAs(1)	**276.2**
Scope effect	3.1
Foreign exchange effect	0.7
Model adjustments	(0.6)
Other (including volume, rating, etc.)	6.1
End-2014 Credit risk RWAs	**285.5**

(1) 2013 data pro forma for applicables Basel 3 rules

CHANGE IN MARKET RISK RWAS

(in EUR bn)	
End-2013 Market risk RWAs	**26.3**
Legacy assets	(1.4)
Other (including VaR, sVaR, IRC, CRM, etc.)	(0.7)
End-2014 Market risk RWAs	**24.2**

INFORMATION RELATIVE TO KEY SUBSIDIARIES' CONTRIBUTIONS TO THE GROUP'S RISK-WEIGHTED ASSETS

The contributions of the three key subsidiaries collectively contributing more than 10% of the Group's risk-weighted assets are as follows:

TABLE 11: KEY SUBSIDIARIES' CONTRIBUTION TO THE GROUP'S RISK-WEIGHTED ASSETS

	Crédit du Nord		Rosbank		Komerčni banka	
(In EUR m)	**IRB**	**Standard**	**IRB**	**Standard**	**IRB**	**Standard**
Credit and counterparty risk	**14,720**	**2,830**	**532**	**7,474**	**9,009**	**1,771**
Sovereign	0	1	472	45	494	0
Financial institutions	211	19	0	542	1,093	33
Corporate	8,277	920	13	4,224	4,652	814
Retail	5,172	775	0	2,126	2,681	569
Securitisation	0	0	0	0	0	0
Equity investments	1,060	238	48	0	89	0
Other assets	0	878	0	537	0	355
Market risk	**73**		**138**		**33**	
Operational risk	**852**		**1,689**		**624**	
Total 2014	**18,475**		**9,833**		**11,437**	
Total 2013	**20,169**		**13,190**		**11,712**	

CAPITAL MANAGEMENT

Capital management is implemented by the Finance Division with the consent of the General Management under the supervision and control of the Board of Directors.

As part of managing its capital, the Group ensures that its solvency level is always compatible with the following objectives:

- maintaining its financial solidity, which must be closely correlated to the Group's overall risk profile and risk appetite;
- preserving its financial flexibility to finance organic growth and growth through acquisitions;
- adequate allocation of capital among the various business lines to optimise the capital risk/reward relationship;
- maintaining the Group's resilience in the event of stress scenarios;
- meeting the expectations of its various stakeholders: supervisors, counterparties, bondholders, rating agencies, and shareholders.

The Group therefore determines its internal solvency targets in accordance with these objectives and regulatory thresholds.

The Group has an internal process for assessing the adequacy of its capital (Internal Capital Adequacy Assessment Process, ICAAP) that takes a multidimensional approach, factoring in the following:

- capital requirement planning, updated on a regular basis using a simulation tool relating to the whole Group, notably for the budget process and the drawing up of strategic plans. This planning ensures that, at all times, sources and uses of capital actually correspond to the Group's overall objectives and its business needs;
- the business and risk cycle, in order to explicitly take into account the effects of credit cycles while at the same time integrating risks not included in Pillar 1 (e.g. structural interest/exchange rate risk, strategic risk, etc.);
- the implementation of an ICAAP stress test integrated in the budget process and that covers the Group's entire profile (see paragraph on the stress test).

This exercise provides a means of measuring the adequacy of the Group's capital ratios in light of regulatory constraints and defined objectives with regard to risk appetite.

Since 1st January 2014, the Group has been managing itself based on a target Common Equity Tier 1[1] ratio of 10%. At 31st December 2014, the Common Equity Tier 1 ratio of the Group was 10.1%.

In 2014, the Group's capital generation funded growth in risk-weighted assets, reflecting the Group's activity; developments in its operations portfolio (specifically the year's acquisitions); integration of new regulatory requirements; and additions to the collective provision for litigation, all while maintaining a significant margin for rewarding shareholders.

(1) Fully loaded Ratio determined according to CRR/CRD4 rules.

In addition, the Group maintains a balanced capital allocation among its three strategic pillars:

- French Retail Banking;
- International Retail Banking & Financial Services
- Global Banking and Investor Solutions

Each of the Group's divisions accounts for around a third of all risk-weighted assets (RWA), with French and International Retail Banking (more than 60% of total business line loans and receivables) and credit risks (representing nearly 80% of the Group's risk-weighted assets) accounting for the largest share.

At 31st December 2014, the Group's risk-weighted assets were up 3.1% to EUR 353.2 billion, compared to EUR 342.6 billion at end-December 2013.

TABLE OF CRR/CRD4 RWAS BY DIVISION (IN EUR BN)

	2013	2014
French Retail Banking	97.4	93.9
International Retail Banking & Financial Services	105.7	103.8
Global Banking and Investor Solutions	123.3	136.2
Corporate centre	16.2	19.3
Total	**342.6**	**353.2**

LEVERAGE RATIO MANAGEMENT

The Group steers its leverage effect according to the leverage ratio benchmark as defined by the Basel Committee in January 2014. These rules were transposed into European regulations (CRR as amended by the delegated act of 10 October 2014).

Steering the leverage ratio means both calibrating the amount of Tier 1 capital (the ratio's numerator) and controlling the Group's leverage exposure (the ratio's denominator) to achieve the target ratio levels that the Group sets for itself. To do this, the «leverage» exposure of the different business lines is contained under the Finance network's control.

The Group sets itself the target of maintaining a consolidated leverage ratio that is significantly higher than the 3% minimum in the Basel Committee's recommendations. The leverage ratio is in an observation phase in order to set minimum requirements. When they are set, the Group's objective will be adjusted as needed.

At the end of 2014, sustained by the higher Common Equity Tier 1 capital and additional tier 1 capital, and the control of the Group's leverage exposure, Societe Generale's leverage ratio was 3.8%.

TABLE 12: SUMMARY OF THE LEVERAGE RATIO AND TRANSITION OF THE ACCOUNTING BALANCE SHEET TO THE LEVERAGED-EXPOSURE PRUDENTIAL SCOPE

(In millions of euros)	31.12.2014
Tier 1 capital(1)	**44,650**
Total assets in prudential balance sheet(2)	1,208,258
Adjustments for fiduciary assets recognised on the balance sheet but excluded from the leverage ratio exposure	0
Adjustments for derivative financial instruments	(82,721)
Adjustments for securities financing transactions(3)	(20,295)
Off-balance sheet exposure (loan and guarantee commitments)	79,972
Technical and prudential adjustments (Tier 1 capital prudential deductions)	(12,358)
Leverage ratio exposure	**1,172,856**
CRR fully loaded leverage ratio(4)	**3.8%**

(1) A presentation of the capital is available in Table 6.

(2) The reconciliation of the consolidated balance sheet and the accounting balance sheet within the prudential scope is available in Table 2.

(3) Securities financing transactions: securities received under repurchase agreements, securities given under repurchase agreements, securities lending or borrowing transactions, and all other similar securities transactions.

(4) Fully loaded ratio based on CRR rules adopted by the European Commission in October 2014 (delegated act).

RATIO OF LARGE EXPOSURES

The CRR incorporates the provisions regulating large exposures. As such, Societe Generale Group must not have any exposure where the total amount of net risks incurred on a single beneficiary exceeds 25% of the Group's own funds.

The total eligible own funds are the regulatory own funds used to calculate solvency ratio, with a limit on the amount of Tier 2 own funds. Tier 2 own funds cannot exceed one-third of Tier 1 own funds.

APPENDIX: INFORMATION ON REGULATORY OWN FUNDS AND SOLVENCY RATIOS

TABLE 6a: REGULATORY OWN FUNDS AND CRR/CRD4 SOLVENCY RATIOS (DETAILS OF TABLE 6)

(In EUR m)	2013 Fully Loaded(1)	2014 Fully Loaded	2014 Phased-In	Cross ref. Table 2, p. 163-164	Cross Ref. Table 6b p. 176	Cross Ref. notes
Common Equity Tier 1 capital (CET1): Instruments and reserves	**46,190**	**47,282**	**48,115**			
of which capital instruments and the related share premium accounts	*19,787*	*19,974*	*19,974*	*7*	*1*	
of which retained earnings	*5,233*	*5,578*	*5,578*	*9*	*2*	
of which accumulated other comprehensive income (and other reserve, to include unrealised gains and losses under the applicable accounting standards)	*18,313*	*18,855*	*18,855*	*10*	*3*	*1*
of which minority interests (amounts allowed in consolidated CET1)	*1,592*	*1,304*	*2,137*	*12*	*5*	*2*
of which independtly reviewed interim profits net of any forseeable charge or dividend	*1,264*	*1,572*	*1,572*	*11*	*5a*	
Common Equity Tier 1 capital (CET1): Regulatory adjustments	**(11,930)**	**(11,491)**	**(9,522)**			
of which additional value adjustments (negative amount)	*0*	*(557)*	*(554)*		*7*	
of which intangible assets (net of related tax liabilities)	*(7,381)*	*(6,550)*	*(6,550)*	*5*	*8*	*3*
of which deferred tax assets that rely on future profitability excluding those arising from temporary differences	*(2,665)*	*(2,641)*	*(10)*	*2*	*10*	
of which fair value reserves related to gains or losses on cash flow hedges	*(7)*	*(23)*	*(23)*		*11*	*4*
of which negative amounts resulting from the calculation of expected loss amounts	*(803)*	*(830)*	*(830)*		*12*	
of which gains or losses on liabilities valued at fair value resulting from changes in own credit standing	*814*	*880*	*880*		*14*	*5*
of which defined-benefit pension fund assets (negative amount)	*(36)*	*(11)*	*(2)*	*4*	*15*	
of which direct and indirect holdings by an institution of own CET1 instruments (negative amount)	*(1,495)*	*(1,475)*	*(1,445)*		*16*	
of which exposure amount of the items which qualify for a risk weight of 1250% where the institution opts for the deduction alternative	*(152)*	*(122)*	*(122)*		*20a*	
of which deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the condition in 38, paragraph 3 are met) (negative amount)	*(205)*	*(162)*	*0*	*3*	*21*	
of which regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	*0*	*0*	*(865)*		*26a*	
Common Equity Tier 1 capital (CET1)	**34,260**	**35,792**	**38,594**		**29**	
Additionnal Tier 1 (AT1) capital: Instruments	**6,799**	**8,885**	**8,845**			
of which capital instruments and the related share premium accounts	*2,175*	*4,706*	*4,706*	*8*	*30*	*6*
of which amounts of qualifying amounts referred to in Article 484, paragraph 4 and the related share premium accounts subject to phase out from AT1	*4,585*	*4,129*	*4,129*	*8*	*33*	*6*
of which qualifying Tier 1 capital included in consolidated AT1 (including minority interests not included in row 5) issued by subsidiaries and held by third parties	*38*	*50*	*10*	*12*	*34*	*7*
Additionnal Tier 1 (AT1) capital: Regulatory adjustments	**(796)**	**(27)**	**(57)**			
of which direct and indirect holdings by an institution of own AT1 instruments (negative amount)	*(3)*	*(7)*	*(37)*		*37*	
of which direct and indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	*(792)*	*(20)*	*(20)*	*1*	*39*	*8*
Additionnal Tier 1 (AT1) capital	**6,003**	**8,858**	**8,788**		**44**	
Tier 1 capital (T1 = CET1 + AT1)	**40,263**	**44,650**	**47,382**		**45**	
Tier 2 capital (T2): Instruments and provisions	**5,697**	**5,864**	**5,787**			
of which capital instruments and the related share premium accounts	*6,238*	*6,425*	*6,425*	*6*	*46*	*9*
of which amounts of qualifying amounts referred to in Article 484, paragraph 5) and the related share premium accounts subject to phase out from T2	*414*	*335*	*335*	*8*	*47*	

(1) Basel 3 proforma.

	2013	2014				
(In EUR m)	Fully Loaded[(1)]	Fully Loaded	Phased-In	Cross ref. Table 2, p. 163-164	Cross Ref. Table 6b p. 176	Cross Ref. notes
of which qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	*0*	*93*	*17*	*12*	*48*	*10*
of which credit risk adjustments	*356*	*348*	*348*		*50*	
of which direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	*(3)*	*(11)*	*(11)*		*52*	
of which direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	*(1,309)*	*(1,326)*	*(1,326)*	*1*	*54*	
Tier 2 capital (T2)	**5,697**	**5,864**	**5,787**		**58**	
Total capital (TC= T1 + T2)	**45,960**	**50,514**	**53,169**		**59**	
Total risk weighted assets	**342,610**	**353,197**	**353,601**		**60**	
Ratio Common Equity Tier One	**10.00%**	**10.13%**	**10.91%**		**61**	
Ratio Tier One	**11.75%**	**12.64%**	**13.40%**		**62**	
Ratio Total capital	**13.41%**	**14.30%**	**15.04%**		**63**	

(1) Basel 3 proforma.

- Phased in amounts refer to transitional provisions resulting from the application of CRR articles 465-491.
- The regulatory own funds items are used as a starting point to describe differences between balance sheet items used to calculate own funds and regulatory own funds.

NOTES

I - COMMON EQUITY TIER 1 (CET1): INSTRUMENTS AND RESERVES:

1. Difference due to deduction for holdings of own CET1 instruments.

2. Difference linked to a limited recognition of minority interests.

II - COMMON EQUITY TIER 1: REGULATORY ADJUSTMENTS

3. Other comprehensive income from changes in the fair value through equity of financial assets are not deducted from regulatory own funds, except gains and losses on derivatives held as cash flow hedges.

4. Goodwill and other intangible assets net of related deferred tax liabilities are fully deducted from regulatory own funds.

- OCA/DVA neutralisation:

5. Gains or losses on liabilities valued at fair value and recognised in the income statement resulting from changes in own credit spread (OCA) as well as gains or losses resulting from changes in credit spread on own liability derivatives (DVA) are deducted from Common Equity Tier 1 instruments.

III - ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS

6. Differences between balance sheet items used to calculate own funds and regulatory own funds are referring to the translation differences associated with these instruments.

7. Minority interests recognised in Additional Tier 1 instruments receive the same accounting treatment as described in note 2.

IV - ADDITIONAL TIER 1 (AT1) CAPITAL: REGULATORY ADJUSTMENTS

8. Discrepancy due to the exclusion of insurance subordinated loans in the consolidated balance sheet.

V - TIER 2 (T2) CAPITAL: INSTRUMENTS AND PROVISIONS

9. Difference due to instruments ineligible to a classification as regulatory own funds.

10. Minority interests recognised in Tier 2 instruments receive the same accounting treatment as described in note 2.

TABLE 6b: TRANSITIONAL OWN FUNDS DISCLOSURE TEMPLATE

Ref.		Amount at disclosure date	Transitional provisions
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	19,974	
2	Retained earnings	5,578	
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	18,855	
3a	Funds for general banking risk	0	
4	Amount of qualifying items referred to in Article 484, paragraph 3 and the related share premium accounts subject to phase out from CET1	0	
	Public sector capital injections grandfathered until 1 January 2018	0	
5	Minority interests (amount allowed in consolidated CET1)	1,304	833
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	1,572	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	47,282	833
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(557)	3
8	Intangible assets (net of related tax liability) (negative amount)	(6,550)	
9	Empty set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38, paragraph 3 are met) (negative amount)	(2,641)	2,631
11	Fair value reserves related to gains or losses on cash flow hedges	(23)	
12	Negative amounts resulting from the calculation of expected loss amounts	(830)	
13	Any increase in equity that results from securitised assets (negative amount)	0	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	880	
15	Defined-benefit pension fund assets (negative amount)	(11)	9
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(1,475)	29
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institutions designed to inflate artificially the own funds of the institution (negative amount)	0	
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	
20	Empty set in the EU		
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(122)	
20b	of which: qualifying holdings outside the financial sector (negative amount)	0	
20c	of which: securitisation positions (negative amount)	(122)	
20d	of which: free deliveries (negative amount)	0	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38, paragraph 3 are met) (negative amount)	(162)	162
22	Amount exceeding the 15% threshold (negative amount)	0	
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	1,404	
24	Empty set in the EU		
25	of which: deferred tax assets arsing from temporary differences	5,427	
25a	Losses for the current financial year (negative amount)	0	
25b	Foreseeable tax charges relating to CET1 items (negative amount)	0	

Ref.		Amount at disclosure date	Transitional provisions
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	0	(865)
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	0	(865)
	of which: … filter for unrealised loss 1		
	of which: … filter for unrealised loss 2		
	of which: … filter for unrealised gain 1		(492)
	of which: … filter for unrealised gain 2		(373)
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	0	
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution	0	
28	Total regulatory adjustment to Common Equity Tier 1 (CET1)	(11,491)	1,969
29	Common Equity Tier 1 (CET1) capital	35,792	2,802
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	4,706	
31	of which: classified as equity under applicable accounting standards	4,706	
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	4,129	
	Public sector capital injections grandfathered until 1 January 2018		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	50	(40)
35	of which: instruments issued by subsidiaries subject to phase out		
36	Additional Tier 1 (AT1) capital before regulatory adjustments	8,885	(40)
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	(7)	(29)
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	(20)	
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)	0	
41	Regulatory adjustments applied to AT1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	0	
41a	Residual amounts deducted from AT1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	0	
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc		
41b	Residual amounts deducted from AT1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	0	
	Of which items to be detailed line by line, e.g. Reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc		
41c	Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre-CRR	0	
	of which: … filter for unrealised losses		
	of which: … filter for unrealised gains		
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	0	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	(27)	(29)

Ref.		Amount at disclosure date	Transitional provisions
44	Additional Tier 1 (AT1) capital	8,858	(70)
45	Tier 1 capital (T1= CET1+AT1)	44,650	2,733
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	6,425	
47	Amount of qualifying items referred to in Article 484, paragraph 5 and the related share premium account subject to phase out from T2	335	
	Public sector capital injections grandfathered until 1 January 2018		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	93	(77)
49	of which: instruments issued by subsidiaries subject to phase out	0	0
50	Credit risk adjustments	348	
51	Tier 2 (T2) capital before regulatory adjustments	7,201	(77)
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(11)	
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	(1,326)	
54a	of which new holdings not subject to transitional arrangements		
54b	of which holdings existing before 1 January 2013 and subject to transitional arrangements		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	0	
56a	Residual amounts deducted from Tier 2 capital with regard to deduction form Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	0	
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc		
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013	0	
	Of which items to be detailed line by line, e.g. Reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc		
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	0	
	of which: … filter for unrealised losses		
	of which: … filter for unrealised gains		
57	Total regulatory adjustments to Tier 2 (T2) capital	(1,337)	0
58	Tier 2 (T2) capital	5,864	(77)
59	Total capital (TC=T1+T2)	50,514	2,656
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	0	404
	of which: … items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)	0	0
	of which: … items not deducted from AT1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)	0	0

Ref.		Amount at disclosure date	Transitional provisions
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities etc)	0	0
60	Total risk weighted assets	353,197	404
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	10.13%	10.91%
62	Tier 1 (as a percentage of risk exposure amount)	12.64%	13.40%
63	Total capital (as a percentage of risk exposure amount)	14.30%	15.04%
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92, paragraph 1 point a plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	0	
65	of which: capital conservation buffer requirement	0	
66	of which: countercyclical buffer requirement	0	
67	of which: systemic risk buffer requirement	0	
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		
69	[non relevant in the EU regulation]		
70	[non relevant in the EU regulation]		
71	[non relevant in the EU regulation]		
Capital ratios and buffers			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	2,090	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,404	
74	Empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38, paragraph 3 are met)	3,757	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	348	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	115,109	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the gap)	0	
79	Cap for inclusion of credit risk adjustments in T2 under internal rating-based approach	143,566	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	0	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	
82	Current cap on AT1 instruments subject to phase out arrangements	4,712	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	
84	Current cap on T2 instruments subject to phase out arrangements	596	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	

TABLE 6c: CAPITAL INSTRUMENTS MAIN FEATURES

Ref	Heading		
1	Issuer	Societe Generale	Societe Generale
2	Unique identifier	FR0000130809	US83367TBH14/USF8586CXG25
3	Governing laws of the instrument	French law	English law French law (status of the Notes)
Regulatory treatment			
4	Transitional CRR rules	CET1	AT1
5	Post-transitional CRR rules	CET1	AT1
6	Eligible at: solo; consolidated; solo & consolidated	Consolidated	Consolidated
7	Instrument type	Ordinary share	- Undated Deeply Subordinated Notes - CRR art. 52
8	Amount recognised in regulatory capital (€/mln)	1,007	1,235
9	Nominal amount of instrument at date	1.25 Eur	USD 1,500 M / EUR 1,235 M
9a	Issue price	NA	100%
9b	Redemption price	NA	100%
10	Accounting classification	Capital	Capital
11	Original date of issuance	NA	26/05/2014
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior Supervisory approval	NA	Yes
15	Optional call dates, Contingent call dates and redemption amount	NA	Call option on 27/01/2020 + Tax call + Capital event call at par
16	Subsequent call dates, if applicable	NA	each five years (i.e.: at each reset date)
Coupons/dividends			
17	Fixed or floating dividend/coupon	Floating	Fixed to Fixed with reset
18	Coupon rate and any related index	NA	6% and after each reset date: (5-year USD Mid-Swap rate + 4.067%)
19	Existence of a dividend stopper	NA	No
20a	Fully discretionary, partially discretionary or mandatory - in terms of timing	Full discretion	Full discretion
20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Full discretion	Full discretion
21	Existence of step up or other incentive to redeem	NA	No
22	Noncumulative or cumulative	NA	Not cumulative
23	Convertible or non-convertible	NA	Not convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down features	NA	Yes
31	If write-down, write down triggers	NA	The principal may be written down at the PONV by the Relevant Regulator (the ACPR and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the issuer). Issuer's Common Equity Tier 1 capital ratio falls below 5.125 per cent
32	If write-down, full or partial	NA	Partial or full write-down
33	If write-down, permanent or temporary	NA	Temporary or permanent
34	If temporary write-down, description of write-up mechanism	NA	Write up possible if Return to Financial Health has been achieved, i.e. a Consolidated Net Income has been recorded at any time, and subject to MDA not being exceeded
35	Position in subordination hierarchy in liquidation	Subordinated to deeply subordinated notes	Subordinated to subordinated notes
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

Societe Generale	Societe Generale	Societe Generale
XS0867620725	US83367TBF57/USF8586CRW49	XS0867614595
English law French law (status of the Notes)	English law French law (status of the Notes)	English law French law (status of the Notes)
Regulatory treatment		
AT1	AT1	AT1
AT1	AT1	AT1
Consolidated	Consolidated	Consolidated
- Undated Deeply Subordinated Notes - CRR art. 52	- Undated Deeply Subordinated Notes - CRR art. 52	- Undated Deeply Subordinated Notes - CRR art. 52
1,000	1,441	1,030
EUR 1,000 M	USD 1,750 M/EUR 1,441 M	USD 1,250 M/EUR 1,030 M
100%	100%	100%
100%	100%	100%
Capital	Capital	Capital
07/04/2014	18/12/2013	06/09/2013
Perpetual	Perpetual	Perpetual
No maturity	No maturity	No maturity
Yes	Yes	Yes
Call option on 07/04/2021 + Tax call + Capital event call at par	Call option on 18/12/2023 + Tax call + Capital event call at par	Call option on 29/11/2018 + Tax call + Capital event call at par
each five years (i.e.: at each reset date)	each five years (i.e.: at each reset date)	each five years (i.e.: at each reset date)
Coupons/dividends		
Fixed to Fixed with reset	Fixed to Fixed with reset	Fixed to Fixed with reset
6.75% and after each reset date: (5-year EUR Mid-Swap rate + 5.538%)	7.875% and after each reset date: (5-year USD Mid-Swap rate + 4.979%)	8.25% and after each reset date: (5-year USD Mid-Swap rate + 6.394%)
No	No	No
Full discretion	Full discretion	Full discretion
Full discretion	Full discretion	Full discretion
No	No	No
Not cumulative	Not cumulative	Not cumulative
Not convertible	Not convertible	Not convertible
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
Yes	Yes	Yes
The principal may be written down at the PONV by the Relevant Regulator (the ACPR and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the issuer). Issuer's Common Equity Tier 1 capital ratio falls below 5.125 per cent	The principal may be written down at the PONV by the Relevant Regulator (the ACPR and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the issuer). Prior to the CRD Implementation Date, the EBA CT1 ratio is less than 5.125 per cent. And from (and including) the CRD Implementation Date, the Issuer's Common Equity Tier 1 capital ratio falls below 5.125 per cent	The principal may be written down at the PONV by the Relevant Regulator (the ACPR and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the issuer). Prior to the CRD Implementation Date, the EBA CT1 ratio is less than 5.125 per cent. And from (and including) the CRD Implementation Date, the Issuer's Common Equity Tier 1 capital ratio falls below 5.125 per cent
Partial or full write-down	Partial or full write-down	Partial or full write-down
Temporary or permanent	Temporary or permanent	Temporary or permanent
Write up possible if Return to Financial Health has been achieved, i.e. a Consolidated Net Income has been recorded at any time, and subject to MDA not being exceeded	Write up possible if Return to Financial Health has been achieved, i.e. a Consolidated Net Income has been recorded at any time, and subject to MDA not being exceeded	Write up possible if Return to Financial Health has been achieved, i.e. a Consolidated Net Income has been recorded at any time, and subject to MDA not being exceeded
Subordinated to subordinated notes	Subordinated to subordinated notes	Subordinated to subordinated notes
No	No	No
NA	NA	NA

Ref	Heading		
1	Issuer	Societe Generale	Societe Generale
2	Unique identifier	XS0454569863	XS0449487619
3	Governing laws of the instrument	English law French law (status of the Notes)	English law French law (status of the Notes)
Regulatory treatment			
4	Transitional CRR rules	AT1	AT1
5	Post-transitional CRR rules	Ineligible	Ineligible
6	Eligible at: solo; consolidated; solo & consolidated	Consolidated	Consolidated
7	Instrument type	- Undated Deeply Subordinated Notes - CRR art. 52 - CRR art. 484	- Undated Deeply Subordinated Notes - CRR art. 52 - CRR art. 484
8	Amount recognised in regulatory capital (€/mln)	824	1,000
9	Nominal amount of instrument at date	USD 1,000 M/EUR 824 M	EUR 1,000 M
9a	Issue price	100%	100%
9b	Redemption price	100%	100%
10	Accounting classification	Capital	Capital
11	Original date of issuance	07/10/09	04/09/09
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior Supervisory approval	Yes	Yes
15	Optional call dates, Contingent call dates and redemption amount	Call option on 07/04/2015 + Tax call + Regulatory call at par	Call option on 04/09/2019 + Tax call + Regulatory call at par
16	Subsequent call dates, if applicable	Call option every 6 months from 07/04/2015	Call option every 3 months from 04/09/2019
Coupons/Dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed to Floating
18	Coupon rate and any related index	8.750%	9.375% and then 3-month EURIBOR + 5.934% + 2.967%
19	Existence of a dividend stopper	No	No
20a	Fully discretionary, partially discretionary or mandatory - in terms of timing	Partially discretionary	Partially discretionary
20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	Yes
22	Noncumulative or cumulative	Not cumulative	Not cumulative
23	Convertible or non-convertible	Not convertible	Not convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down features	Yes	Yes
31	If write-down, write down triggers	In case of Supervisory Event triggered either by deteriorated capital ratios or at the sole discretion of the SGCB, and if (i) a share capital increase was not authorised by the Extraordinary Shareholder Meeting or not sufficient and (ii) the write-down of interest payments was not sufficient either.	In case of Supervisory Event triggered either by deteriorated capital ratios or at the sole discretion of the SGCB, and if (i) a share capital increase was not authorised by the Extraordinary Shareholder Meeting or not sufficient and (ii) the write-down of interest payments was not sufficient either.
32	If write-down, full or partial	Partial or full write-down	Partial or full write-down
33	If write-down, permanent or temporary	Temporary or permanent	Temporary or permanent
34	If temporary write-down, description of write-up mechanism	Write up shall occur if Return to Financial Health has been achieved, i.e. two consecutive positive Consolidated Net Income following the End of a Supervisory Event	Write up shall occur if Return to Financial Health has been achieved, i.e. two consecutive positive Consolidated Net Income following the End of a Supervisory Event
35	Position in subordination hierarchy in liquidation	Subordinated to subordinated notes	Subordinated to subordinated notes
36	Non-compliant transitioned features	Yes	Yes
37	If yes, specify non-compliant features	- Interest not fully discretionary - No trigger event with a CET1 ratio at 5.125%	- Step-up mechanism - Interest not fully discretionary - No trigger event with a CET1 ratio at 5.125%

Societe Generale	Societe Generale	Societe Generale
XS0414945732	XS0373447969	XS0369350813
English law French law (status of the Notes)	English law French law (status of the Notes)	English law French law (status of the Notes)
Regulatory treatment		
AT1	AT1	AT1
Ineligible	Ineligible	Ineligible
Consolidated	Consolidated	Consolidated
- Undated Deeply Subordinated Notes - CRR art. 52 - CRR art. 484	- Undated Deeply Subordinated Notes - CRR art. 52 - CRR art. 484	- Undated Deeply Subordinated Notes - CRR art. 52 - CRR art. 484
371	100	649
USD 450 M/EUR 371 M	EUR 100 M	GBP 505 M/EUR 649 M
100%	100%	99.255%
100%	100%	100%
Capital	Capital	Capital
27/02/09	07/07/08	16/06/08
Perpetual	Perpetual	Perpetual
No maturity	No maturity	No maturity
Yes	Yes	Yes
Call option on 27/02/2016 + Tax call + Regulatory call at the early redemption amount	Call option on 07/07/2018 + Tax call + Regulatory call at the early redemption amount	Call option on 16/06/2018 + Tax call + Regulatory call at the early redemption amount
Call option every 3 months from 27/02/2016	Call option every 3 months from 07/07/2018	Call option every 3 months from 16/06/2018
Coupons/Dividends		
Fixed to Floating	Fixed to Floating	Fixed to Floating
9.5045% and then 3-month LIBOR + 6.77%	7.715% and then 3-month EURIBOR + 3.70%	8.875% and then 3-month £ LIBOR + 3.40%
No	No	No
Partially discretionary	Partially discretionary	Partially discretionary
Partially discretionary	Partially discretionary	Partially discretionary
No	Yes	No
Not cumulative	Not cumulative	Not cumulative
Not convertible	Not convertible	Not convertible
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
Yes	Yes	Yes
In case of Supervisory Event triggered either by deteriorated capital ratios or at the sole discretion of the SGCB, and if (i) a share capital increase was not authorised by the Extraordinary Shareholder Meeting or not sufficient and (ii) the write-down of interest payments was not sufficient either.	In case of Supervisory Event triggered either by deteriorated capital ratios or at the sole discretion of the SGCB, and if (i) a share capital increase was not authorised by the Extraordinary Shareholder Meeting or not sufficient and (ii) the write-down of interest payments was not sufficient either.	In case of Supervisory Event triggered either by deteriorated capital ratios or at the sole discretion of the SGCB, and if (i) a share capital increase was not authorised by the Extraordinary Shareholder Meeting or not sufficient and (ii) the write-down of interest payments was not sufficient either.
Partial or full write-down	Partial or full write-down	Partial or full write-down
Temporary or permanent	Temporary or permanent	Temporary or permanent
Write up shall occur if Return to Financial Health has been achieved, i.e. two consecutive positive Consolidated Net Income following the End of a Supervisory Event	Write up shall occur if Return to Financial Health has been achieved, i.e. two consecutive positive Consolidated Net Income following the End of a Supervisory Event	Write up shall occur if Return to Financial Health has been achieved, i.e. two consecutive positive Consolidated Net Income following the End of a Supervisory Event
Subordinated to subordinated notes	Subordinated to subordinated notes	Subordinated to subordinated notes
Yes	Yes	Yes
- Interest not fully discretionary - No trigger event with a CET1 ratio at 5.125%	- Purchased by a subsidiary - Step-up mechanism - Interest not fully discretionary - No trigger event with a CET1 ratio at 5.125%	- Interest not fully discretionary - No trigger event with a CET1 ratio at 5.125%

Ref	Heading		
1	Issuer	Societe Generale	Societe Generale
2	Unique identifier	XS0336598064	US83367TAA79/USF8586CAA02
3	Governing laws of the instrument	English law French law (status of the Notes)	English law French law (status of the Notes)
Regulatory treatment			
4	Transitional CRR rules	AT1	AT1
5	Post-transitional CRR rules	Ineligible	Ineligible
6	Eligible at: solo; consolidated; solo & consolidated	Consolidated	Consolidated
7	Instrument type	- Undated Deeply Subordinated Notes - CRR art. 52 - CRR art. 484	- Undated Deeply Subordinated Notes - CRR art. 52 - CRR art. 484
8	Amount recognised in regulatory capital (€/mln)	468	665
9	Nominal amount of instrument at date	EUR 468 M	USD 808 M/EUR 665 M
9a	Issue price	100%	100%
9b	Redemption price	100%	100%
10	Accounting classification	Capital	Capital
11	Original date of issuance	19/12/07	05/04/07
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior Supervisory approval	Yes	Yes
15	Optional call dates, Contingent call dates and redemption amount	Call option on 19/12/2017 + Tax call + Regulatory call at the early redemption amount	Call option on 05/04/2017 + Tax call + Regulatory call at the early redemption amount
16	Subsequent call dates, if applicable	Call option every 3 months from 19/12/2017	Call option every 3 months from 05/04/2017
Coupons/Dividends			
17	Fixed or floating dividend/coupon	Fixed to Floating	Fixed to Floating
18	Coupon rate and any related index	6.999% and then 3-month EURIBOR + 3.35%	5.922% and then 3-month USD LIBOR + 1.75%
19	Existence of a dividend stopper	No	No
20a	Fully discretionary, partially discretionary or mandatory - in terms of timing	Partially discretionary	Partially discretionary
20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	Yes	Yes
22	Noncumulative or cumulative	Not cumulative	Not cumulative
23	Convertible or non-convertible	Not convertible	Not convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down features	Yes	Yes
31	If write-down, write down triggers	In case of Supervisory Event triggered either by deteriorated capital ratios or at the sole discretion of the SGCB, and if (i) a share capital increase was not authorised by the Extraordinary Shareholder Meeting or not sufficient and (ii) the write-down of interest payments was not sufficient either.	In case of Supervisory Event triggered either by deteriorated capital ratios or at the sole discretion of the SGCB, and if (i) a share capital increase was not authorised by the Extraordinary Shareholder Meeting or not sufficient and (ii) the write-down of interest payments was not sufficient either.
32	If write-down, full or partial	Partial or full write-down	Partial or full write-down
33	If write-down, permanent or temporary	Temporary or permanent	Temporary or permanent
34	If temporary write-down, description of write-up mechanism	Write up shall occur if Return to Financial Health has been achieved, i.e. two consecutive positive Consolidated Net Income following the End of a Supervisory Event	Write up shall occur if Return to Financial Health has been achieved, i.e. two consecutive positive Consolidated Net Income following the End of a Supervisory Event
35	Position in subordination hierarchy in liquidation	Subordinated to subordinated notes	Subordinated to subordinated notes
36	Non-compliant transitioned features	Yes	Yes
37	If yes, specify non-compliant features	- Step-up mechanism - Interest not fully discretionary - No trigger event with a CET1 ratio at 5.125%	- Step-up mechanism - Interest not fully discretionary - No trigger event with a CET1 ratio at 5.125 %

Societe Generale	Societe Generale	Societe Generale
US83367TAB52/USF8586CAB84	XS1110558407	US83367TBG31/USF8590LAA47
English law French law (status of the Notes)	English law French law (status of the Notes)	English law French law (status of the Notes)
Regulatory treatment		
AT1	Tier 2	Tier 2
Ineligible	Tier 2	Tier 2
Consolidated	Consolidated	Consolidated
- Undated Deeply Subordinated Notes - CRR art. 52 - CRR art. 484	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
52	1,000	824
USD 63 M/EUR 52 M	EUR 1,000 M	USD 1,000 M/EUR 824 M
100%	99.292%	99.093%
100%	100%	100%
Capital	Debt	Debt
05/04/07	16/09/14	17/01/14
Perpetual	Dated	Dated
No maturity	16/09/26	17/01/24
Yes	Yes	Yes
Call option on 05/04/2017 + Tax call + Regulatory call at par	Call option on 16/09/2021 + Tax call + Capital event call at par	Tax call + Capital event call at par
Call option every 3 months from 05/04/2017	NA	NA
Coupons/Dividends		
Floating to Floating	Fixed to Fixed with reset	Fixed
3-month LIBOR USD + 0.75% and then 3-month USD LIBOR + 1.75%	2.5% and after each reset date: (5-year Mid-Swap rate + 1.83%)	5%
No	No	No
Partially discretionary	Mandatory	Mandatory
Partially discretionary	Mandatory	Mandatory
Yes	No	No
Not cumulative	NA	NA
Not convertible	Not convertible	Not convertible
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
Yes	No	No
In case of Supervisory Event triggered either by deteriorated capital ratios or at the sole discretion of the SGCB, and if (i) a share capital increase was not authorised by the Extraordinary Shareholder Meeting or not sufficient and (ii) the write-down of interest payments was not sufficient either.	NA	NA
Partial or full write-down	NA	NA
Temporary or permanent	NA	NA
Write up shall occur if Return to Financial Health has been achieved, i.e. two consecutive positive Consolidated Net Income following the End of a Supervisory Event	NA	NA
Subordinated to subordinated notes	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
Yes	No	No
- Step-up mechanism - Interest not fully discretionary - No trigger event with a CET1 ratio at 5.125 %	NA	NA

Ref	Heading		
1	Issuer	Societe Generale	Societe Generale
2	Unique identifier	XS0867612466	XS0383634762
3	Governing laws of the instrument	English law French law (status of the Notes)	English law French law (status of the Notes)
Regulatory treatment			
4	Transitional CRR rules	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2
6	Eligible at: solo; consolidated; solo & consolidated	Consolidated	Consolidated
7	Instrument type	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
8	Amount recognised in regulatory capital (€/mln)	1,000	566
9	Nominal amount of instrument at date	EUR 1,000 M	EUR 778 M
9a	Issue price	99.612%	99.279%
9b	Redemption price	100%	100%
10	Accounting classification	Debt	Debt
11	Original date of issuance	07/06/13	20/08/08
12	Perpetual or dated	Dated	Dated
13	Original maturity date	07/06/23	20/08/18
14	Issuer call subject to prior Supervisory approval	Yes	Yes
15	Optional call dates, Contingent call dates and redemption amount	Tax call + Capital event call at par	Tax call at market value
16	Subsequent call dates, if applicable	NA	NA
Coupons/Dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	4%	6.125%
19	Existence of a dividend stopper	No	No
20a	Fully discretionary, partially discretionary or mandatory - in terms of timing	Mandatory	Partially discretionary
20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Mandatory	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	NA	Not cumulative
23	Convertible or non-convertible	Not convertible	Not convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down features	No	No
31	If write-down, write down triggers	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

Societe Generale	Societe Generale	Societe Generale
XS0373498442	XS0365796092	XS0355115394
English law French law (status of the Notes)	English law French law (status of the Notes)	English law French law (status of the Notes)
Regulatory treatment		
Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2
Consolidated	Consolidated	Consolidated
- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
40	260	400
EUR 40 M	EUR 260 M	EUR 400 M
100%	100%	100%/99.93%
100%	100%	100%
Debt	Debt	Debt
30/06/08	10/06/08	15/04/2008 (Issuance of 321 Meur) and 30/05/08 (Issuance of 79 Meur)
Dated	Dated	Dated
30/06/23	12/06/23	15/04/23
Yes	Yes	Yes
Tax call at market value	Tax call at market value	Tax call at market value
NA	NA	NA
Coupons/Dividends		
Fixed	Floating	Floating
6.364%	EUR CMS 10 years with cap at 6.30%	EUR CMS 10 years + 1.37% with floor at 0%
No	No	No
Partially discretionary	Partially discretionary	Partially discretionary
Partially discretionary	Partially discretionary	Partially discretionary
No	No	No
Not cumulative	Not cumulative	Not cumulative
Not convertible	Not convertible	Not convertible
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
No	No	No
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
Subordinated to unsubordinated notes	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
No	No	No
NA	NA	NA

Ref	Heading		
1	Issuer	Societe Generale	Societe Generale
2	Unique identifier	XS0355119115	XS0351258255
3	Governing laws of the instrument	English law French law (status of the Notes)	English law French law (status of the Notes)
Regulatory treatment			
4	Transitional CRR rules	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2
6	Eligible at: solo; consolidated; solo & consolidated	Consolidated	Consolidated
7	Instrument type	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
8	Amount recognised in regulatory capital (€/mln)	495	214
9	Nominal amount of instrument at date	EUR 495 M	EUR 331 M
9a	Issue price	100%/100.60%/99.264%/99.415% 98.733% 97.768%/97.494%/97.093%	100%/100.23%/100.186%/99.933%
9b	Redemption price	100%	100%
10	Accounting classification	Debt	Debt
11	Original date of issuance	07/04/2008 (Issuance of 250 Meur) 28/04/2008 (Issuance of 50 Meur) and 14/05/2008 (Issuance of 290 Meur)	26/03/2008
12	Perpetual or dated	Dated	Dated
13	Original maturity date	06/04/23	26/03/18
14	Issuer call subject to prior Supervisory approval	Yes	Yes
15	Optional call dates, Contingent call dates and redemption amount	Tax call at market value	Tax call at market value
16	Subsequent call dates, if applicable	NA	NA
Coupons/Dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	6.363%	5.849%
19	Existence of a dividend stopper	No	No
20a	Fully discretionary, partially discretionary or mandatory - in terms of timing	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Not cumulative	Not cumulative
23	Convertible or non-convertible	Not convertible	Not convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down features	No	No
31	If write-down, write down triggers	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

Societe Generale	Societe Generale	Societe Generale
XS0347263450	FR0010520882	FR0010482174
English law French law (status of the Notes)	French law	French law
Regulatory treatment		
Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2
Consolidated	Consolidated	Consolidated
- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
141	125	118
EUR 225 M	EUR 129 M	EUR 130 M
100%	99.965%	99.769%
100%	100%	100%
Debt	Debt	Debt
14/02/08	30/10/07	16/07/07
Dated	Dated	Dated
14/02/18	30/10/19	16/07/19
Yes	No	No
Tax call at par	NA	NA
NA	NA	NA
Coupons/Dividends		
Floating	Fixed	Fixed
EUR CMS 10 years + 0.93% with floor at 0% and cap at 7%	5%	4.9%
No	No	No
Mandatory	Mandatory	Mandatory
Mandatory	Mandatory	Mandatory
No	No	No
Not cumulative	NA	NA
Not convertible	Not convertible	Not convertible
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
No	No	No
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
Subordinated to unsubordinated notes	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
No	No	No
NA	NA	NA

Ref	Heading		
1	Issuer	Societe Generale	Societe Generale
2	Unique identifier	FR0010420190	FR0010375113
3	Governing laws of the instrument	French law	French law
Regulatory treatment			
4	Transitional CRR rules	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2
6	Eligible at: solo; consolidated; solo & consolidated	Consolidated	Consolidated
7	Instrument type	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
8	Amount recognised in regulatory capital (€/mln)	95	85
9	Nominal amount of instrument at date	EUR 116 M	EUR 111 M
9a	Issue price	99.918%	99.972%
9b	Redemption price	100%	100%
10	Accounting classification	Debt	Debt
11	Original date of issuance	09/02/07	26/10/06
12	Perpetual or dated	Dated	Dated
13	Original maturity date	11/02/19	26/10/18
14	Issuer call subject to prior Supervisory approval	No	No
15	Optional call dates, Contingent call dates and redemption amount	NA	NA
16	Subsequent call dates, if applicable	NA	NA
Coupons/Dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	4.4%	4.2%
19	Existence of a dividend stopper	No	No
20a	Fully discretionary, partially discretionary or mandatory - in terms of timing	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	Not convertible	Not convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down features	No	No
31	If write-down, write down triggers	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

Societe Generale	Societe Generale	Societe Generale
FR0010318659	US83364LAB53/ USF43628AB60	XS0227479911
French law	English law French law (status of the Notes)	English law French law (status of the Notes)
Regulatory treatment		
Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2
Consolidated	Consolidated	Consolidated
- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
84	111	9
EUR 125 M	USD 519 M/EUR 427 M	USD 75 M/EUR 62 M
99.945%	99.797%	98.000%
100%	100%	100%
Debt	Debt	Debt
15/05/06	20/04/06	30/09/05
Dated	Dated	Dated
15/05/18	20/04/16	30/12/15
No	Yes	Yes
NA	Tax call at par	Tax call at par
NA	NA	NA
Coupons/Dividends		
Fixed	Fixed	Fixed
4.35%	5.75%	4.908%
No	No	No
Mandatory	Mandatory	Mandatory
Mandatory	Mandatory	Mandatory
No	No	No
NA	NA	NA
Not convertible	Non-convertible	Non-convertible
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
No	No	No
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
Subordinated to unsubordinated notes	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
No	No	No
NA	NA	NA

Ref	Heading		
1	Issuer	Societe Generale	Societe Generale
2	Unique identifier	XS0226099983	FR0010186304
3	Governing laws of the instrument	English law French law (status of the Notes)	French law
Regulatory treatment			
4	Transitional CRR rules	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2
6	Eligible at: solo; consolidated; solo & consolidated	Consolidated	Consolidated
7	Instrument type	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
8	Amount recognised in regulatory capital (€/mln)	216	42
9	Nominal amount of instrument at date	EUR 216 M	EUR 90 M
9a	Issue price	100%	99.932%
9b	Redemption price	100%	100%
10	Accounting classification	Debt	Debt
11	Original date of issuance	16/08/05	13/05/05
12	Perpetual or dated	Dated	Dated
13	Original maturity date	18/08/25	13/05/17
14	Issuer call subject to prior Supervisory approval	Yes	No
15	Optional call dates, Contingent call dates and redemption amount	Tax call at par	NA
16	Subsequent call dates, if applicable	NA	NA
Coupons/Dividends			
17	Fixed or floating dividend/coupon	Floating	Fixed
18	Coupon rate and any related index	EURCMS10y minus 0.25%	3.9%
19	Existence of a dividend stopper	No	No
20a	Fully discretionary, partially discretionary or mandatory - in terms of timing	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	Not convertible	Not convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down features	No	No
31	If write-down, write down triggers	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

Societe Generale	Societe Generale	Societe Generale
FR0010154906	FR0010125476	FR0010071027
French law	French law	French law
Regulatory treatment		
Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2
Consolidated	Consolidated	Consolidated
- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
47	34	30
EUR 112 M	EUR 94 M	EUR 113 M
99.991%	99.963%	99.654%
100%	100%	100%
Debt	Debt	Debt
03/02/05	29/10/04	06/05/04
Dated	Dated	Dated
03/02/17	29/10/16	06/05/16
No	No	No
NA	NA	NA
NA	NA	NA
Coupons/Dividends		
Fixed	Fixed	Fixed
4%	4.4%	4.5%
No	No	No
Mandatory	Mandatory	Mandatory
Mandatory	Mandatory	Mandatory
No	No	No
NA	NA	NA
Not convertible	Not convertible	Not convertible
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
No	No	No
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
Subordinated to unsubordinated notes	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
No	No	No
NA	NA	NA

Ref	Heading		
1	Issuer	Societe Generale	Societe Generale
2	Unique identifier	FR0010042226	XS0161798417
3	Governing laws of the instrument	French law	English law
Regulatory treatment			
4	Transitional CRR rules	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2
6	Eligible at: solo; consolidated; solo & consolidated	Consolidated	Consolidated
7	Instrument type	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
8	Amount recognised in regulatory capital (€/mln)	25	219
9	Nominal amount of instrument at date	EUR 114 M	GBP 276 M/EUR 355 M
9a	Issue price	99.882%	99.834%/98.794%
9b	Redemption price	100%	100%
10	Accounting classification	Debt	Debt
11	Original date of issuance	04/02/04	30/01/2003 (Issuance of 450 Meur) and 29/12/2003 (Issuance of 150 Meur)
12	Perpetual or dated	Dated	Dated
13	Original maturity date	04/02/16	30/01/18
14	Issuer call subject to prior Supervisory approval	No	Yes
15	Optional call dates, Contingent call dates and redemption amount	NA	Tax call at par
16	Subsequent call dates, if applicable	NA	NA
Coupons/Dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	4.6%	5.4%
19	Existence of a dividend stopper	No	No
20a	Fully discretionary, partially discretionary or mandatory - in terms of timing	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	Not convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down features	No	No
31	If write-down, write down triggers	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

Societe Generale	Societe Generale	Societe Generale
FR0010016790	FR0000189110	FR0000487886
French law	French law	French law
Regulatory treatment		
Tier 2	Tier 2	Tier 2
Tier 2	Tier 2	Tier 2
Consolidated	Consolidated	Consolidated
- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
18	6	120
EUR 113 M	EUR 94 M	EUR 304 M
99.873%	99.969%	98.834%/112.457%
100%	100%	100%
Debt	Debt	Debt
13/10/03	28/04/03	21/12/2001 (Issuance of 300 Meur) and 02/06/2003 (Issuance of 110 Meur)
Dated	Dated	Dated
13/10/15	28/04/15	21/12/16
No	No	No
NA	NA	NA
NA	NA	NA
Coupons/Dividends		
Fixed	Fixed	Fixed
4.55%	4.6%	5.875%
No	No	No
Mandatory	Mandatory	Mandatory
Mandatory	Mandatory	Mandatory
No	No	No
NA	NA	NA
Not convertible	Not convertible	Not convertible
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
No	No	No
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
Subordinated to unsubordinated notes	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
No	No	No
NA	NA	NA

Ref	Heading		
1	Issuer	Societe Generale	Societe Generale
2	Unique identifier	XS0114546665	XS0110673950
3	Governing laws of the instrument	English law	English law
Regulatory treatment			
4	Transitional CRR rules	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2
6	Eligible at: solo; consolidated; solo & consolidated	Consolidated	Consolidated
7	Instrument type	- Dated Subordinated Notes - CRR art. 63	- Dated Subordinated Notes - CRR art. 63
8	Amount recognised in regulatory capital (€/mln)	17	31
9	Nominal amount of instrument at date	EUR 22 M	EUR 491 M
9a	Issue price	100%	99.814%
9b	Redemption price	100%	100%
10	Accounting classification	Debt	Debt
11	Original date of issuance	21/07/00	27/04/2000 (Issuance of 500 Meur) and 23/06/2000 (Issuance of 125 Meur)
12	Perpetual or dated	Dated	Dated
13	Original maturity date	31/07/30	27/04/15
14	Issuer call subject to prior Supervisory approval	Yes	Yes
15	Optional call dates, Contingent call dates and redemption amount	Tax call at the early redemption amount	Tax call at par
16	Subsequent call dates, if applicable	NA	NA
Coupons/Dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	6.393%	6.625%
19	Existence of a dividend stopper	No	No
20a	Fully discretionary, partially discretionary or mandatory - in terms of timing	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory - in terms of amount	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	NA	NA
23	Convertible or non-convertible	Not convertible	Not convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down features	No	No
31	If write-down, write down triggers	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

Societe Generale	Societe Generale	Societe Generale
XS0072430498	FR0008202550	FR0000585564
English law French law (status of the Notes)	French law	French law
Regulatory treatment		
Tier 2	Tier 2	Tier 2
Ineligible	Ineligible	Ineligible
Consolidated	Consolidated	Consolidated
- Undated Deeply Subordinated Notes - CRR art. 63 - CRR art. 484	- Undated Deeply Subordinated Notes - CRR art. 63 - CRR art. 484	- Undated Deeply Subordinated Notes - CRR art. 63 - CRR art. 484
69	204	62
JPY 10 000 M / EUR 69 M	USD 248 M / EUR 204 M	EUR 62 M
100%	100,050%	100%
100%	100%	100%
Capital	Capital	Capital
30/12/96	24/11/86	01/07/85
Perpetual	Perpetual	Perpetual
No maturity	No maturity	No maturity
Yes	Yes	No
Call option on 20/09/2016 + Tax call at par	Call option on 24/11/1991 + Tax call at par	NA
Call option every 5 years from 20/09/2016	Call option every 6 months from 24/11/1991	NA
Coupons/Dividends		
Fixed to Fixed with reset	Floating	Floating
3.936% and then Max (3.936%; 5Y swap JPY + 2.00%)	Average of banks' quotations + 0.075%	Average TMO - 0.25%
No	No	No
Partially discretionary	Partially discretionary	Partially discretionary
Partially discretionary	Partially discretionary	Partially discretionary
Yes	No	No
Cumulative	Cumulative	Cumulative
Not convertible	Not convertible	Not convertible
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
Yes	No	No
If residual losses after CT1 and AT1 loss absorption	NA	NA
Partial or full write-down	NA	NA
Permanent	NA	NA
NA	NA	NA
Subordinated to unsubordinated notes	Subordinated to unsubordinated notes	Subordinated to unsubordinated notes
Yes	Yes	Yes
- step-up mechanism	- Purchase by issuer possible at any time, even during the first 5 years, and without supervisory agreement.	- Purchase by issuer possible at any time, even during the first 5 years, and without supervisory agreement.

4. CREDIT RISKS

CREDIT RISK MANAGEMENT: ORGANISATION AND STRUCTURE

The Risk Division has defined a control and monitoring system, in conjunction with the business divisions and based on the credit risk policy, to provide a framework for the Group's credit risk management. This framework is periodically reviewed and approved by the Audit, Internal Control and Risk Committee(1).

Credit risk supervision is organised by business division (French Networks, International Banking & Financial Services, Global Banking and Investor Solutions) and is supplemented by departments with a more cross-business approach (monitoring of country risk and risk linked to financial institutions). The team that handles counterparty risk on market transactions reports to the Market Risk Department.

Within the Risk Division, each of these departments is responsible for:

- setting global and individual credit limits by client, client category or transaction type;
- authorising transactions submitted by the sales departments;
- approving ratings or internal client rating criteria;
- monitoring and supervision of large exposures and various specific credit portfolios;
- approving specific and general provisioning policies.

In addition, a specific department performs comprehensive portfolio analyses and provides the associated reports, including those for the supervisory authorities. A monthly report on the Risk Division's activity is presented to CORISQ and specific analyses are submitted to the General Management.

CREDIT POLICY

Societe Generale's credit policy is based on the principle that approval of any credit risk undertaking must be based on sound knowledge of the client and the client's business, an understanding of the purpose and structure of the transaction and the sources of repayment of the debt. Credit decisions must also ensure that the structure of the transaction will minimise the risk of loss in the event the counterparty defaults. Furthermore, the credit approval process takes into consideration the overall commitment of the group to which the client belongs. Risk approval forms part of the Group's risk management strategy in line with its risk appetite.

The risk approval process is based on four core principles:

- all transactions involving credit risk (debtor risk, settlement/delivery risk, issuer risk and replacement risk) must be pre-authorised;
- responsibility for analysing and approving transactions lies with dedicated primary customer relation unit and risk unit. The primary customer relation unit and the risk unit examine all authorisation requests relating to a specific client or client group, to ensure a consistent approach to risk management;
- the primary customer relation unit and the risk unit must be independent from each other;
- credit decisions must be systematically based on internal risk ratings (obligor rating), as provided by the primary customer relation unit and approved by the Risk Division.

The Risk Division submits recommendations to CORISQ on the limits it deems appropriate for certain countries, geographic regions, sectors, products or customer types, in order to reduce risks with strong correlations. The allocation of limits is subject to final approval by the Group's General Management and is based on a process that involves the Business Divisions exposed to risk and the Risk Division.

RISK SUPERVISION AND MONITORING SYSTEM

Portfolio review and sector risk monitoring

Authorisation limits are set by counterparty and the credit approval process must comply with the overall authorisation limit for the group to which the counterparty belongs.

Individual large exposures are reviewed by the Large Exposures Committee chaired by the General Management.

Concentrations are measured using an internal model and individual concentration limits are defined for larger exposures. Any concentration limit breach is managed over time by reducing exposures, and/or hedging positions using credit derivatives.

Concentration targets are defined for the biggest counterparties at Concentration Committee meetings.

(1) Board of Directors' Risk Committee from 1st January 2015.

In addition, the Group regularly reviews its entire credit portfolio through analysis by type of counterparty or business sector. In addition to industry research and regular sector concentration analysis, sector research and more specific business portfolio analyses are carried out at the request of the bank's General Management and/or Risk Division and/or business divisions.

Monitoring of Country Risk

Country risk arises when an exposure (loan, security, guarantee or derivative) becomes liable to negative impact from changing political, economic, social and financial conditions in the country of exposure.

It includes exposure to any kind of counterparty, including a sovereign state (sovereign risk is also controlled by the system of counterparty risk limits).

Country risk breaks down into two major categories:

- political and non-transfer risk covers the risk of non-payment resulting from either actions or measures taken by local government authorities (decision to prohibit the debtor from meeting its commitments, nationalisation, expropriation, non-convertibility, etc.), domestic events (riots, civil war, etc.) or external events (war, terrorism, etc.);
- commercial risk occurs when the credit quality of all counterparties in a given country deteriorates due to a national economic or financial crisis, independently of each counterparty's individual financial situation. This could be macroeconomic shock (sharp slowdown in activity, systemic banking crisis, etc.) or currency depreciation, or sovereign default on external debt possibly entailing other defaults.

Overall limits and strengthened monitoring of exposures have been established for countries based on their internal ratings and governance indicators. Supervision is not limited to emerging markets.

Country limits are approved annually by General Management. They can also be revised downward at any time if the country's situation deteriorates or is expected to deteriorate.

All Group exposures (securities, derivatives, loans and guarantees) are taken into account by this monitoring.

The Country Risk methodology determines an initial country of risk and a final country of risk (after the effects of any guarantees) within the country limits framework.

Specific monitoring of hedge funds

Hedge funds are important counterparties for the Group. Because they are not regulated, hedge funds pose specific risks: they are able to use significant leverage as well as investment strategies that involve illiquid financial instruments, which leads to a strong correlation between credit risk and market risk.

Activities carried out in the hedge fund sector are governed by a set of global limits established by the General Management:

- a Credit VaR limit which controls the maximum replacement risk that may be taken in this segment;
- a stress test limit governing market risks and the risks associated with financing transactions guaranteed by shares in hedge funds.

Credit stress tests

With the aim of identifying, monitoring and managing credit risk, the Risk Division works with the business divisions to conduct a set of specific stress tests relating to a country, a subsidiary or an activity. These specific stress tests combine both recurring stress tests, conducted on those portfolios identified as structurally carrying risk, and occasional stress tests, designed to recognise emerging risks. Some of these stress tests are presented to the Risk Committee and used to determine how to govern the activities concerned.

Like global stress tests, specific stress tests draw on a core scenario and a stressed scenario that are defined by the Group's sector experts and economists. The core scenario draws on an in-depth analysis of the situation surrounding the activity or the country concerned. The stressed scenario describes triggering events and assumptions about the sequence of a crisis, both in quantitative terms (changes in a country's GDP, the unemployment rate, deterioration in a sector) and qualitative terms.

Structured around the portfolio analysis function, the Risk Division teams translate these economic scenarios into impacts on risk parameters (default exposure, default rate, provisioning rate at entry into default, etc.). To do this, the leading methods are based in particular on the historical relationship between economic conditions and risk parameters. Like in global stress tests, in connection with the regulatory Pillar, stress tests routinely take into account the possible effect of counterparty performance for counterparties in which the Group is most highly concentrated in a stressed environment.

Impairment

Impairments include impairments on groups of homogeneous assets, which cover performing loans, and specific impairments, which cover counterparties in default.

- **Impairment on groups of homogeneous assets**

Impairments on groups of homogeneous assets are collective impairments booked for portfolios that are homogenous and have a deteriorated risk profile although no objective evidence of default can be observed at an individual level.

These homogeneous groups can include sensitive counterparties, sectors or countries. They are identified through regular analyses of the portfolio by sector, country or counterparty type.

These impairments are calculated on the basis of assumptions on default rates and loss rates after default. These assumptions are calibrated by homogeneous group based on their specific characteristics, sensitivity to economic environment and historical data. They are reviewed periodically by the Risk Division.

- **Specific impairment**

Decisions to book individual impairments on certain counterparties are taken where there is objective evidence of default. The amount of impairment depends on the probability of recovering the amounts due. The expected cash flows are based on the financial position of the counterparty, its economic prospects and the guarantees called up or that may be called up.

A counterparty is deemed to be in default when at least one of the following conditions is verified:

- a significant decline in the counterparty's financial condition leads to a high probability of it being unable to fulfil its overall commitments (credit obligations) hence a risk of loss to the bank whether or not the debt is restructured; and/or
- regardless of the type of credit (property or other) one or more past due at least 90 days were recorded (with the exception of loans restructured on probation, which are considered in default at first unpaid, in accordance to the technical standard published in 2013 by the EBA relative to restructured loans) and a recovery procedure is started; and/or
- an out of court settlement procedure is initiated; and/or
- a legal proceeding such as a bankruptcy, legal settlement or compulsory liquidation is in progress; and/or
- the debt has been restructured less than one year previously

The Group applies the default contagion principle to all of a counterparty's outstandings. When a debtor belongs to a group, all of the group's outstandings are generally defaulted as well.

REPLACEMENT RISK

Counterparty risk associated with derivative transactions is a type of credit risk (potential loss in the event the counterparty defaults) that is also called replacement risk. It represents the current cost to the Group of replacing transactions with a positive value should the counterparty default. Transactions giving rise to a replacement risk are, inter alia, security repurchase agreements, securities lending and borrowing and over-the-counter derivative contracts such as swaps, options and futures.

Management of counterparty risk linked to market transactions

Societe Generale places great emphasis on carefully monitoring its credit and counterparty risk exposure in order to minimise its losses in case of default. Counterparty limits are assigned to all counterparties (banks, other financial institutions, corporates and public institutions).

In order to quantify the potential replacement risk, Societe Generale uses an internal model: the future fair value of trading transactions with counterparties is modelled, taking into account any netting and correlation effects. Estimates are derived from Monte-Carlo models developed by the Risk Division, based on a historical analysis of market risk factors, and take into account guarantees and collateral.

Societe Generale uses two indicators to describe the subsequent distribution resulting from the Monte-Carlo simulations:

- current average risk, suited to analysing the risk exposure for a portfolio of customers;
- credit VaR (or CVaR): the largest loss that would be incurred after eliminating the top 1% of the most adverse occurrences, used to set the risk limits for individual counterparties.

Societe Generale has also developed a series of stress test scenarios used to calculate the exposure linked to changes in the fair value of transactions with all of its counterparties in the event of an extreme shock to market parameters.

Setting individual counterparty limits

The credit profile of counterparties is reviewed on a regular basis and limits are set both according to the type and maturity of the instruments concerned. The intrinsic creditworthiness of counterparties and the reliability of the associated legal documentation are two factors considered when setting these limits. Fundamental credit analysis is also supplemented by relevant peer comparisons and a market watch.

Information technology systems allow both traders and the Risk Division to ensure on a day-to-day basis that counterparty limits are not exceeded and that incremental authorisations are requested as needed.

Any significant weakening in the bank's counterparties also prompts urgent internal rating reviews. A specific supervision and approval process is put in place for more sensitive counterparties or more complex financial instruments.

Calculation of Exposure at Default(1) within the regulatory framework

The Autorité de contrôle Prudentiel et de Résolution (ACPR - French Prudential and Resolution Supervisory Authority) approved the use of the internal model described above to determine the Effective Expected Positive Exposure (EEPE) indicator used in calculating counterparty risk-adjusted capital. This internal model is used for 90% of transactions.

For other purposes, the Group uses the marked-to-market valuation method. In this method, the EAD relative to the bank's counterparty risk is determined by aggregating the positive market values of all transactions (replacement cost) and increasing the sum with an add-on. This add-on, which is calculated in line with the CRD (Capital Requirement Directive) guidelines, is a fixed percentage according to the type of transaction and the residual maturity, which is applied to the transaction's nominal value.

(1) Exposure at default (EAD) of a loan is equal to its nominal amount. The potential loss amount of a derivative product is its marked-to-market valuation when the counterparty defaults, which can be only statistically approximated. Therefore, two methods for the calculation of the EAD of derivative products are allowed, one using the marked-to-market valuation and one using the internal model approach (see above).

In both cases, the effects of netting agreements and collateral are factored in either by their simulation in the internal model, or by applying the netting rules as defined by the marked-to-market method and by subtracting guarantees or collateral. Regulatory capital requirements also depend on the internal rating of the debtor counterparty.

Credit valuation adjustment for counterparty risk

Credit Valuation Adjustments (CVA) are taken by the Group on the over-the-counter trading portfolio per counterparty in order to take into account counterparty risk.

The Group includes all clients and clearing houses in this adjustment, which also reflects the netting agreements existing for each counterparty. CVA is determined on the basis of the Group entity's positive expected exposure to the counterparty, the counterparty's probability of default (conditional to the entity not defaulting) and the loss given default.

Besides, since January 1st, 2014, the financial institutions have to determine capital requirements related to CVA, aiming at covering its variation over 10 days. Societe Generale has implemented an internal model to compute this capital charges, covering 55% of the perimeter. The method used is the same as the one used for the market VaR computation (refer to Chapter 4.6, p. 248): it consists in carrying out an historical simulation of the change in CVA due to the variations observed in the credit spreads of the counterparties, with a 99% confidence level . The computation is done on the credit spreads variation observed over a one year rolling period on the one hand (VaR on CVA), and over a fixed one year historical window corresponding to a period of significant tension regarding credit spreads on the other hand (Stressed VaR on CVA). The associated capital needs are equal to the sum of these two computations multiplied by a factor set by the regulator, specific to each bank. For the remaining part determined according to the standard method, Societe Generale applies the rules defined by the Capital Requirement Regulation: weighting by a normative factor of the EAD multiplied by a recomputed maturity.

The management of this exposure and capital charge led the Group to buy protection (such as Credit Default Swaps) to other financial institutions. In addition to a reduction of the counterparty risk, it allows decreasing their variability resulting from a change in the credit spreads of counterparties.

Wrong-way risk adjustment

Wrong-way risk is the risk that Group exposure strongly increases when the probability that the counterparty defaults also increases.

Two separate cases exist:

- specific wrong-way risk, where the amount of exposure is directly related to the counterparty's credit quality;
- general wrong-way risk, where there is a significant correlation between some market factors and the counterparty's credit worthiness.

Wrong-way risk is subject to identification procedures, calculation of exposures as well as specific and regular monitoring of identified counterparties.

HEDGING OF CREDIT RISK

Guarantees and collateral

The Group uses credit risk mitigation techniques both for market and commercial banking activities. These techniques provide partial or full protection against the risk of debtor insolvency.

There are two main techniques:

- personal guarantees correspond to the commitment made by a third party to substitute for the primary debtor in the event of the latter's default. Guarantees encompass the protection commitments and mechanisms provided by banks and similar credit institutions, specialised institutions such as mortgage guarantors (such as Crédit Logement in France), monoline or multiline insurers, export credit agencies, etc. By extension, credit insurance and credit derivatives (purchase of protection) also belong to this category;
- collateral can consist of physical assets in the form of property, commodities or precious metals, as well as financial instruments such as cash, high-quality investments and securities and also insurance policies.

Appropriate haircuts are applied to the value of collateral, reflecting its quality and liquidity.

The Group proactively manages its risks by diversifying guarantees: physical collateral, personal guarantees and others (including CDS).

During the credit approval process, an assessment of the value of guarantees and collateral, their legal enforceability and the guarantor's ability to meet its obligations is undertaken. This process also ensures that the collateral or guarantee successfully meets the criteria set forth in the Capital Requirements Directive (CRD).

Guarantor ratings are reviewed internally at least once a year and collateral is subject to revaluation at least once a year.

The Risk Department is responsible for approving the operating procedures established by the business divisions for the regular valuation of guarantees and collateral, either automatically or based on an expert opinion, both during the approval phase for a new loan or upon the annual renewal of the credit application.

The amount of guarantees and collateral is capped at the amount of outstanding loans, i.e. EUR 221 billion at 31st December 2014, of which EUR 111.5 billion for retail customers and EUR 109.5 billion for non-retail customers (versus EUR 89.4 billion and EUR 48.5 billion, respectively, at 31st December 2013). Guarantees and collateral received for outstanding loans not individually impaired amounted to EUR 2.15 billion at 31st December 2014 (of which EUR 1.25 billion for retail customers and EUR 0.90 billion for non-retail customers). Guarantees and collateral received for individually impaired loans amounted to EUR 5.74 billion at 31st December 2014 (of which EUR 1.96 billion for retail customers and EUR 3.78 billion for non-retail customers). These amounts are capped at the amount of outstanding individually impaired loans.

Use of credit derivatives to manage corporate concentration risk

Within Corporate and Investment Banking, it is the responsibility of the Credit Portfolio Management (CPM) department to work in close cooperation with the Risk Division and the core businesses to reduce excessive portfolio concentrations and react quickly to any deterioration in the creditworthiness of a particular counterparty. CPM has now been merged with the department responsible for managing scarce resources for the credit and loan portfolio.

The Group uses credit derivatives in the management of its Corporate credit portfolio, primarily to reduce individual, sector and geographic concentration and to implement a proactive risk and capital management approach. Individual protection is essentially purchased under the over-concentration management policy. For example, the ten most hedged names account for 93% of the total amount of individual protections purchased.

The notional value of Corporate credit derivatives (Credit Default Swaps, CDS) purchased for this purpose is booked in off-balance sheet commitments under guarantee commitments received.

Total outstanding purchases of protection through Corporate credit derivatives is stable at EUR 1.2 billion at end-December 2014 (compared to EUR 1.4 billion at end-December 2013).

In 2014, the spreads on Credit Default Swaps (CDS) from European investment-grade issuances (iTraxx index) slightly narrowed, reducing the portfolio's sensitivity to tightening spreads.

Almost all protection was purchased from bank counterparties with ratings of BBB+ or above, the average being A/A-. Concentration with any particular counterparty is also carefully monitored.

Mitigation of counterparty risk linked to market transactions

Societe Generale uses different techniques to reduce this risk. With regard to trading counterparties, it seeks to implement master agreements with termination-clearing clause wherever it can. In the event of default, they allow netting of all due and payable amounts. The contracts usually call for the revaluation of required collateral at regular time intervals (often on a daily basis) and for the payment of the corresponding margin calls. Collateral is largely composed of cash and high-quality liquid assets such as government bonds with a good rating. Other tradable assets are also accepted, provided that the appropriate haircuts are made to reflect the lower quality and/or liquidity of the asset.

At 31st December 2014, most over-the-counter (OTC) transactions were secured: by amount(1), 62% of transactions with positive mark to market (collateral received by Societe Generale) and 70% of transactions with negative mark to market (collateral posted by Societe Generale).

Management of OTC collateral is monitored on an ongoing basis in order to minimize operational risk:

- the exposure value of each collateralised transaction is certified on a daily basis;
- specific controls are conducted to make sure the process goes smoothly (settlement of collateral, cash or securities; monitoring of suspended transactions, etc.);
- all outstanding secured transactions are reconciled with those of the counterparty according to a frequency set by the regulator (mainly on a daily basis) in order to prevent and/or resolve any disputes on margin calls;
- any legal disputes are monitored daily and reviewed by a committee.

Besides, the European Market Infrastructure Regulation (EMIR) published in 2012 places new measures on derivatives market participants in order to improve the stability and transparency of this market. Specifically, the EMIR requires the use of central counterparties for products deemed sufficiently liquid and standardised, the reporting of all derivative products transactions to a trade repository, and the implementation of risk mitigation procedures (e.g., exchange of collateral, timely confirmation, portfolio compression(2)) for OTC derivatives not cleared by central counterparties. Some of these measures are already in effect (portfolio reconciliation, dispute resolution, first clearing obligation), while others are expected to come into force in 2015. As of the end of December 2014, 21% of the OTC transactions (amounting to 52% of the nominal) are cleared through clearing houses.

(1) Excluding OTC deals cleared in clearing houses.

(2) Process which consists in i) the identification of the deals whose risks can be offset and ii) their replacement by a lower number of transactions, while keeping the same residual exposure.

Credit insurance

In addition to using export credit agencies (for example Coface and Exim) and multilateral organisations (for example the EBRD), Societe Generale has been developing relationships with private insurers over the last several years in order to hedge some of its loans against commercial and political non-payment risks.

This activity is performed within a risk framework and monitoring system approved by the Group's General Management. This system is based on an overall limit for the activity, along with sub-limits by maturity, and individual limits for each insurance counterparty which must meet strict eligibility criteria.

The implementation of such a policy contributes overall to a sound risk reduction.

RISK MEASUREMENT AND INTERNAL RATINGS

In 2007, Societe Generale obtained authorisation from its supervisory authorities to apply the internal ratings (IRB) method for most of its exposures – this is the most advanced method for calculating capital requirements in respect of credit risk.

Since the initial authorisation was given, transitions from the standard approach to the IRB approach for certain of its activities and exposures have been selective and marginal.

TABLE 13: BREAKDOWN OF EAD(1) BY THE BASEL METHOD(2)

	31 DEC. 2014	31 DEC. 2013
IRB	78%	83%
Standard	22%	17%
Total	**100%**	**100%**

(1) The EAD are presented in accordance with the Capital Requirement Directive (CRD) transposed into French law.
(2) Excluding investment shares, fixed assets and all accruals.

The decrease in proportion of the EAD on which the IRB method is used as at 31st December 2014 is not due to a reduction of the IRB perimeter. It is explained by a larger increase of the exposures on which the standard method is used, in particular with the full integration of Newedge and the changes in calculation methodology on some standard exposures due to Basel 3 implementation (for example central counterparty clearing house).

TABLE 14: SCOPE OF APPLICATION OF THE IRB AND STANDARD APPROACHES FOR THE GROUP

	IRB Approach	Standard Approach
French Retail Banking	Majority of portfolios	Some retail customer portfolios including those of the Sogelease subsidiary
International Retail Banking and Financial Services	The subsidiaries Komercni Banka (Czech Republic), CGI, Fiditalia, GEFA and SG Finans	The other subsidiaries
Global Banking and Investor Solutions	Majority of Corporate and Investment Banking portfolios	Pour la Banque Privée, Métiers Titres et Courtages, la majorité des portefeuilles Etablissements de crédit et Entreprises
As for Private Banking, Securities Services and Brokerage mainly the following subsidiaries : SG Hambros, SGBT Luxembourg, SGBT Monaco, SG Private Banking Suisse	As for Private Banking, Securities Services and Brokerage most of Institutions and Corporates' portfolios	-
Corporate Centre	Majority of portfolios	-

General framework of the internal approach

To calculate its regulatory requirements under the IRB method, Societe Generale estimates the Risk Weighted Asset (RWA) and the Expected Loss (EL), a loss that may be incurred in view of the nature of the transaction, the quality of the counterparty and all measures taken to mitigate risk.

To calculate its RWA, Societe Generale uses its own Basel parameters, which are estimated using its internal risk measurement system:

- the Exposure at Default (EAD) value is defined as the Group's exposure in the event the counterparty should default. The EAD includes exposures recorded on the balance sheet (loans, receivables, income receivables, market transactions, etc.), and off -balance sheet and converted into their balance sheet equivalent using internal or regulatory Credit Conversion Factors (CCF) (drawdown assumption);
- the Probability of Default (PD): probability that a counterparty of the bank will default within one year;
- the Loss Given Default (LGD): the ratio between the loss incurred on an exposure in the event a counterparty defaults and the amount of the exposure at the time of the default.

Societe Generale also takes into account:

- the impact of guarantees and credit derivatives with the substitution of the PD, the LGD and the risk weighting calculation of the guarantor with those of the obligor (the exposure is considered to be a direct exposure to the guarantor) in the event that the guarantor's risk weighting is more favourable than that of the obligor.
- collateral (physical or financial). This impact is factored either at the level of the LGD models in the pools concerned or on a line-by-line basis.

The Group has also received authorisation from the regulator to use the IAA (Internal Assessment Approach) method to calculate the regulatory capital requirement for Asset-Backed Commercial Paper.

Besides the capital requirement calculation objectives under the IRBA method, the Group's credit risk measurement models contribute to the management of the Group's operational activities. They also constitute tools to structure, price and approve transactions and participate in the setting of decision approval limits granted to business lines and the Risks department.

Credit risks measurement wholesale clients

The Group's credit risk measurement system, which estimates internal Basel parameters, uses a quantitative evaluation mechanism coupled with an expert judgement.

For Corporate, Banking and Sovereign portfolios, the measurement system is based on three key pillars:

- a counterparty rating system;
- a system that automatically assigns Loss Given Default (LGD) and Credit Conversion Factor (CCF) parameters according to the characteristics of each transaction;
- a collection of procedures also sets out the rules relating to ratings (application field, revision frequency, rating approval procedure, etc.), as well as for the supervision, backtesting and validation of models. These procedures help among things to facilitate the human judgement that casts an indispensable critical eye on the models for these portfolios.

RATING SYSTEM

The rating system consists in assigning a rating to each counterparty according to an internal scale, for which each grade corresponds to a probability of default determined using historical series observed by Standard & Poor's over more than 20 years.

The following table presents Societe Generale's internal rating scale and the corresponding scales of the main External Credit Assessment Institutions, as well as the corresponding mean estimated probability of default.

TABLE 15: SOCIETE GENERALE'S INTERNAL RATING SCALE AND CORRESPONDING SCALES OF RATING AGENCIES

Counterparty internal rating	DBRS	FitchRatings	Moody's	S&P	1 year probability of default
1	AAA	AAA	Aaa	AAA	0.01%
2	AA high to AA low	AA+ to AA-	Aa1 to Aa3	AA+ to AA-	0.02%
3	A high to A low	A+ to A-	A1 to A3	A+ to A-	0.04%
4	BBB high to BBB low	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	0.30%
5	BB high to BB low	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	2.16%
6	B high to B low	B+ to B-	B1 to B3	B+ to B-	7.93%
7	CCC high to CCC low	CCC+ to CCC-	Caa1 to Caa3	CCC+ to CCC-	20.67%
8,9 and 10	CC and below	CC and below	Ca and below	CC and below	100.00%

The rating assigned to counterparty is generally proposed by a model and then adjusted and approved by experts in the Risk department following the individual analysis of each counterparties.

The counterparty rating models are structured according to the nature of the counterparty (companies, financial institutions, public entities, etc.), the country, geographical region and size of the company (usually assessed through its annual turnover).

The company rating models are underpinned by statistical models (regression methods) of client default. They combine quantitative parameters derived from financial data that evaluate the sustainability and solvency of counterparties and qualitative parameters that evaluate economic and strategic dimensions.

LGD MODELS

The loss given default (LGD) is an economic loss that is measured by taking into account all parameters pertaining to the transaction, as well as the fees incurred for recovering the receivable in the event of a counterparty default.

The models used to estimate the loss given default (LGD) excluding retail clients are applied by regulatory sub-portfolios, type of asset, size and geographical location of the counterparty, depending on the existence or not of collateral and its nature. This makes it possible to define homogenous risk pools, notably in terms of recovery, procedures and the legal environment.

These estimates are built on a statistical basis when the number of loans in default is sufficient. They are based in this case on the observation of recovery data over a long period.

When the number of defaults is insufficient, the estimate is revised or determined by an expert.

THE CCF MODELS (CREDIT CONVERSION FACTOR)

For its off-balance sheet exposures, Societe Generale is authorised to use the internal approach for “term loan with drawing period” products and revolving credit lines.

TABLE 16: WHOLESALE CLIENTS - MODELS AND PRINCIPAL CHARACTERISTICS OF MODELS

Modelled parameter	Portfolio/Category of Basel assets	Number of models	Model and methodology Number of years default/loss
		PORTFOLIO / CATEGORY OF BASEL ASSETS	
Probability of default (PD)	Sovereigns	Expert rating	Expert-type model, use of the external ratings of agencies. Low default portfolio
	Public sector entities	4 models according to the geographical regions (FR- US-Czech Rep.- Others).	Statistical-type models (regression) for the rating process, based on the combination of financial ratios and a qualitative questionnaire. Low default portfolio
	Financial institutions	5 models according to the type of counterparty: Banks Insurances, Funds, Financial intermediaries	Expert-type models based on a qualitative questionnaire. Low default portfolio.
	Specialized financing	5 models according to the type of transaction	Expert-type models based on a qualitative questionnaire. Low default portfolio.
	Large corporates	9 models according to the geographical regions	Statistical-type models (regression) for the rating process, based on the combination of financial ratios and a qualitative questionnaire. Defaults observed over a period of 8 to 10 years.
	Small and medium-sized companies	12 models according to the size of companies and the geographical region	Statistical-type models (regression) for the rating process, based on the combination of financial ratios and a qualitative questionnaire. Defaults observed over a period of 8 to 10 years.
Loss given default (LGD)	Public sector entities - Sovereigns	4 models – According to the type of counterparty	Calibration based on historical data and expert judgments. Losses observed over a period of more than 10 years.
	Large corporates - Flat-rate Approach	>20 models Flat-rate approach according to the type of collateral	Calibration based on historical data adjusted by the expert judgments. Losses observed over a period of more than 10 years.
	Large corporates - Discount Approach	12 models Discount approach according to the type of recoverable collateral	Calibration based on historical market data adjusted by the expert judgments. Losses observed over a period of more than 10 years.
	Small and medium-sized companies	12 models Flat-rate approach according to the type of collateral or unsecured.	Calibration based on historical data adjusted by the expert judgments. Losses observed over a period of more than 10 years.
	Project financing	10 models Flat-rate approach according to the type of projects.	Calibration based on historical data adjusted by the expert judgments. Losses observed over a period of more than 10 years.
	Financial institutions	7 models Flat-rate approach according to the nature of the counterparty: banks, insurances, funds,… and the nature of the collateral.	Calibration based on historical data adjusted by the expert judgments. Losses observed over a period of more than 10 years.
	Other specific portfolios	5 models: factoring, leasing and other specific cases.	Calibration based on historical data adjusted by the expert judgments. Losses observed over a period of more than 10 years.
Expected Loss [EL]	Real estate transaction	1 model by slotting	Statistical model based on expert opinion and a qualitative questionnaire. Low default portfolio.

BACKTESTS

The performance level of the entire wholesale clients' credit system is measured by regular backtests that compare estimates with actual results by PD, LGD, CCF and portfolios.

The compliance of this system is based on the consistency between the parameters used and the long-term trends analysed, with safety margins that take into account areas of uncertainty (cyclicity, volatility, quality of data, etc.).

The safety margins applied are regularly estimated, checked and revised if necessary.

The results of backtests can justify the implementation of remedial plans or the application of add-ons if the system is deemed to be insufficiently prudent. The results of backtests, remedial plans and add-ons are presented to the Committee of Experts for discussion and approval (see Governance of the modelling of risks, p.209).

TABLE 17: COMPARISON OF ESTIMATED PD VALUES AND ACTUAL VALUES – WHOLESALE CLIENTS

	31 DEC. 2014			
Portfolio	**EAD (In EUR M)**	**RWA (In EUR M)**	**Estimated probability of default (%)**	**Actual default rate (long-term average) (%)**
Sovereigns	142,022	4,615	0.8 %	0.3 %
Banks	50,349	10,437	1.6 %	1.0 %
Other financial institutions	32,195	9,172	0.7 %	0.2 %
Large corporates	138,179	63,537	2.1 %	1.1 %
Small and medium-sized companies	17,090	13,868	3.9 %	3.5 %

TABLE 18: COMPARISON OF ESTIMATED LGD VALUES AND ACTUAL VALUES – WHOLESALE CLIENTS

	31 DEC. 2014			
Portfolio	**EAD (In EUR M)**	**RWA (In EUR M)**	**Estimated LGD* (%)**	**Actual LGD* excluding safety margin (%)**
Large corporates	138,179	63,537	34%	26%
Small and medium-sized companies	17,090	13,868	40%	36%

* LGD senior without collateral

Credit risks measurement of retail clients

PROBABILITY OF DEFAULT MODELS

The modelling of the probability of default of retail client counterparties is carried out specifically by each of the Group's business line recording its assets using the IRBA method. The models incorporate data on the payment behaviour of counterparties. They are segmented by type of client and distinguish between retail clients, professional clients, very small businesses and real estate investment companies (SCI, Sociétés Civiles Immobilières).

The counterparties of each segment are classified automatically using statistical models in homogenous risk pools, each of which is assigned probabilities of default.

Once counterparties are classified in statistically distinct homogenous risk pools, the probability of default parameters are estimated by observing the average long-term default rates for each product. These estimates are adjusted by a safety margin to estimate as best as possible a complete default cycle using a Through the Cycle (TTC) approach.

LGD MODELS

The models for estimating the loss given default (LGD) of retail clients are specifically applied to portfolio of business lines. LGD values are estimated by product, according to the existence or not of collateral.

Consistent with operational recovery processes, estimate methods are generally based on a two-step modelling process that initially estimates the proportion of defaulted loans in loan termination, followed by the loss incurred in case of loan termination.

The expected losses are estimated with internal historical recovery data for exposures that have defaulted over a long period. These estimates are adjusted with safety margins.

CCF MODEL

For its off-balance sheet exposures, Societe Generale applies its estimates for revolving loans and overdrafts on current account held by retail and professional clients.

TABLE 19: RETAIL CLIENTS - MODELS AND PRINCIPAL CHARACTERISTICS OF MODELS

Modelled parameter	Portfolio/Category of Basel assets	Number of models	Model and methodology Number of years default/loss
		RETAIL CLIENTS	
Probability of default (PD)	Residential real estate	12 models according to the entity, the type of guarantee (security, mortgage), the type of counterparty individualsor professional / VSB, Real estate investment company (*SCI*)	Statistical-type model (regression), behavioral score. Defaults observed over a period from 5 to 8 years.
	Other retail credits	> 20 models according to the entity, the nature and the object of the loan: personal loan, consumer loan, automobile, …	Statistical-type model (regression), behavioral score Defaults observed over a period from 5 to 8 years.
	Renewable exposures	13 models according to the entity, the nature of the loan: overdraft on current account, revolving credit or consumer loan	Statistical-type model (regression), behavioral score Defaults observed over a period from 5 to 8 years
	Professionals and very small businesses	11 models according to the entity, the nature of the loan: medium and long-term investment credits, short-term credit, automobile, the type of counterparty (individual or Real estate investment company (*SCI*))	Statistical-type model (regression or segmentation), behavioral score Defaults observed over a period from 5 to 8 years
Loss given default (LGD)	Residential real estate	12 models according to the entity, the type of guarantee (security, mortgage), the type of counterparty individualsor professional / VSB, Real estate investment company (*SCI*)	Statistical model of expected recoverable flows based on the current flows. Model adjusted by expert opinions if necessary . Losses and recoverable flows observed over a period of more than 10 years.
	Other retail credits	> 20 models according to the entity, the nature and the object of the loan: personal loan, consumer loan, automobile, …	Statistical model of expected recoverable flows based on the current flows. Model adjusted by expert opinions if necessary . Losses and recoverable flows observed over a period of more than 10 years.
	Renewable exposures	13 models according to the entity, the nature of the loan: overdraft on current account, revolving credit or consumer loan	Statistical model of expected recoverable flows based on the current flows. Model adjusted by expert opinions if necessary. Losses and recoverable flows observed over a period of more than 10 years.
	Professionals and very small businesses	11 models according to the entity, the nature of the loan: medium and long-term investment credits, short-term credit, automobile, the type of counterparty (individual or Real estate investment company (*SCI*))	Statistical model of expected recoverable flows based on the current flows. Model adjusted by expert opinions if necessary. Losses and recoverable flows observed over a period of more than 10 years.
Credit Conversion Factor [CCF]	Renewable exposures	10 calibrations by entities for revolving products and personal overdrafts	Models calibrated by segments over a period of observation of defaults from 5 to 8 years.
Expected Loss [EL]	Exposures of the private banking	PD and LGD derived from losses observations	Model being restructured into a PD/LGD based approach

BACKTESTS

The performance level of the whole retail client credit system is measured by regular backtests, which check the performance of PD, LGD and CCF models and compare estimated with actual figures.

Each year, the average long-term default rates observed by homogenous risk pools over a long period are compared with the probabilities of default. If necessary, the calibrations of probabilities of default are adjusted to preserve a satisfactory safety margin. The discrimination level of the models and changes in the portfolio's composition are also measured.

Regarding the LGD, the backtest consists in comparing the last estimation of the LGD obtained by computing the average level of payments observed and the value used to calculate regulatory capital.

The difference should in this case reflect a sufficient safety margin to take into account a potential economic slowdown, uncertainties about estimation and changes in the performance of recovery processes. The appropriateness of this safety margin is assessed by a Committee of experts.

Likewise for the CCF, the level of conservatism of estimates is assessed annually by comparing estimated drawdowns and observed drawdowns on the undrawn part.

The results presented below cover all the portfolios of the Group entities with the exception of private banking, the models for which are currently being revised as well as the GEFA retail clients exposure. These figures principally aggregate French, Czech and Italian exposures. For all the Basel portfolios of retail clients, the actual default rate over a long period is lower than the estimated probability of default, which means that the rating system is conservatively adjusted.

TABLE 20: COMPARISON OF ESTIMATED PD VALUES AND ACTUAL VALUES – RETAIL CLIENTS

	31 DEC. 2014			
Basel Portfolio	**EAD (In EUR M)**	**RWA (In EUR M)**	**Estimated probability of default (%)**	**Actual default rate (long-term average) (%)**
Real-estate Loans	76,595	10,664	1.3%	1.1%
of which guaranteed exposures	*52,792*	*3,998*	*0.9%*	*0.8%*
Renewable exposures	4,852	2,135	6.2%	5.4%
Other retail credits	21,726	6,712	3.9%	3.2%
VSB and professionals	11,160	3,943	5.3%	5.2%
Total Group Retail Clients*	**114,333**	**23,454**	**2.4%**	**2.1%**

TABLE 21: COMPARISON OF ESTIMATED LGD VALUES AND ACTUAL VALUES – RETAIL CLIENTS

	31 DEC. 2014			
Basel Portfolio	**EAD (In EUR M)**	**RWA (In EUR M)**	**Estimated LGD (%)**	**Actual LGD excluding safety margin (%)**
Real-estate Loans	76,595	10,664	14%	11%
of which guaranteed exposures	*52,792*	*3,998*	*11%*	*10%*
Renewable exposures	4,852	2,135	44%	39%
Other retail credits	21,726	6,712	25%	22%
VSB and professionals	11,160	3,943	29%	25%
Total Group Retail Clients	**114,333**	**23,454**	**19%**	**16%**

Governance of the modelling of risks

Governance consists in developing, validating and monitoring of decisions on changes with respect to internal credit risk measurement models. An independent and dedicated validation department within the Risk division is more specifically responsible for validating the credit models and parameters used for the IRB method and monitoring the use of the rating system. The team that validates internal models, draws up an annual audit plan specifying the nature and extent of work that needs to be carried out, notably according to regulatory constraints, model risks, issues covered by the model and the strategic priorities of the business lines. It is careful to coordinate its work with the Inspection and Audit Division to ensure a simultaneous overall review (modelling and banking aspects) of the business scopes requiring it. The model validation team is subject to a periodic control by the Inspection and Audit Division.

The internal validation protocol for new models, as well as annual backtesting, is broken down into three stages:

- a preparation stage during which the validation team takes control of the model and the environment in which it is built and/or backtested, ensures that the expected deliverables are complete and draws up a working model;
- an investigation stage whose objective is to collect all statistical and banking data required to assess the quality of the models. For subjects with statistical components, a review is performed by the independent model control entity, whose conclusions are formally presented to the modelling entities in the framework of a committee (Models Committee);
- a validation stage that is structured around a Committee of experts whose purpose is to validate the consistency of the Basel parameters of an internal model from a banking perspective. The Committee of experts is a body reporting to the Group Chief Risk Officer and to the Management of the business lines concerned.

The Committee of experts is also responsible for defining the review guidelines and for revising models at the proposal of the Models Committee. These guidelines take into account the regulatory requirements and economic and financial issues of the business lines.

In accordance with the delegated regulation (EU) no.259/2014 of 20 May 2014 regarding the monitoring of internal models used to calculate capital requirements, changes to the Group's credit risk measurement system are subject to three types of notification to the competent supervisor according to the significant nature of the change, evaluated according to this rule:

- significant changes are subject to a request for authorisation prior to their implementation;
- lesser changes according to the criteria defined by the regulation are notified to the supervisor. Barring a negative response, these may be implemented within a two-month period;
- other changes are notified to the competent authorities after their implementation at least once annually in a specific report.

CREDIT RISK: QUANTITATIVE INFORMATION

The measurement used for credit exposures in this section is EAD—Exposure At Default (on-balance sheet and off-balance sheet), excluding fixed assets, equity investments, and all accruals. EAD under Standard Approach calculated net of collateral and provision.

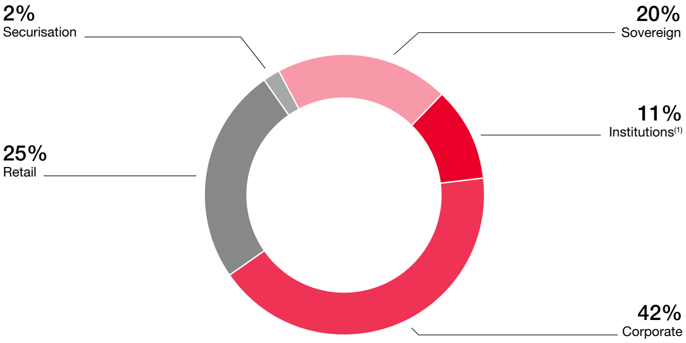
Exposures are broken down by portfolios, sectors and obligor ratings, before a possible effect of substitution by the guarantor.

Credit Risk exposure

At 31st December 2014, the Group's Exposure at Default (EAD) amounted to EUR 722 billion (of which 550 billion on-balance sheet).

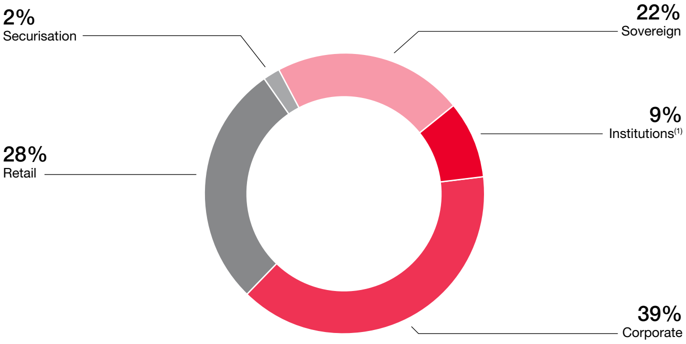
CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 31ST DECEMBER 2014

EUR 722 billion in EAD.



CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 31ST DECEMBER 2013

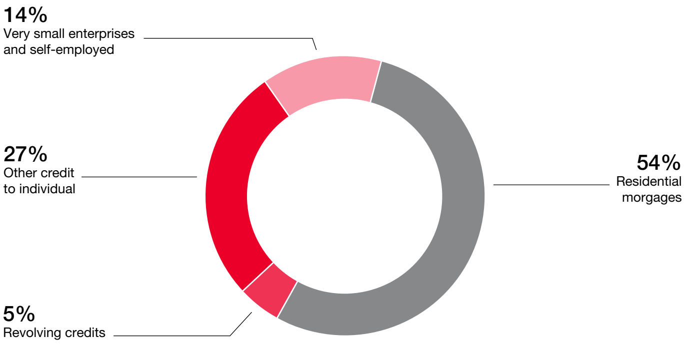
EUR 650 billion in EAD.



(1) Institutions: Basel classification banks and public sector entities.

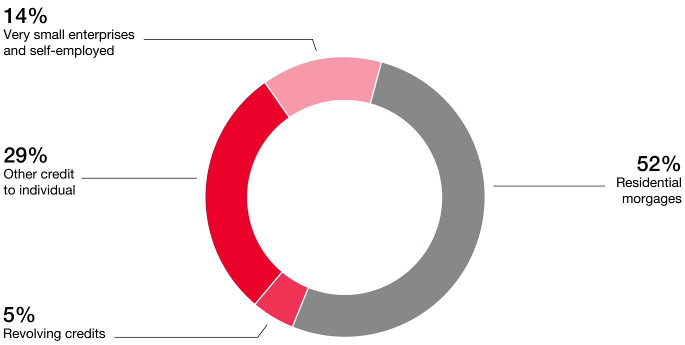
RETAIL CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 31ST DECEMBER 2014

EUR 179 billion in EAD.



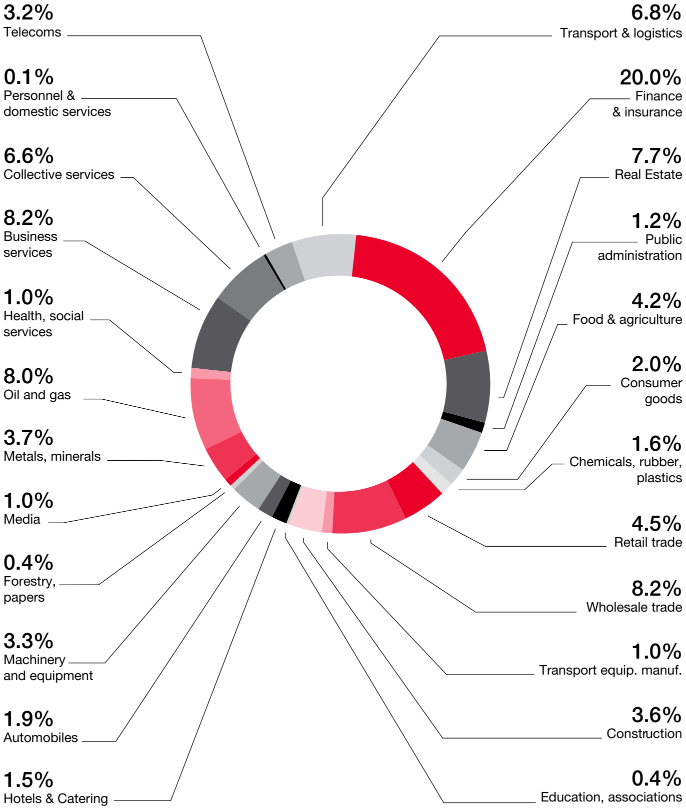
RETAIL CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 31ST DECEMBER 2013

EUR 181 billion in EAD.



SECTOR BREAKDOWN OF GROUP CORPORATE EXPOSURE AT 31ST DECEMBER 2014

(Basel corporate portfolio, EUR 300 billion in EAD)

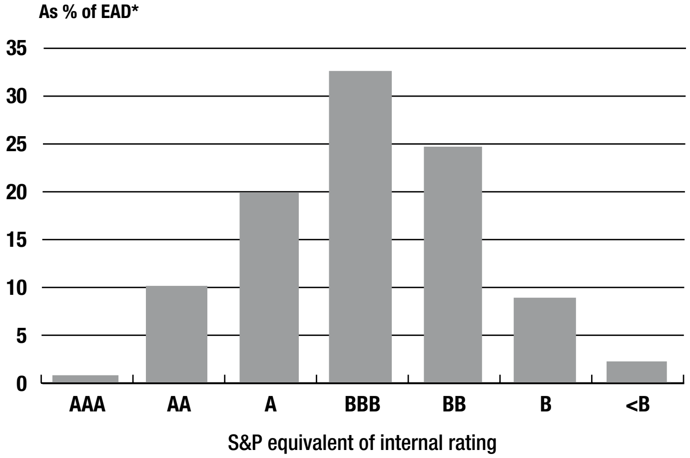


The Group's Corporate portfolio (Large Corporates, SMEs and Specialised Financing) is highly diversified in terms of sectors.

Only the Finance and Insurance sector accounts for more than 10% of the portfolio.

The Group's exposure to its 10 largest corporate counterparties accounts for 7% of this portfolio.

BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CLIENTS AT 31ST DECEMBER 2014



* Exposure at Default (EAD) relative to borrower, issuer and replacement risk on outstandings measured using the IRB method, excluding fixed assets, equity investments, all accruals, and doubtful loans.

The scope includes performing loans recorded under the IRB method for the entire Corporate client portfolio, all divisions combined, and represents EAD of EUR 216 billion (out of total EAD for the Basel Corporate client portfolio of EUR 300 billion, standardised method included).

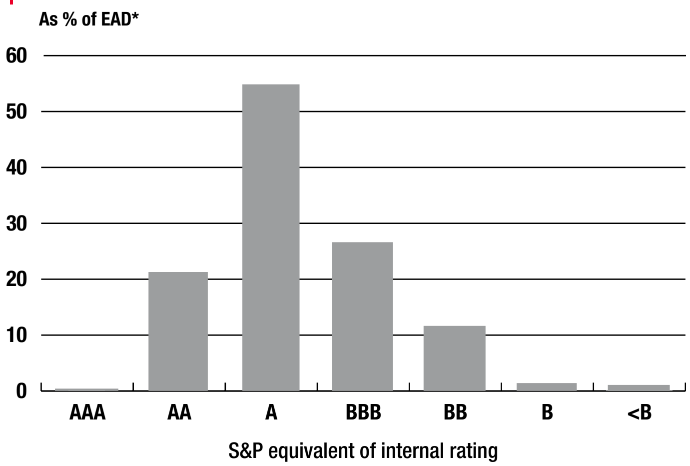
The breakdown by rating of the Societe Generale Group's Corporate exposure demonstrates the sound quality of the portfolio. It is based on an internal counterparty rating system, presented above as its S&P equivalent.

At 31st December 2014, the majority of the portfolio (64% of Corporate customers) had an investment grade rating, i.e. counterparties with an S&P-equivalent internal rating higher than BBB-.

Transactions with non-investment grade counterparties are often backed by guarantees and collateral in order to mitigate the risk incurred.

Bank Counterparty exposure

BREAKDOWN OF RISK BY INTERNAL RATING FOR GROUP BANKING CLIENTS AT 31ST DECEMBER 2014



* Exposure at Default (EAD) relative to borrower, issuer and replacement risk on outstandings measured using the IRB method, excluding fixed assets, equity investments, all accruals, and doubtful loans.

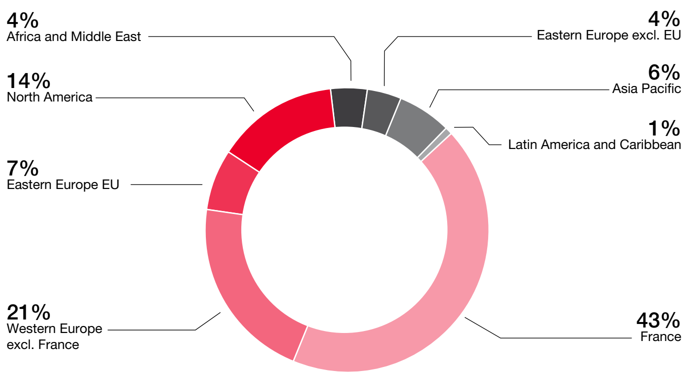
The scope includes performing loans recorded under the IRB method for the entire bank customer portfolio, all divisions combined, and represents EAD of EUR 38 billion (out of total EAD for the Basel bank client portfolio of EUR 88 billion). The breakdown by rating of the Societe Generale Group's bank counterparty exposure demonstrates the sound quality of the portfolio. It is based on an internal counterparty rating system, presented above as its S&P equivalent.

At 31st December 2014, exposure was concentrated in investment grade counterparties (88% of exposure), and developed countries (70%).

Geographic breakdown of group credit risk exposure

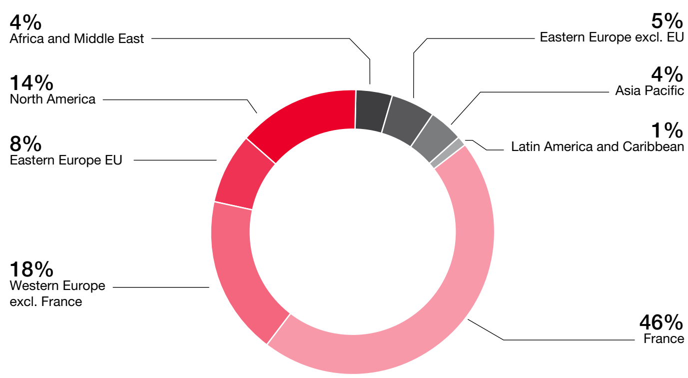
GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK EXPOSURE AT 31ST DECEMBER 2014 (ALL CLIENTS TYPES INCLUDED)(1)

EUR 722 billion in EAD.



GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK EXPOSURE AT 31ST DECEMBER 2013 (ALL CLIENTS TYPES INCLUDED)(1)

EUR 650 billion in EAD.

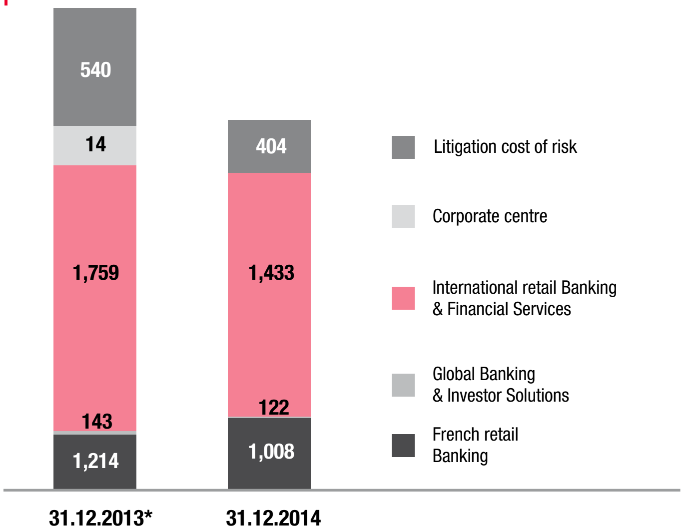


(1) According to the country of the counterparty.

At 31st December 2014, 86% of the Group's on and off-balance sheet exposure was concentrated in the major industrialised countries. Almost half of the overall amount of outstanding loans was to French customers (25% exposure to non-retail portfolio and 18% to retail portfolio).

Provisions and impairments for credit risks at 31st December 2014

CHANGE IN GROUP NET COST OF RISK (IN MILLIONS OF EUROS)*



* 2013 figures have been restated to reflect a new breakdown by business unit in French Retail Banking (and International Retail Banking and Financial Services notably with regards to Franfinance and excluding legacy assets.

The Group's net cost of risk amounted to EUR -2,967 million in 2014, down -25.2%(2) vs. 2013. In particular, it included an additional EUR -400 million collective provision for litigation issues. This provision amounted to EUR 1.1 billion at end-2014.

The Group's commercial cost of risk (expressed as a fraction of outstanding loans) stood at 61[(1)] basis points in 2014 vs. 75 basis points in 2013, despite a still challenging economic environment.

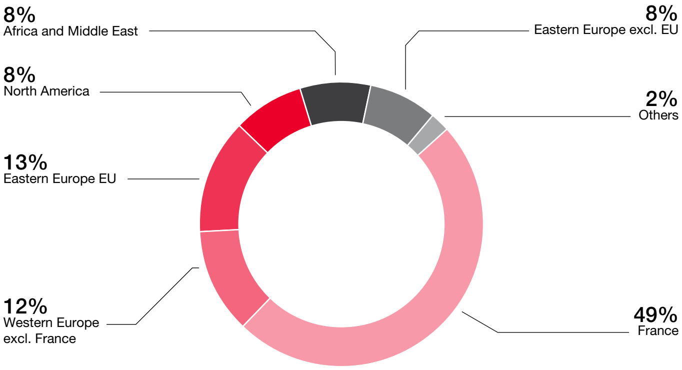
- In French Retail Banking, the commercial cost of risk was lower at 56 basis points (vs. 66 basis points in 2013). As in previous years, the fourth quarter was marked by an increase in the commercial cost of risk related to a seasonal effect.
- At 123 basis points (vs. 150 basis points in 2013), International **Retail Banking & Financial Services**' cost of risk was lower, with mixed trends according to geographical region. There was a significant improvement in Europe, notably in Romania where it was down -42.6%[(2)] despite an increase in the gross coverage ratio for doubtful outstandings to 71%. Conversely, in Russia, the commercial cost of risk increased in conjunction with the deterioration in the macroeconomic environment.
- **Global Banking & Investor Solutions**' cost of risk remained low in 2014 at 10 basis points (vs. 13 basis points in 2013), confirming the quality of the loan portfolio.

Specific provisions and impairments for credit risks

Impairments for credit risks are primarily booked for doubtful and disputed loans (Customer loans, deposits at banks and loans due from banks leasing and lease assets). These loans amounted to EUR 25.9 billion at 31st December 2014 (EUR 27.8 billion at 31st December 2013).

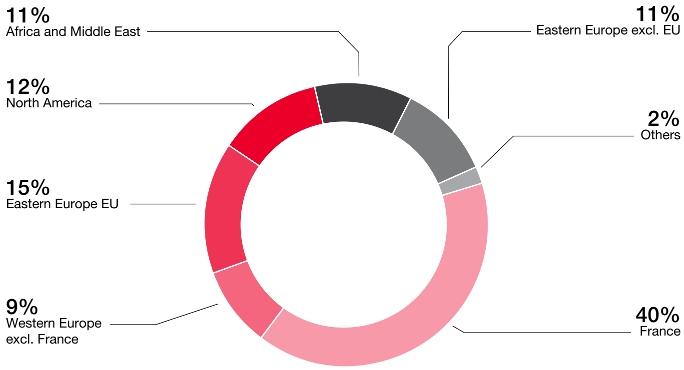
BREAKDOWN OF DOUBTFUL AND DISPUTED LOANS BY GEOGRAPHIC REGION AT 31ST DECEMBER 2014

At 31st December 2014, these loans amounted to EUR 25.9 billion.



BREAKDOWN OF BREAKDOWN OF PROVISIONS AND IMPAIRMENTS AT 31ST DECEMBER 2014

At 31st December 2014, these loans were provisioned or impaired for an amount of EUR 15.1 billion.

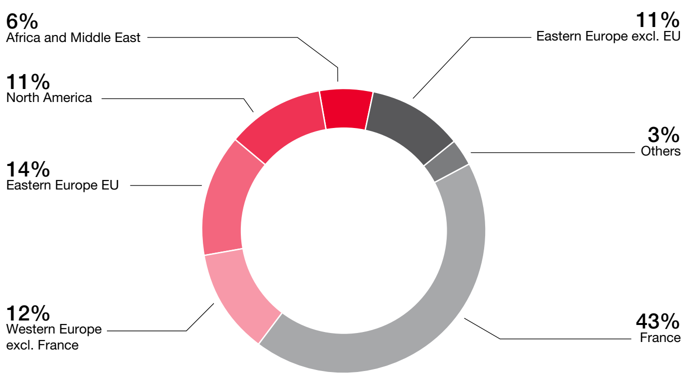


(1) Annualised rate, excluding litigation issues and legacy assets in 2013, in respect of assets at the beginning of the period and including operating leases.

(2) When adjusted for changes in Group structure and at constant exchange rates.

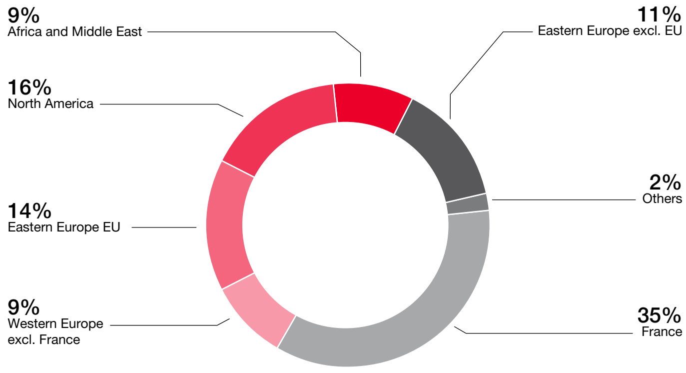
BREAKDOWN OF DOUBTFUL AND DISPUTED LOANS BY GEOGRAPHIC REGION AT 31ST DECEMBER 2013

At 31st December 2013, these loans amounted to EUR 27.8 billion.



BREAKDOWN OF BREAKDOWN OF PROVISIONS AND IMPAIRMENTS AT 31ST DECEMBER 2013

At 31st December 2013, these loans were provisioned or impaired for an amount of EUR 15.8 billion.



Impairments for groups of homogeneous assets

At 31st December 2014, the Group's provisions for groups of homogeneous assets amounted to EUR 1.3 billion (EUR 1.2 billion at 31st December 2013).

TABLE 22: DOUBTFUL LOANS COVERAGE RATIO

	31 DEC. 2014	31 DEC. 2013
Gross book outstandings in EUR bn	431	422
Doubtful loans in EUR bn	25.9	27.8
Gross doubtful loans ratio	6.0%	6.6%
Gross doubtful loans ratio (excluding legacy assets)	5.6%	6.0%
Specific impairments in EUR bn	15.1	15.8
Impairment for groups of homogenous assets in EUR bn	1.3	1.2
Gross doubtful loans coverage ratio	63%	61%
Gross doubtful loans coverage ratio (excluding legacy assets)	61%	58%

See page 202: the amount of guarantees and collateral is capped at the amount of outstanding loans, i.e. EUR 221 billion at 31st December 2014, of which EUR 111.5 billion for retail customers and EUR 109.5 billion for non-retail customers (versus EUR 89.4 billion and EUR 48.5 billion, respectively, at 31st December 2013). Guarantees and collateral received for outstanding loans not individually impaired amounted to EUR 2.15 billion at 31st December 2014 (of which EUR 1.25 billion for retail customers and EUR 0.90 billion for non-retail customers). Guarantees and collateral received for individually impaired loans amounted to EUR 5.74 billion at 31st December 2014 (of which EUR 1.96 billion for retail customers and EUR 3.78 billion for non-retail customers). These amounts are capped at the amount of outstanding individually impaired loans.

CREDIT RISK: ADDITIONAL QUANTITATIVE INFORMATION

The additional quantitative disclosures in the following tables enhance the information of the previous section under the Pillar 3 of Basel 2 regulation.

These tables set forth detailed information on the bank's global credit risk, notably with regard to total exposure, exposure at default and risk-weighted assets.

In these tables, in addition to the exposure at default (EAD), the probability of default (PD) and the loss given default ratio (LGD) explained in the previous section the key variables are the following:

- exposure is defined as all assets (e.g. loans, receivables, accruals, etc.) associated with market or customer transactions, recorded on and off-balance sheet.
- expected Loss (EL), which is the potential loss incurred, taking into account the quality of the transaction's structuring and any risk mitigation measures such as collateral. Under the AIRB method, the following equation summarises the relation between these variables: EL = EAD x PD x LGD (except for defaulted exposures);
- Risk weighted-assets (RWA): their calculation compute the exposures and the level of risk associated, which depends on the debtors' credit quality.

Compared to previous sections the exposure is presented on different axes:

The breakdowns are shown after taking into account substitution effects (including for data at 31st December 2013 restated accordingly).

Equity investments, fixed assets and other assets not relating to credit obligations are excluded except for accruals assigned to other exposure classes defined below. The residual risk value is not taken into account.

Exposure to credit risk is presented by the following categories of debtors:

TABLE 23: EXPOSURE CLASS

Sovereign	Claims or contingent claims on central governments, regional governments, local authorities or public sector entities as well as on multilateral development banks and international organisations.
Institutions	Claims or contingent claims on regulated credit institutions, as well as on governments, local authorities and other public sector entities that do not qualify as sovereign counterparties.
Corporates	Claims or contingent claims on corporates, which include all exposures not covered in the portfolios defined above. In addition, small/medium-sized enterprises are included in this category as a sub-portfolio, and defined as entities with total annual sales below EUR 50m.
Retail	Claims or contingent claims on an individual or individuals, or on a small or medium-sized entity, provided in the latter case that the total amount owed to the credit institution does not exceed EUR 1 M. Retail exposure is further broken down into residential mortgages, revolving credit and other forms of credit to individuals, the remainder relating to exposures to very small entities and self-employed.
Securitisation	Claims relating to securitisation transactions.

The global increase of both exposures and risk-weighted assets in 2014, in particular the perimeter under the standard approach, lies within Basel 3 changes (for example, calculation changes for Central Counterparty Clearing House), and also within a change in perimeter (full integration of Newedge).

These changes impacted mainly Institutions and Corporates portfolios.

TABLE 24: CREDIT RISK EXPOSURE, EXPOSURE AT DEFAULT (EAD) AND RISK-WEIGHTED ASSETS (RWA) BY APPROACH AND EXPOSURE CLASS

	31.12.2014										
	Global portfolio										
(In EUR m)	IRB approach			Standard approach			Total			Average[1]	
	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	RWA
Exposure Class											
Sovereign	150,726	147,707	5,187	10,272	10,181	11,221	160,999	157,888	16,408	160,290	13,274
Institutions	60,875	55,205	10,737	34,001	33,519	3,722	94,877	88,724	14,459	100,079	12,672
Corporates	282,599	212,882	97,480	94,295	74,336	53,112	376,894	287,218	150,592	362,110	145,685
Retail	134,939	133,927	30,162	52,468	45,418	27,458	187,407	179,345	57,620	188,865	58,597
Securitisation	15,348	15,035	1,629	47	47	374	15,395	15,082	2,003	16,517	2,297
TOTAL	**644,488**	**564,756**	**145,195**	**191,083**	**163,501**	**95,888**	**835,571**	**728,257**	**241,083**	**827,861**	**232,524**

(1) The average exposure and RWA are determined by aggregating the total gross exposure and RWA at the end of the last four quarters and dividing the result by 4.

	31.12.2013										
	Global portfolio										
(In EUR m)	IRB approach			Standard approach			Total			Average[1]	
	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	RWA
Exposure Class											
Sovereign	155,397	151,884	5,637	2,216	2,206	568	157,613	154,090	6,205	161,358	6,210
Institutions	66,472	53,213	8,480	18,659	8,053	3,249	85,131	61,266	11,729	88,182	12,584
Corporates	260,384	189,766	87,454	70,943	49,176	47,874	331,327	238,942	135,329	341,541	136,532
Retail	129,357	129,449	28,825	59,242	51,390	33,185	188,599	180,838	62,010	190,042	59,370
Securitisation	15,667	14,988	2,141	215	215	269	15,882	15,203	2,410	17,089	3,130
TOTAL	**627,277**	**539,300**	**132,538**	**151,275**	**111,039**	**85,145**	**778,552**	**650,339**	**217,683**	**798,213**	**217,826**

(1) The average exposure and RWA are determined by aggregating the total gross exposure and RWA at the end of the last four quarters and dividing the result by 4.

TABLE 25: RETAIL CREDIT RISK EXPOSURE, EXPOSURE AT DEFAULT (EAD) AND RISK-WEIGHTED ASSETS (RWA) BY APPROACH AND EXPOSURE CLASS

	31.12.2014										
	Retail portfolio										
(In EUR m)	IRB approach			Standard approach			Total			Average(1)	
	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	RWA
Exposure Class											
Residential mortgages	82,543	82,403	13,436	15,808	15,030	5,457	98,351	97,433	18,893	97,401	18,581
Revolving credits	6,979	5,656	2,541	4,752	2,611	1,979	11,731	8,267	4,520	12,161	4,745
Other credits to individuals	29,081	29,184	8,325	21,912	19,111	14,754	50,994	48,294	23,078	52,995	23,743
Other - small entities or self employed	16,336	16,683	5,861	9,995	8,667	5,268	26,331	25,350	11,129	26,308	11,528
TOTAL	**134,939**	**133,927**	**30,162**	**52,468**	**45,418**	**27,458**	**187,407**	**179,345**	**57,620**	**188,865**	**58,597**

(1) The average exposure and RWA are determined by aggregating the total gross exposure and RWA at the end of the last four quarters and dividing the result by 4.

	31.12.2013										
	Retail portfolio										
(In EUR m)	IRB approach			Standard approach			Total			Average(1)	
	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	RWA
Exposure Class											
Residential mortgages	78,284	78,231	11,372	15,902	15,409	5,551	94,187	93,641	16,923	94,833	15,373
Revolving credits	7,383	5,935	2,643	5,607	2,961	2,245	12,991	8,896	4,888	13,093	4,706
Other credits to individuals	28,169	29,357	8,195	27,374	24,104	18,460	55,543	53,461	26,654	55,810	26,517
Other - small entities or self employed	15,521	15,925	6,615	10,358	8,915	6,930	25,879	24,840	13,545	26,306	12,774
TOTAL	**129,357**	**129,449**	**28,825**	**59,242**	**51,389**	**33,185**	**188,599**	**180,838**	**62,010**	**190,042**	**59,370**

(1) The average exposure and RWA are determined by aggregating the total gross exposure and RWA at the end of the last four quarters and dividing the result by 4.

Breakdown of credit risk

TABLE 26: CREDIT AND COUNTERPARTY RISK EXPOSURE BY APPROACH AND EXPOSURE CLASS

	31.12.2014								
	IRB			Standard			Total		
(In EUR m)	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total
Exposure class									
Sovereign	141,921	8,805	150,726	10,070	202	10,272	151,991	9,008	160,999
Institutions	41,620	19,255	60,875	18,061	15,940	34,001	59,681	35,196	94,877
Corporates	240,598	42,001	282,599	75,516	18,779	94,295	316,114	60,780	376,894
Retail	134,927	12	134,939	52,300	168	52,468	187,226	180	187,407
Securitisation	15,248	100	15,348	46	0	47	15,295	101	15,395
TOTAL	**574,314**	**70,174**	**644,488**	**155,993**	**35,090**	**191,083**	**730,307**	**105,264**	**835,571**

	31.12.2013								
	IRB			Standard			Total		
(In EUR m)	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total
Exposure class									
Sovereign	144,795	10,602	155,397	2,150	66	2,216	146,945	10,668	157,613
Institutions	53,901	12,571	66,472	17,567	1,091	18,659	71,468	13,663	85,131
Corporates	226,739	33,645	260,384	68,461	2,483	70,943	295,200	36,127	331,327
Retail	129,309	48	129,357	59,234	8	59,242	188,542	57	188,599
Securitisation	15,473	195	15,667	215	0	215	15,687	195	15,882
TOTAL	**570,216**	**57,061**	**627,277**	**147,626**	**3,648**	**151,275**	**717,842**	**60,709**	**778,552**

TABLE 27: CREDIT AND COUNTERPARTY EXPOSURE AT DEFAULT (EAD) BY APPROACH AND EXPOSURE CLASS

	31.12.2014								
	IRB			Standard			Total		
(In EUR m)	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total
Exposure class									
Sovereign	138,902	8,805	147,707	9,979	202	10,181	148,880	9,008	157,888
Institutions	35,949	19,255	55,205	17,580	15,939	33,519	53,530	35,195	88,724
Corporates	170,881	42,001	212,882	55,597	18,739	74,336	226,478	60,740	287,218
Retail	133,914	12	133,927	45,250	168	45,418	179,164	180	179,345
Securitisation	14,935	100	15,035	46	0	47	14,981	101	15,082
TOTAL	**494,582**	**70,174**	**564,756**	**128,452**	**35,049**	**163,501**	**623,033**	**105,223**	**728,257**

	31.12.2013								
	IRB			Standard			Total		
(In EUR m)	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total	Credit risk	Counterparty risk	Total
Exposure class									
Sovereign	141,282	10,602	151,884	2,140	66	2,206	143,422	10,668	154,090
Institutions	37,242	15,971	53,213	7,095	958	8,053	44,337	16,929	61,266
Corporates	156,834	32,931	189,766	47,808	1,368	49,176	204,642	34,299	238,942
Retail	129,400	48	129,449	51,381	8	51,390	180,781	57	180,838
Securitisation	14,794	195	14,988	215	0	215	15,008	195	15,203
TOTAL	**479,553**	**59,747**	**539,300**	**108,639**	**2,400**	**111,039**	**588,192**	**62,148**	**650,339**

Guarantees and Collateral

As at 31 December 2014, on- and off-balance sheet guarantees and collateral amounted to EUR 221 billion. The amount of guarantees and collateral integrated in the calculation of the group capital requirements totalled EUR 168 billion and can be broken down into:

TABLE 28: ON AND OFF-BALANCE SHEET PERSONAL GUARANTEES (INCLUDING CREDIT DERIVATIVES) AND COLLATERAL BY EXPOSURE CLASS

(In EUR m)	31.12.2014		31.12.2013	
	Personal guarantees	Collateral	Personal guarantees	Collateral
Sovereign	4,583	838	4,769	413
Institutions	2,890	897	3,244	1,575
Corporates	20,513	36,439	18,519	36,194
Retail	62,344	39,755	53,803	37,952
Total	**90,330**	**77,929**	**80,335**	**76,134**

TABLE 29: CORPORATE CREDIT EXPOSURE AT DEFAULT (EAD) BY INDUSTRY SECTOR

EAD	Corporate - 31.12.2014		Corporate - 31.12.2013	
(In EUR m)	**EAD**	**Breakdown in %**	**EAD**	**Breakdown in %**
Finance & insurance	60,975	21.2%	44,749	18.7%
Real estate	22,379	7.8%	21,584	9.0%
Public administration	3,347	1.2%	430	0.2%
Food & agriculture	12,395	4.3%	11,153	4.7%
Consumer goods	6,014	2.1%	5,532	2.3%
Chemicals, rubber, plastics	4,661	1.6%	4,628	1.9%
Retail trade	13,408	4.7%	12,793	5.4%
Wholesale trade	24,137	8.4%	21,327	8.9%
Construction	10,149	3.5%	10,123	4.2%
Transport equip. manuf.	3,124	1.1%	2,202	0.9%
Education and associations	1,025	0.4%	1,082	0.5%
Hotels and catering	4,222	1.5%	3,890	1.6%
Automobiles	5,500	1.9%	3,885	1.6%
Machinery and equipment	9,499	3.3%	8,056	3.4%
Forestry, paper	1,277	0.4%	1,409	0.6%
Metals, minerals	9,771	3.4%	7,888	3.3%
Media	3,020	1.1%	2,487	1.0%
Oil and Gas	21,271	7.4%	13,452	5.6%
Health , social services	2,829	1.0%	2,357	1.0%
Business services (including conglomerates)	24,152	8.4%	21,700	9.1%
Collective services	17,057	5.9%	15,140	6.3%
Personal & domestic services	205	0.1%	178	0.1%
Telecoms	8,790	3.1%	5,204	2.2%
Transport & logistics	18,011	6.3%	17,694	7.4%
TOTAL	**287,218**	**100%**	**238,942**	**100%**

Almost two-thirds of the Group's total exposure was concentrated in Western Europe inc. France (more than 80% for Retail) in 2014 as well as in 2013.

Exposure to Russia (including Private Banking russian clients) amounted circa 2% of the Group total EAD.

As for the sovereign exposure, the change in the exposure on some countries (for example: United States and Japan) is due to the Group's liquidity management.

TABLE 30: EXPOSURE AT DEFAULT (EAD) BY GEOGRAPHIC REGION AND MAIN COUNTRIES AND BY EXPOSURE CLASS

EAD	31.12.2014						
(In EUR m)	**Sovereign**	**Institutions**	**Corporates**	**Retail**	**Securitisation**	**Total**	**Breakdown in %**
France	43,533	28,613	108,853	128,343	7,828	317,169	43.6%
United Kingdom	1,018	9,796	13,547	2,240	172	26,774	3.7%
Germany	7,358	6,307	11,228	7,833	21	32,746	4.5%
Italy	2,958	1,312	7,798	5,413	82	17,562	2.4%
Luxembourg	5,666	955	6,361	119	0	13,102	1.8%
Spain	2,006	2,281	7,670	310	55	12,322	1.7%
Switzerland	3,832	1,419	4,604	748	1	10,603	1.5%
Other Western European countries	6,516	4,555	20,792	1,193	585	33,640	4.6%
Czech Republic	10,996	1,751	8,449	8,910	0	30,106	4.1%
Romania	3,135	285	2,665	4,027	0	10,112	1.4%
Other Eastern European countries EU	2,845	610	4,880	4,375	0	12,709	1.7%
Russia	1,559	1,486	7,288	6,628	0	16,962	2.3%
Other Eastern European countries excluding EU	2,384	530	5,104	2,728	0	10,744	1.5%
United States	41,381	17,406	34,679	120	5,929	99,515	13.7%
Other countries of North America	778	867	2,380	16	206	4,247	0.6%
Latin America and Caribbean	372	537	5,748	654	41	7,352	1.0%
Africa and Middle East	5,404	2,075	14,871	5,304	78	27,732	3.8%
Japan	12,343	935	2,883	9	0	16,171	2.2%
Asia-Pacific	3,804	7,004	17,417	376	86	28,688	3.9%
TOTAL	**157,888**	**88,724**	**287,218**	**179,345**	**15,082**	**728,257**	**100%**

Russia (including Private Banking Russian customers) amounted circa 2% of the Group total EAD. As for the sovereign exposure, the change in the exposure on some countries (for example: United States and Japan) is due to the Group's liquidity management.

EAD	31.12.2013						
(En M EUR)	**Sovereign**	**Institutions**	**Corporates**	**Retail**	**Securitisation**	**Total**	**Breakdown in %**
France	36,685	26,910	100,263	128,893	4,187	296,937	45.7%
United Kingdom	457	4,726	9,601	1,614	158	16,556	2.5%
Germany	7,190	2,181	8,153	7,241	14	24,778	3.8%
Italy	2,825	966	6,375	4,982	145	15,293	2.4%
Luxembourg	4,850	255	6,459	1,503	250	13,317	2.0%
Spain	1,555	2,802	6,155	46	184	10,742	1.7%
Switzerland	6,989	789	5,944	932	8	14,662	2.3%
Other Western European countries	5,061	4,331	13,504	1,439	1,307	25,642	3.9%
Czech Republic	9,157	1,875	8,075	8,704	0	27,811	4.3%
Romania	3,383	321	3,083	4,186	0	10,973	1.7%
Other Eastern European countries EU	2,035	771	4,693	3,946	1	11,446	1.8%
Russia	2,171	1,193	8,572	9,453	0	21,389	3.3%
Other Eastern European countries excluding EU	2,279	345	4,344	2,547	0	9,514	1.5%
The United States	56,192	4,997	22,377	90	8,124	91,781	14.1%
Other countries of North America	765	404	1,335	0	236	2,740	0.4%
Latin America and Caribbean	359	431	3,414	609	375	5,187	0.8%
Africa and Middle East	5,023	1,785	13,636	4,430	77	24,951	3.8%
Asia-Pacific	7,113	6,184	12,961	225	137	26,619	4.1%
TOTAL	**154,090**	**61,266**	**238,942**	**180,838**	**15,203**	**650,339**	**100.0%**

TABLE 31: RETAIL EXPOSURE AT DEFAULT (EAD) BY GEOGRAPHIC REGION AND MAIN COUNTRIES

EAD	31.12.2014					
(In EUR m)	Residential mortgages	Revolving credits	Others credits to individuals	Others - small entities or self employed	Total	Breakdown in %
France	79,237	6,649	26,714	15,744	128,343	71.6%
Germany	21	194	3,812	3,805	7,833	4.4%
Italy	28	107	3,783	1,496	5,413	3.0%
Other Western European countries	1,333	38	1,636	1,603	4,610	2.6%
Czech Republic	6,697	371	949	893	8,910	5.0%
Romania	2,417	325	1,103	182	4,027	2.2%
Other Eastern European countries EU	1,965	77	1,892	441	4,375	2.4%
Russia	2,708	387	3,329	204	6,628	3.7%
Other Eastern European countries excluding EU	1,092	35	1,306	295	2,728	1.5%
North America	38	6	80	11	136	0.1%
Latin America and Carribbean	13	12	620	8	654	0.4%
Africa and Middle East	1,755	48	3,003	498	5,304	3.0%
Asia-Pacific	131	17	67	171	385	0.2%
TOTAL	**97,433**	**8,267**	**48,294**	**25,350**	**179,345**	**100%**

EAD	31.12.2013					
(In EUR m)	Residential mortgages	Revolving credits	Others credits to individuals	Others - small entities or self employed	Total	Breakdown in %
France	76,442	7,187	29,392	15,872	128,893	71.3%
Germany	10	141	3,439	3,651	7,241	4.0%
Italy	0	136	3,682	1,163	4,982	2.8%
Other Western European countries	1,292	0	2,464	1,778	5,534	3.1%
Czech Republic	6,517	366	998	823	8,704	4.8%
Romania	1,647	325	1,875	339	4,186	2.3%
Other Eastern European countries EU	1,665	72	1,867	341	3,946	2.2%
Russia	3,278	648	5,526	0	9,453	5.2%
Other Eastern European countries excluding EU	993	21	1,247	286	2,547	1.4%
North America	90	0	0	0	90	0.0%
Latin America and Carribbean	0	0	600	8	609	0.3%
Africa and Middle East	1,637	0	2,369	423	4,430	2.4%
Asia-Pacific	67	0	0	157	225	0.1%
TOTAL	**93,640**	**8,896**	**53,461**	**24,841**	**180,838**	**100%**

TABLE 32: UNDER THE IRB APPROACH FOR NON-RETAIL CUSTOMERS: CREDIT RISK EXPOSURE BY RESIDUAL MATURITY AND EXPOSURE CLASS

As at 31 December 2014, about 80% of the total credit risk's exposure had a maturity less than five years and circa 35% of the total credit risk's exposure had a maturity less than one year.

	31.12.2014				
	Maturity analysis				
(In EUR m)	< 1 year	1 to 5 years	5 to 10 years	> 10 years	Total
Sovereign	63,263	37,619	39,642	10,202	150,726
Institutions	20,515	21,970	5,166	13,225	60,875
Corporates	84,577	152,423	23,048	22,551	282,599
Securitisation	10,757	1,182	270	3,140	15,348
TOTAL	**179,113**	**213,193**	**68,126**	**49,117**	**509,549**

	31.12.2013				
	Maturity analysis				
(In EUR m)	< 1 year	1 to 5 years	5 to 10 years	> 10 years	Total
Sovereign	74,631	37,943	31,140	11,682	155,397
Institutions	20,448	28,128	5,007	12,889	66,472
Corporates	71,176	147,483	20,817	20,908	260,384
Securitisation	9,511	284	866	5,006	15,667
TOTAL	**175,766**	**213,838**	**57,830**	**50,486**	**497,920**

Global credit risk by rating

The breakdown by rating of the Societe Generale Group's Corporates exposure demonstrates the sound quality of the portfolio. At 31 December 2014, more than 75% of EAD (excluding defaulted exposure) under the IRB method had an investment grade rating. Transactions with non-investment grade counterparties are often backed by guarantees and collateral in order to mitigate the risk incurred.

TABLE 33: UNDER THE IRB APPROACH: CREDIT RISK EXPOSURE BY EXPOSURE CLASS AND INTERNAL RATING (EXCLUDING DEFAULTED EXPOSURE)

	31.12.2014										
(In EUR m)	Internal obligor rating	Gross exposure	On-balance-sheet exposure	Off-balance sheet exposure	Average CCF (Off-balance sheet)	EAD	RWA	Average LGD	Average PD	Average RW[1]	Expected Loss
Sovereign	1	61,616	59,015	2,600	65%	60,717	8	0%	0.00%	0%	0
	2	66,889	61,944	4,946	78%	65,814	400	2%	0.00%	1%	0
	3	10,809	8,570	2,239	65%	10,017	908	19%	0.05%	9%	1
	4	9,609	9,111	498	59%	9,405	2,548	22%	0.27%	27%	7
	5	1,126	1,037	89	93%	1,119	753	32%	2.43%	67%	8
	6	544	472	72	43%	503	357	19%	7.60%	71%	8
	7	78	34	44	94%	76	213	47%	20.11%	281%	7
Sub-total		**150,671**	**140,183**	**10,489**	**71%**	**147,652**	**5,187**	**4%**	**0.08%**	**4%**	**31**
Institutions	1	105	55	50	96%	103	5	13%	0.03%	5%	0
	2	20,043	16,424	3,619	83%	19,448	852	11%	0.03%	4%	0
	3	24,547	12,436	12,112	74%	21,059	1,850	22%	0.04%	9%	1
	4	11,071	6,725	4,346	86%	10,209	4,157	32%	0.27%	41%	9
	5	4,440	2,068	2,372	75%	3,856	2,873	29%	1.63%	75%	19
	6	341	116	224	70%	267	433	40%	6.88%	162%	7
	7	282	113	169	61%	217	554	43%	18.02%	255%	17
Sub-total		**60,828**	**37,936**	**22,892**	**78%**	**55,159**	**10,724**	**20%**	**0.29%**	**19%**	**54**
Corporates	1	1,890	1,424	467	71%	1,756	212	87%	0.03%	12%	0
	2	26,881	12,042	14,839	74%	22,790	3,472	40%	0.03%	15%	3
	3	63,077	21,197	41,880	55%	43,936	7,466	37%	0.05%	17%	7
	4	93,724	31,840	61,884	56%	66,065	24,587	30%	0.31%	37%	62
	5	63,238	36,817	26,420	53%	50,279	37,102	29%	2.03%	75%	285
	6	21,148	12,522	8,626	61%	17,487	16,675	27%	6.68%	95%	302
	7	3,364	2,550	814	62%	3,056	4,605	30%	20.48%	151%	188
Sub-total		**273,322**	**118,393**	**154,929**	**57%**	**205,369**	**94,120**	**33%**	**1.48%**	**46%**	**848**
Retail	1	2,324	1,930	394	97%	2,314	241	100%	0.03%	10%	1
	2	2,640	2,385	255	99%	2,638	259	100%	0.03%	10%	1
	3	46,372	45,204	1,168	99%	46,428	2,660	17%	0.04%	6%	3
	4	32,283	29,981	2,303	60%	31,380	3,392	19%	0.33%	11%	22
	5	28,338	25,189	3,150	79%	27,691	9,623	23%	1.93%	35%	118
	6	9,070	8,489	581	114%	9,358	4,826	28%	7.32%	52%	185
	7	4,191	4,101	91	56%	4,404	3,533	28%	25.70%	80%	307
Sub-total		**125,219**	**117,278**	**7,940**	**80%**	**124,214**	**24,535**	**23%**	**1.99%**	**20%**	**636**
Corporate in IRB slotting		1,738	358	1,380	32%	803	501			62%	3
CR IRB: "alternative treatment: secured by real estate"		395	395	0	0%	395	197			50%	0
TOTAL		**612,173**	**414,542**	**197,631**	**61%**	**533,592**	**135,264**	**21%**	**1.09%**	**25%**	**1,573**

(1) With consideration of the floor of PD.

	31.12.2013										
(In EUR m)	Internal obligor rating	Gross exposure	On-balance-sheet exposure	Off-balance sheet exposure	Average CCF (Off-balance sheet)	EAD	RWA	Average LGD	Average PD	Average RW(1)	Expected Loss
Sovereign	1	118,745	111,969	6,776	59%	115,982	7	0%	0.00%	0%	0
	2	14,926	13,772	1,153	92%	14,834	468	14%	0.01%	3%	0
	3	10,697	8,948	1,749	71%	10,166	898	18%	0.05%	9%	1
	4	7,702	7,308	394	74%	7,599	1,839	18%	0.29%	24%	4
	5	2,477	2,404	73	65%	2,452	1,637	35%	1.88%	67%	14
	6	620	600	20	81%	616	618	24%	10.12%	100%	14
	7	64	45	19	100%	64	147	40%	18.93%	228%	5
Sub-total		**155,231**	**145,046**	**10,186**	**66%**	**151,714**	**5,613**	**4%**	**0.10%**	**4%**	**38**
Institutions	1	12,310	10,584	1,727	51%	11,469	329	5%	0.03%	3%	0
	2	9,492	6,046	3,446	60%	8,085	477	23%	0.03%	6%	0
	3	29,471	13,742	15,729	49%	19,809	1,516	22%	0.04%	8%	2
	4	10,347	6,003	4,344	81%	9,696	3,160	31%	0.26%	33%	8
	5	3,834	1,669	2,164	77%	3,333	2,201	28%	1.67%	66%	16
	6	539	301	239	70%	370	445	32%	7.37%	120%	9
	7	215	83	132	71%	178	286	30%	18.19%	161%	10
Sub-total		**66,209**	**38,428**	**27,782**	**58%**	**52,940**	**8,414**	**20%**	**0.29%**	**16%**	**46**
Corporates	1	3,299	2,313	986	101%	3,001	381	70%	0.03%	11%	1
	2	33,450	14,782	18,668	42%	20,893	2,949	38%	0.03%	14%	3
	3	57,061	25,384	31,677	59%	41,303	6,630	36%	0.05%	16%	7
	4	83,788	31,041	52,747	48%	56,218	20,659	31%	0.31%	37%	54
	5	51,801	30,015	21,786	53%	40,286	31,463	29%	1.99%	76%	239
	6	15,906	9,954	5,953	55%	13,074	14,308	30%	7.04%	109%	270
	7	2,898	2,212	687	76%	2,781	4,896	34%	20.62%	176%	192
Sub-total		**248,204**	**115,701**	**132,503**	**52%**	**177,556**	**81,286**	**33%**	**1.40%**	**45%**	**765**
Retail	1	1,893	1,454	439	98%	2,376	248	100%	0.03%	10%	1
	2	2,395	2,220	175	101%	2,402	236	100%	0.03%	10%	1
	3	45,252	44,157	1,094	99%	45,885	2,797	17%	0.04%	6%	3
	4	32,002	29,516	2,486	57%	30,936	3,498	18%	0.31%	11%	20
	5	27,360	24,429	2,931	83%	26,875	8,506	22%	1.84%	32%	112
	6	10,246	9,641	605	110%	10,532	5,716	26%	7.31%	54%	185
	7	4,152	4,066	86	23%	4,384	3,639	28%	26.83%	83%	316
Sub-total		**123,299**	**115,483**	**7,816**	**80%**	**123,389**	**24,640**	**23%**	**2.07%**	**20%**	**638**
Corporate in IRB slotting		1,973	469	1,504	55%	1,299	776			60%	4
Receivables		2,886	2,864	22	-	3,019	1,933			64%	44
TOTAL		**597,804**	**417,990**	**179,814**	**55%**	**509,917**	**122,662**	**21%**	**1.06%**	**24%**	**1,536**

(1) With consideration of the floor of PD.

TABLE 34: UNDER THE IRB APPROACH FOR RETAIL CUSTOMERS: CREDIT RISK EXPOSURE BY EXPOSURE CLASS AND INTERNAL RATING (EXCLUDING DEFAULTED EXPOSURE)

	31.12.2014										
(In EUR m)	Internal obligor rating	Gross exposure	On-balance-sheet exposure	Off-balance sheet exposure	Average CCF (Off-balance sheet)	EAD	RWA	Average LGD	Average PD	Average RW(1)	Expected Loss
Residential mortgage	1	267	260	7	100%	267	26	100%	0.03%	10%	0
	2	2,424	2,340	84	98%	2,422	237	100%	0.03%	10%	1
	3	42,325	41,607	718	100%	42,325	2,362	13%	0.04%	6%	2
	4	22,104	21,817	286	87%	22,066	1,849	15%	0.29%	8%	10
	5	11,041	10,735	307	70%	10,949	4,432	17%	1.90%	40%	33
	6	1,788	1,765	23	85%	1,784	1,293	17%	8.08%	72%	23
	7	1,263	1,248	15	97%	1,263	1,180	16%	19.32%	93%	39
Sub-total		**81,212**	**79,772**	**1,440**	**91%**	**81,076**	**11,378**	**17%**	**0.84%**	**14%**	**108**
Revolving credit	1	0	0	0	0%	0	0	0%	0.00%	0%	0
	2	0	0	0	0%	0	0	0%	0.00%	0%	0
	3	120	20	100	100%	190	4	51%	0.06%	2%	0
	4	1,705	160	1,545	39%	765	66	44%	0.39%	9%	1
	5	2,585	591	1,995	70%	1,985	577	43%	2.06%	29%	17
	6	1,288	955	333	119%	1,351	826	41%	6.97%	61%	35
	7	551	507	44	0%	638	698	40%	29.06%	109%	64
Sub-total		**6,250**	**2,233**	**4,016**	**62%**	**4,931**	**2,172**	**43%**	**6.56%**	**44%**	**117**
Other credit to individuals	1	2,057	1,671	387	97%	2,047	215	100%	0.03%	10%	1
	2	216	45	172	100%	216	23	100%	0.03%	10%	0
	3	3,923	3,574	349	96%	3,909	294	54%	0.04%	8%	1
	4	5,788	5,430	359	115%	5,857	1,055	26%	0.41%	18%	7
	5	8,279	7,692	587	106%	8,315	2,980	26%	1.93%	36%	42
	6	2,713	2,636	78	127%	2,733	1,380	31%	6.68%	50%	56
	7	1,159	1,148	11	137%	1,163	764	27%	33.80%	66%	96
Sub-total		**24,136**	**22,195**	**1,941**	**105%**	**24,239**	**6,709**	**38%**	**3.14%**	**28%**	**203**
Very small business or self-employed	1	0	0	0	0%	0	0	0%	0.00%	0%	0
	2	0	0	0	0%	0	0	0%	0.00%	0%	0
	3	3	3	0	100%	3	0	16%	0.04%	4%	0
	4	2,687	2,573	113	105%	2,692	422	26%	0.42%	16%	4
	5	6,432	6,171	261	104%	6,443	1,634	22%	1.92%	25%	26
	6	3,280	3,134	147	100%	3,490	1,327	27%	7.57%	38%	70
	7	1,218	1,197	21	100%	1,340	892	33%	23.08%	67%	108
Sub-total		**13,620**	**13,078**	**542**	**103%**	**13,968**	**4,275**	**25%**	**5.06%**	**31%**	**209**
TOTAL		**125,219**	**117,278**	**7,940**	**80%**	**124,214**	**24,535**	**23%**	**1.99%**	**20%**	**636**

(1) With consideration of the floor of PD.

(In EUR m)	Internal obligor rating	Gross exposure	On-balance-sheet exposure	Off-balance sheet exposure	Average CCF (Off-balance sheet)	EAD	RWA	Average LGD	Average PD	Average RW[(1)]	Expected Loss
	31.12.2013										
Residential mortgage	1	226	220	7	100%	226	22	100%	0.03%	10%	0
	2	2,171	2,101	70	99%	2,170	212	100%	0.03%	10%	1
	3	41,726	41,018	708	100%	41,726	2,530	13%	0.04%	6%	2
	4	20,133	19,867	267	94%	20,117	1,747	15%	0.26%	9%	8
	5	9,929	9,680	249	87%	9,897	3,076	16%	1.66%	31%	27
	6	2,182	2,155	27	95%	2,181	1,416	15%	8.62%	65%	25
	7	916	910	6	95%	916	890	17%	21.39%	97%	31
Sub-total		**77,284**	**75,951**	**1,333**	**100%**	**77,233**	**9,893**	**17%**	**0.80%**	**13%**	**94**
Revolving credit	1	0	0	0	0%	0	0	0%	0.00%	0%	0
	2	0	0	0	0%	0	0	0%	0.00%	0%	0
	3	140	24	116	100%	228	5	54%	0.06%	2%	0
	4	1,950	156	1,793	37%	824	65	43%	0.30%	8%	1
	5	2,558	594	1,964	73%	2,033	579	44%	1.79%	28%	17
	6	1,370	994	377	109%	1,404	827	39%	7.03%	59%	35
	7	613	561	52	-	703	784	40%	26.85%	112%	68
Sub-total		**6,632**	**2,330**	**4,302**	**61%**	**5,191**	**2,260**	**42%**	**6.29%**	**44%**	**121**
Other credit to individuals	1	1,666	1,234	432	98%	2,149	225	100%	0.03%	10%	1
	2	225	119	105	103%	232	24	100%	0.03%	10%	0
	3	3,378	3,108	270	97%	3,924	262	49%	0.04%	7%	1
	4	5,869	5,555	313	115%	5,918	1,015	24%	0.36%	17%	6
	5	9,478	8,948	530	112%	9,541	3,265	24%	1.84%	34%	44
	6	3,549	3,467	82	134%	3,575	1,745	29%	6.42%	49%	66
	7	1,385	1,375	10	132%	1,388	854	25%	33.19%	61%	109
Sub-total		**25,550**	**23,806**	**1,743**	**107%**	**26,727**	**7,391**	**35%**	**3.33%**	**28%**	**226**
Very small business or self-employed	1	0	0	0	0%	0	0	-	-	-	0
	2	0	0	0	0%	0	0	-	-	-	0
	3	7	7	1	105%	7	0	14%	0.04%	4%	0
	4	4,050	3,937	113	123%	4,077	671	21%	0.51%	16%	4
	5	5,394	5,206	188	105%	5,404	1,586	21%	2.19%	29%	25
	6	3,145	3,026	119	100%	3,372	1,728	23%	7.51%	51%	59
	7	1,238	1,221	17	-	1,377	1,111	32%	24.01%	81%	109
Sub-total		**13,834**	**13,396**	**438**	**100%**	**14,237**	**5,096**	**23%**	**5.08%**	**36%**	**197**
TOTAL		**123,299**	**115,483**	**7,816**	**80%**	**123,389**	**24,640**	**23%**	**2.07%**	**20%**	**638**

(1) With consideration of the floor of PD.

TABLE 35: UNDER THE STANDARD APPROACH: CREDIT RISK EXPOSURE BY EXPOSURE CLASS AND EXTERNAL RATING

	31.12.2014			
(In EUR m)	External Rating	Gross exposure	EAD	RWA
Sovereign	AAA to AA-	721	669	0
	A+ to A-	35	35	7
	BBB+ to BBB-	204	173	87
	BB+ to B-	1,439	1,439	1,434
	<B-	0	0	0
	Without external rating	7,869	7,862	9,685
Sub-total		**10,268**	**10,178**	**11,213**
Institutions	AAA to AA-	26,228	26,373	1,455
	A+ to A-	504	413	267
	BBB+ to B-	1,073	1,031	959
	<B-	235	235	383
	Without external rating	5,905	5,450	639
Sub-total		**33,946**	**33,503**	**3,703**
Corporates	AAA to AA-	10,825	9,124	733
	A+ to A-	1,177	1,073	534
	BBB+ to B-	13,780	9,717	9,723
	<B-	1,035	933	1,496
	Without external rating	61,885	51,192	37,924
Sub-total		**88,703**	**72,038**	**50,410**
Retail	Without external rating	47,509	43,346	25,040
TOTAL		**180,426**	**159,065**	**90,366**

	31.12.2013			
(In EUR m)	External Rating	Gross exposure	EAD	RWA
Sovereign	AAA to AA-	1,430	1,443	0
	A+ to A-	0	0	0
	BBB+ to BBB-	182	182	91
	BB+ to B-	426	419	419
	<B-	0	0	0
	Without external rating	176	161	56
Sub-total		**2,215**	**2,206**	**567**
Institutions	AAA to AA-	16,336	5,889	1,178
	A+ to A-	162	140	70
	BBB+ to B-	2,099	1,966	1,966
	<B-	1	1	1
	Without external rating	0	45	16
Sub-total		**18,598**	**8,041**	**3,232**
Corporates	AAA to AA-	6,717	1,740	299
	A+ to A-	2,188	2,063	1,056
	BBB+ to B-	9,810	7,556	7,582
	<B-	1,162	1,090	1,586
	Without external rating	44,582	33,865	33,854
Sub-total		**64,460**	**46,315**	**44,378**
Retail	Without external rating	54,111	49,297	30,711
TOTAL		**139,384**	**105,858**	**78,888**

The exposures in 2014 without external rating in the above table relate mainly to accruals for the sovereign portfolio and to exposures to certain clearing houses in the Institutions portfolio.

Counterparty risk

Counterparty risk is mainly concentrated in the major industrialised countries and in counterparties with an investment grade rating.

TABLE 36: COUNTERPARTY RISK EXPOSURE BY EXPOSURE CLASS

(In EUR m)	31.12.2014		31.12.2013	
Counterparty Risk	**EAD**	**RWA**	**EAD**	**RWA**
Sovereign	9,008	373	10,668	360
Institutions	35,195	5,623	16,929	3,310
Corporates	60,740	23,413	34,299	12,340
Retail	180	43	57	9
Securitisation	101	8	195	18
TOTAL	**105,223**	**29,461**	**62,148**	**16,039**

TABLE 37: COUNTERPARTY RISK EXPOSURE AT DEFAULT (EAD) BY GEOGRAPHIC REGION AND MAIN COUNTRIES (WHICH EXPOSURE IS ABOVE EUR 1 BN)

(In EUR m)	31.12.2014	31.12.2013
Counterparty Risk	**EAD**	**EAD**
France	21,669	15,146
United Kingdom	10,365	4,938
Germany	7,538	3,152
Spain	3,922	2,739
Other Western European countries	13,624	9,481
Czech Republic	2,251	5,353
Other Eastern European countries EU	977	946
Eastern Europe excluding EU	1,708	1,119
Africa and Middle East	2,470	2,274
United States	27,035	9,329
Other countries of North America	1,912	1,145
Latin America and Caribbean	1,591	1,001
Japan	3,708	ND
Other countries of Asia-Pacific[1]	6,452	5,524
TOTAL	**105,223**	**62,148**

(1) In 2013, total of Other Asia included Japan.

TABLE 38: UNDER THE IRB APPROACH: COUNTERPARTY RISK EXPOSURE AT DEFAULT (EAD) BY INTERNAL RATING

(In EUR m)	31.12.2014	31.12.2013
Counterparty risk - IRB	**EAD**	**EAD**
Internal obligor rating		
1	1,845	3,754
2	19,289	16,940
3	24,149	21,174
4	15,047	10,984
5	6,445	4,948
6	2,646	1,430
7	400	378
8 to 10	353	139
TOTAL	**70,174**	**59,747**

Unimpaired past due exposures, impaired exposures, impairments and expected losses

The definitions relative to the following tables can be found pages in the 4th note to the consolidated financial statements p. 388 and following.

TABLE 39: BREAKDOWN OF UNIMPAIRED PAST DUE EXPOSURES BY EXPOSURE CLASS

(In EUR m)	31.12.2014		31.12.2013	
Unimpaired exposure	**Total**	**O.w. past due of less than 31 days in %**	**Total**	**O.w. past due of less than 31 days in %**
Sovereign	127	26%	97	69%
Institutions	46	12%	285	84%
Corporates	2,494	42%	2,558	57%
Retail	3,319	66%	3,920	66%
Securitisation	-	-	-	-
TOTAL	**5,987**	**54%**	**6,860**	**63%**

TABLE 40: IMPAIRED ON-BALANCE SHEET EXPOSURES AND IMPAIRMENTS BY EXPOSURE CLASS AND COST OF RISK

(In EUR m)	31.12.2014					
Impaired exposure	**Standard approach**	**IRB approach**	**Total**	**Specific impairment**	**Impairment for groups of homogeneous assets**	**Cost of risk 2014**
Sovereign	20	442	462	79		
Institutions	60	70	130	126		
Corporates	5,148	5,984	11,132	8,462		
Retail	4,749	7,442	12,191	6,333		
Securitisation	0	1,964	1,964	58		
TOTAL	**9,977**	**15,903**	**25,880**	**15,058**	**1,256**	**2,967**

(In EUR m)	31.12.2013					
Impaired exposure	**Standard approach**	**IRB approach**	**Total**	**Specific impairment**	**Impairment for groups of homogeneous assets**	**Cost of risk 2013**
Sovereign	1	58	59	70		
Institutions	66	83	150	111		
Corporates	5,847	6,958	12,806	7,465		
Retail	5,058	6,872	11,930	5,587		
Securitisation	0	2,785	2,785	2,535		
TOTAL	**10,972**	**16,757**	**27,729**	**15,767**	**1,212**	**4,052**

TABLE 41: IMPAIRED ON-BALANCE SHEET EXPOSURES AND IMPAIRMENTS BY APPROACH AND BY GEOGRAPHIC REGION AND MAIN COUNTRIES

	31.12.2014			
	Impaired exposure			Specific impairment
(In EUR m)	Standard approach	IRB approach	Total	Total
France	2,634	9,909	12,544	7,889
Germany	196	212	408	142
Switzerland	16	12	29	7
Spain	49	678	728	230
Italy	682	625	1,307	659
United Kingdom	62	58	120	57
Luxembourg	8	99	107	-1
Other Western European countries	82	389	470	229
Romania	1,521	19	1,540	1,015
Czech Republic	195	676	871	599
Other Eastern European countries EU	775	40	815	604
Russia	894	76	970	757
Other Eastern European countries excluding EU	748	466	1,214	989
Africa and Middle East	1,964	211	2,175	1,648
The United States	11	2,106	2,117	94
Other countries of North America	0	0	1	0
Latin America and Carribbean	70	45	115	44
Asia-Pacific	67	282	349	95
TOTAL	**9,977**	**15,903**	**25,880**	**15,058**

	31.12.2013			
	Impaired exposure			Specific impairment
(In EUR m)	Standard approach	IRB approach	Total	Total
France	2,639	9,423	12,061	5,536
Germany	165	360	525	149
Spain	20	723	742	242
Italy	663	474	1,136	555
United Kingdom	29	172	201	69
Switzerland	15	14	29	5
Luxembourg	8	72	81	54
Other Western European countries	154	401	555	284
Romania	2,047	21	2,067	1,252
Czech Republic	199	729	928	594
Other Eastern European countries EU	836	17	853	564
Russia	1,800	101	1,901	1,360
Other Eastern European countries excluding EU	651	423	1,074	842
Africa and Middle East	1,564	195	1,759	1,470
The United States	46	3,042	3,089	2,503
Other countries of North America	0	0	0	0
Latin America and Carribbean	82	65	147	113
Asia-Pacific	55	525	580	174
TOTAL	**10,972**	**16,756**	**27,729**	**15,767**

TABLE 42: IMPAIRED ON-BALANCE SHEET EXPOSURES BY INDUSTRY SECTOR

	31.12.2014		31.12.2013	
(In EUR m)	Impaired exposure	%	Impaired exposure	%
Finance & insurance	3,873	15%	4,518	16%
Real Estate	1,166	5%	1,680	6%
Public administration	79	0%	97	0%
Food & agriculture	457	2%	419	2%
Consumer goods	519	2%	723	3%
Chemicals, rubber and plastics	156	1%	142	1%
Retail trade	606	2%	741	3%
Wholesale trade	1,398	5%	1,456	5%
Construction	971	4%	1,089	4%
Transport equip. Manuf.	121	0%	49	0%
Education and Associations	57	0%	49	0%
Hotels & Catering	315	1%	296	1%
Automobiles	116	0%	146	1%
Machinery and equipment	313	1%	308	1%
Forestry, paper	229	1%	259	1%
Metals, minerals	418	2%	521	2%
Media	167	1%	185	1%
Oil and Gas	65	0%	59	0%
Health, social services	62	0%	91	0%
Business services (including conglomerates)	640	2%	839	3%
Collective services	344	1%	172	1%
Personal and domestic services	17	0%	22	0%
Telecom	20	0%	24	0%
Transport & logistics	514	2%	905	3%
Retail	12,191	47%	11,930	43%
Others	1,067	4%	1,009	4%
TOTAL	**25,880**	**100%**	**27,729**	**100%**

TABLE 43: UNDER THE IRB APPROACH: EXPECTED LOSSES (EL) ON A ONE-YEAR HORIZON BY EXPOSURE CLASS (EXCLUDING DEFAULTED EXPOSURES)

(In EUR m)	31.12.2014	31.12.2013
Sovereign	31	39
Institutions	54	47
Corporates	851	792
Retail	636	638
Securitisation	1	1
TOTAL	**1,574**	**1,517**

The EL/EAD ratio stood at 0.29% at 31 December 2014, stable comparing with 31 December 2013. The ratio is calculated on sovereign, banking, institutions, corporate and retail portfolios.

EL and actual losses are not comparable insofar as the parameters of the expected loss calculation (PD, LGD, EAD) provide estimations throughout the cycle, whereas the actual loss presents a piece of accounting information pertaining to a particular year.

5. SECURITISATION

SECURITISATIONS AND REGULATORY FRAMEWORK

This chapter presents information on Societe Generale's securitisation activities, acquired or carried out for proprietary purposes or for its customers. It describes the risks associated with these activities and the management of said risks. Finally, it contains some quantitative information to describe these activities during 2014 as well as the capital requirements for the Group's regulatory *banking book* and *trading* book within the scope defined by prudential regulations.

As defined in prudential regulations, the term securitisation refers to a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranched, having the following characteristics:

- the transaction achieves significant risk transfer;
- payments in the transaction or scheme are contingent on the performance of the exposure or pool of exposures;
- the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or risk transfer scheme.

Securitisation positions are subject to the regulatory accounting treatment defined the 3rd Part – Title 2 – Chapter 5 of the European Regulations N° 575/2013 on capital requirements applicable to credit institutions and investment firms (CRR). Such positions held in the regulatory *banking book* or *trading* book are given weightings ranging from 7% to 1,250% depending on their credit quality and subordination rank.

The regulation frame tends to evolve. Indeed, Basel committee has published at the end of 2014 new rules applied to the Securitisation framework. This review aim to reduce the dependence to external ratings and threshold effects, but also to define a more sensitive risk measure methodology and enhance the capital requirement link to certain types of securitisation exposures. In parallel, the Regulator is looking to promote a better quality of securitisation; a category in which the standardisation work has been initiated by the Basel Committee and EBA. Exposures from this category will probably benefits a more favorable prudential treatment.

ACCOUNTING METHODS

The securitisation transactions that Societe Generale invests in are recognised in accordance with Group accounting principles, as set forth in the notes to the consolidated financial statements ("Significant accounting principles")

After initial recognition, securitisation positions booked to "Loans and receivables" are measured at amortised cost using the effective interest rate method and *impairment* may be recorded if appropriate.

Securitisation positions booked to "Available-for-sale financial assets" are measured at their *fair value* at the closing date. Interest accrued or paid on fixed-income securities is recognised in the income statement using the effective interest rate method under "Interest and similar income – Transactions in financial instruments". Changes in *fair value* other than income are recorded in shareholders' equity under "Gains and losses recognised directly in equity".

The Group only records these changes in *fair value* in the income statement when the asset is sold or impaired, in which case they are reported as "Net gains or losses on available-for-sale financial assets". When a decline in the *fair value* of an Available-for-sale financial asset has been recognised directly in shareholders' equity under "Gains and losses recognised directly in equity" and subsequent objective evidence of *impairment* emerges, the Group recognises the total accumulated unrealised loss previously booked to shareholders' equity in the income statement under "Cost of risk" for debt instruments and under "Net gains and losses on available for-sale financial assets" for equity securities.

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

For assets transferred from another accounting category, amortised cost is determined based on estimated future cash flows determined at the date of reclassification. The estimated future cash flows are reviewed at each closing. In the event of an increase in estimated future cash flows, as a result of an increase in their recoverability, the effective interest rate is adjusted prospectively. However, where there is objective evidence of *impairment* due to an event occurring after the reclassification of the financial assets under consideration, and said event has an adverse impact on initially estimated future cash flows, an *impairment* on the asset in question is booked to "Cost of risk" on the income statement.

Synthetic securitisations in the form of Credit Default *Swaps* follow accounting recognition rules specific to *trading* derivatives.

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

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

The originated loans awaiting for securitisation remains in their intial classification.

STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity.

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

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

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

In consolidating structured entities that are controlled by the Group, the shares of said entities not held by the Group are recognised as Debt in the balance sheet.

When customers loans are securitised and partially sold to external investors, the entity carrying the loans are consolidated if the Group still has the control and remains exposed to the majority of the risks and benefits associated with these loans.

MONITORING OF SECURITISATION RISKS

Securitisation risks are monitored according to the rules established by the Group, depending on whether the assets are recorded in the regulatory *banking book* (via credit risk and counterparty risk) or in the *trading* book (via market risk and counterparty risk).

Structural risks and liquidity risk

Structural risks and foreign exchange risk associated with securitisation activities are monitored in the same way as for other Group assets. Oversight of structural interest rate risks is described in section 8 of this chapter.

Liquidity risk linked to securitisation activities is subject to more specific monitoring, both at the level of the responsible business lines and centrally at the Finance Division level, through the measure of the impact of these activities on the Group's liquidity ratios, stress tests and liquidity gaps. The organisation and oversight of liquidity risk is described in section 9 of this chapter.

Operational risk

Securitisation operational risks follow-up are taking into account in the Group operational risks steering. Reports targeting zero tolerance for operational risk in the Group's originator and sponsor activities are established and checked on a monthly basis. Oversight of operational risk is described in section 7 of this chapter.

SOCIETE GENERALE'S SECURISATION ACTIVITIES

Securitisation activities allow the Group to raise liquidity or manage risk exposures, for proprietary or customers' purposes. Within the framework of these activities, the Group can act as originator, sponsor/arranger or investor:

- as an originator, the Group directly or indirectly participates in the initial agreement on assets which subsequently serve as underlying in securitisation transactions, primarily for refinancing purposes;
- as a sponsor, the Group establishes and manages a securitisation programme used to refinance customers' assets, mainly via the non-consolidated vehicles Antalis and Barton and *via* certain other special purpose vehicles;
- as an investor, the Group invests directly in certain securitisation positions, is a liquidity provider or a counterparty of derivative exposures.

The securitisation transactions detailed in tables 44, 45 and 46 represent all the transactions in which the Group acted as originator and/or sponsor and in which the Group maintained some exposure (investment in a tranche, liquidity line or interest rate derivatives). The exposures are shown based on the gross book value, before depreciation, as at 31 December 2014 and at 31 December 2013. All positions are related to the *banking book*, as no originator or sponsor activities are related to the *trading* book.

TABLE 44: AGGREGATE AMOUNTS OF EXPOSURES SECURITISED BY THE GROUP AT 31 DECEMBER 2014 AND 2013 BY EXPOSURE CLASS

Exposure securitised at 31.12.2014	Banking Book				Trading Book			
	Traditional transactions		Synthethic transactions		Traditional transactions		Synthethic transactions	
Underlying assets (in M EUR)[1]	**Originator[2]**	**Sponsor**	**Originator**	**Sponsor**	**Originator**	**Sponsor**	**Originator**	**Sponsor**
Residential mortgages	0	428	0	0	0	0	0	0
Commercial mortgages	0	29	0	0	0	0	0	0
Credit card receivables	0	1,407	0	0	0	0	0	0
Leasing	0	937	0	0	0	0	0	0
Loans to corporates and SMEs	0	51	593	0	0	0	0	0
Consumer loans	0	3,370	0	0	0	0	0	0
Trade receivables	0	3,661	0	0	0	0	0	0
Other assets	0	2,607	0	0	0	0	0	0
Covered bonds	0	0	0	0	0	0	0	0
Other liabilites	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**0**	**12,491**	**593**	**0**	**0**	**0**	**0**	**0**

(1) Change of the underlyings assets classification between 2013 and 2014 in accordance to Basel 3. Securitisation/Resecuritisation amount of 2013 tables are reclassified in other assets the presentation.

(2) Exposure securisited at 31.12.2014 do not include securisations who have no impact on the Group's regulatory capital.

Exposure securitised at 31.12.2013	Banking Book				Trading Book			
	Traditional transactions		Synthethic transactions		Traditional transactions		Synthethic transactions	
Underlying assets (in M EUR)	**Originator**	**Sponsor**	**Originator**	**Sponsor**	**Originator**	**Sponsor**	**Originator**	**Sponsor**
Residential mortgages	0	76	0	0	0	0	0	0
Commercial mortgages	0	4	0	0	0	0	0	0
Credit card receivables	0	82	0	0	0	0	0	0
Leasing	1,808	500	0	0	0	0	0	0
Loans to corporates and SMEs	0	157	576	0	0	0	0	0
Consumer loans	0	2,610	0	0	0	0	0	0
Trade receivables	0	3,561	0	0	0	0	0	0
Other assets	1,784	1,977[3]	0	0	0	0	0	0
Covered bonds	0	0	0	0	0	0	0	0
Other liabilites	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**3,593**	**8,967**	**576**	**0**	**0**	**0**	**0**	**0**

(3) Reported 2013 amount for Sponsor activity has been adjusted.

TABLE 45: AMOUNTS PAST DUE OR IMPAIRED WITHIN THE EXPOSURES SECURITISED BY THE GROUP, BY EXPOSURE TYPE

	Exposure securitised at 31.12.2014				Exposure securitised at 31.12.2013			
(In M EUR)	Past due		Impaired		Past due		Impaired	
Underlying asssets(1)	**Originator**	**Sponsor**	**Originator**	**Sponsor**	**Originator**	**Sponsor**	**Originator**	**Sponsor**
Residential mortgages	0	0	0	0	0	0	0	0
Commercial mortgages	0	0	0	0	0	0	0	0
Credit card receivables	0	16	0	25	0	3	0	4
Leasing	0	4	0	1	0	1	0	0
Loans to corporates and SMEs	0	4	0	1	0	18	0	0
Consumer loans	0	84	0	27	0	89	0	22
Trade receivables	0	769	0	289	0	784	0	310
Other assets	0	3	0	911	0	2	0	922(2)
Covered bonds	0	0	0	0	0	0	0	0
Other liabilites	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**0**	**880**	**0**	**1,253**	**0**	**898**	**0**	**336**

(1) Change of the underlyings assets classification between 2013 and 2014 in accordance to Basel 3. Securitisation/Resecuritisation amount of 2013 tables are reclassified in other assets the presentation.

(2) Reported 2013 amount for Sponsor activity has been adjusted.

This information must be considered within the context of the specific structure of each transaction and vehicle, which cannot be described in this report. Taken separately, the level of payments past due or in default does not provide sufficient information on the types of exposures securitised by the Group, mainly because the default criteria may vary from one transaction to another. Furthermore, these data reflect the situation of the underlying assets.

In securitisation transactions, past-due exposures are generally managed via structural mechanisms that protect the most senior positions.

Impaired exposures belong mainly to CDOs of US subprime residential mortgages occurred in 2013.

Societe Generale as originator

As part of its refinancing activities, the Group securitises some of its portfolios of receivables granted to individual or corporate customers. With the securities created in these transactions, the Group is able to fund its own operations or expand its portfolio of assets eligible for repurchase transactions, notably with the European Central Bank.

In 2014, no new securitisation transaction was carried out.

Given that there is no significant risk transfer arising from these transactions, they are not included in the tables in this section because they have no impact on the Group's regulatory capital. The vehicles carrying the transferred receivables are consolidated. The Group remains exposed to the majority of the risks and rewards associated with these receivables; furthermore, these receivables cannot be used as collateral or sold outright as part of another transaction.

The total outstanding of the receivables securitised without significant risk transfer amounted to EUR 12.0 billion as at 31 December 2014, including EUR 4.2 billion in French residential mortgages, EUR 0.9 billion in equipment finance loans, EUR 1.9 billion in loans to corporates, EUR 3.7 billion in consumer loans and EUR 1.3 billion in auto lease receivables and related residual values.

Besides, the Group also detains two synthetics securitisation programs in which the risk transfer is made by using credit derivatives and where the portfolio is conserved in the balance sheet of the Group.

The securitised stock of these transactions is 0.6 Md EUR as of 31 December 2014, mainly composed of loans to corporates.

TABLE 46: ASSETS AWAITING SECURITISATION

	Banking book		Trading book	
(en M EUR)(1)	31.12.2014(2)	31.12.2013	31.12.2014	31.12.2013
Residential mortgages	-	-	-	-
Commercial mortgages	-	-	-	-
Credit card receivables	-	-	-	-
Leasing	-	-	-	-
Loans to corporates and SMEs	-	-	-	-
Consumer loans	-	-	-	-
Trade receivables	-	-	-	-
Other assets	-	460	-	-
Covered bonds	-	-	-	-
Other liabilites	-	-	-	-
Total	**-**	**460**	**-**	**-**

(1) Change of the underlyings assets classification between 2013 and 2014 in accordance to Basel 3. Securitisation/Resecuritisation amount of 2013 tables are reclassified in other assets the presentation.

(2) In 2014, assets awaiting securitisation do not include transactions who have no impact on the Group's regulatory capital.

Societe Generale as sponsor

The Societe Generale Group carries out securitisation transactions on behalf of its customers or investors. As of 31 December 2014, there were two consolidated multi-seller vehicles in operation (Barton and Antalis), structured by the Group on behalf of clients. This ABCP (Asset-Backed Commercial Paper) activity funds the working capital requirements of some of the Group's customers by backing short-term financing with traditional assets such as trade receivables or consumer loans. Total assets held by these vehicles and financed through the issuance of commercial paper amounted to EUR 8,645 million at 31 December 2014 (EUR 6,654 million as of 31 December 2013).

Following the application of IFRS 10 "Consolidated Financial Statements", these vehicles are are full consolidated.in the statutory consolidation scope.

The default risk on the assets held by these vehicles is borne by the transferors of the underlying receivables or by external investors. Societe Generale bears part of the risk through the issuance of a letter of credit in the amount of EUR 412 million (EUR 639 million as of 31 December 2013) and through liquidity lines in the amount of EUR 11,260 million as of 31 December 2014 (EUR 8,683 million as of 31 December 2013).

ABCP activity remained solid in 2014, with newly securitised outstandings predominantly comprising trade receivables, leasing or consumer loans.

Societe Generale as investor

In 2014, Societe Generale has kept on decreasing the size of its legacy portfolio assets, especially through assets disposal. The remaining EUR 4.4 billion as of 31 December 2014, including EUR 2.5* billion from securitisation activity, including EUR 0.2 billion rated under investment grade. Therefore, the portfolio is no longer classified under major risk by the Group.

Societe Generale also acts as a market maker for securitised assets, resulting in securitisation positions in the Group's *trading* book. As of 31 December 2011, CRD3 requires the same prudential treatment regardless of prudential classification.

The following tables show the securitisation exposures retained or purchased by the Group by type of underlying asset, by region, by type of tranche, separately for the *banking book* and *trading* book. These exposures cannot be seen as part of the specific financial information, as published in the registration document, as the definitions and scope used are different.

* Excluding Australian assets reclassified to corporate in 2015.

TABLE 47: AGGREGATE AMOUNTS OF SECURITISED EXPOSURES RETAINED OR PURCHASED IN THE BANKING BOOK

	Aggregate amounts of securitised exposures retained or purchased in the banking book					
(in M EUR)	31.12.2014			31.12.2013		
Underlying assets[(1)]	**On-balance sheet**	**Off-balance sheet**	**Total**	**On-balance sheet**	**Off-balance sheet**	**Total**
Residential mortgages	619	44	663	781	77	858
Commercial mortgages	235	29	264	344	33	377
Credit card receivables	1	1,406	1,407	0	570	570
Leasing	63	875	937	84	582	665
Loans to corporates and SMEs	887	100	986	1,005	53	1,058
Consumer loans	53	3,327	3,379	419	2,455	2,874
Trade receivables	11	3,651	3,661	174	4,205	4,379
Other assets	2,602	1,542	4,144	3,322	1,790	5,112
Covered bonds	-	-	-	-	-	-
Other liabilites	-	-	-	-	-	-
Total	**4,470**	**10,973**	**15,442**	**6,129**	**9,766**	**15,895**

(1) Change of the underlyings assets classification between 2013 and 2014 in accordance to Basel 3. Securitisation/Resecuritisation amount of 2013 tables are reclassified in other assets the presentation.

At 31 December 2014, securisation exposures in the *banking book* amounted to EUR 15,442 million, including EUR 4,470 million recorded on the balance sheet, the rest consisting predominantly of liquidity lines linked to the Group's sponsor conduit activity.

The main underlying assets are securitisations, corporate loans, consumer loans and residential mortgages.

In 2014, *banking book* exposures decreased by EUR 453 million, down 3% year-on-year. This decline was especially prominent in on-balance sheet exposures.

In 2014, the Group continued its legacy asset disposal programme. The portofolio of securisations in runoff was reduced by a third over the year, mainly the following underlyings: residential mortgages (RMBS), commercial mortgages (CMBS), re-securitisations (CDOs) and loans to corporates (CLOs).

The volume of assets of conduits managed by the Group increased significantly mainly in credit card outstandings and consumer loans.

TABLE 48: AGGREGATE AMOUNTS OF SECURITISED EXPOSURES RETAINED OR PURCHASED IN THE TRADING BOOK

(in M EUR)	31.12.2014		31.12.2013	
Underlying assets[(1)]	**Net long positions**	**Net short positions**	**Net long positions**	**Net short positions**
Residential mortgages	98	5	104	5
Commercial mortgages	102	18	1,646	50
Credit card receivables	0	0	12	0
Leasing	0	0	0	0
Loans to corporates and SMEs	77	3	129	61
Consumer loans	0,6	0	1	0
Trade receivables	0	0	0	0
Other assets	36	17	241	924
Covered bonds	0	0	0	0
Other liabilites	0	0	0	0
Total	**313**	**43**	**2,132**	**1,041**

(1) Change of the underlyings assets classification between 2013 and 2014 in accordance to Basel 3. Securitisation/Resecuritisation amount of 2013 tables are reclassified in other assets the presentation.

The exposures amounts of the trading book has decreased of 85%.

This drop is explained by the amortisation of the exposures and the sell of securitised and resecuritised position of the legacy asset portfolio.

TABLE 49: AGGREGATE AMOUNTS OF SECURITISED EXPOSURES RETAINED OR PURCHASED BY REGION IN THE BANKING AND THE TRADING BOOK

(in M EUR)	31.12.2014			31.12.2013		
	Banking book	**Trading book**		**Banking book**	**Trading book**	
Underlying assets		**Long positions**	**Short positions**		**Long positions**	**Short positions**
America	6,814	184	38	8,225	1,911	988
Asia	37	9	0	66	0	0
Europe	8,393	93	5	7,467	220	38
Others	199	27	0	137	1	15
Total	**15,442**	**313**	**43**	**15,895**	**2,132**	**1,041**

In the trading book, the drop of 2014 exposures globally concerns all regions. However, the main decrease is directly linked to the residual positions regarding America.

Banking book disposals mainly concerned positions with North American underlyings.

Besides positions with European underlyings increased at 31 december 2014.

TABLE 50: QUALITY OF SECURITISATION POSITIONS RETAINED OR PURCHASED

Trading book table

(in M EUR)	31.12.2014					
	Trading book					
	Net long positions			Net short positions		
Underlying assets(1)	**Highest-ranking tranche**	**Mezzanine tranche**	**Initial loss tranche**	**Highest-ranking tranche**	**Mezzanine tranche**	**Initial loss tranche**
Residential mortgages	24	74.3	0	0	5	0
Commercial mortgages	19	82.4	0	8	10	0
Credit card receivables	0	0	0	0	0	0
Leasing	0	0	0	0	0	0
Loans to corporates and SMEs	4	72.3	0	3	0	0
Consumer loans	1	0	0	0	0	0
Trade receivables	0	0	0	0	0	0
Other assets	21	15	0	17	0	0
Covered bonds	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0
Total	**69**	**244**	**0**	**28**	**15**	**0**

(1) Change of the underlyings assets classification between 2013 and 2014 in accordance to Basel 3. Securitisation/Resecuritisation amount of 2013 tables are reclassified in other assets the presentation.

(In M EUR)	31.12.2013					
	Trading book					
	Net long positions			Net short positions		
Underlying assets(1)	**Highest-ranking tranche**	**Mezzanine tranche**	**Initial loss tranche**	**Highest-ranking tranche**	**Mezzanine tranche**	**Initial loss tranche**
Residential mortgages	55	35	14	0	0	5
Commercial mortgages	1,526	114	5	45	6	0
Credit card receivables	12	0	0	0	0	0
Leasing	0	0	0	0	0	0
Loans to corporates and SMEs	93	32	4	0	0	61
Consumer loans	1	0	0	0	0	0
Trade receivables	0	0	0	0	0	0
Other assets	140	83	17	813	108	4
Covered bonds	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0
Total	**1,827**	**264**	**41**	**858**	**113**	**70**

Tranches in the trading book are mainly mezzanine or high-ranking tranches. This fact is valid for both long and short positions.

Banking book table

(In M EUR)	31.12.2014					
	Nominal			Exposure At Default (EAD)		
Underlying assets[1]	Highest-ranking tranche	Mezzanine tranche	Initial loss tranche	Highest-ranking tranche	Mezzanine tranche	Initial loss tranche
Residential mortgages	572	91	0	551	88	0
Commercial mortgages	154	110	0	149	48	0
Credit card receivables	1,399	8	0	1,346	8	0
Leasing	937	0	0	929	0	0
Loans to corporates and SMEs	857	83	46	857	81	46
Consumer loans	3,375	4	0	3,113	4	0
Trade receivables	3,627	34	0	3,694	34	0
Other assets	3,707	437	0	1,775	421	0
Covered bonds	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0
Total	**14,628**	**769**	**46**	12,414	685	46

(1) Change of the underlyings assets classification between 2013 and 2014 in accordance to Basel 3. Securitisation/Resecuritisation amount of 2013 tables are reclassified in other assets the presentation.

(In M EUR)	31.12.2013		
	Nominal		
Underlying assets	Highest-ranking tranche	Mezzanine tranche	Initial loss tranche
Residential mortgages	748	110	0
Commercial mortgages	221	154	0
Credit card receivables	577	37	0
Leasing	663	2	0
Loans to corporates and SMEs	896	74	46
Consumer loans	2,827	47	0
Trade receivables	4,084	265	30
Other assets	4,431	680	0
Covered bonds	0	0	0
Other liabilities	0	0	0
Total	**14,448**	**1,370**	**76**

In the banking book, senior tranches made up 95% of securitisation positions retained or purchased as of 2014, 31st December. It mainly comes from trade receivables, consumer loans and re-securitisations underlying, thus reflecting the robust quality of the portfolio and the positive results of the legacy asset disposal program.

PRUDENTIAL TREATMENT OF SECURITISATION POSITIONS

Approach for calculating risk-weighted exposures

Whenever traditional or synthetic securitisations, in whose sponsorship, origination, structuring or management Societe Generale is involved, achieve a substantial and documented risk transfer compliant with the regulatory framework, the underlying assets are excluded from the bank's calculation of risk-weighted exposures for traditional credit risk.

For the securitisation positions that Societe Generale decides to hold either on- or off-balance sheet, capital requirements are determined based on the bank's exposure, irrespective of its underlying strategy or role. For the *trading* book, long and short positions are offset within the limits set forth by law. Risk-weighted assets resulting from securitisation positions are calculated by applying the appropriate risk ratios to the amount of the exposures.

Most of the Group's positions in securitised receivables, both in the *banking book* and the *trading book*, are valued using the Internal *Ratings* Based (IRB) approach, for which there are three calculation methods:

- the external *ratings* based approach (RBA) must be applied to all rated exposures or those for which a *rating* can be inferred. Under this approach, risk weightings are calculated so as to also reflect the positions' seniority and granularity;
- the Supervisory Formula Approach (SFA) is a methodology for non-rated exposures, where the risk weight is based on five inputs associated with the nature and structure of the transaction. To use this approach, the capital charge must be calculated using the IRB approach for the portfolio of assets underlying the securitisation exposure;
- finally, the positions arising from the Asset Backed Commercial Paper (ABCP) programmes' off-balance sheet exposures (such as liquidity facilities) are determined using the Internal Assessment Approach (IAA). An equivalence table defined by the regulation is used to calculate risk weightings based on the internal rating determined by the model.

For liquidity facilities issued by the Bank to the securitisation vehicles it sponsors, Societe Generale received approval in 2009 to use its internal *ratings*-based approach, in accordance with the CRR. Accordingly, Societe Generale has developed an Internal Assessment Approach (IAA), whereby an internal *rating* is assigned to the Group's securitisation exposures, with each *rating* automatically resulting in a capital weighting based on an equivalence table defined by the regulation.

Like the Group's other internal models, the IAA meets the regulatory standards for the validation of internal models, as defined by the regulation. An annual review of the model is performed to ensure that the configuration is sufficiently conservative. Finally, the model is used to measure impacts in stress scenarios and as a transaction structuring tool.

External credit assessment institutions used by Societe Generale

Assets securitised by Societe Generale are usually rated by one or more ECAI (External Credit Rating Agency) *rating* agencies, the list of which is established by the French prudential supervisory authority ACP (*Autorité de Contrôle Prudentiel*). The agencies used are DBRS, FitchRatings, Moody's Investors Service and Standard & Poor's. Since 31 October 2011, these four rating agencies have been registered with and supervised by the European Securities and Market Authority (ESMA). For securitisation positions valued using the standardised method, capital requirements are calculated based on the lowest external rating of the securitisation exposure. An equivalence table (Table 11) between external ratings and Societe Generale's internal rating scale is provided hereunder.

The following table presents Societe Generale's internal *rating* scale and the corresponding scales of the main External Credit Assessment Institutions, as well as the corresponding mean estimated probability of default.

IDEM TABLE 15: SOCIETE GENERALE'S INTERNAL RATING SCALE AND CORRESPONDING SCALES OF RATING AGENCIES

Counterparty internal rating	DBRS's ratings	FitchRatings' ratings	Moody's ratings	S&P ratings	1 year probability of default
1	AAA	AAA	Aaa	AAA	0.01%
2	AA high to AA low	AA+ to AA-	Aa1 to Aa3	AA+ to AA-	0.02%
3	A high to A low	A+ to A-	A1 to A3	A+ to A-	0.04%
4	BBB high to BBB low	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	0.30%
5	BB high to BB low	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	2.16%
6	B high to B low	B+ to B-	B1 to B3	B+ to B-	7.93%
7	CCC high to CCC low	CCC+ to CCC-	Caa1 to Caa3	CCC+ to CCC-	20.67%
8, 9 and 10	CC and below	CC and below	Ca and below	CC and below	100.00%

Regulatory capital requirements

Tables 51 and 52 show the bank's securitisation exposures and corresponding regulatory capital requirements for the banking book at 31 December 2014 and 31 December 2013. These exposures cover the same scope as that of tables 47, 49 and 50.

TABLE 51: AGGREGATE AMOUNTS OF SECURITISED EXPOSURES RETAINDED OR PURCHASED IN THE BANKING BOOK BY APPROACH AND BY WEIGHTING AT 31 DECEMBER 2014

	Banking Book			
In M EUR	31.12.2014			
	Exposure at Default (EAD)(1)		Capital requirements	
Risk Weight band	**Securitisation**	**Re-Securitisation**	**Securitisation**	**Re-Securitisation**
6 to 10%	610	0	4	0
12 to 18%	853	0	8	0
20 to 35%	195	2	5	0
40 to 75%	96	578	6	4
100%	29	353	2	1
150 to 250%	0	387	0	13
> 250 and < 425%	0	0	0	0
> 425% and < 850%	9	0	5	0
RBA method	**1,793**	**1,320**	**30**	**18**
IAA method	10421	0	77	0
Supervisory Formula Approach	593	0	5	0
1,250%/Capital deductions	162	793	32	46
Total IRB approach	**12,969**	**2,113**	**144**	**64**
100% weighting	0	0	0	0
RBA approach	0	0	0	0
Transparency method	47	0	374	0
Total standardised approach	**47**	**0**	**374**	**0**
Total banking book	**13,016**	**2,113**	**518**	**64**

(1) 1,250%-weighted EAD, Re-securitisation EAD and EAD in RBA method correspond exclusively to fully impaired positions display here gross for 876 MEUR.

TABLE 52: AGGREGATE AMOUNTS OF SECURITISED EXPOSURES RETAINED OR PURCHASED IN THE BANKING BOOK BY APPROACH AND BY WEIGHTING AT 31 DECEMBER 2013

In M EUR	Banking Book 31.12.2013			
	Exposure at Default (EAD)		Capital requirements	
Risk Weight band	**Securitisation**	**Re-Securitisation**	**Securitisation**	**Re-Securitisation**
6 to 10%	1,400	615	9	0
12 to 18%	456	748	5	3
20 to 35%	294	18	6	0
40 to 75%	224	73	12	3
100%	91	464	8	2
150 to 250%	11	421	1	22
> 250 and < 425%	41	0	23	0
> 425% and < 850%	26	11	0	1
RBA method	**2,542**	**2,350**	**64**	**31**
IAA method	7,985	661	50	23
Supervisory Formula Approach	576	0	3	0
1,250%/Capital deductions	186	688	65	66
Total IRB approach	**11,289**	**3,699**	**182**	**120**
100% weighting	0	0	0	0
RBA approach	1	0	0	0
Transparency method	213	0	21	0
Total standardised approach	**215**	**0**	**22**	**0**
Total banking book	**11,504**	**3,699**	**203**	**120**

At 31 December 2014, 99% of banking book securitisation exposures were valued using the IRB method.

Under this method, 21% of exposures were weighted using the RBA method, 4% using the supervisory formula approach and 69% using the IAA method.

Regulatory capital requirements in respect of banking book securitisation positions fell by EUR 85 million in 2014.

This decrease predominantly reflected a decline in positions deducted from capital and a drop in capital requirements of EUR 40 million excluding deductions.

TABLE 53: AGGREGATE AMOUNTS OF SECURITISED EXPOSURES RETAINED OR PURCHASED IN THE TRADING BOOK BY RISK WEIGHT BAND

In M EUR	31.12.2014		
Risk weight band	**Net long positions**	**Net short positions**	**Capital requirements**
6% - 10%	40	1.8	0.6
12% - 18%	65	0.3	0.7
20% - 35%	102	0.6	3
40% - 75%	24	6.4	5
100%	38	8.3	3
> 100% < = 250%	0	3.2	9.8
> 250% - < = 425%	0	0	0
> 425% < = 850%	1	0	1
1,250%/Deductions from capital	0	0.5	0
EAD subject to risk weight	**270**	**21**	**23**
Supervisory formula method	4	0	1.5
Transparency method	0	0	0
IRB method	0	0	0
Total, net of capital deductions	**274**	**21**	**24**
Positions deducted from capital	39	22	39
VaR before deduction from capital	**313**	**43**	**63**

In M EUR	31.12.2013		
Risk weight band	**Net long positions**	**Net short positions**	**Capital requirements**
6% - 10%	1,545	99	10
12% - 18%	82	0	0
20% - 35%	179	81	6
40% - 75%	155	0	6
100%	17	0	0
> 100% < = 250%	20	0	13
> 250% - < = 425%	79	0	26
> 425% < = 850%	3	0	4
1,250%/Deductions from capital(1)	0	0	0
EAD subject to risk weight	**2,081**	**180**	**67**
Supervisory formula method	1	850	0
Transparency method	0	0	0
IRB method	0	0	0
Total, net of capital deductions	**2,083**	**1,030**	**67**
Positions deducted from capital	49	10	53
VaR before deduction from capital	**2,132**	**1,041**	**120**

(1) 1,250%-weighted EAD correspond exclusively to fully impaired positions.

Securitisation exposures related to the trading book are evaluated using an internal approach.

Derivative positions, which by definition are not-rated, are evaluated using the Supervisory Formula Approach.

TABLE 54: REGULATORY CAPITAL REQUIREMENTS FOR SECURITISATIONS HELD OR ACQUIRED IN THE TRADING BOOK

In M EUR	31.12.2014				31.12.2013			
	Net long positions	Net short positions	Total risk-weighted positions	Capital Requirements	Net long positions	Net short positions	Total risk-weighted positions	Capital Requirements
Securitisation	272	21	205	16	1,996	185	587	47
Re-securitisation	2	0	95	8	95	850	253	20
Positions deducted from capital	39	22	-	39	41	5	-	53
Total	**313**	**43**	**300**	**63**	**2,132**	**1,041**	**840**	**120**

In accordance with the exemption provided for until 31 December 2014, Societe Generale calculates capital requirements in respect of trading book positions as the maximum between the capital requirement relative to long positions for which the Group directly bears the credit risk, and short positions for which the Group is hedged for credit risk (mainly replacement risk), including positions deducted from capital.

In 2014, the regulatory capital requirement relative to trading book positions was attributable to long positions as it was in 2013.

Trading book capital requirement has decreased of 47% going from 120 M EUR in 2013 to 63 M EUR in 2014, including deductions.

TABLE 55: SECURITISATION EXPOSURES DEDUCTED FROM CAPITAL BY EXPOSURE CATEGORY

In M EUR	Banking Book		Trading book	
Underlying assets	**31.12.2014**	**31.12.2013**	**31.12.2014**	**31.12.2013**
Residential mortgages	0	29	6	14
Commercial mortgages	9	20	12	5
Credit card receivables	20	0	0	0
Leasing	0	0	0	0
Loans to corporates and SMEs	0	12	4	17
Consumer loans	1	3	0	0
Trade receivables	0	0	0	0
Other assets	47	67	17	17
Covered bonds	0	0	0	0
Other liabilities	0	0	0	0
Total	**78**	**131**	**39**	**53**

2014 has encountered a fall of 26% of the deductions related to securitisation first losses.

6. MARKET RISKS

Market risks are the risks of losses resulting from unfavourable changes in market parameters. They concern all the trading book transactions as well as some of the banking book portfolios.

ORGANISATION

Although primary responsibility for managing risk exposure lies with the front office managers, the supervision system is based on an independent structure, the Market Risk Department of the Risk Division.

The Department assignment includes:

- ensuring the existence and the implementation of an effective market risks framework based on suitable limits;
- approving of the limit requests submitted by the different businesses within the framework of the overall limits set by the Board of Directors and the General Management, and based on the use of these limits;
- proposal to the Group Risk Committee of appropriate market risks limits by Group activity;
- definition of risk measurement methods, approval of the valuation models used to calculate risks and results, and definition of provisions for market risks (reserves and adjustments to earnings).

To carry out these different duties, the Market Risk Department relies on the data and analysis provided by the Finance Department of GBIS (Global Banking and Investor Solutions), which monitors the Group's market positions on a permanent, daily and independent basis, notably *via*:

- daily calculation and certification of market risk indicators based on formal and secure procedures;
- reporting and first-level analysis of these indicators;
- daily monitoring of the limits set for each activity, in conjunction with the Market Risk Department;
- verification of the market parameters used to calculate risks and results in line with the methodologies defined by the Market Risk Department;
- monitoring and control of the gross nominal value of positions. This monitoring is based on alert levels applied to all instruments and desks which are defined in collaboration with the Market Risk Department, and contributes to the detection of possible rogue trading operations.

Accordingly, the Finance Department of GBIS, in conjunction with the Market Risk Department, defines the architecture and functionalities of the information system used to produce the risk indicators for market operations to ensure it meets the needs of the different business lines.

A daily report on use of limits on VaR (Value at Risk), stress tests (extreme *scenarii*) and other major market risks metrics (sensitivity, nominal, etc.) at various level (either SG, or Global Banking and Investors Solutions, or Global Market) is submitted to the General Management and the managers of the business lines, in addition to a monthly report which summarises the key events in the area of market risk management.

INDEPENDENT PRICING VERIFICATION

Market products are marked to market, when such market prices exist. Otherwise, they are valued using parameter-based models.

Firstly, each valuation model is independently validated by the Market Risk Department.

Secondly, the parameters used in the valuation models, whether derived from observable market data or not, are checked by the Finance Division of GBIS (Global Banking and Investor Solutions) in accordance with the methodologies defined by the Market Risks Department (Independent Pricing Verification). If necessary, the valuations obtained are supplemented by additional reserves (such as bid-ask spreads and liquidity) determined reasonably and appropriately after an analysis of available data, based on methodologies validated by the Market Risk Department.

METHODS FOR MEASURING MARKET RISK AND DEFINING LIMITS

The Group's market risk assessment is based on three main indicators, which are monitored through limits:

- the 99% Value-at-Risk (VaR) method: in accordance with the regulatory internal model, this global indicator is used for the day-to-day monitoring of the market risks incurred by the Bank, on the scope of its trading activities;
- a stress test measurement, based on a decennial shock-type indicator. Stress test measurements make it possible to restrict and monitor the Group's exposure to systemic risk and exceptional market shocks;
- complementary metrics (sensitivity, nominal, concentration or holding period, etc.), which ensure consistency between the overall risk limits and the operational thresholds used by the front office.

The following indicators are also calculated on a weekly basis: stressed VaR, IRC (Incremental Risk Charge) and CRM (Comprehensive Risk Measure). The capital charges arising from these internal models complement the VaR by taking into account the rating migration risks and the default risks, and limit the procyclical nature of capital requirements.

99% VALUE AT RISK (VAR)

The Internal VaR Model was introduced at the end of 1996 and has been approved by the French regulator within the scope of the Regulatory Capital requirements.

The method used is the "historical simulation" method, which implicitly takes into account the correlation between all risk factors and is based on the following principles:

- storage in a database of the risk factors that are representative of Societe Generale's positions (i.e. interest rates, share prices, exchange rates, commodity prices, volatility, credit spreads, etc.);
- definition of 260 scenarios, corresponding to one-day variations in these market parameters over a rolling one-year period;
- application of these 260 scenarios to the market parameters of the day;
- revaluation of daily positions, on the basis of the 260 sets of adjusted daily market parameters.

The 99% Value-at-Risk is the largest loss that would occur after eliminating the top 1% of the most adverse occurrences over a one-year historical period. Within the framework described above, it corresponds to the average of the second and third largest losses computed. The VaR assessment is based on a model and a certain number of conventional assumptions whose main limitations are as follows:

- by definition, the use of a 99% confidence interval does not take into account losses arising beyond this point; VaR is therefore an indicator of losses under normal market conditions and does not take into account exceptionally large fluctuations;
- VaR is computed using closing prices, so intra-day fluctuations are not taken into account;

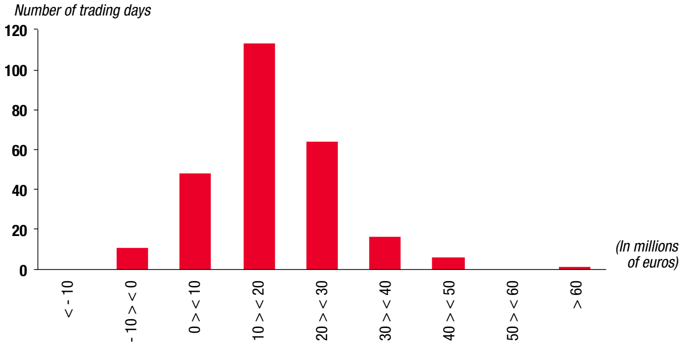
The Market Risk Department of the Risk Division mitigates the limitations of the VaR model by performing stress tests and other additional measurements.

Besides, the relevance of the model is checked through ongoing backtesting in order to verify whether the number of days for which the negative result exceeds the VaR complies with the 99% confidence interval.

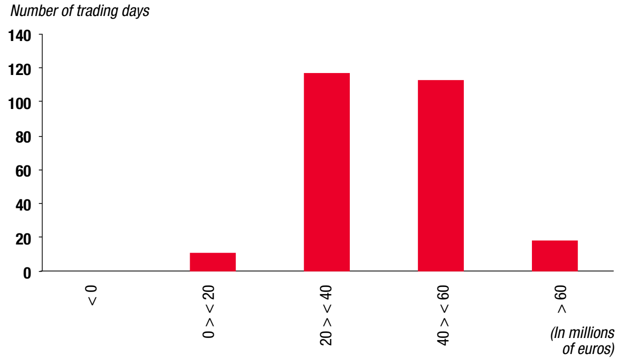
Daily profit and loss used for backtesting includes in particular the change in value of the portfolio (book value) and the impact of new transactions and of transactions modified during the day (including their sales margins), refinancing costs, the various related commissions (brokerage fees, custody fees, etc.), as well as provisions and parameters adjustments made for market risk. Some components calculated at various frequencies (for example, some adjustments for market risk) are allocated on a daily basis.

The following histograms show the distribution of this daily P&L over the last year, as well as the difference between daily P&L and VaR (negative values corresponding to any backtesting breaches): in 2014, losses were observed 11 times, without any backtesting breach.

BREAKDOWN OF THE DAILY P&L



DIFFERENCE BETWEEN VAR AND DAILY P&L

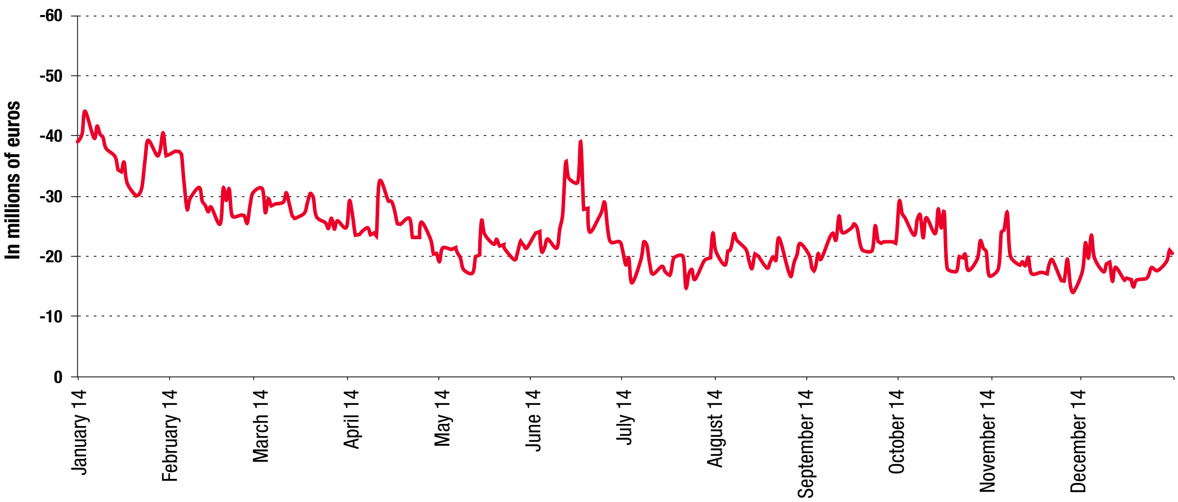


Today, the market risks for almost all of Corporate and Investment Banking's activities are monitored using the VaR method, including those related to the most complex products, as well as the main market activities of Retail Banking and Private Banking. The few activities not covered by the VaR method, either for technical reasons or because the stakes are too low, are monitored using stress tests and give rise to capital charges calculated using the standard method or through alternative in-house methods.

In 2014, we continued to improve the VaR model. In particular, the shocks applied to bond repos are now based on margin rates against OIS, instead of BOR, as it is done for valuation purpose. The risk resulting from FX smile is also better covered: the VaR add-on previously implemented were replaced by a VaR computation using daily historical smile data.

The changes in the Group's trading VaR in 2014 are presented below:

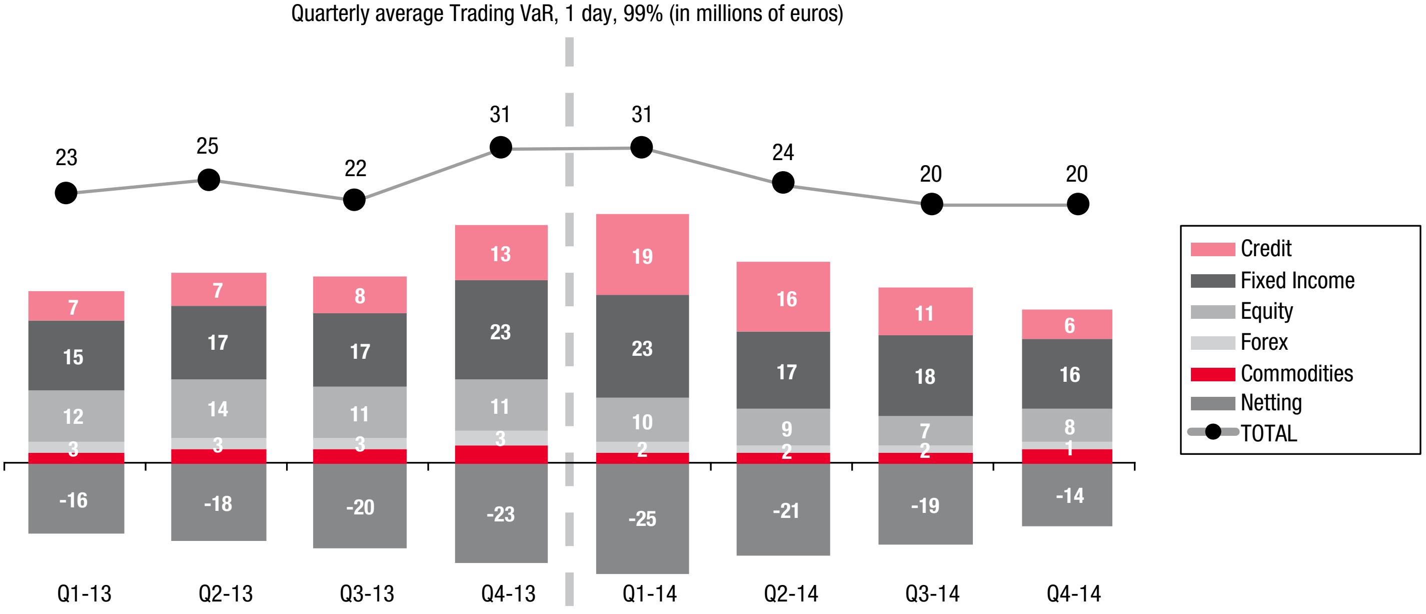
TRADING VAR (TRADING PORTFOLIOS) CHANGES OVER THE COURSE OF 2014 (1 DAY, 99%) (IN MILLIONS OF EUROS)



VAR 2014 (1 DAY, 99%)

(in EUR m)	Beginning of the year	End of the year	Minimum	Average	Maximum
VaR	**40.3**	**20.5**	**14.1**	**24.0**	**44.1**

BREAKDOWN BY RISK FACTOR OF TRADING VAR – CHANGES IN QUARTERLY AVERAGE OVER THE 2013-2014 PERIOD (IN MILLIONS OF EUROS)



Average VaR amounted to EUR 24 million for 2014 compared to EUR 25 million in 2013. VaR, which on average remained low throughout 2014, was subject to the following changes:

- In January, VaR remained at high levels running on from the risk-on trend observed in H2-13 in a context of favourable market conditions.
- Then the return of uncertainties from February (tensions in emerging countries, Ukraine crisis) led to more defensive positions and a progressive VaR reduction, amplified in the second quarter following the exit from the VaR computation window of the volatile scenarios of spring 2013, mainly impacting the rate perimeter.
- The VAR levels remained globally low from June to December and stabilized in a EUR 20-25 million range. The main contributor was the fixed income flow business, while some occasional peaks were due to the equity flow business, notably in June. This low VaR level was mainly due to the absence of volatile scenarios in the computation window (except some year-end scenarios whose impacts remained limited on average) and a reduction of the positions since the middle of October.

STRESSED VAR (SVAR)

In 2011, Societe Generale was authorized by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR - French Prudential and Resolution Supervisory Authority) to complement its internal models with the CRD3 measurements, in particular Stressed VaR, for the same scope as VaR.

The calculation method used is the same as under the VaR approach. It consists in carrying out an historical simulation with 1-day shocks and a 99% confidence interval. Contrary to VaR, which uses 260 scenarios for one-day fluctuations over a rolling one-year period, Stressed VaR uses a fixed one-year historical window corresponding to a period of significant financial tension.

The historical window, which is determined using a method approved by the regulator, captures significant shocks on all risk factors (risks related to equity, interest rates, foreign exchange rates and commodities). It is subject to an annual review.

SVAR 2014 (1 DAY, 99%)

(in EUR m)	Beginning of the year	End of the year	Minimum	Average	Maximum
SVaR	**80.2**	**81.6**	**41.7**	**72**	**106.9**

STRESS TEST ASSESSMENT

Methodology

Alongside the internal VaR model, Societe Generale monitors its exposure using stress test simulations to take into account exceptional market occurrences.

A stress test estimates the loss resulting from an extreme change in market parameters over a period corresponding to the time required to unwind or hedge the positions affected (5 to 20 days for most trading positions).

This stress test risk assessment is applied to all of the Bank's market activities. It is based on a set of historical and theoretical scenarios that include the "Societe Generale Hypothetical Financial Crisis Scenario" (or "Generalised" scenario) based on the events observed in 2008. These scenarios apply shocks to all substantial risk factors including exotic parameters.

Together with the VaR model, this stress test risk assessment methodology is one of the main pillars of the risk management framework. The underlying principles are as follows:

- risks are calculated every day for each of the Bank's market activities (all products together), using the historical and hypothetical *scenarii*;
- stress test limits are established for the Group's activity as a whole and then for the Bank's various business lines. They frame the most adverse result arising from the set of historical and hypothetical *scenarii*.

The various stress test *scenarii* are revised and improved by the Risk Division on a regular basis, in conjunction with the Group's teams of economists and specialists. In 2013, this stress assessment was based on a set of 34 *scenarii* (26 of which were historical *scenarii* and 8 hypothetical *scenarii*). In 2014, a thorough review of our global stress tests *scenarii* led to a reduction of their number from 34 to 18: removal of 19 historical *scenarii* not significant in terms of impact, reclassifying of 4 historical *scenarii* to hypothetical *scenarii*, and creation of 3 new hypothetical *scenarii* (unexpected stop of a Central Bank Quantitative Easing policy, exit of Greece from the Euro zone with or without the ECB's support). As a result, the stress test assessment is now based on 18 *scenarii*: 3 historical *scenarii* and 15 hypothetical *scenarii*.

HISTORICAL STRESS TESTS

This method consists of an analysis of the major economic crises that have affected the financial markets since 1995 (a date from which the financial markets have become global and subject to increased regulatory requirements): the changes in the prices of financial assets (equities, interest rates, exchange rates, credit spreads, etc.) during each of these crises have been analysed in order to define *scenarii* for potential variations in these risk factors which, when applied to the bank's trading positions, could generate significant losses. Applying this systematic approach during the 2014 review of the 26 historical *scenarii* previously in production led i) to keep 3 historical *scenarii* and ii) to remove 19 historical *scenarii* not significant in terms of impact. Moreover, 4 other former historical *scenarii*, although not significant according to our systematic approach, but however deemed interesting because of the crises covered and the types of shock applied, were finally kept and transformed in hypothetical *scenarii*.

HYPOTHETICAL STRESS TESTS

The hypothetical *scenarii* are defined with the Bank's economists and are designed to simulate the possible sequences of events that could lead to a major crisis in the financial markets (e.g. a major terrorist attack, some political instability in the main oil-producing countries, etc.). The Bank's aim is to select extreme but yet plausible events which would have major repercussions on all the international markets. Societe Generale has therefore adopted 15 hypothetical *scenarii* described below:

Eight hypothetical *scenarii* already implemented in 2013:

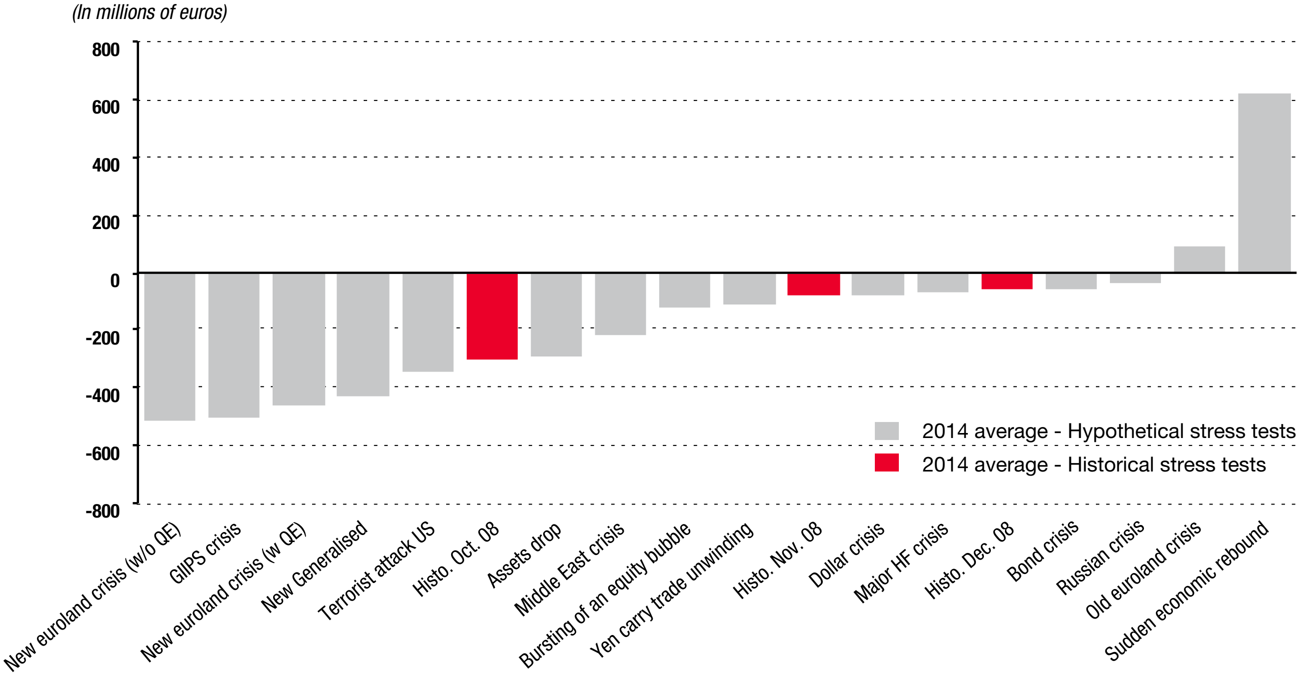
- **generalised (the Societe Generale Hypothetical Financial Crisis Scenario):** considerable mistrust of financial institutions after the Lehman Brothers' bankruptcy; collapse of equity markets, sharp decline in implied dividends, significant widening of credit spreads, pivoting of yield curves (rise in short-term interest rates and decline in long-term interest rates), substantial flight to quality;
- **GIIPS crisis:** mistrust in risky sovereign issuers and increased interest in higher-rated sovereign issuers such as Germany, followed by contagion of fears to other markets (equities, etc.);
- **Middle East crisis:** instability in the Middle East leading to a significant shock in oil prices and other energy sources, a stock market crash, and a steepening of the yield curve;
- **terrorist attack:** major terrorist attack on the United States leading to a stock market crash, strong decline in interest rates, widening of credit spreads and sharp decline of the US dollar;
- **bond crisis:** crisis in the global bond markets inducing the decoupling of bond and equity yields, strong rise in US interest rates (and a more modest rise for other international rates), moderate decline on the equity markets, flight to quality with moderate widening of credit spreads, rise in the US dollar;
- **US dollar crisis:** collapse of the US dollar against major international currencies due to the deterioration of the US trade balance and budget deficit, rise of interest rates and narrowing of US credit spreads;
- **Eurozone crisis:** decline in euro exchange rates, sharp rise in Eurozone interest rates, sharp fall in euro equities and rise in US equities, significant widening of euro credit spreads;
- **Yen carry trade unwinding:** change in monetary policy in Japan leading to yen carry trade strategies being abandoned: significant widening of credit spreads, decline in JPY interest rates, rise in US and Eurozone long-term interest rates and flight to quality.

Seven new hypothetical *scenarii* (the 4 last ones being based on former historical *scenarii*):

- **assets drop:** unexpected stop of Central Bank Quantitative Easing policies leading to a generalised drop in all financial assets (equity, credit, emerging) combined with a significant increase of worldwide interest rates;
- **two new eurozone crisis *scenarii*:** exit of Greece from the Eurozone, triggering a violent drop of risky assets (equity, credit, emerging), more particularly European ones, and a tightening of the US and Japanese sovereign spreads, declined with (activation of the OMT program resulting in a decrease of interest rates in the Eurozone) or without (dislocation of the basis rates reflecting the freeze of the interbank market) ECB support;
- **Russian crisis:** significant depreciation of the Russian currency, default of the Russian government, crisis in the bond markets and drop in equities, more particularly in emerging markets (cf. Russian crisis in September 98);
- **major hedge fund crisis:** risk of dislocation of the international financial system stemming from the near-bankruptcy of a major hedge fund, notably due to a crisis in the bond markets (cf. near-bankruptcy of Long Term Capital Management in October 98);
- **sudden economic rebound:** sharp rise in equity markets and in US and Eurozone interest rates (cf. anticipation of the beginning of the Iraq war in March 2003);
- **bursting of an equity bubble:** significant drop of the equity markets following the bursting of an equity bubble in a specific business sector (cf. Worldcom bankruptcy in July 2002).

Average stress tests in 2014[1]

The *scenarii* leading to the largest potential losses are hypothetical *scenarii*, as illustrated in the chart below, which displays average stress tests amounts in 2014 by type of scenario. In a global environment characterized by a low volatility and low interest rates, the potential losses generated by these *scenarii* increased on average compared to 2013, with notably some occasional peaks stemming from significant clients deals, especially as the *scenarii* were strengthened in 2014, with stronger shocks on European equity markets. Risk was taken while still manoeuvring, which allowed a quick decrease in stress tests in periods of uncertainty, particularly at the year end with increased concerns arising from the geopolitical tensions, the drop in oil prices, and the economic slowdown in emerging countries.



(1) Excluding legacy assets which are subject to a specific risk monitoring.

Market risk capital requirements

Societe Generale's capital requirements related to market risk (excluding securitisation) are essentially determined using an internal model approach (90% in 2014). Risk-weighted assets used to calculate capital requirements for market transactions are detailed on page 170.

In 2011, Societe Generale received the approval of the ACPR to expand its internal market risk modelling system and, in particular to include Stressed VaR (VaR on one-year historical window corresponding to a period of significant financial tensions), IRC (Incremental Risk Charge) and CRM (Comprehensive Risk Measure), for the same scope as VaR. These last two measurements estimate the capital charge on debt instruments that is related to rating migration and issuer default risks. A constant 1 year liquidity horizon is used for the calculation of these two metrics. Capital charges are incremental, meaning they are added to charges calculated based on VaR and stressed VaR.

Societe Generale estimates its capital charges using a simulation model that distributes the various risk factors covered by regulatory requirements, while accounting for the relationships between these factors. IRC and CRM are 99.9% risk factors, which is the highest risk obtained after eliminating the 0.1% of most adverse occurrences.

Governance

These internal models are subject to the same governance as other internal models that meet the regulatory Pillar 1 requirements. In particular:

- a weekly analysis is performed on these metrics;
- they are then compared with standard stress tests as defined by the regulator (25 historical *scenarii*);
- a review of model assumptions at least once a year and an ex-post consistency control are carried out;
- the methodology and its implementation were approved by the Group Internal Audit Division and the ACPR.

In accordance with the regulations, IRC is applied to debt instruments already measured using internal models other than securitisation and the correlation portfolio. In particular, this includes bonds, CDS and related derivative products.

CRM exclusively covers the correlation portfolio, i.e., CDO tranches for liquid issuers and "first-to-default" products as well as their hedging using CDS and indices. Aside from the credit-migration and default risk, the CRM also covers any other pricing risks (for example, spread, recovery and correlation risks). Ultimately, the capital charge corresponds to the largest value between the charge calculated by the internal model and 8% of the charge calculated using the standard method for market risks.

2014 Figures

(in EUR m)	Beginning of the year	End of the year	Minimum	Average	Maximum
IRC	**320**	**346**	**272**	**431**	**554**
CRM	**126**	**173**	**122**	**149**	**183**

TABLE 56: CAPITAL REQUIREMENTS BY RISK FACTOR

	Capital requirement		Risk weighted assets	
(in EUR m)	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Market risks assessed by internal model	**1,741**	**1,860**	**21,769**	**23,244**
VaR	319	477	3,983	5,961
Stressed VaR	828	643	10,349	8,038
Incremental Risk Charge (IRC)	422	585	5,276	7,307
Correlation portfolio (CRM)	173	155	2,160	1,938
Market risks assessed by standard approach	**192**	**244**	**2,401**	**3,051**
Specific risk related to securisation positions	24	67	300	840
Market risk assessed for currency positions	101	105	1,268	1,316
General risk and specific risk related to interest rates (excluding securisation)	26	62	323	772
Market risk assessed using the standard approach for ownership interests	36	5	445	61
Market risk assessed using the standard approach for commodities	5	5	64	61
Total	**1,934**	**2,104**	**24,170**	**26,295**

TABLEAU 57 : CAPITAL REQUIREMENTS BY TYPE OF MARKET RISK

	Capital requirement		Risk weighted assets	
(in EUR m)	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Risk assessed for currency positions	147	820	1,834	10,249
Risk related to credit	831	764	10,389	9,549
Risk assessed for commodities	35	20	439	245
Risk assessed for ownership interests	483	202	6,034	2,522
Risk related to interest rates	438	298	5,475	3,731
Total	**1,934**	**2,104**	**24,170**	**26,295**

7. OPERATIONAL RISKS

OPERATIONAL RISK MANAGEMENT: ORGANISATION AND GOVERNANCE

Over the last few years, Societe Generale has developed processes, management tools and a control infrastructure to enhance the control and management across the Group of the operational risks that are inherent to its various activities. These include, among others, general and specific procedures, permanent supervision, business continuity plans[(1)], New Product Committees[(2)] and functions dedicated to the oversight and management of specific types of operational risks, such as fraud, risks related to payment systems, legal risks[(3)], information system security risks[(4)] and non-compliance risks[(5)].

The Operational Risk Department

The Operational Risk Department within the Group's Risk Division works in close cooperation with operational risk staff in the Core Businesses and Corporate Divisions.

The Operational Risk Department is notably responsible for:

- running the Operational Risk function;
- devising and implementing Societe Generale's operational risk control strategy, in cooperation with the Core Businesses and Corporate Divisions;
- promoting an operational risk culture throughout the Group;
- defining, at Group level, methods for identifying, measuring, monitoring, reducing and/or transferring operational risk, in cooperation with the Core Businesses and Corporate Divisions, in order to ensure consistency across the Group;
- permanent level 2 control on operational risks covering the risks specific to the different businesses and the risks associated with purchasing, communication, real estate, human resources, and information systems;
- preparing a global Group business continuity plan and crisis management policy, managing the policy and coordinating its implementation;
- the safety of people (expatriates and business travellers) internationally.

The operational risk function

In addition to the Operational Risk Department, the operational risk function includes Operational Risk Managers (ORMs) in the Core Businesses and Corporate Divisions, who are under the operational authority of the Group's Chief Operational Risk Officer.

ORMs operate throughout the Group's entities and are responsible for implementing the Group's procedures and guidelines, and for monitoring and managing operational risks, with the support of dedicated operational risk staff in the business lines and entities and in close collaboration with the respective entities' line management.

Operational Risk Committees have been set up at Group level, as well as at Business Division, Corporate Division and subsidiary levels.

OPERATIONAL RISK MEASUREMENT

Since 2004, Societe Generale has used the Advanced Measurement Approach (AMA), as proposed by the Capital Requirements Directive, to measure operational risk. This approach, deployed across on the main Group entities, notably makes it possible to:

- identify i) the businesses that have the greatest risk exposures and, ii) the types of risk that have the greatest impact on the Group's risk profile and overall capital requirements;
- enhance the Group's operational risk culture and overall management, by introducing a virtuous circle of risk identification, improved risk management and risk mitigation and reduction;
- in 2007, the *Autorité de Contrôle Prudentiel* (ACP - French Prudential Supervisory Authority) conducted an in-depth review of the system in place at Societe Generale. As a result, it authorised the Group to use the most advanced measurement approach, as defined by the Basel 2 Accord (i.e. the AMA or Advanced Measurement Approach) to calculate the Group's capital requirements for operational risks, starting from 1 January 2008. This authorisation covers more than 90% of the Societe Generale Group's total net banking income.

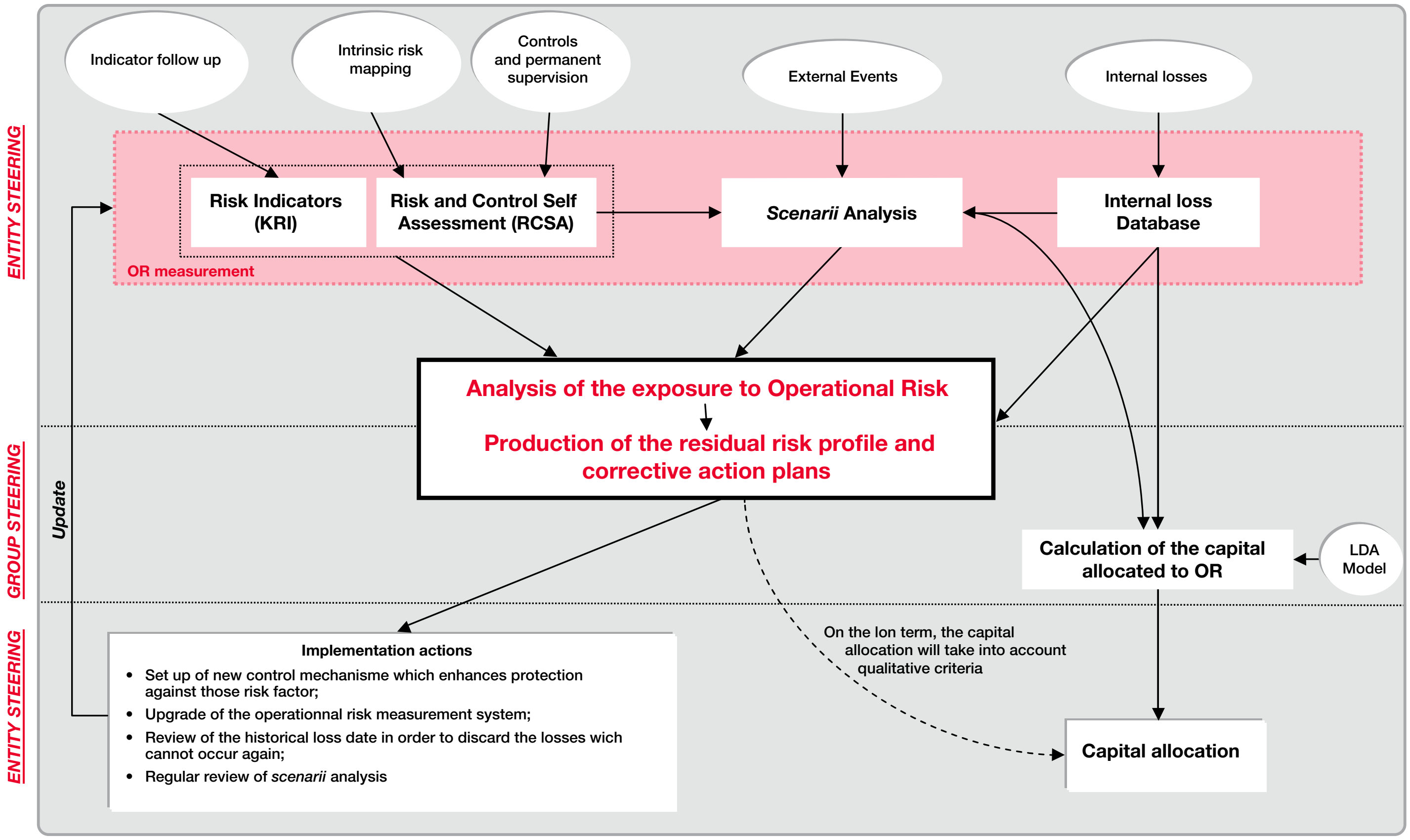
---

(1) See Chapter 3, page 129 and Chapter 4, page 258.
(2) See Chapter 3, page 132.
(3) See Chapter 4, page 274 and following.
(4) See Chapter 3, page 136.
(5) See Chapter 4, page 274 and following.

OPERATIONAL RISK MONITORING PROCESS

The frameworks specifically established by the Basel regulations (the Capital Requirements Directive and "Sound practices for the management and supervision of operational risk") have been implemented, on the basis of existing procedures wherever possible, to support the "virtuous circle" referred to previously. They notably include:

- gathering of internal data on operational risk losses;
- Risk and Control Self-Assessment (RCSA) processes;
- Key Risk Indicators (KRI);
- *scenarii* analyses;
- analysis of external loss data;
- permanent level 2 control, set up in 2014;
- crisis management and business continuity planning;
- combating fraud.



Societe Generale's classification of operational risks in eight event categories and 49 mutually exclusive sub-categories is the cornerstone of its risk modelling, ensuring consistency throughout the system and enabling transversal analyses across the Group.

The eight event categories are the following:

- commercial disputes;
- disputes with authorities;
- pricing or risk valuation errors;
- execution errors;
- fraud and other criminal activities;
- rogue trading;
- loss of operating resources;
- IT system interruptions

Internal loss data collection

Internal loss (but also gains and near loss) data has been compiled throughout the Group since 2003, enabling operational staff to:

- define and implement the appropriate corrective actions (changes to activities or processes, strengthening of controls, etc.);
- build expertise in operational risk management concepts and tools;
- achieve a deeper understanding of their risk areas;
- help foster an operational risk culture throughout the Group.

The minimum threshold above which a loss (or a gain or a near loss) is recorded is EUR 10,000 throughout the Group, except for Corporate and Investment Banking, where this threshold is EUR 20,000 due to the scope of its activity, the volumes involved and the relevance of regulatory capital modelling points. Below these thresholds, loss information is collected by the Group's various divisions. For each risk type event losses are aggregated and reported if the sum reaches the thresholds.

Risk and Control Self-Assessment (RCSA)

The purpose of Risk and Control Self-Assessment (RCSA) is to assess the Group's exposure to operational risks in order to improve their monitoring. Based on the results of other operational risk management frameworks (internal losses, KRI, etc.), risk areas identified by functions for their respective fields of expertise, and interviews with Group experts, its objectives are as follows:

- identifying and assessing the major operational risks to which each business is inherently exposed (the "intrinsic" risks), while disregarding prevention and control systems. Where necessary, risk mapping established by the functions (e.g. Compliance, Information Systems Security, etc.) contribute to the evaluation of intrinsic risks;
- assessing the quality of major risk prevention and mitigation measures, (including their existence and effectiveness in detecting and preventing major risks and/or their capacity to reduce their financial impact);
- assessing the major risk exposure of each business that remains once the risk prevention and mitigation measures are taken into account (the "residual risk"), while disregarding insurance coverage;
- correcting any deficiencies in risk prevention and mitigation measures and implementing corrective action plans;
- facilitating and/or supporting the implementation of key risk indicators;
- adapting the risk insurance strategy, if necessary.

As part of this exercise, major risks of a given scope are described using a double scale of severity and frequency.

Key risk indicators (KRI)

KRIs supplement the overall operational risk management system, by providing a dynamic view of changes in business line risk profiles as well as a warning system. Regular KRI monitoring assists managers of the entities in their assessment of the Group's operational risk exposure obtained from the RCSA, the analysis of internal losses and scenario analyses, by providing them with:

- a quantitative, verifiable risk measurement;
- a regular assessment of the improvements or deteriorations in the risk profile and the control and prevention environment which require particular attention or an action plan.

KRIs that may have a significant impact on the entire Group are reported to the Group's General Management via a relevant KRI dashboard.

Scenarii analyses

Scenarii analyses serve two purposes: informing the Group about potential significant areas of risk and contributing to the calculation of the capital required to cover operational risks.

For the calculation of capital requirements, the Group uses *scenarii* analyses to:

- measure its exposure to potential losses arising from low frequency/very high severity events;
- provide an expert's opinion of loss distribution for event categories whose internal loss data history is insufficient.

In practice, various *scenarios* are reviewed by experts, who gauge severity and frequency of the potential impacts for the Bank by factoring in internal and external loss data as well as the internal framework (controls and prevention systems) and the external environment (regulatory, business, etc.).

Analyses are undertaken for two types of *scenarii*:

- major Group stress *scenarii*, involving very severe events that cut across businesses and departments, having an external cause in most cases and requiring, if necessary, a business continuity plan (BCP). The *scenarii* of this type analysed so far have helped to develop the Business Impact Analysis aspects of the BCPs;
- business line *scenarii* that do not, strictly speaking, fall into the category of business continuity, but are used to measure the unexpected losses to which the businesses may be exposed. Specific actions are performed in order to prevent the portfolio from being diluted over too many *scenarii* and to maintain the system's focus on risks that could severely impact the Group;

- governance is established in order to, notably:
  - allow the approval of the annual *scenario* update programme by the Risk Committee (CORISQ),
  - allow validation of the internal loss *scenarii* and frequency by the senior management of core businesses and Corporate Divisions, through internal control coordination committees (CCCI) for the departments involved or through *ad hoc* meetings,
  - conduct an overall review of the Group's risk hierarchy and the appropriateness of scenarios through the "Expert Committees", chaired by the Group Chief Risk Officer.

Analysis of external losses

Societe Generale also uses externally available loss databases to enrich the identification and assessment of the Group's exposures to operational risks, by benchmarking internal loss records against industry-wide data.

Permanent level 2 control

The establishment of the permanent level 2 control on operational risk was initiated in 2014 with the recruitment of controllers dedicated exclusively to control and independent from business lines. Those controls cover the operational risks specific to these business lines and risks related to purchases, communication, real estate, human resources and information systems. They will perform this task based on the rationalisation of controls carried out in recent years and in particular on the classification of checks in conformity with the Group wide normative control grid.

They will have the task of ensuring that the first level controls are defined, executed and effective and there is a corrective action taken for any anomaly.

Crisis management and business continuity planning

The crisis management and business continuity systems aim to mitigate as much as possible the impacts of potential damages on clients, staff and infrastructure, thus protecting the Group's reputation, its brands' image and its financial resiliency. The systems also meet a regulatory requirement.

The approach used to implement and optimise the business continuity systems of each Group entity is based on a methodology that meets international standards. It consists primarily in identifying risks to which the company is exposed as well as their possible impacts, implementing an effective response capability to withstand various crisis scenarios (including extreme shocks) and maintaining these systems to ensure they remain effective.

Combating fraud

The Group pays particular attention to preventing and detecting fraud. Losses due to fraud are contained since 2013 after dropping steadily from 2008 to 2012, notably due to the implementation of effective systems in all business and corporate divisions. Since the end of 2009, an anti-fraud coordination unit within the Operational Risk Department has been supplementing these specific systems. Its primary goal is to be a centre of expertise in order to strengthen fraud prevention through Group-wide initiatives (training and awareness-raising) as well as to disseminate best practices issued from lessons learned from established or prevented cases of fraud.

OPERATIONAL RISK MODELLING

The method used by the Group for operational risk modelling is based on the Loss Distribution Approach (LDA).

Under this approach, operational risks are modelled using segments, each segment representing a type of risk and a Group core business. The frequency and severity of operational risks, based on past internal losses, external losses, or scenario analyses, are estimated and the distribution of annual losses is calculated for each segment. This approach is supplemented by transversal scenario analyses that measure cross-business risks for core businesses, such as, for example, property destruction and pandemic risks.

Aside from the individual risks associated with each segment or cross-business scenario analysis, the model takes into account the diversification between various types of risks and core businesses, as well as the effect of insurance policies underwritten by the Group.

The Group's regulatory capital requirements for operational risks within the scope eligible for the AMA (Advanced Measurement Approach) internal model are then defined as the 99.9% quantile of the Group's annual loss distribution.

Societe Generale's capital requirements for operational risks were EUR 3.5 billion at the end of 2014, representing EUR 43.9 billion in risk-weighted assets. This assessment integrates capital requirements on both the AMA and Standard scopes.

Insurance cover in risk modelling

In accordance with regulations, Societe Generale incorporates risk cover provided by insurance policies when calculating regulatory capital requirements for operational risks, within the limit of 20% of said requirements.

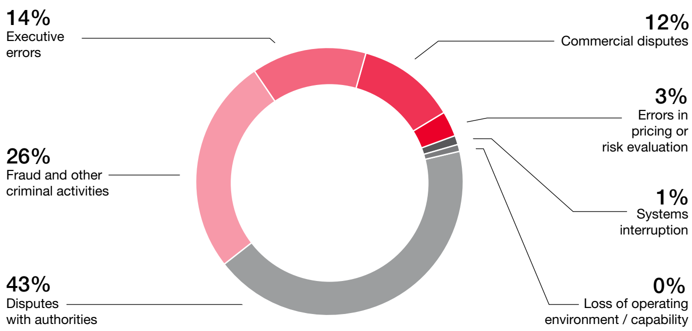
These insurance policies cover part of the Group's major risks, i.e. civil liability, fraud, fire and theft, as well as systems interruptions and operating losses due to a loss of operating resources.

Taking into account risk reduction through insurance policies results in a 15.8% reduction of total capital requirements for operational risks.

Quantitative data

The following chart breaks down operating losses by risk category for the 2010-2014 period.

OPERATIONAL RISK LOSSES: BREAKDOWN BY SOCIETE GENERALE RISK EVENT TYPE (FROM 2010 TO 2014)



Over the past five years, Societe Generale's operational risks were concentrated on average on four types, accounting for 96% of the Group's total operating losses:

- **disputes with authorities** represented 43% of losses over the period. These became the main cause of losses (along with fraud) primarily due to the 2013 Euribor transaction, which alone accounted for 43% of total losses within this category. Other disputes with authorities were largely related to tax reassessments;
- **fraud** also represented 26% of losses on average over the 2010-2014 period. Fraud is the third leading cause of losses in 2014, while they represented the first cause of losses of 2011 and 2012. Dedicated action plans have been engaged in various businesses, particularly since 2011. However, one must remain cautious given the challenging economic context, with tightened credit conditions, a rise in cybercrime and an increase in international and domestic payment fraud across distribution channels;
- **execution errors** represented 14% of operating losses and were the third most frequent source of losses for the Group over the period. Stable on average since 2010, total losses from execution errors remain volatile, depending largely on transaction volumes and market instability;
- while **commercial disputes** only represented 12% of losses over the 2010-2014 period, confirming the global decrease since 2012 Disputes experienced by other banks (especially in the UK and US) call for constant vigilance, particularly regarding the selection of products sold, their compliance and the quality of their documentation.

The other categories of Group operational risks (rogue trading, IT system interruptions, pricing or risk valuation errors and loss of operating resources) were still fairly insignificant, representing barely 4% of the Group's losses on average over the 2010 to 2014 period.

OPERATIONAL RISK INSURANCE

Description of insurance policies

GENERAL POLICY

Since 1993, Societe Generale has implemented a global policy of hedging Group operational risks through insurance. This consists in looking on the market for the broadest and highest levels of guarantee with regard to the risks incurred and enabling all entities to benefit from these guarantees wherever possible. Coverage is taken out with leading insurers. Where required by local legislation, local policies are taken out, which are then reinsured by insurers that are part of the global programme.

In addition, special insurance policies may be taken out by entities which perform specific activities.

A Group internal reinsurance company intervenes in several policies in order to pool high frequency, low-level risks between entities. This approach contributes to the improvement of the Group's knowledge and management of its risks.

Description of coverage

GENERAL RISKS

Buildings and their contents, including IT equipment, are insured at their replacement value. The guarantee covering acts of terrorism abroad has been renewed.

Liability other than professional liability (i.e. relating to operations, Chief Executive Officers and Directors, vehicles, etc.) is covered by insurance policies around the world. The amounts insured vary from country to country to meet operating requirements.

RISKS ARISING FROM OPERATIONS

Insurance is only one of the measures to offset the consequences of the risks inherent in the Group's activity. It complements the risk monitoring policy led by the Group.

THEFT/FRAUD

These risks are included in the "Bankers Blanket Bond" policy that insures all the Bank's financial activities around the world.

Internal frauds (committed by an employee or by a third party acting with the aid of an employee) and external frauds (committed by a third party acting on its own), with the intent to obtain illicit personal gain or to harm the Group, are covered.

PROFESSIONAL LIABILITY

The consequences of any legal action against staff or managers as a result of their professional activity are insured under a global policy.

OPERATING LOSSES

The consequences of any accidental interruption to activity are insured under a global policy. This policy supplements the business continuity plans. The amounts insured are designed to cover losses incurred between the time of the event and the implementation of an emergency solution.

8. STRUCTURAL INTEREST RATE AND EXCHANGE RATE RISKS

Structural exposure to interest rate risks encompasses exposures resulting from commercial activities and their hedging transactions and corporate centre for each of the Group's consolidated entities.

The interest rate and exchange rate risks linked to trading activities are excluded from the structural risk measurement scope as they belong to the category of market risks. The structural and market exposures constitute the total interest rate and exchange rate exposure of the Group.

The general principle is to reduce structural interest rate and exchange rate risks to the greatest extent possible within the consolidated entities. Wherever possible, commercial transactions are hedged against interest rate and exchange rate risks, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within a treasury department). Interest rate and exchange rate risks linked to corporate centre must also be hedged as far as possible excepted for some foreign exchange positions kept to immunise the Common Equity Tier 1 ratio.

ORGANISATION OF THE MANAGEMENT OF STRUCTURAL INTEREST RATE AND EXCHANGE RATE RISKS

The principles and standards for managing these risks are defined at the Group level. The entities are first and foremost responsible for managing these risks. The ALM (Asset and Liability Management) Risks Control Departments of the Group Business divisions conduct Level 2 controls of the entities' structural risk management.

The Group Finance Committee, a General Management body

- validates and oversees the structural risk monitoring, management and supervision system;
- reviews changes in the Group's structural risks through consolidated reporting by the Finance Division;
- examines and validates the measures proposed by the Group Finance Division.

The ALM Risk Control Department, which is part of the Finance Division is responsible for

- defining the structural risks policies for the Group;
- defining the steering indicators and overall stress test scenarii of the different types of structural risks and setting the main limits for the business divisions and the entities;
- analysing the Group's structural risk exposure and defining hedging strategies;
- monitoring the regulatory environment concerning structural risk;
- defining of the ALM principles for the Group;
- defining the normative environment of the structural risk metrics;
- validating the models used by the Group entities with regard to structural risks;
- inventorying, consolidating and reporting on Group structural risks;
- performing controls of structural risk limits.

The ALM Risk Control Department reports to the Chief Financial Officer of the Group and is functionally supervised by the Chief Risk Officer, to whom it reports its activities and who validates its working plan jointly with the Chief Finance Officer. The ALM Risk Control Department is integrated in the Group Risk function in compliance with 2014 Regulation No. 97- 02 of the French Banking and Financial Regulation Committee (CRBF).

Entities are responsible for structural risk management

In this respect, entities apply the standards defined at the Group level, develop their models, measure their risk exposure and implement the required hedges.

Each entity has its own structural risk manager, who reports to the entity's Finance Department and is responsible for conducting first level controls and for reporting the entity's structural risk exposure to the Group Finance Division via a shared IT system.

Retail banking entities both in France and abroad generally have an *ad-hoc* ALM (Asset Liability Management) Committee responsible for validating the models used, managing their exposures to interest rate and exchange rate risks and implementing the hedging programs in compliance with the principles set out by the Group and the limits validated by the Finance Committee.

STRUCTURAL INTEREST RATE RISK

Structural interest rate risk is measured within the scope of structural activities (transactions with customers, the associated hedging transactions and corporate center) for each of the Group's entities.

Structural interest rate risk arises mainly from the residual gaps (surplus or deficit) in each entity's fixed-rate forecasted positions.

Objective of the Group

The main aim of Structural interest rate risk steering is ensuring a risk management reducing each Group entity's exposure to structural interest rate risk as much as possible.

To this end, any residual structural interest rate risk exposure must comply with the sensitivity limits set for each entity and for the overall Group as validated by the Finance Committee. Sensitivity is defined as the variation in the net present value of future (maturities of up to 20 years) residual fixed-rate positions (surplus or deficit) for a 1% parallel increase in the yield curve (i.e. this sensitivity does not relate to the sensitivity of the annual net interest margin). The limit set at Group level is EUR 1 billion.

Measurement and monitoring of structural interest rate risks

Societe Generale uses several indicators to measure its interest rate risk. The three most important indicators are:

- interest rate gap analysis (the difference between outstanding fixed-rate assets and liabilities by maturity): the schedule of fixed rate positions is the main indicator for assessing the characteristics of the hedging operations required, it is calculated on a static basis;
- the economic value sensitivity is a supplementary and synthetic indicator used to set limits for the entities. It is calculated as the sensitivity of the economic value of the balance sheet to variations in interest rates. This measurement is calculated for all currencies to which the Group is exposed;
- the net interest margin sensitivity to variations in interest rates in various stress scenarios takes into account the sensitivity which is generated by future commercial productions over a three-year rolling horizon. It is calculated on a dynamic basis.

In order to quantify its exposure to structural interest rate risks, the Group analyses all fixed-rate assets and liabilities in the future. These positions come from transactions remunerated or charged at fixed rates and from their maturities.

Assets and liabilities are analysed independently, without any a priori matching. The maturities of outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models based on customers' historic behaviour patterns (particularly for regulated savings accounts, early loan repayments, etc.), as well as conventional assumptions relating to certain balance sheet items (principally shareholders' equity and sight deposits).

Once the Group has identified its fixed-rate positions (surplus or deficit), it calculates the sensitivity (as defined above) to interest rate variations. This sensitivity is defined as the variation of the net present value of the fixed-rate positions for a 1% instantaneous parallel increase in the yield curve.

In addition to this analysis, the Group also analyses the sensitivity to different yield curve configurations of the fixed rate position (steepening and flattening of the yield curve). The measurement of the net interest income sensitivity is also used by the Group to quantify the structural interest rate risk of significant entities.

Throughout 2014, the Group's overall sensitivity to interest rate risk remained below 1.5% of Group regulatory capital and within the EUR 1 billion limit.

The following observations can be made with regard to the business lines' structural interest rate risk:

- within the Societe Generale French retail networks, the outstanding amounts of customer deposits, generally considered to be fixed-rate, exceed fixed-rate loans for maturities over 1 year. Macro-hedging is set up, essentially through the use of interest rate swaps, in order to keep the French retail networks' sensitivity to interest rate risk (on the basis of the adopted *scenarii*) inside its limits. At end of December 2014, the sensitivity of the French retail networks' economic value, based on their essentially euro-denominated assets and liabilities, was EUR 76 million;
- transactions with large corporates are generally micro-hedged and therefore present no residual interest rate risk;
- transactions with customers of the Specialised Financial Services subsidiaries are generally macro-hedged and therefore present only a very low interest rate risk;
- customers' transactions at the Group's subsidiaries and branches located in countries with weak currencies can generate structural interest rate risk, which remains limited at the Group level. These entities may have problems in optimally hedging interest rate risk due to the weak development of the financial markets in some countries;
- proprietary transactions are well hedged. Residual positions are limited and arise primarily from shareholders' equity that has not been fully reinvested at expected maturities.

Sensitivity to interest rate variations of the Group's main entities represented EUR 35 million as at 31st December 2014 (for a 1% parallel and instantaneous rise in the yield curve). These entities account for 90% of the Group's outstanding loans.

TABLE 58: MEASUREMENT OF THE ENTITIES' SENSITIVITY TO A 1% INTEREST RATE SHIFT, AT 31ST DECEMBER 2014, INDICATED BY MATURITY

(In millions of euros)

Less than one year	between 1 and 5 years	More than 5 years	**Total sensitivity**
77	(249)	207	35

The results of the gap measurements (difference between liability and asset outstandings, at a fixed rate, by maturity) for the same entities are as follows (liabilities minus assets/ figures in millions of euros):

TABLE 59: INTEREST RATE GAPS BY MATURITY AT 31 DEC. 2014

(In millions of euros)

Maturities	1 year	3 years	5 years	7 years
Amount of gap	(2,506)	2,671	2,991	2,097

The Group analyses the sensitivity of earnings to variations in market interest rates using stress tests on the net interest margin.

At 31st December 2014, the Group's net interest margin sensitivity for 2015 was as follows:

TABLE 60: SENSITIVITY OF THE GROUP'S INTEREST MARGIN

(In M EUR)	31 DEC. 2014	31 DEC. 2013
Parallel increase in interest rates of 200 bp	142	488
Parallel decrease in interest rates of 200 bp	(207)	(391)
Parallel increase in interest rates of 100 bp	58	245
Parallel decrease in interest rates of 100 bp	(108)	(200)
Steepening	27	7
Flattening	16	82

Calculations are based on aggregated estimates at 31st December of a scope of consolidated entities representing more than 80% of outstanding loans followed in economic value sensitivity.

The dynamic vision of the balance sheet varies according to the amortisation of outstanding transactions and transaction renewals based on outstanding amounts budgeted for 2015. The steepening assumptions used allow for a 100bp increase in long-term rates with short-term rates remaining constant. The flattening *scenario* used for the simulation allows for a 100bp increase in short-term rates with long-term rates remaining constant.

The Societe Generale Group's interest margin sensitivity over the full year 2015 is relatively low. In the event of a parallel shift in the yield curves of +200bp, the sensitivity is positive and represents less than 1% of Net Banking Income.

The net interest margin sensitivity mainly stems from the impact on:

- customer deposits: generally little or no interest is paid on deposits, and pricing is only partly impacted by fluctuations in interest rates, as the margin on deposits is mainly derived from reinvestment rates;
- new loan production, for which pricing is not adjusted as quickly as market rates.

The margin sensitivity on outstanding customer transactions results from the renewal of amounts due on reinvested deposits, the residual sensitivity to interest rate variations, which is low thanks to hedging, and the use of variable-rate positions (this is the case for the majority of private banking commitments).

The French and International Retail Banking activities are favourably exposed to a rise in interest rates, as deposits can then be reinvested at higher rates, while margins on outstanding loans remain stable. This increase in margin is, however, partially offset by the fall in margins on new loan production (loan rates do not adjust as quickly as market rates) and by an increase in funding costs. Conversely, retail banking activities are unfavourably exposed to a fall in interest rates as deposits are then reinvested at lower rates and the margin on outstanding loans falls due to prepayments. This fall in margin is partially offset by the rise in margins on new loan production (customer loan rates do not fall as quickly as market rates) and by a reduction in funding costs.

STRUCTURAL EXCHANGE RATE RISK

Structural exchange rate risk is mainly caused by:

- foreign-currency denominated capital contributions and equity investments financed through the purchase of foreign currencies;
- retained earnings in foreign subsidiaries;
- investments made by some subsidiaries in a currency other than the one used for their equity funding for regulatory reasons.

Objective of the Group

The Group's policy is to immunise its Common Equity Tier 1 ratio against fluctuations in the currencies it operates. To this end, it may decide to purchase currencies to finance very long-term foreign currency-denominated investments, thus creating structural foreign exchange positions. Any differences in the valuation of these structural positions are subsequently booked as translation differences.

Measurement and monitoring of structural foreign exchange rate risks

The Group quantifies its exposure to structural foreign exchange rate risks by analysing all assets and liabilities denominated in foreign currencies, arising from commercial transactions and the corporate center for each of the Group's entities.

Foreign exchange risk resulting from trading activities does not enter the perimeter of structural foreign exchange risk measure. It remains the scope of market risks. Structural foreign exchange positions thus represent only a part of the overall currency transactions of the Societe Generale Group. The foreign exchange transactions of the Societe Generale Group, as of 31st December 2014, are presented in table 61.

TABLE 61: FOREIGN EXCHANGE TRANSACTIONS

(In millions of euros)	31 DEC. 2014				31 DEC. 2013*			
	Assets	Liabilities	Currencies bought, not yet received	Currencies sold, not yet delivered	Assets	Liabilities	Currencies bought, not yet received	Currencies sold, not yet delivered
EUR	770,420	804,870	17,383	18,704	752,019	790,022	18,168	17,054
USD	320,543	282,406	39,950	40,091	264,237	227,135	42,998	40,083
GBP	52,643	43,044	3,224	5,448	44,782	32,640	2,767	7,490
JPY	37,032	48,595	8,788	9,081	40,590	43,438	9,581	7,978
AUD	5,074	4,859	2,430	2,805	4,042	3,983	6,040	4,590
CZK	30,229	31,867	507	1,009	27,335	29,064	157	401
RUB**	11,379	9,435	307	202	15,752	13,567	84	150
RON**	5,281	6,517	49	98	4,762	6,515	221	96
Other currencies	75,569	76,577	13,495	12,023	60,674	67,829	9,801	10,643
TOTAL	**1,308,170**	**1,308,170**	**86,133**	**89,461**	**1,214,193**	**1,214,193**	**89,817**	**88,485**

* Amounts restated with regard to financial statements published in 2013, further to the coming into force of IFRS 10 and 11 which apply in retrospect.

** 2013 figures adjusted according to information published on 21st March 2014, correcting inverted lines.

The Group monitors structural exchange rate positions and manages the immunisation of the Common Equity Tier 1 ratio to exchange rate fluctuations.

Table 62 presents the impact on the Group Common Equity Tier 1 ratio of a 10% currency depreciation or appreciation for 31st December 2014.

TABLE 62: SENSITIVITY OF THE COMMON EQUITY TIER 1 RATIO OF THE GROUP TO A CHANGE OF 10% OF THE CURRENCY (IN BASIS POINTS)

Currency	Impact on the Common Equity Tier 1 ratio of a currency depreciation of 10%	Impact on the Common Equity Tier 1 ratio of a currency appreciation of 10%
USD	11	(11)
GBP	1	(1)
JPY	0	0
AUD	0	0
CZK	(1)	1
RUB	0	0
RON	(1)	1
OTHERS	(4)	4

In 2014, structural positions monitoring reduced the Common Equity Tier 1 ratio sensitivity to currency fluctuations (sensitivity of the Common Equity Tier 1 ratio is managed within limits per currency set according to the Group's risk Appetite in these currencies).

9. LIQUIDITY RISK

Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price.

GOVERNANCE AND ORGANISATION

The principles and standards applicable to the management of liquidity risks are defined by the Group's governing bodies, whose duties in the area of liquidity are listed below:

- The Group's Board of Directors
  - establishes the level of liquidity risk tolerance as part of the Risk Appetite exercise, including the time period during which the Group can operate under conditions of stress ("survival horizon")
  - meets regularly to examine the Group's liquidity risk situation, at least on a quarterly basis;
- the Executive Committee:
  - sets budget targets in terms of liquidity based on proposals from the Group's Finance Division
  - allocates liquidity between Pillars and Group Treasury based on proposals by the Group's Finance Division;
- the Finance Committee is the body monitoring structural risks and management of scarce resources. As such, the finance Committee:
  - meets every six weeks under the chairmanship of the Chairman and Chief Executive Officer or a Deputy Chief Executive Officer with the representatives from the Risk Division and pillars,
  - oversees and validates the limits set for structural liquidity risk;
  - monitors compliance to the budget and liquidity trajectory;
  - takes decisions, if necessary, on the implementation of corrective measures;
  - takes decisions, if necessary, on methodology issues regarding liquidity risk management;
  - examines the regulatory evolutions and their respective impact;

The pillars are responsible for managing liquidity risk under their supervision perimeter, under the control of the Group Finance Division. Business lines are made responsible for abiding to the regulatory requirements their subsidiaries are exposed to.

The Group Finance Division manages, monitors and follows liquidity risk through three separate departments, in compliance with the principles advocating a separation of risk steering, execution and control functions.

- the Strategic and Financial Steering Department, responsible for:
  - establishing the Group's financial trajectory, in line with its strategic targets, regulatory requirements, and market expectations;
  - ensuring that liquidity steering is in line with the Group's other objectives in terms of profitability and scarce resources,
  - proposing and monitoring the Businesses budget trajectory,
  - monitoring the regulatory environment and developing liquidity steering standards for the pillars.
- the Balance Sheet and Global Treasury Management Department, responsible for:
  - execution of the Group's short-term and long-term funding plan;
  - supervising and coordinating the Group's Treasury functions;
  - monitoring the market and contributing its operational expertise to the establishment of liquidity steering objectives and liquidity allocation to Businesses;
  - managing the collateral used in refinancing operations (Central Banks, covered bonds, securitisation, secured funding);
  - managing the Group's central funding department (management of liquidity and equity within the Group), including the internal liquidity grids.
- the Structural Risk Monitoring and Control Department, responsible for:
  - supervising and managing the structural risks (interest rates, foreign exchange rates, liquidity) to which the Group is exposed;
  - in particular, monitoring models of the structural risks, in view of the methodologies and principles sets, the follow-up of the compliance with limit restrictions and management practices by the divisions, business lines and entities of the Group;
  - reporting hierarchically to the Chief Financial Officer and reporting functionally to the Group Chief Risk Officer.

In addition, several Risk Division departments contribute, together with the Finance Division, to the operational supervision of liquidity risk. Their actions are coordinated by the Cross-Business Risk Monitoring Department under the direction of the Group Chief Risk Officer. Specifically, they relate to:

- the independent review of models used to monitor market activities;
- the validation of all the Group's liquidity models within the framework of centralised governance;
- the examination of requests for risk limits relating to liquidity risk metrics and the monitoring of any limit breaches.

THE GROUP'S APPROACH TO LIQUIDITY RISK MANAGEMENT

The Group's primary objective is to ensure the funding of its activities in the most cost-effective way by managing liquidity risk and adhering to regulatory constraints. The liquidity steering system aims at providing a balance sheet framework with an assets and liabilities target structure that is consistent with the risk appetite defined by the Board of Directors.

- the assets structure should allow the businesses to develop their activities in a way that is liquidity-efficient and compatible with the target liabilities structure. This development must comply with the liquidity gaps defined at Group level (under static and stress scenarios) as well as regulatory requirements;
- the liabilities structure is based on the ability of the businesses to collect financial resources from customers and the ability of the Group to sustainably raise financial resources on the markets, in accordance with its risk appetite.

This steering system is based on a measurement and supervision of the businesses' liquidity gaps under reference and stress scenarios, their Group funding needs, the funds raised by the Group on the market, the eligible assets and the businesses' contribution to regulatory ratios. Accordingly, the principles of liquidity management are as follows:

1. The businesses must observe low to nil static liquidity gaps within the operating limits of their activities by using to the Group's Central Treasury, which can, if needed, run a (anti) transformation position and manage it within the framework of the established risk limits.
2. Internal liquidity stress tests, established on the basis of the systemic, specific or combined scenarios, are controlled at Group level. They are used to ensure compliance with the survival horizon established by the Board of Directors and to calibrate liquidity reserves. They are accompanied by a Contingency Funding Plan that foresees measures to be taken in the event of a liquidity crisis.
3. The businesses' funding needs (short-term and long-term) are determined on the basis of the development objectives for the franchise and in line with the Group's fund raising targets and capabilities.
4. A plan for long-term funding, which complements the resources raised by the pillars, is designed to ensure the repayments of upcoming maturities and finance the growth of the businesses. It takes into account the Group's investment capabilities and aims to optimise the cost of fund-raising while complying with limits in terms of market concentration. Diversification in terms of issuers and investor pools is also examined and managed.
5. The Group's short-term resources are sized to finance the short-term needs of the businesses over periods appropriate to their management and in line with market concentration limits. As outlined above, they are proportioned with respect to the liquidity reserve on the assets side based on the established stress survival horizon as well as the Group's LCR target (Liquidity Coverage Ratio,see below *Regulatory Ratios*).
6. The Group's liquidity steering takes into account compliance with the target regulatory ratios (LCR, Standard ratio), as the businesses are supervised regarding their contribution to these ratios.

Finally, liquidity is framed in terms of cost via the Group's internal transfer pricing scheme. Funding allocated to the businesses is charged to them based on scales that must reflect the liquidity cost for the Group. This system is aimed at optimising the use of external financing sources by businesses and is used to monitor the balance of funding on the balance sheet.

Societe Generale has undertaken a specific review of its liquidity risks and believes that it is able to meet its upcoming maturities.

REFINANCING STRATEGY

The Group's financing strategy is based on the following principles :

- the Group's stable funding resources (including shareholders' equity, customer deposits and medium/long-term market resources) finance the long-term needs of the businesses (including tangible and intangible assets, customer loans and the portfolio of available-for-sale or held-to-maturity securities);
- short-term market resources finance the Group's short-term assets, which are predominantly carried by GBIS' Global Markets pillar;
- the Group maintains a liquidity reserve to cover outflows in situations of stress.

MARKET FINANCING

The Group's market resources totalled EUR 194 billion at 31st December 2014. Of this total, EUR 83 billion have a remaining maturity of less than one year, of which EUR 25 billion correspond to debt securities issued with an initial medium/long-term maturity (more than one year) and EUR 58 billion to short-term market resources.

The tables below detail the Group's market resources at 31st December 2014 and 31st December 2013 according to their remaining maturities based on contractual management schedules.

31 DEC. 2014

(in billions of euros)	<3M	3-6M	6-12M	Sub-total < 1 YR	1-2 YRS	2-5 YRS	> 5 YRS	Total
Interbank deposits	13	1	1	**15**	2	9	2	29
Other customer deposits	4	0	0	**4**	0	0	0	4
Sub-total Deposits	**17**	**1**	**1**	**19**	**2**	**9**	**2**	**33**
Short-term issues	22	6	4	**32**	0	0	0	32
Vehicles issues	7	0	0	**7**	0	0	0	7
Sub-total short-term Debt Securities	**29**	**6**	**4**	**39**	**0**	**0**	**0**	**39**
Public senior vanilla issues	3	2	3	**8**	3	6	5	22
Vanilla private placements	0	0	1	**1**	2	3	2	8
Covered bonds, CRH, SFEF	0	0	0	**0**	3	8	12	24
Structured issues, other	3	1	2	7	8	18	16	49
Subordinated debt	0	1	0	1	1	3	4	9
LT debt of the subsidiaries	3	3	5	11	5	5	1	22
Sub-total Securities	**38**	**13**	**15**	**66**	**23**	**43**	**41**	**173**
Total Securities and Deposits	**55**	**14**	**17**	**85**	**25**	**52**	**43**	**206**
incl. Debt securities distributed by the networks*	(1)	(1)	(1)	**(2)**	(2)	(5)	(3)	(12)
MARKET RESOURCES	**54**	**14**	**16**	**83**	**23**	**47**	**41**	**194**

31 DEC. 2013

(in billions of euros)	<3M	3-6M	6-12M	Sub-total < 1 YR	1-2 YRS	2-5 YRS	> 5 YRS	Total
Interbank deposits	18	2	3	**22**	4	3	2	**31**
Other customer deposits	11	0	0	**12**	0	0	0	**12**
Sub-total Deposits	**29**	**2**	**3**	**34**	**4**	**3**	**3**	**43**
Short-term issues	38	7	10	**55**	1	0	0	**56**
Vehicles issues	6	0	1	**7**	0	0	0	**7**
Public senior vanilla issues	1	1	2	**4**	8	7	5	**24**
Vanilla private placements	0	0	0	**1**	1	5	3	**10**
Covered bonds, CRH, SFEF	2	2	1	**5**	0	7	16	**28**
Structured issues, other	3	3	5	**10**	5	17	17	**48**
Subordinated debt	0	0	0	**1**	1	3	3	**7**
LT debt of the subsidiaries	1	1	2	**5**	7	6	1	**19**
Sub-total Securities	**50**	**15**	**21**	**87**	**23**	**46**	**44**	**200**
Total Securities and Deposits	**79**	**18**	**24**	**121**	**27**	**49**	**47**	**244**
incl. Debt securities distributed by the networks*	(1)	(1)	(1)	**(2)**	(1)	(4)	(2)	**(10)**
MARKET RESOURCES	**79**	**17**	**23**	**119**	**25**	**44**	**45**	**234**

NB. 2013 data have been adjusted further to the coming into force of IFRS 10 and 11, with retrospective effect on 2013

* Group's networks.

Group short-term market resources consist of unsecured notes issued under the Group's short-term programmes (mainly Certificates of Deposit, promissory notes and commercial paper), and deposits from banks and financial customers. The majority of the short-term market resources are issued by the Group's Central Treasury to international institutional investors under its short-term programme. The Group's Central Treasury adheres to diversification thresholds on its funding sources by counterparty and by currency. Asset-Backed Commercial Paper vehicles contribute to the Group short-term market resources since 1st January 2014, following their inclusion in the consolidation scope with the application of IFRS 10.

Group short-term market resources amounts to EUR 58 billion at 31st December 2014 and have been significantly reduced during 2014 (EUR -38 billion) according to the Group strategy to reduce the short-term funding in the balance sheet funding structure.

Medium/long-term market resources (including the portion of securities originally issued with a maturity of more than one year and maturing within the year) totalled EUR 136 billion at 31st December 2014, against 138 billion at 31st December 2013. These consist of long-term interbank liabilities (long-term credit lines granted by banks and international financial institutions, etc.), and medium/long-term debt securities, the breakdown of which reflects the Group's policy concerning the diversification of funding sources. The Group has access to large and complementary investor pools via:

- senior vanilla issues in the form of public issues or private placements;
- mortgage bonds issued by SG SFH vehicles; and
- SG SCF as well as by the Caisse du Refinancement et de l'Habitat;
- senior structured issues issued by Societe Generale SA and distributed to institutional investors and, to a large extent, to individual customers (via retail and private banking networks belonging to the Group or its partners);
- subordinated debt (Tier 2 debt instruments) issued by Societe Generale SA, in addition to Group Tier 2 and Tier 1 issues booked to equity.

Furthermore, access to diversified investor pools is ensured by a wide array of Group issuers: Societe Generale SA, Crédit du Nord and the IBFS subsidiaries issuing secured (securitisations, mortgage bonds) and unsecured notes. IBFS issues, along with its deposit inflows and bilateral borrowings, are aimed specifically at increasing the financing independence of its subsidiaries as part of a strategy that has been stepped up since 2010.

DISCLOSURE ON ASSET ENCUMBRANCE

TEMPLATE A-ASSETS

		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
In Euros		010	040	060	090
010	**Assets of the reporting institution**	175,473,637,388		1,012,674,850,559	
030	Equity instruments	56,107,530,222	55,605,100,439	39,891,212,072	36,724,326,173
040	Debt securities	48,380,754,508	46,669,123,120	83,741,831,728	80,225,022,287
120	Other assets	7,321,831,143		308,588,349,103	

TEMPLATE B - COLLATERAL RECEIVED

		Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
In Euros		010	040
130	**Collateral received by the reporting institution**	239,816,943,184	46,295,509,005
150	Equity instruments	47,308,751,648	11,811,705,167
160	Debt securities	192,354,775,383	31,282,245,848
230	Other collateral received	153,416,153	3,201,557,989
240	**Own debt securities issued other than own covered bonds or ABSs**	0	0

TEMPLATE C - ENCUMBERED ASSETS/COLLATERAL RECEIVED AND ASSOCIATED LIABILITIES

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and encumbered ABSs
		010	030
010	Carrying amount of selected financial liabilities	313,549,620,152	330,050,424,141

D - INFORMATION ON IMPORTANCE OF ENCUMBRANCE

Securities (equities, debt securities) held within the banks' portfolios or borrowed **represent the vast majority of the Group's encumbered assets**, due to the size of Global Markets' activities in the Bank, one of the main actors in this business internationally**:**

- a repurchase agreement activity (repo/reverse repurchase agreements (reverse repos) leads to securities received as collateral being used and lent in turn as part of a new transaction, or the sale of the asset, with a significant portfolio of repo/reverse repos and securities lent and borrowed within the businesses of Global Banking and Investor Solutions, notably Global Markets and Securities Services and Brokerage, acting as intermediaries on behalf of their clients;
- a Primary Dealer activity on the debt issued by governments as part of auction processes and partially reinvested in the form of repos and securities lent to and borrowed from investors on the market;
- a securities lending and borrowing activity (collateral swaps) in the Global Markets and Securities Services and Brokerage businesses (acting as agents on behalf of their clients).

The use of loans (loans to corporate clients or individual customers) deposited as collateral as part of the refinancing process constitutes another source of liquidity funding on top of deposits and market resources that are essentially obtained through subordinated and unsecured issuances. This enables **debt securities to be issued**, as part of specific legal frameworks (covered bonds issued through vehicles such as *Société Foncière à l'Habitat* and *Société de Crédit Foncier*) or via conduits and securitisations. These assets can also be collateralised when the Group resorts to **secured funding** - domestic or international (CRH, European Investment Bank), or bilaterally. Finally, collateralisation may occur as part of the ECB monetary policy.

With respect to line 120 "Other Assets", column 060 (fair value of unencumbered assets), the amount reported is mainly due to the revaluation of derivatives reported on the Asset side of the Bank's balance sheet (75% of the reported amount); tangible assets such as fixed assets, fixtures and fittings and others represent 5% of the total amount reported; other items, particularly intangible assets, goodwill, deferred taxation, etc. represent individually less than 1% of the total reported amount.

LIQUIDITY RESERVE

The Group's liquidity reserve encompasses cash at central banks and assets that can be used to cover liquidity outflows under a stress scenario. The reserve assets are available, i.e. not used as a guarantee or as collateral on any transaction. They are included in the reserve after applying a haircut to reflect their expected valuation under stress. The Group's liquidity reserve contains assets that can be freely transferred within the Group or used to cover subsidiaries' liquidity outflows in the event of a crisis: non transferrable excess cash (according to regulatory ratio definition) in subsidiaries are therefore not included in the Group liquidity reserve.

The liquidity reserve includes :

- Central Bank deposits, excluding mandatory reserves;
- High-Quality Liquid Assets (HQLAs), which are securities that are quickly transferable on the market via sale or repurchase transactions; these include government bonds, corporate bonds and equities listed on major indices (after haircuts). These HQLAs essentially meet the eligibility criteria for the LCR, according to the most recent standards known and published by regulators. The haircuts applied to HQLA securities are in line with those indicated in the most recent known texts on determining the numerator of the LCR;
- non-HQLA Group assets that are central bank-eligible, including receivables as well as covered bonds and securitisations of Group receivables held by the Group.

The composition of the liquidity reserve is reviewed regularly by a special committee comprising the Finance Division, the Risk Division and the Management of the GBIS pillar, and is adjusted by authorisation of the Finance Committee.

	31 DEC. 2014	31 DEC. 2013
Central bank deposits (excluding mandatory reserves)	48	60
HQLA securities available and transferable on the market (after haircut)	75	78
Other available central bank-eligible assets (after haircut)	17	35
Total	**140**	**174**

The Group's liquidity reserve covered 168% of short-term funding needs at 31st December 2014 (market resources with residual maturities of less than one year), against 145% at 31st December 2013.

REGULATORY RATIOS

The Basel Committee, which acts at an international level, recommends the implementation of two standard ratios with harmonized parameters which are intended to regulate bank liquidity risk profile:

- The Liquidity Coverage Ratio (LCR) aims to ensure that banks hold enough liquid assets or cash to survive a significant stress combining a market crisis and specific stress lasting for one month. This ratio is scheduled to come into force on 1 January 2015.
- The Net Stable Funding Ratio (NSFR) is a transformation ratio and compares funding needs with stable resources over a one-year period. This ratio is scheduled to come into force on 1 January 2018.

The Basel Committee stabilized its final version of the texts dedicated to (respectively) LCR in January 2013 and NSFR on 31st October 2014.

The transposition of Basel 3 in European Union law, CRD4 and CRR1 was published on 27th June 2013, and is to be implemented by 1st January 2014. The French transposition has been published in Journal Officiel on 5th November 2014.

The LCR definition was finalized on the bases of technical standards issued by EBA, through a Delegated Act set by the European Commission on 10th October 2014. The LCR is to enter in force at European level on 1st October 2015. The minimal requirement is fixed at 60% from 1st October 2015 onwards, with a phasing up to 100% fully implemented by 1st January 2018.

On NSFR side, subsequent to an EBA opinion report, the European Commission will submit a legislative proposal to European Parliament and Council by end-2016.

After the implementation of Basel standard in the internal steering standards on a Group-wide basis, in 2014, Societe Generale started the implementation of the European regulations. At Group level, the LCR is now monitored through European rules. Up to the stabilization of the European rules regarding the NSFR, at Group's level, the NSFR will be managed according to the Basel rules. Societe Generale's LCR was in excess of 100% throughout 2014 including on 31st December 2014

This is the consequence of significant efforts made since the crisis to reinforce the Group's liquidity reserves and to extend the average maturity of the Group's short-term liabilities and to reduce the short-term funding reliance. It also demonstrates the Group's ability to withstand a severe combined, specific and widespread liquidity crisis.

The Group liquidity position in terms of ACP ratio was also well in excess of the minimum requirements throughout the whole year of 2014.

BALANCE SHEET SCHEDULE

The main lines comprising the Group's financial liabilities are presented in Note 30 to the consolidated financial statements, under the following template:

	31 DEC. 2014					
(In billions of euros)	**Note to the consolidated financial statements**	**0-3M**	**3M-1YR**	**1-5 YRS**	**> 5 YRS**	**TOTAL**
Due to central banks		4,607	0	0	0	4,607
Financial liabilities at fair value through profit or loss, excluding derivatives	Note 6	196,837	12,995	22,072	33,195	265,098
Due to banks	Note 17	63,640	7,722	16,786	3,143	91,290
Customer deposits	Note 18	271,007	24,947	32,165	21,617	349,735
Securitised debt payables	Note 19	29,003	29,716	33,844	16,095	108,658
Subordinated debt	Note 24	185	828	3,599	3,493	8,104

Note: The scheduling assumptions for these liabilities are presented in Note 30 to the consolidated financial statements. In particular, the data are shown without provisional interest and excluding derivatives. Consequently, the impact of the debt revaluation linked to own credit risk and interest accrued at 31 December 2014 are not scheduled.

Symmetrically, the main lines comprising the corresponding financial assets are presented below.

	31 DEC. 2014					
(In billions of euros)	**Note to the consolidated financial statements**	**0-3M**	**3M-1YR**	**1-5 YRS**	**> 5 YRS**	**TOTAL**
Cash, due from central banks	Note 5	54,222	645	1,382	817	57,065
Financial assets at fair value through profit or loss, excluding derivatives	Note 6	318,736	2,021			320 757
Available-for-sale financial assets	Note 8	125,442	14,453		3,827	143,722
Due from banks	Note 9	64,599	3,411	9,822	3,910	81,742
Customer loans	Note 10	87,684	47,220	125,517	83,947	344,368
Lease financing and similar agreements	Note 11	2,470	5,168	13,490	4,870	25,999

It should be noted that due to the nature of its activities, Societe Generale holds derivative products and securities whose residual contractual maturities are not representative of its activities or risks.

By convention, the following residual maturities were used for the classification of financial assets:

1. Assets measured at fair value through profit or loss, excluding derivatives (customer-related trading assets):
   - Positions measured using prices quoted on active markets (L1 accounting classification): maturity of less than 3 months;
   - Positions measured using observable data other than quoted prices (L2 accounting classification): maturity of less than 3 months;
   - Positions measured mainly using unobservable market data (L3): maturity of 3 months to 1 year.
2. Available-for-sale assets (insurance company assets and Group liquidity reserve assets in particular):
   - Available-for-sale assets measured using prices quoted on active markets: maturity of less than 3 months;
   - Bonds measured using observable data other than quoted prices (L2): maturity of 3 months to 1 year;
   - Finally, other securities (shares held long-term in particular): maturity of more than five years.

As regards the other lines comprising the balance sheet, other assets and liabilities and their associated conventions can be broken down as follows:

OTHER LIABILITIES

	31 DEC. 2014						
(In billions of euros)	Note to the consolidated financial statements	Not scheduled	0-3M	3M-1YR	1-5 YRS	> 5 YRS	TOTAL
Revaluation difference on portfolios hedged against interest rate risk		10,166					10,166
Tax liabilities	Note 13			990		426	1,416
Other liabilities	Note 20		75,124				75,124
Non-current liabilities held for sale				505			505
Underwriting reserves of insurance companies	Note 32		13,104	7,564	28,226	54,403	103,298
Provisions	Note 22	4,492					4,492
Shareholders' equity		55,168					55,168

OTHER ASSETS

	31 DEC. 2014						
(In billions of euros)	Note to the consolidated financial statements	Not scheduled	0-3M	3M-1YR	1-5 YRS	> 5 YRS	TOTAL
Revaluation difference on portfolios hedged against interest rate risk Held-to-maturity financial assets		3,360					3,360
Held-to-maturity financial assets	Note 12					4,368	4,368
Tax assets	Note 13	7,447					7,447
Other assets	Note 14	65,238					65,238
Non-current assets held for sale			866				866
Investments in subsidiaries and affiliates accounted for by the equity method						2,796	2,796
Tangible and intangible fixed assets	Note 15					17,917	17,917
Goodwill	Note 16					4,331	4,331

1. Revaluation differences on portfolios hedged against interest rate risk are not scheduled, as they comprise transactions backed by the portfolios in question. Similarly, the schedule of tax assets whose schedule would result in the early disclosure of income flows is not made public.
2. Held-to-maturity financial assets have a residual maturity of more than five years.
3. Other assets and Other liabilities (guarantee deposits and settlement accounts, miscellaneous receivables) are considered as current assets and liabilities.
4. The notional maturities of commitments in derivative instruments are presented in Note 30 to the consolidated financial statements. The net balance of transactions in derivatives measured at fair value through profit or loss on the balance sheet is EUR -5,453 million (according to the rules set hereabove, it would be classified as a trading liability < 3 months, see Note 6 to the consolidated financial statements).
5. Non-current assets held for sale have a maturity of less than 1 year, as do the associated liabilities.
6. Investments in subsidiaries and affiliates accounted for by the equity method and Tangible and intangible fixed assets have a maturity of more than 5 years.
7. Provisions and shareholders' equity are not scheduled.

10. COMPLIANCE, REPUTATIONAL AND LEGAL RISKS

COMPLIANCE

Compliance means to act in accordance with applicable banking and financial rules, including laws and regulations as well as professional, ethical or internal standards.

Fair treatment of customers and, from a more general standpoint, the integrity of banking and financial practices, contribute decisively to the reputation of our institution.

By ensuring that these rules are observed, the Group is working to enhance a key asset, namely the trust of its customers, other counterparties and employees, and of the various regulatory authorities to which it answers.

Compliance System

Independent compliance structures have been set up within the Group's different businesses around the world in order to identify and prevent any risks of non-compliance.

The Group's Corporate Secretary is the Chief Compliance Officer.

He is assisted in these duties by the Compliance Department, the Group Compliance Committee, and a compliance function consisting of a coordinated network of Compliance Officers operating in all Group entities.

COMPLIANCE DEPARTMENT

The Compliance Department is divided into three cross-business departments responsible for: (i) the Group's financial security (prevention of money laundering, terrorism financing and tax fraud; "know your customer" obligations; embargoes and financial sanctions; the fight against corruption), (ii) developing and maintaining consistent standards for the function and promoting compliance values, (iii) managing IT tools and the system of compliance controls within the Group.

The Compliance Department verifies that all compliance laws, regulations and principles applicable to the Group's banking and investment services activities are observed, and that all staff respect codes of good conduct and individual compliance. It also monitors the prevention of reputational risk. It provides expertise and performs controls at the highest level for the Group and assists the Corporate Secretary with the day-to-day operation of the function.

Its main tasks are namely: to define, in accordance with the regulators' requests and with legal or regulatory requirements, the policies, principles and procedures applicable to compliance and financial security, and to manage their implementation and monitor their application:

- to ensure that professional and financial market regulations are respected;
- to prevent and manage conflicts of interest;
- to propose the ethical rules to be respected by all Group employees;
- to train and advise employees and raise their awareness of compliance issues;
- to ensure that the role of Head Compliance Officer (RCO) is performed under adequate conditions, by setting out the RCO's prerogatives, ensuring that they have the necessary resources, tools and normative framework while monitoring their correct implementation;
- to build and implement steering and organisation tools for the function: dashboards, forums to share best practices, meetings of the Business Division RCO Committee;
- to coordinate relations between Group entities and French and foreign regulators on matters relating to compliance;
- to generally monitor issues likely to be harmful to the Group's reputation.

GROUP COMPLIANCE COMMITTEE

The Group Compliance Committee meets once a month and is chaired by the Group's Corporate Secretary. The Committee reviews the most significant incidents that occurred over the period across the entire Group and decides on the actions to be taken. It examines key compliance events and initiatives conducted across and within the different business lines, and considers current compliance-related topics. Finally, it monitors any changes in regulations. Aside from representatives from the Compliance function, the Head of Group Internal Control Coordination, the Chief Legal Officer, the Chief Operational Risk Officer and General Inspection representatives sit on the Committee.

COMPLIANCE FUNCTION

Compliance function duties are carried out in the business and corporate divisions by dedicated teams operating under the authority of Compliance Officers. The Compliance Department supervises the function within its own governance framework.

The compliance control system for the businesses comprises four dedicated teams: Group Retail Banking, Private Banking, Investment Banking and Investor Services, and Insurance. The central teams are under the hierarchical authority of the Head of the Compliance Department, except for Insurance, which remains under the Head of Compliance's operational authority. Hierarchical authority over French Retail Banking came into effect in June 2014. French and international subsidiaries are still under the Head of Compliance's operational authority, but under closer supervision. The Compliance Officers implement the governance and principles defined at Group level within their remit. They contribute to the identification and prevention of compliance risks, validation of new products, analysis and reporting of compliance anomalies, implementation of corrective measures, staff training and promotion of compliance values throughout the Group. They notably rely on a pyramid structure of business line or subsidiary RCOs under their hierarchical or operational authority.

The objectives of the compliance function's structure are:

- to centralise the Group's compliance specialists with the goal of developing expertise in this area;
- to set up cross-business functions aimed at promoting and harmonising compliance values throughout the Group, covering all the Group's business and corporate divisions;
- to establish a clear separation between the advisory and control functions;
- to simplify the compliance system in order to improve information flow and decision-making.

GROUP FINANCIAL SECURITY SYSTEM

The financial security system rests on two pillars:

- the Group Financial Security Department, in charge of:
  - defining the standards and policy applied at Group level, in cooperation with the Legal department, monitoring its implementation and circulating new regulatory provisions while providing guidelines for operational departments, primarily through a dedicated compliance portal,
  - organising and managing the Financial Security system within the Group, as well as raising the business lines' awareness of these particularly complex and evolving issues,
  - reporting suspicious activity to TRACFIN for all of the Group's French entities (except Crédit du Nord and Boursorama Banque), as well as submitting reports of asset freezes and authorisation requests to the French Treasury for Societe Generale SA. For entities established outside France, the Anti-Money Laundering Officers (AMLOs) report suspicious activity to the local authorities;
- the business line RCOs and a structured network of AMLOs at the entity level are responsible for ensuring that the financial security system is properly implemented at the entities within their division.

Compliance values

Compliance and adherence to ethical rules that meet the profession's highest standards are part of the Societe Generale Group's core values. These values are shared by its entire staff and not just by a handful of experts.

The Group has developed a strict body of compliance procedures and rules of good conduct. The Group's Code of Conduct was rewritten as a directive in January 2013. These rules go beyond applicable legal and regulatory provisions, particularly in countries that do not meet Societe Generale's own ethical standards.

In the banking sector, compliance values are primarily about:

- refusing to work with customers or counterparties on which it cannot gather enough information to meet due diligence standards;
- knowing how to assess the economic legitimacy of a transaction;
- being able to justify an adopted position under any circumstances.

Accordingly, the Group:

- does not carry out transactions within countries, and does not enter into relations with individuals or businesses, whose activities fall outside of the law or are contrary to the principles of responsible banking;
- refuses to conduct transactions with clients or counterparties if it is unable to determine the economic legitimacy of these transactions, or where the lack of transparency suggests they may be contrary to accounting and compliance principles;
- provides information that is accurate, clear and not misleading on the products and services it offers and verifies that said products and services are suited to customer needs;
- has established whistleblowing rights which can be exercised by any employees who believe they have good reason to think that an instruction received, a transaction under consideration or, in general, a given situation does not comply with the rules that govern the conduct of the Group's activities.

Societe Generale has strict rules on the prevention of corruption, which are included in the Code of Conduct and comply fully with the strictest regulations on the matter, and particularly the UK Bribery Act. Their implementation is closely monitored. Information on provisions and mandatory controls has been circulated since 2001 in the form of instructions, which are updated on a regular basis and applied throughout the Group.

Compliance tools and applications

Various IT applications have been developed with the aim of ensuring compliance with current regulations and detecting breaches or situations requiring special attention:

- profiling/*scenario* management tools that trigger alerts when unusual account flows or transactions are detected, especially for retail banking. They particularly apply in the prevention of terrorism financing and money laundering, and in the detection of market abuse, price manipulation and insider trading;
- tools used to filter data based on pre-defined lists (internal lists, external databases, etc.) that trigger alerts when certain people, countries or activities targeted by sanctions and embargoes are detected;
- risk reporting/evaluation tools that provide reports/statements on specific characteristics of an entity, core business, business line or client in order to notify the relevant authorities (management, senior management, regulators, etc.). Of particular note is a tool for mapping and assessing compliance risks, a reporting tool for personal transactions, a set of tools to manage lists of insiders and conflicts of interests and a cross-business tool used to meet the Group's regulatory obligations, particularly regarding disclosure when share ownership thresholds are crossed.

These tools are regularly updated to incorporate regulatory changes and improve their efficiency.

2014 Initiatives

STREAMLINING OF GROUP COMPLIANCE TOOLS

The Group compliance tools were mapped out in 2013, an exercise that underscored the benefits of improving coverage of compliance-related issues using harmonised, tried and tested tools as well as the benefits of optimising costs by prioritising the standardisation and pooling of applications where possible.

This effort was continued in 2014 with an analysis of the suitability of the tools used to address financial security and market abuse. In addition, a multi-year action plan and budget to streamline the Group's compliance applications were also validated.

FURTHER INITIATIVES TO SPREAD GROUP COMPLIANCE VALUES

In 2014, a central team was created to handle the coordination and standardisation of compliance procedures. What's more, several initiatives were carried out in the following areas:

Training:

- various initiatives were launched on sensitive issues, including an e-learning module on embargoes, illustrated documentation to raise awareness of embargo risks and videos addressing employee ethics;
- a compliance risk awareness module was offered to new employees;
- a series of factsheets summarising compliance directives and instructions was distributed Groupwide.

Governance of the Compliance function's normative framework:

- expertise on the main compliance issues was enhanced with the appointment of specialists in areas such as FATCA (Foreign Account Tax Compliance Act - see inset below), the CRS (Common Reporting Standard), conflicts of interest and other matters such as customer protection;
- the instruction governing the Group's policies and procedures was updated and an instruction on relations with exchanges was published;
- production and validation of Group policies and procedures was centralised;
- finally, adaptation of new national and supranational regulations continued in 2014, with special emphasis on regulations calling for the separation of certain activities (i.e. the French 2013 Banking Law and the Volcker Rule), MiFID 2 (directive and regulation on markets in financial instruments), the DFA (Dodd-Frank Act), EMIR (European Market Infrastructure Regulation), FATCA and rules on embargoes and economic sanctions (see insets below).

Law on the Separation and Regulation of Banking Activities/Volcker Regulation: general governance

The French Banking Law of 26 July 2013 addressed several issues related to the banking sector, with a main focus on separating activities deemed useful for the funding of the economy from "speculative" activities, notably including proprietary transactions in financial instruments. As from 1 July 2015, such proprietary transactions must be ring-fenced in a separate subsidiary that is capitalised and supervised on an individual basis. Some activities will be excluded from the scope of speculative transactions, such as market-making, hedging against the bank's risks and sound, conservative cash management activities.

The Volcker reform - an integral part of the Dodd-Frank Act of 21 July 2010 - entered into force on 1 April 2014. However, banks have until 21 July 2015 to comply. The main objective of this global reform is to regulate:

- short-term speculation by banks for proprietary trading purposes;
- acquisition by a bank of capital in hedge funds or certain types of private equity funds (covered funds).

Like the French Banking Law, the Volcker reform provides banks with a certain number of exceptions (market-making, risk hedging, cash management, investing in certain non-US funds, activities conducted completely outside the United States, etc.).

Societe Generale has set up Project Governance at Group level with the aim of jointly and consistently implementing the Volcker regulation and the Banking Law of 26 July 2013.

So far, the main initiatives have been:

- to analyse and map out the activity of the trading desks to ensure that each desk is able to observe both regulations within its remit. Compliance-related work has included analysing the differences between the two regulations and adapting internal policies and procedures accordingly; developing a series of first and second level controls; organising training courses for the relevant teams; defining the automated certification process and establishing Banking Law/Volcker Regulation corporate governance in preparation for the post-project phase;
- to set up the future proprietary trading subsidiary (which will mainly carry out arbitrage activities). The subsidiary, which will be registered as an investment firm, is currently in the process of being created and its authorisation request is under review by the ACPR;
- to define a cross-business structure responsible for overseeing the implementation of the French Banking Law and the Volcker Regulation by the other businesses (Retail Banking and Private Banking in particular).

The Societe Generale Group is also closely monitoring developments in the European draft banking structural reform (the "Barnier reform"), in conjunction with professional associations. To this end, it is actively participating in discussions under way to ensure that the draft reform does not undermine the funding of the economy or the universal banking model.

MiFID 2

The Markets in Financial Instruments Directive (MiFID), which entered into force in November 2007, governs investment services in the area of financial instruments as well as the operation of traditional marketplaces and other trading venues (e.g. MTF, OTC).

Two Level 1 texts were adopted on 15 May 2014: the MiFID 2 Directive and the MiFIR 2 Regulation, referred to collectively as MiFID 2. The Member States have until 3 July 2016 to transpose the revised directive into national legislation. For the most part, the regulation will be take effect in all EU Member States as from 3 January 2017.

An ESMA Consultation process on Level 2 measures under MiFID 2 was completed on 1 August 2014. Societe Generale, along with the principal marketplace associations (FBF, AMAFI, AFME, ISDA, etc.) took part in the consultation, with a focus on priority issues such as:

- investor protection (investment advice, compliance function, handling of complaints, recordings, product governance, asset custody, conflicts of interest, securities underwriting, placement, remuneration policies and procedures, provision of information, costs and fees, inducements, product suitability, reporting to clients, product intervention, etc.);
- transparency (criteria for determining whether equity instruments are considered liquid; systemic internaliser regime; clear delineation between bonds, structured finance products and money market instruments; transparency for non-equity instruments, etc.);
- market micro-structural issues (trading and direct electronic access);
- commodity derivative markets (position limits, reporting on positions);
- reporting on market data.

At the same time, Societe Generale set up a working group jointly run by the Legal and Compliance departments, in charge of coordinating the work being done by the different businesses on their respective implementation projects and pooling resources and knowledge on MIFID 2-related issues.

Dodd-Frank Act (DFA)

The US DFA reform (particularly Title VII), enacted in July 2010, aimed at regulating trading of most over-the-counter derivatives on organised markets and electronic platforms as well as how they are cleared through clearing houses. The European equivalent of this new regulatory system was launched with the MiFID system in 2007 and is ongoing, especially with the EMIR, Market Abuse II and MiFID II reforms.

DFA followed on from commitments made at the G20 Pittsburgh Summit in September 2009. In particular, these obligations were imposed on swap dealers, i.e. financial institutions whose dealings in over-the-counter derivatives with US counterparties are above a certain threshold. Societe Generale and all of its branches are registered as swap dealers with the US authorities. The provisions of the Dodd-Franck Act have gradually taken effect since the end of 2012.

For the past several years, Societe Generale has been conducting an overhaul of trading and transaction processes in all relevant branches to ensure they comply with the new DFA requirements. A control plan defined in early 2014 is currently being rolled out Groupwide to cover regulatory risks. Societe Generale also recently appointed a DFA Chief Compliance Officer (CCO), who will represent the bank with respect to the US Commodity Future Trading Commission and prepare a DFA CCO Report each year.

EMIR (European Market Infrastructure Regulation)

EMIR is the European equivalent of the US Dodd-Frank Act in terms of provisions governing post-trade activities. EMIR, passed on 4 July 2012, entered into force on 16 August 2012, but its effective application depends on the gradual adoption of a certain number of technical standards by European regulatory authorities. Like the Dodd-Frank Act, EMIR was adopted after the 2008 financial crisis and the G20 Pittsburgh Summit with the aim of regulating over-the-counter (OTC) derivatives.

EMIR imposes three kinds of obligations:

- clearing of OTC derivatives considered by ESMA to be eligible for clearing;
- risk mitigation techniques for derivatives not cleared by a central counterparty. The most important obligation is related to the exchange of collateral for non-cleared derivatives and is expected to enter into force in December 2015;
- reporting to central repositories on OTC derivatives or derivatives traded on electronic trading platforms.

All EMIR obligations apply to financial counterparties. They also apply to non-financial counterparties that have exceeded certain clearing thresholds. Non-financial counterparties that have not exceeded these clearing thresholds will be subject neither to clearing nor collateral exchange obligations.

The client onboarding phase is well under way with respect to risk mitigation measures.

Future considerations have to do with clearing and the exchange of initial and variation margins for non-cleared transactions. Extensive legal documentation will need to be drafted, including hundreds and potentially thousands of contracts to be documented (such as collateral pledges).

FATCA (Foreign Account Tax Compliance Act)

FATCA entered into force on 1 July 2014, making foreign financial institutions (FFIs) responsible for identifying US persons in their customer databases for the purpose of reporting income directly or indirectly received by said persons to the US Internal Revenue Service (IRS).

FATCA has predominantly been implemented outside the United States via bilateral agreements between the US and about a hundred other countries (which have already signed or pledged to do so by the end of 2014), transposed into national law in order to make FATCA mandatory, resolve national legal obstacles (banking secrecy, data protection) and facilitate local implementation.

The Societe Generale Group began the execution and implementation of the regulatory due diligence requirements in July 2014: oversight of the management of the FATCA status of Group entities, identification of US persons among its existing and prospective customers, and establishment of the internal compliance control system centred on the business division RCOs. Developments to adapt reporting tools and processes are in the final phase, in line with the 2015 regulatory timetable.

At the same time, the Group is organising an operational impact analysis to assess the effects of the new OECD Common Reporting Standard (CRS), scheduled to take effect on 1 January 2016 in the initial participating countries, including France (reporting in September 2017).

Embargoes and economic sanctions

2014 was a big year for international sanctions.

Fewer and fewer embargoes and economic sanctions are being initiated by the United Nations Security Council, due to the diverging opinions among its 5 permanent members. They are now being decided by the individual stakeholders (governments, the European Union, etc.) in a complex international and geopolitical environment. Their scope has broadened with the advent of new conflicts (e.g. between Ukraine and Russia) and the extension of older conflicts in the Middle East (Syria, Iraq, etc.).

Embargoes and economic sanctions target day-to-day financial relations by depriving the subjects of the embargo or sanction of the direct or indirect use of their assets all around the world, sometimes *via* the currency used.

The multiple jurisdictions involved, the evolving nature of regulations, and the overlapping of financial channels make economic sanctions complex, require an understanding of the spirit in which the founding texts were drafted, and call for constant efforts to update procedures.

As a group with operations all around the world, Societe Generale has defined guidelines that are re-issued with each update in all its businesses and countries of operation, and ensures that they are properly applied.

ENHANCEMENT OF THE COMPLIANCE RISK IDENTIFICATION AND MANAGEMENT SYSTEM

2014 saw continued progress in our approach to compliance risks:

- compliance is one of the three functions involved in the performance of second level permanent controls. Efforts to significantly reinforce the function began with the recruitment of control staff - independent from the business lines - during the year. In their duties, they will be able to draw on the streamlining of compliance controls in recent years, and particularly on the classification of controls according to a normative control chart used by the entire Group;
- efforts to begin mapping out compliance processes were launched as part of the overall review of the completeness of processes at Group level. A position was created in the Compliance Department to complete this project;
- the Group's most significant anomalies are reported to the Group Compliance Committee within a structured framework, using a regularly improved application. This system provides an opportunity to exchange and share best practices. Any sanctions imposed on the Group are extensively analysed and systematically give rise to corrective measures;
- recommendations issued by regulators are monitored using an application designed to follow up on internal audit recommendations;
- in the Group's investment banking activities, the main risk areas are being identified and qualified through i) a review of all regulations in force and ii) initiatives to ensure these regulations are observed (training, publication of instructions, application of procedures and associated controls, etc.). This work is gradually being expanded to include the Group's French and International Retail Banking activities;
- two dashboards are submitted to the Group Executive Committee (COMEX) each quarter and to the Audit, Internal Control and Risk Committee (CACIR) each half-year: the reputational risk dashboard produced since 2012, the presentation of which was reviewed, and the compliance dashboard produced since 2014, presenting highlights of the quarter, a closer look at four compliance issues (financial security, customer protection, relations with regulators and market abuse), and a few synthetic indicators.

IMPLEMENTATION OF COMPLIANCE POLICIES

GROUP FINANCIAL SECURITY

Three components of financial security - prevention of money laundering, KYC, and embargoes and financial sanctions - are considered as priorities in the analysis and performance of Societe Generale Group processes.

The main events in 2014 were:

Prevention of money laundering, terrorism financing and tax fraud

- The COSI project (systematic reporting to TRACFIN) was continued, with the inclusion of international credit transfers and cash deposits/withdrawals.
- A study was launched on the possibility of an AML supervision application for the Group.
- An instruction on the "prevention of money laundering, terrorism financing and tax fraud in the Societe Generale Group outside France" was updated.

Know Your Customer

- The adaptation of the Group KYC Instruction continued in the business divisions, particularly in the retail banking and financial services entities in France and abroad.
- The effective beneficiary identification threshold was aligned with the European and international standard.

Embargoes and financial sanctions

The normative framework was enhanced with the establishment of new instructions and procedures:

- the Group Instruction was adapted in the International Retail Banking and Financial Services division;
- the standardisation of the policy on sanction-related clauses in the Group's legal documentation was begun;
- an e-learning module on embargoes and financial sanctions was put online;
- work was continued on the Group's filtering tools, particularly for new types of messages (e.g. SWIFT MX).

Fight against corruption

E-learning modules continued to be distributed in 2014.

The contract review launched in 2013 was continued and anti-corruption clauses were introduced.

EMPLOYEE TRANSACTIONS

Observation of the Compliance Charters is a constant obligation under Societe Generale's rules of conduct. Procedures and their proper application are closely examined, including those related to supervision of external personnel.

CROSSING OF SHARE OWNERSHIP THRESHOLDS

The cross-business tool for monitoring ownership of shares and voting rights in listed issuers ensures worldwide compliance (108 countries) with regulations regarding the crossing of share ownership thresholds (legal, statutory, or during public offer periods). It monitors all shares and derivatives with equity underlyings held by the Societe Generale Group, calculated according to the rules outlined by each country's laws. In 2014, the Group consolidated its positions in Rosbank and Newedge.

CONFLICTS OF INTEREST

The 2012 publication of an instruction on the prevention and management of conflicts of interest provided an opportunity to identify the principles and mechanisms that need to be implemented for their appropriate management.

The policy addresses potential conflicts of interest liable to involve the Group on one hand, and its customers or members of staff on the other. It maps out potential conflicts of interest arising in the provision of investment services or related services.

A documented record of conflicts of interest is regularly updated in the investment banking business line, including the Securities Services activities and LYXOR. A conflicts of interest record was also established in Societe Generale's domestic network.

MARKET ABUSE

In order to adapt to technological change (development of new trading platforms) and the growing number of areas subject to manipulation (particularly indices) and to incorporate regulatory developments already known to the Group, special efforts are made to raise employee awareness - including the staff of the retail banking arm - of ad hoc procedures and their application in all business divisions, and of ongoing developments in detection and analysis tools.

CUSTOMER PROTECTION

Customer protection is crucial for the development of quality customer relations. As such, it is a key consideration for the Group. Among the initiatives undertaken in 2014 was the Compliance function's contribution to the definition of products through its participation in the New Product Committee, where it establishes pre-requisites if needed. In addition, Compliance closely monitors customer complaints in order to identify inappropriate procedures or offers. Finally, the Group is preparing to implement the new customer protection requirements provided for under MiFID 2, which will be applicable from 2017.

LOOKING AHEAD TO 2015

In 2015, the Group intends to accentuate and ramp up the transformation plan defined in 2013 and initiated in 2014.

The Group has decided to conduct a compliance-oriented project from 2015 to 2018. The project will see a substantial increase in resources provided to the function, both in terms of IT investments (to update priority applications) and staff allocated to compliance (mainly to the Compliance Department). Its objectives are to continue reinforcing priority functions, the central system for monitoring the application of regulations (including training, harmonisation and a regulatory watch), financial security, permanent control, customer protection, market integrity (including prevention of conflicts of interest) and reporting quality.

RISKS AND LITIGATION

The group reviews in detail every quarter the disputes presenting a significant risk.

- In October 2005, the official receivers in charge of the restructuring plans of Moulinex and Brandt, companies that were put into bankruptcy in 2001, initiated a lawsuit against member banks of syndicated loans granted to Moulinex in 1997 and to Brandt in 1998. They are seeking compensatory damages to indemnify the creditors for the banks' alleged improper financial support to the aforementioned companies. The compensatory damages sought against Societe Generale and Credit du Nord amount to EUR 192.4 million and EUR 51.7 million, respectively.

  Societe Generale and Credit du Nord only held a share of the syndicated loans. They vigorously oppose the claims since after attempting to support Moulinex and Brandt based on serious and credible recovery plans, the banks were the first victims of the collapse of Moulinex and Brandt. In decisions dated 28 June 2013, the Nanterre Commercial Court dismissed all the claims of the receivers in charge of the restructuring plans. In two decisions dated 29 January 2015, the Versailles Court of Appeal upheld these decisions.
- Societe Generale, along with numerous other banks, financial institutions, and brokers, is subject to investigations in the United States by the Internal Revenue Service, the Securities and Exchange Commission, the Antitrust Division of the Department of Justice, and the attorneys general of several states for alleged non-compliance with various laws and regulations relating to their conduct in the provision to governmental entities of Guaranteed Investment Contracts (GICs) and related products in connection with the issuance of tax-exempt municipal bonds. Societe Generale is cooperating fully with the investigating authorities.

  Several lawsuits were initiated in US courts in 2008 against Societe Generale and numerous other banks, financial institutions, and brokers, alleging violation of US antitrust laws in connection with the bidding and sale of GICs and derivatives to municipalities. These lawsuits were consolidated in the US District Court for the Southern District of New York in Manhattan. Some of these lawsuits are proceeding under a consolidated class action complaint. In April 2009, the court granted the defendants' joint motion to dismiss the consolidated class action complaint against Societe Generale and all the other defendants except three. A second consolidated and amended class action complaint was filed in June 2009. Societe Generale's motion to dismiss the second consolidated and amended class action complaint was denied and the proceeding is continuing as to Societe Generale and numerous other providers and brokers. The class plaintiffs filed a third amended class action complaint in March 2013, to which Societe Generale has not yet responded. In addition, there are other actions that are proceeding separately from the consolidated class action complaint, including another purported class action under the US antitrust laws and California state law as well as lawsuits brought by individual local governmental agencies. Motions to dismiss the complaints have been filed in these related proceedings. The motions to dismiss have been denied in their entirety or in part, and discovery is now proceeding.
- On 24 October 2012 the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay EUR 4.9 billion as compensation for the financial loss suffered by the bank. On 19 March 2014, the Supreme Court definitively confirmed the criminal liability of J. Kerviel. This decision put an end to the criminal proceedings. On the civil front, the Supreme Court has departed from its traditional case law regarding the compensation of victims of criminal offences against property. The case will now be heard by the Versailles Court of Appeal before which the case was remanded.
- Since 2003, Societe Generale had set up "gold consignment" lines with the Turkish group Goldas. In February 2008, Societe Generale was alerted to a risk of fraud and embezzlement of gold reserves held at Goldas. These suspicions were rapidly confirmed following the failed payment (EUR 466.4 million) of gold purchased. In order to recover the sums owed by the Goldas Group and to protect its interests, Societe Generale brought civil proceedings in Turkey against its insurance carriers and Goldas Group entities. Goldas, for its part, recently launched various proceedings in Turkey against Societe Generale. Societe Generale also brought proceedings against its insurers in the United Kingdom. The action has been discontinued by consent, without any admission of liability by any party and proceedings in France against its insurers are still underway. A provision has been made.
- Societe Generale Algeria (SGA) and several of its branch managers have been prosecuted for breach of Algerian laws on exchange rates and capital transfers with other countries. The defendants are accused of having failed to make complete or accurate statements to the Bank of Algeria on movements of capital in connection with exports or imports made by clients of SGA. The events were discovered during investigations by the Bank of Algeria, which subsequently filed claims. Sentences were delivered by the court of appeal against SGA and its employees in some proceedings while charges were dropped in other ones. All the proceedings went to the Supreme Court. To date, six cases have been terminated in favor of SGA and thirteen remain pending for a cumulative amount of EUR 106.92 million.
- In the early 2000s, the French banking industry decided to transition to a new digital system in order to streamline cheque clearing.

  To support this reform (known as EIC – *Echange d'Images Chèques*) which has contributed to the improvement of cheque payment security and to the fight against fraud, the banks established several interbank fees (including the CEIC which was abolished in 2007). These fees were implemented under the aegis of the banking sector supervisory authorities, and to the knowledge of the public authorities.

  On 20 September 2010, after several years of investigation, the French competition authority considered that the joint implementation and setting of the amount of the CEIC and of two additional fees for "related services" were in breach of competition law. The authority fined all the participants to the agreement (including the *Banque de France*) a total of nearly EUR 385 million. Societe Generale was ordered to pay a fine of EUR 53.5 million and Crédit du Nord, its affiliate, a fine of EUR 7 million.

However, in its 23 February 2012 order, the French Court of Appeal, to which the matter was referred by all the banks involved except *Banque de France*, upheld the absence of any competition law infringement, allowing the banks to recoup the fines paid. The French competition authority has filed an appeal before the Supreme Court.

- Societe Generale Private Banking (Suisse), along with several other financial institutions, has been named as a defendant in a putative class action that is pending in the US District Court for the Northern District of Texas. The plaintiffs seek to represent a class of individuals who were customers of Stanford International Bank Ltd. ("SIBL"), with money on deposit at SIBL and/or holding Certificates of Deposit issued by SIBL as of 16 February 2009. The plaintiffs allege that they suffered losses as a result of fraudulent activity at SIBL and the Stanford Financial Group or related entities, and that the defendants bear some responsibility for those alleged losses. The plaintiffs further seek to recoup payments made through or to the defendants on behalf of SIBL or related entities on the basis that they are alleged to have been fraudulent transfers.

  Societe Generale Private Banking (Suisse)'s motion to dismiss these claims on grounds of lack of jurisdiction was denied by the court by order filed 5 June 2014. Societe Generale Private Banking (Suisse) then filed another motion for reconsideration of this decision. On 8 September 2014, the judge handed down a decision confirming the jurisdiction of the US Court. On 21 October 2014, Societe Generale Private Banking (Suisse) filed an ultimate motion, a *Notice for Supplemental Authority*, for the judge to reconsider his decision given a recent case law's evolution. On 9 December 2014, the judge rejected this motion, thus confirming his jurisdiction. Motions to dismiss these claims on substantive grounds remain pending.

  Connected with the allegations in this class action, SG Private Banking (Suisse) and Societe Generale have also received requests for documents and other information from the US Department of Justice. Societe Generale Private Banking (Suisse) and Societe Generale are cooperating with the US Department of Justice.

- Societe Generale, along with other financial institutions, has received formal requests for information from several authorities in Europe, the United States and Asia, in connection with investigations regarding submissions to the British Bankers Association for setting certain London Interbank Offered Rates ("LIBOR") and submissions to the European Banking Federation for setting the Euro Interbank Offered Rate ("EURIBOR"), as well as trading in derivatives indexed to various benchmark rates. Societe Generale is cooperating fully with the investigating authorities.

  Societe Generale, along with other financial institutions, was named as a defendant in two putative class actions in the United States alleging violations of, among other laws, United States antitrust laws and the United States Commodity Exchange Act in connection with its involvement in the setting of US Dollar LIBOR rates and trading in derivatives indexed to LIBOR. These actions, which have been brought by purchasers of certain over the counter derivative contracts and purchasers of certain exchange-listed derivatives contracts, respectively, are pending before a single judge in the United States District Court in Manhattan. On 23 June 2014, the court dismissed the claims against Societe Generale in these two putative class actions. On 13 February 2015, the plaintiffs in these actions appealed the dismissal of their antitrust claims to the United States Court of Appeals for the Second Circuit.

  Societe Generale, along with other financial institutions, has been named as a defendant in a third putative class action in the United States District Court in Manhattan in connection with its involvement in the setting of US Dollar LIBOR that alleges violations of various state antitrust laws, and is brought on behalf of those who owned preferred equity securities on which dividends were payable at a rate linked to US Dollar LIBOR rates. Societe Generale along with other financial institutions, has been named as a defendant in a fourth putative class action in the same court also in connection with its involvement in the setting of US Dollar LIBOR. This action alleges violations of California law and common law fraud and is brought on behalf of United States residents who purchased US Dollar LIBOR-based adjustable rate mortgages. Motions to dismiss this fourth putative class action have been filed. Societe Generale also has been named as a defendant in several actions pending in the United States District Court in Manhattan by "opt out" plaintiffs that make substantially the same allegations as those made in the class actions. Motions to dismiss the "opt out" actions have been filed.

  Societe Generale, along with other financial institutions, also has been named as a defendant in a putative class action in the United States District Court in Manhattan that alleges violations of, among other laws, United States antitrust laws and the United States Commodity Exchange Act, and is brought on behalf of purchasers or sellers of Euroyen derivative contracts on the Chicago Mercantile Exchange which are alleged to have traded at artificial levels due to alleged manipulation of Yen LIBOR and Euroyen TIBOR rates. On 28 March 2014, the court dismissed the antitrust claims, among others, but permitted certain Commodity Exchange Act claims to proceed. The court denied the defendants' motion seeking reconsideration of its decision to allow certain Commodity Exchange Act claims to proceed.

  Societe Generale, along with other financial institutions, also has been named as a defendant in a putative class action in the United States District Court in Manhattan that alleges violations of, among other laws, United States antitrust laws, the United States Commodity Exchange Act in connection with a Euro denominated index. The action is brought on behalf of purchasers or sellers of EURIBOR-linked futures contracts on the NYSE LIFFE exchange or Euro currency futures contracts on the Chicago Mercantile Exchange which are alleged to have traded at artificial levels due to alleged manipulation of EURIBOR rates.

  Societe Generale, along with other financial institutions, has been named as a defendant in litigation in Argentina brought by a consumer association on behalf of Argentine consumers who held government bonds or other instruments that paid interest tied to US Dollar LIBOR that alleges violations of Argentine consumer protection law in connection with an alleged manipulation of the US Dollar LIBOR rate. Societe Generale has not yet been served with the complaint in this matter.

  On 4 December 2013, the European Commission issued a decision further to its investigation into the EURIBOR rate, that provides for the payment by Societe Generale of EUR 445.9 million in relation to events that occurred between March 2006 and May 2008. Societe Generale has filed an appeal with the Luxembourg Court regarding the method used to determine the value of the sales that served as a basis for the calculation of the fine.

- On 10 December 2012, the Council of State made two rulings on the lawfulness of withholding tax (précompte), a tax which has now been abolished. It concluded that this tax violated EC law and defined the conditions pursuant to which the amounts levied towards the withholding tax should be restituted to companies. The conditions for restitution defined by the Council of State significantly reduce the amount of restitution. In 2005, two companies assigned their rights to restitution to Societe Generale with a limited right of recourse against the assignors. The Council of State's ruling concerns one of the two companies in question (Rhodia). Societe Generale defended its rights in the various proceedings against the French tax authorities before French administrative Courts (Administrative Court, Administrative Court of Appeal, the last decision having been handed down by the Paris Administrative Court of Appeal on 12 December 2014 in the Suez matter), which continue to apply the conditions of restitution of withholding tax defined by the Council of State in its decision of 10 December 2012.

  Seized by several companies, the European Commission considered that the decisions handed down by the Council of State on 10 December 2012, following the decision handed down by the European Court of Justice C-310/09 on 15 December 2011, breach several European law principles. The European Commission informed the plaintiffs, including Societe Generale, that it initiated an infringement procedure against the French Republic by sending a letter of formal notice on 26 November 2014.

- Societe Generale has engaged in discussions with the US Office of Foreign Assets Control, the US Department of Justice, the office of the District Attorney of New York County, the Federal Reserve Board and the New York State Department of Financial Services in relation to US dollar transfers made by Societe Generale on behalf of entities based in countries that are the subject of economic sanctions ordered by the US authorities. In connection with these discussions, Societe Generale has begun an internal review and is cooperating with the US authorities.
- Vladimir Golubkov, CEO of Rosbank at the time of the events, and an employee of the bank are under criminal investigation in the Russian Federation on suspicion of corruption.
- On 22 May 2013, the ACPR launched disciplinary proceedings against Societe Generale in relation to the resources and procedures deployed by it pursuant to the legal requirements relating to the "right to a bank account" (*"Droit au compte"*). On 11 April 2014, the ACPR sanctions commission imposed the following sanctions on Societe Generale: a fine of EUR 2 million, a reprimand, and the publication of the decision. In May 2014, Societe Generale referred this decision to the *Conseil d'Etat*.
- On 7 March 2014, the Libyan Investment Authority (LIA) brought proceedings against Societe Generale before the High Court of England regarding the conditions pursuant to which LIA entered into certain investments with the Societe Generale group. LIA alleges that Societe Generale and other parties who participated in the conclusion of the investments committed acts amounting to corruption. Societe Generale firmly refutes such allegations and any claim tending to question the lawfulness of these investments. Discovery is ongoing. The English Court decided that the trial hearing will take place in January 2017. Also, on 8 April 2014, the Attorney General for the Eastern District of New York served Societe Generale with a subpoena requesting the production of documents relating to various entities and individuals, including the LIA.
- Societe Generale and other banks have been named as defendants in several putative class actions in the United States courts. The plaintiffs allege that the defendants manipulated the price of gold on the London market. Societe Generale is defending these proceedings vigorously.
- On 30 January 2015, the US Commodity Futures Trading Commission served Societe Generale with a subpoena requesting the production of information and documents concerning trading in precious metals conducted since 1 January 2009.

11. OTHER RISKS

EQUITY RISKS

Investment strategies and purpose

Societe Generale Group's exposure to its non-trading equity portfolio relates to several of the bank's activities and strategies. It includes equities and equity instruments, mutual fund units invested in equities, and holdings in the Group's subsidiaries and affiliates which are not deducted from shareholders' equity for the purpose of calculating solvency ratios. Generally speaking, due to their unfavourable treatment under regulatory capital, the Group's future policy is to limit these investments.

- First, the Group has a portfolio of industrial holdings which mainly reflect its historical or strategic relations with these companies.
- It also has some minority holdings in certain banks for strategic purposes, with a view to developing its cooperation with these establishments.
- In addition, the equities that are not part of the trading book include Group shares in small subsidiaries which operate in France and outside of France, and which are not included in its consolidation scope. This includes various investments and holdings that are ancillary to the Group's main banking activities, particularly in Retail Banking France, Corporate and Investment Banking, and Securities Services (private equity activities in France, closely linked with banking networks, stock market bodies, brokerages, etc.).
- Lastly, Societe Generale and certain subsidiaries may hold equity investments related to their asset management activities (particularly seed capital for mutual funds promoted by Societe Generale), in France and outside of France.

Monitoring of banking book equity investments and holdings

The portfolio of industrial holdings has been significantly reduced in recent years, further to the disposal of non-strategic lines. It now includes only a limited number of investments. It is monitored on a monthly basis by the Group's Finance Division, and where necessary value adjustments are recognised quarterly in accordance with the Group's provisioning policy.

The holdings that are ancillary to the Group's banking activity are monitored on a quarterly basis by the Group's Finance Division and, where necessary, value adjustments are recognized quarterly in accordance with the Group's provisioning policy. Private equity activities in France are subject to dedicated governance and monitoring, within the budgets periodically reviewed by the Group's Executive Committee. Investment or disposal decisions take the financial aspects and the contribution to the Group's activities into consideration (supporting clients in their development, cross-selling with flow activities, Corporate and Investment Banking, Private Banking, etc.).

Valuation of banking book equities

From an accounting perspective, Societe Generale's exposure to equities that are not part of its trading book is classified under shares held for sale insofar as the equities may be held for an indefinite period or they may be sold at any time.

Societe Generale Group's exposure to equities that are not part of the trading book is equal to their book value net of impairments.

The following table presents these exposures at end-December 2014 and 2013, for both the accounting scope and the regulatory scope. Regulatory data cannot be reconciled with data from consolidated financial statements, specifically because the regulatory scope excludes equity investments held on behalf of clients by the Group's insurance subsidiaries.

TABLE 63: BANKING BOOK EQUITY INVESTMENTS AND HOLDINGS

(in EUR m)	31st DEC. 2014	31st DEC. 2013
Banking book equity investments and holdings - Accounting scope	15,200	13,294
Of which equities and other (AFS) instruments	13,180	11,160
Of which AFS equities held over the long term	2,020	2,134
Banking book equity investments and holdings - Prudential scope (EAD)	10,799	6,737
Of which listed shares	466	427
Of which unlisted shares	10,333	6,310

* Prudential amounts: 2013 data pro forma for applicable Basel 3 rules. Accounting amounts: restated 2013 amounts of the financial statement further to the coming into force of IFRS 10 and 11 as at 1st January 2014, with retrospective effect.

AFS: Available For Sale.

EAD: Exposure At Default.

With regard to the regulatory scope, the exposure to equities and holdings that are not included in the trading book, and calculated as EAD amounted to EUR 10.8 billion at the end of 2014, versus EUR 6.7 billion at the end of 2013, Basel 3 pro forma. This increase is due primarily to the consolidation of Newedge Group (see Note 2 to the consolidated financial statements).

Changes in fair value are recognised in shareholders' equity under "Unrealised or deferred capital gains and losses". In the event of a sale or durable impairment, changes in the fair value of these assets are recorded in the income statement under "Net gains and losses on available-for-sale financial assets". Dividends received on equity investments are recognised in the income statement under "Dividend income".

For listed shares, the fair value is estimated based on the closing share price. For unlisted shares, the fair value is estimated based on the category of financial instrument and one of the following methods:

- the share of net assets owned;
- the valuation based on recent transactions involving the company's shares (acquisition of shares by third parties, expert valuations, etc.);
- the valuation based on recent transactions involving companies in the same sector (earnings or NAV multiples, etc.).

TABLE 64: NET GAINS AND LOSSES ON BANKING BOOK EQUITIES AND HOLDINGS

(in EUR m)	31st DEC. 2014	31st DEC. 2013
Gains and losses on the sale of shares	163	771
Impairment of assets in the equity portofolio	(28)	(17)
In proportion to the net income on the equities portofolio	63	76
Net gains/losses on banking book equities and holdings	198	830
Unrealised gains/losses on holdings	1,587	1,669
Share included in Tier 1 and Tier 2 capital*	467	588

* Amounts pro forma Basel 3.

Provisioning policy

The impairment of an available-for-sale financial asset is recognised as an expense in the income statement if there is objective evidence of impairment as a result of one or more events that accurred after the initial recognition of this asset.

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

For unlisted equity instruments, the criteria used to assess the evidence of impairment are identical to those mentioned above; the value of these instruments at the balance sheet date is determined using the valuation methods described in Note 3 to the consolidated financial statements in chapter 6 of this Registration Document: "Fair value of financial instruments" (p. 375 and following).

Regulatory capital requirements

To calculate the risk-weighted assets under Basel 3, the Group applies the simple risk weight method as defined in the Internal Ratings Based approach for the majority of its non-trading equity portfolio.

Shares in private equity companies are assigned a risk-weighting coefficient of 190%, shares in listed companies a coefficient of 290%, and shares in unlisted companies, including the holdings in our insurance subsidiaries, a coefficient of 370%. Note that private equity shares acquired before January 2008 can be weighted at 150%.

Furthermore, if they are not deducted from own funds, material investments in the capital of finance companies are assigned a weighting coefficient of 250%.

At 31st December 2014, the Group's risk-weighted assets related to its non-trading equity portfolio, and its capital requirements were as follows:

TABLE 65: CAPITAL REQUIREMENTS RELATED TO BANKING BOOK EQUITIES AND HOLDINGS(1)

(in EUR m)			31 DEC. 2014			31 DEC. 2013*		
Equities & holdings	**Approach**	**Weighting**	**Exposure at default**	**Risk weighted assets**	**Capital requirements**	**Exposure at default**	**Risk weighted assets**	**Capital requirements**
Private equity	Standard	150%	123	185	15	95	143	11
Private equity	Simple approach	190%	171	325	26	126	240	19
Financial securities	Simple approach	250%	1,404	3,511	281	1,436	3,590	287
Listed shares	Simple approach	290%	403	1,169	93	298	865	69
Unlisted shares	Simple approach	370%	4,387	16,231	1,299	4,164	15,407	1,233
Total			**6,488**	**21,421**	**1,714**	**6,120**	**20,244**	**1,620**

* Prudential amounts: 2013 data pro forma for applicable Basle 3 rules.

(1) Excluding cash investments.

STRATEGIC RISKS

Strategic risks are defined as the risks inherent to the choice of a given business strategy or resulting from the Group's inability to execute its strategy. They are monitored by the Board of Directors, which approves the Group's strategic direction and reviews them at least once every year. Moreover, the Board of Directors approves strategic investments and any transaction, particularly disposals and acquisitions, that could significantly affect the Group's results, the structure of its balance sheet or its risk profile.

Strategic steering is carried out, under the authority of the General Management, by the Executive Committee, with the assistance of the Group Management Committee. The Executive Committee meets once a week, barring exceptions.

The makeup of these different bodies is laid out in the Corporate Governance chapter of this Registration Document (p. 76 and following). The Internal Rules of the Board of Directors define the procedures for convening meetings as described in Chapter 7 of this Registration Document (p. 541).

RISKS RELATING TO UNDERLYING ACTIVITIES

Activity risk is the risk of taking a loss if expenses incurred are higher than revenues generated. They are managed by the Finance Division through monthly revenue committees. During these meetings, which are chaired by a member of the General Management, the Group's business lines present their results and comment on the state of business, and also present an analysis of their consumption of their budget and scarce resources (especially capital and liquidity).

RISKS RELATING TO INSURANCE ACTIVITIES

Through its insurance subsidiaries, the Group is also exposed to a variety of risks inherent to this business. These include ALM risk management (risks related to interest rates, valuations, counterparties, exchange rates) as well as premium pricing risk, mortality risk and structural risk related to life and non-life insurance activities, including pandemics, accidents and catastrophes (such as earthquakes, hurricanes, industrial disasters, terrorist attacks or military conflicts). The risk monitoring structure related to these risks and related issues are described in Note 32 of the consolidated financial statements and in chapter 6 of this Registration Document (p. 433).

ENVIRONMENTAL AND SOCIAL RISKS

Information on environmental and social risks appears in Chapter 5 of this Registration Document, p. 293 and following.

12. SPECIFIC FINANCIAL INFORMATION

Since June 2008 and in accordance with the recommendations of the Financial Stability Board, Societe Generale has disclosed the information on its exposure with regard to its assets affected by the global financial crisis.

In 2014, the Group continued to actively manage its exposure to risky assets by selling off part of its RMBS CDO portfolio and its CMBS portfolio. Also the Group has liquidated all US RMBS and CMBS residual exotic credit derivatives positions.

There have been no reclassifications from the trading portfolio to the loans and receivables portfolio following the reclassifications in October 2008.

PROVISIONS FOR ASSETS AFFECTED BY THE FINANCIAL CRISIS IN 2008

Assets reclassified on 1st October 2008

On 1st October 2008 the Group reclassified some of its non-derivative financial assets from the "financial assets at fair value through profit or loss" and "available-for-sale financial assets" categories to the "available-for-sale financial assets" and "loans and receivables" portfolios, in accordance with the amendments to IAS 39 and IFRS 7. In the case of structured products, the asset write-down process is triggered by events affecting the underlying assets: outstanding payments, defaults or losses. Generally, this situation occurs before the actual asset default is recorded (for example CDOs - Collateralised Debt Obligations).

Since 2009, the Group has carried out quarterly impairment tests on these assets. These tests are designed to estimate the total incurred loss after netting of protection. They are based on estimates of expected future cash flows which take account of:

- the performances observed for underlying assets; and
- estimated of incurred losses on underlying assets based on a statistical approach.

The resulting total impairment is booked under net cost of risk. This is one of the main procedures for monitoring reclassified assets.

At 31st December 2014, provisions for reclassified financial assets amounted to EUR 2.5 billion unchanged versus the amount at 31st December 2013.

UNHEDGED POSITIONS IN CDO (COLLATERALISED DEBT OBLIGATIONS) TRANCHES EXPOSED TO THE US REAL ESTATE SECTOR

Societe Generale holds unhedged positions in super senior and senior CDO tranches which are exposed to the US residential real estate sector.

The valuation of the CDOs was based on the marked-to-market value of the underlying assets as since 31st December 2012.

At 31st December 2014, gross exposure to super senior and senior RMBS CDO tranches classified as held for trading increased at EUR 1.15 billion (compared with EUR 1.08 billion at 31st December 2013), explained mainly by a forex effect. These assets were subject to an average haircut of 99%.

For the record, part of the portfolio was transferred from the trading portfolio to Loans and Receivables on 1 October 2008. Gross exposure held in the Loans and Receivables portfolios totalled EUR 3.65 billion at 31st December 2014 (compared with EUR 4.35 billion at 31st December 2013).

UNHEDGED CDOS EXPOSED TO THE US RESIDENTIAL MORTGAGE SECTOR

	CDO	
	Super senior & senior tranches	
(In billions of euros)	L&R Portfolio	Trading Book
Gross exposure at 31st December 2013[(1)]	4.35	1.08
Gross exposure at 31st December 2014[(1)]	3.65	1.15
Type of underlying	high grade/mezzanine	mezzanine
% of underlying subprime assets	81%	na
o/w 2004 and earlier	22%	na
o/w 2005	56%	na
o/w 2006	0%	na
o/w 2007	2%	na
% of Mid-prime and Alt-A underlying assets	7%	na
% of Prime underlying assets	2%	na
% of other underlying assets	10%	na
Total impairments and writedowns	(1.74)	(1.14)
Total provisions for credit risk	(1.83)	
% of total CDO write-downs at 31st December 2014	98%	99%
Net exposure at 31st December 2014[(1)]	**0.08**	**0.01**

(1) Exposure at closing price.

PROTECTION ACQUIRED TO HEDGE EXPOSURE TO CDOS OR OTHER ASSETS

Societe Generale is exposed to credit risk linked to monoline insurers with regard to the financial guarantees received from them as hedges on certain assets.

Since 2013, SG has no more exposure to US residential mortgage market CDOs hedged with monoline. Hedges purchased against monoline risk have been sold.

PROTECTION ACQUIRED FROM MONOLINES

	31 DEC. 2013	31 DEC. 2014			
(In billions of euros)	Fair value of protection before value adjustments	Fair value of protection before value adjustments	Fair value of hedged instruments (net exposure)	Gross notional amount of protection purchased	Gross notional amount of hedged instruments
Protection purchased from monolines insurers					
against CDOs (excl. US residential mortgage market)	0.05	0.04	0.21	0.26	0.26
against corporate collateralised loan obligations (CLOs)	0.03	0.02	1.10	1.13	1.13
against structured and infrastructure finance	0.13	0.07	0.75	0.88	0.79

(In billions of euros)	31 DEC. 2013	31 DEC. 2014
Fair value of protection before value adjustments	0.21	0.13
Value adjustments for credit risk on monoline insurers	(0.10)	(0.05)
Net exposure to credit risk on monoline insurers	**0.11**	**0.08**

82% of the fair value of protection before value adjustments is rated at least A by the rating agencies Standard & Poor's and Moody's at 31st December 2014.

EXPOSURE TO US RESIDENTIAL MORTGAGE MARKET: RESIDENTIAL LOANS AND RMBS

The Group is exposed to underlying assets related to the US residential mortgage market through RMBS.

Since the first half of 2011, the valuation method has used prices on external markets.

The residual exposure booked at fair value on the balance sheet to US RMBS amounted to EUR 0.07 billion as at 31st December 2014 versus EUR 0.09 billion as at 31st December 2013.

Societe Generale has no residential loan origination activity in the US.

"US" RMBS

	31 DEC. 2013	31 DEC. 2014					2014		
			Gross exposure(2)						
(In billions of euros)	Net exposure(1)	Net exposure(1)	Amount	% net exposure	% AAA(3)	% AA & A(3)	Net banking income	Cost of risk	Equity
Held for Trading' portfolio	0.01	0.01	0.07	19%	0%	0%	0.01	0.00	0.00
Available-for-sale' portfolio	0.07	0.05	0.17	28%	0%	20%	0.01	0.00	0.00
Loans & Receivables' portfolio	0.01	0.01	0.01	89%	0%	35%	0.00	0.00	0.00
TOTAL	**0.09**	**0.07**	**0.25**	**27%**	**0%**	**15%**	**0.02**	**0.00**	**0.00**

(1) Net of hedging and impairments.
(2) Nominal exposure before hedging.
(3) As a % of nominal exposure.

Note: Societe Generale has a portfolio of mid-prime loans purchased from an originator that defaulted (EUR 0.1 billion in the banking book net of write-downs).

EXPOSURE TO RESIDENTIAL MORTGAGE MARKETS IN SPAIN AND THE UNITED KINGDOM

The Group is exposed to underlying assets relative to the Spanish and UK residential mortgage markets through RMBS.

These exposures are marked-to-market.

Part of the portfolio was transferred from the trading portfolio to Loans and Receivables on 1st October 2008.

Societe Generale has no residential loan origination activity in Spain or the UK.

"SPAIN" RMBS(1)

	31 DEC. 2013	31 DEC. 2014					2014		
			Gross exposure(2)						
(In billions of euros)	Net exposure(1)	Net exposure(1)	Amount	% net exposure	% AAA(3)	% AA & A(3)	Net banking income	Cost of risk	Equity
Held for Trading' portfolio	0.00	0.01	0.01	99%	0%	8%	0.00	0.00	0.00
Available-for-sale' portfolio	0.07	0.02	0.02	93%	0%	68%	0.00	0.00	0.00
Loans & Receivables' portfolio	0.02	0.00	0.00	0%	0%	0%	0.00	0.00	0.00
Held To Maturity' portfolio	0.00	0.00	0.00	100%	0%	0%	0.00	0.00	0.00
TOTAL	**0.09**	**0.03**	**0.03**	**95%**	**0 %**	**53 %**	**0.00**	**0.00**	**0.00**

(1) Net of hedging and impairments.
(2) Nominal exposure before hedging.
(3) As a % of nominal exposure.

"UK" RMBS

	31 DEC. 2013	31 DEC. 2014					2014		
			Gross exposure(2)						
(In billions of euros)	Net exposure(1)	Net exposure(1)	Amount	% net exposure	% AAA(3)	% AA & A(3)	Net banking income	Cost of risk	Equity
Held for Trading' portfolio	0.05	0.03	0.03	96%	0%	71%	0.00	0.00	0.00
Available-for-sale' portfolio	0.06	0.05	0.05	95%	0%	85%	0.00	0.00	0.00
Loans & Receivables' portfolio	0.00	0.00	0.00	na	na	na	0.00	0.00	0.00
TOTAL	**0.11**	**0.08**	**0.08**	**96%**	**0%**	**80%**	**0.00**	**0.00**	**0.00**

(1) Net of hedging and impairments.
(2) Nominal exposure before hedging.
(3) As a % of nominal exposure.

EXPOSURE TO CMBS

The Group is exposed to underlying assets related to the commercial real estate market through CMBS. This portfolio is marked-to-market.

Part of the portfolio was transferred from the trading book to Loans and Receivables on 1st October 2008.

The residual exposure booked at fair value on the balance sheet to CMBS fell by EUR 0.07 billion in 2014 to EUR 0.24 billion as at 31st December 2014.

	31 DEC. 2013	31 DEC. 2014					2014		
			Gross exposure(2)						
(In billions of euros)	Net exposure(1)	Net exposure(1)	Amount	% net exposure	% AAA(3)	% AA & A(3)	Net banking income	Cost of risk	Equity
Held for Trading' portfolio	0.07	0.10	0.14	75%	15%	31%	0.00	0.00	0.00
Available-for-sale' portfolio	0.02	0.01	0.01	94%	15%	11%	0.00	0.00	0.00
Loans & Receivables' portfolio	0.20	0.10	0.20	53%	0%	12%	0.00	(0.01)	0.00
Held To Maturity' portfolio	0.02	0.01	0.01	97%	0%	1%	0.00	0.00	0.00
TOTAL	**0.31**	**0.24**	**0.37**	**65%**	**6%**	**19%**	**0.02**	**(0.01)**	**0.00**

(1) Net of hedging and impairments.
(2) Nominal exposure before hedging.
(3) As a % of nominal exposure.

5

CORPORATE SOCIAL RESPONSIBILITY

CSR governance and management 294

1. Responsible finance, our commitments 298
   - Environmental and Social Commitments 298
   - Implementation of E&S Commitments in business lines 299
   - Economic and social impacts of our activities 300
   - Loyalty of practices 303

2. Responsible finance, our products and services 307
   - Solidarity products and services in French Retail Banking 307
   - Solidarity products and services in International Retail Banking and Financial Services 308
   - Environmental and positive impact finance banking products 308
   - Socially Responsible Investment (SRI) 310
   - Microfinance 311

3. A responsible employer 313
   - The Societe Generale group's teams at the end of 2014 313
   - Developing the employability and skills of employees 315
   - Promoting diversity and inclusion 319
   - Caring about the working conditions of employees 323

4. Environment for its own account & responsible sourcing 328
   - General policy and achievements regarding the environment 328
   - General policy and achievements in sourcing 331

5. Societe Generale in civil society 334
   - Accessibility for persons with disabilities 334
   - Societal and civic actions 334
   - Cultural sponsorship 335
   - Sports sponsorship and partnerships 336

6. Appendices 337
   - Methodology 337
   - Independent verifier's report on consolidated social, environmental and societal information presented in the management report 341

The CSR cross-reference table (Article 225 - Grenelle II) is on pages 564-565

CSR GOVERNANCE AND MANAGEMENT

Message from Frédéric Oudéa:

"Societe Generale's first responsibility as a company is to be a benchmark bank for its customers, to cater to their financial needs in a responsible manner and, in doing so, to help finance the economy. If we are to earn the trust on which our very business depends, our focus must be to forge lasting relationships with our customers, to provide a professional and ethical solution to their needs, to constantly seek their satisfaction and feedback, and to support them through good times and bad. We hope to reinforce this vision by taking a progressive approach throughout the Group.

The success of this strategy depends on the Group's employee's commitment. By mobilising and developing their talent in a responsible manner, Societe Generale aims to constantly enrich the wealth of its human capital to better serve its customers. The Bank seeks to strengthen the types of behaviour that will ensure the creation of value over the long term. Our aim is also to encourage our employees to commit to today's society alongside the Group's various partnerships and sponsorship programmes.

To uphold this, the Group has undertaken commitments at the national and international level over the past fifteen years that bear the hallmark of the exacting principles the Group has set itself across all its business lines. Thus we care to identify the Environmental and Social impact not just of our own account activities but also of our products and services. Wherever possible, we will continue to strive to reduce the Group's ecological footprint and to promote social inclusion, as much through our purchasing, our policies as an employer and our sponsorship, as through our financial solidarity service offer, which is adapted to the needs of our most vulnerable customers.

I am confident that our corporate responsibility will cement our position as a benchmark bank for our customers and in our markets, and rate us amongst the world's most responsible banks for CSR policies and initiatives."

Commitments

Societe Generale conducts its business with the utmost respect for values and principles under:

- The universal Declaration of Human Rights and associated covenants (namely, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights);
- The main conventions of the International Labour Organisation;
- The UNESCO World Heritage Convention;
- The OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises.

Societe Generale has shown its voluntary commitment to sustainable development since 2000 by implementing the following public or private initiatives:

- 2000: founder member of the Wolfsberg Group;
- 2001: participated in the United Nations Environment Programme Finance Initiative (UNEP-FI);
- 2003: joined the United Nations Global Compact, which encourages companies to integrate principles relating to human rights, working conditions and the fight against corruption;
- 2004: signed the Diversity Charter in France;
- 2007: adopted the Equator Principles;
- 2014: supported the Green Bond Principles, aimed at establishing a reference framework for green bonds;
- 2014: subscribed to Lyxor's Principles for Responsible Investment (PRI).

(See p. 298 "Environmental and social commitments")

Strategy

Societe Generale's aim is to become a benchmark reference in Corporate Social Responsibility (CSR) amongst Europe's leading financial institutions.

Its global CSR policy ensures that the Group upholds each of its commitments and makes sustainable progress according to five strategic priorities: developing responsible finance, notably through enforcement of the Corporate Environmental and Social General Principles in all business activities; rolling out a responsible and solidarity-based banking offer; strengthening its role as a "responsible employer"; exemplifying management of its environmental impact and purchasing policy; reinforcing its role as a responsible actor at the heart of today's society.

Organisation and governance

CSR management at Societe Generale forms an integral part of the Group's organisation and is implemented by various resources and structures at all levels (governance, compliance and internal control functions, risk committees, new product committees, internal regulations, Code of Conduct, Audit Charter, Tax Code of Conduct, etc.).

The Executive Committee defines the broad outlines of the Group's CSR policy and periodically validates any action plans based on the reporting made by the CSR and Sustainable Development Department.

The Group's business lines and corporate divisions are responsible for adjusting and implementing this CSR policy in line with the specific characteristics of their respective activities. Each entity appoints its own "CSR contributors" (around sixty Group-wide), whose role is to participate in drawing up action plans and monitoring their execution.

The CSR and Sustainable Development Department reports to the General Management through the Group Corporate Secretary. It is in charge of defining and promoting CSR policy throughout the Group as well as coordinating the activities of its contributors and all related initiatives. It also provides practical assistance to the different business lines and encourages both the exchange and dissemination of best practices.

To evaluate its overall CSR performance, the Group has defined a series of quantitative indicators.

Every year since 2005, the corresponding values have been gathered, consolidated and analysed using a dedicated reporting system, in which more than 1,200 individuals participate. Willing to further enhance the quality of its CSR indicators in order to facilitate the exploitation of this data the Group invested in a new CSR reporting tool in 2014, which has been rolled out to the entire Group.

Employee awareness activities

A dedicated section on the Group's website pools information on the implementation of the CSR strategy. It enables employees to find out more about sustainable development issues in general, and within the banking sector in particular, and about the initiatives taken by Societe Generale in this area. In parallel an intranet, which was first set up in 2009, enables all the employees and managers of the Group to learn about good CSR practices and related events.

Conferences that are open to all employees at Head Office are organised every quarter. These are joint events bringing together the bank's General Management and actors and/or witnesses of economic and social life, and are an opportunity to be informed of the actions taken by the bank. In 2014 the themes of these conferences were crowdfunding, responsible finance, the Group's social responsibility in terms of its sourcing policy, and the stakes of construction and the sustainable city in a world with reduced carbon.

Sustainable Development Week is another opportunity for the Group to demonstrate its involvement through initiatives devised within the various departments and to raise employees' awareness in these stakes. For the second year running the internal Environmental Efficiency Awards was an opportunity for promoting new projects to support the bank's environmental policy. This scheme allows all the bank's entities and business lines to contribute to the efforts to reduce CO_2 emissions. (See p. 328 "General policy and achievements regarding the environment")

Societe Generale also promotes innovative CSR initiatives via the Innov'Group Awards (dedicated to innovation) organised every year.

Dialogue with stakeholders

At Societe Generale, corporate and social responsibility means understanding and integrating the needs and expectations of the Group's different stakeholders.

CUSTOMERS

In 2014 Societe Generale reaffirmed its ambition is to be the reference relationship bank on its markets, close to its customers and chosen for the quality and commitment of its teams. This challenge is one of the key priorities of its strategy. As part of this strategy, all of the Group's business lines are firmly committed to devising Customer Satisfaction action plans.

CUSTOMER SATISFACTION

Within each of the main customer segments serviced by our Retail Banking in France network (individuals, professionals and corporates), Societe Generale, its specialised subsidiaries (Sogecap, Sogessur, Franfinance, etc.) and Crédit du Nord have been surveying their respective customers as well as those of their competitors for some ten years now in order to assess their level of satisfaction. The survey covers not just the level of overall customer satisfaction, but also the level of satisfaction as regards the different aspects of banking relations (branch, advisor, telephone and internet banking, products, pricing policy).

For Societe Generale's French network this national competitive barometer is reinforced by annual satisfaction surveys, with results at the level of each branch: every year, Societe Generale carries out surveys on 120,000 individual clients, 14,500 professional clients and 5,000 SMEs, which focus on how customers rate the bank's welcome and their relationship with their account managers. "Mystery Visits" are also made to Societe Generale branches, which are an excellent means of gathering accurate feedback on the quality of the welcome and advice given and of identifying areas for improvement. Lastly, monthly monitoring based on around fifteen quality indicators is carried out and feedback is given down to branch level (quality of the handling of telephone calls, quality of the advice given, deadlines for the issuance of offers, etc.) to facilitate swift action on any degradation and to improve the quality delivered in the branches.

These combined measures are at the heart of a quality certification programme for the branches, launched in 2013 by Societe Generale to make its resolutely customer-focused strategic orientation a reality. Each branch manager is personally responsible for improving customer satisfaction ratings, a criterion that is taken into account in their personal appraisals. For the third year running Societe Generale won the Viséo Conseil award for "2015 Customer Service". The SMEs' high overall levels of satisfaction with the bank confirm the momentum generated over the past few years.

A similar scheme is in place in the Crédit du Nord (CDN) Group. The competitive surveys that the CSA survey institute has been conducting among the customers of major French banking groups for the last ten years systematically place the Group at the forefront of the markets for private, professional and corporate banking. In 2014 it was the leader in the category Satisfaction in the Corporate Banking Market. An internal programme runs alongside these competitive surveys. The clients of the Crédit du Nord Group (54,000 private, professional and corporate clients in 2014) have been asked about their level of satisfaction every year for more than twenty years. The Group also carries out mystery calls and mystery visits within its branches on an annual basis. Since 2013 this programme has been strongly reinforced by the creation of a Customer Satisfaction and Optimisation Department, which reports directly to General Management and is responsible for training all CDN Group employees on “Customer Satisfaction”. Improving customer satisfaction ratings is the main annual performance target for CDN Group branches.

Within Societe Generale’s specialised subsidiaries, customer satisfaction is measured as close to the field as possible, with each entity adapting their surveys to their recurrent or specific needs (activity, customers, products and organisation). Each entity uses the internal or external resources and methodologies that are best suited to the analysis required. Each business line within Societe Generale’s Specialised Financial Services and Insurance division has also implemented its own “Customer Satisfaction” action plan.

All Group employees have been made more conscious of the importance of customer satisfaction through the Free Share Plan, for which the last payout was in March 2014. One of the two conditions for the allocation of shares is linked to an increase in customer satisfaction between 2010 and 2013 in the three main business lines worldwide: French Retail Banking, International Retail Banking and Financial Services and Global Banking & Investor Solutions. (See p. 327 “Free Share Plan”).

CLAIMS AND OMBUDSMAN

In France, Societe Generale Group is committed to finding a rapid if not immediate solution to complaints or problems linked to its Retail Banking network as soon as a branch is duly informed by its customer. However, should the bank and its customer disagree on the action to be taken, customers may file a complaint with their Customer Relations Department and, where applicable (i.e. if the dispute is still not resolved), request the intervention of the ombudsman whose services are entirely free of charge. Exceptional circumstances aside, customers are systematically sent a reply from Societe Generale within 10 days or from the ombudsman within two months.

The free and amicable ombudsman services to which Societe Generale customers have had access since 1996, and which were institutionalised by the legislator in 2002, are publicised by the bank to clients and are even outlined in the permanent insert on the back of account statements.

The bank has undertaken to comply in full with all decisions taken by the independent ombudsman, who also acts as ombudsman for the Crédit du Nord Group.

The number of cases that were the subject of a mediation increased by 16% compared with 2013. This development results from two factors in addition to the increase in written claims: i) more information about the principle of mediation, ii) systematic addition in letters from Customer Relations, when they are partially or totally unfavourable to the customer, of the possible recourse to medication. Disputes linked to loans represent 24% of claims presented to mediation, while those related to financial investments increased slightly to 24%.

Mr Yves Gérard has been the new ombudsman for Societe Generale and the Crédit du Nord Group since 1 January 2015.

Customers of Societe Generale’s other business divisions in France may also request the intervention of the Group ombudsman or other public ombudsmen (AMF, FFSA, etc.). For its subsidiaries overseas, customers have recourse to a local ombudsmen appointed by the bank (where required by local legislation) or to a local ombudsman appointed by a professional body.

INVESTORS AND SHAREHOLDERS

Societe Generale’s department in charge of institutional investor and individual shareholder relations is responsible for overseeing the Group’s financial communications and disclosure and for ensuring that investors and shareholders are kept up to date regarding its strategy and results.

In 2014, 107 days of roadshows/conferences were organised with analysts and investors around the world (52 days in Europe, including 12 days in Paris; 26 days in the United States and Canada; 24 days in Asia; 4 days in the Middle East and 1 day in Russia).

Meetings bringing together investors committed to SRI (Socially Responsible Investment) have been organised on a regular basis since 2012. In 2014 Mr Antony Wyand, Group Vice-Chairman of the Group, took part in two SRI roadshows, one in London and the other in Amsterdam. The presentations given at these meetings can be downloaded from the Societe Generale website. In June 2014 an SRI event entitled “Managing teams through customer satisfaction objectives: a strategy designed to benefit an evolving retail bank” was organised in Paris with Mr Jean-François Sammarcelli, Deputy Chief Executive Officer of the Societe Generale Group. This dialogue approach on a topic to establish a direct link between SRI and business impact was very well received by the investors.

Always vigilant about maintaining the quality of its shareholder relations, the Group brought together 1,300 individual shareholders in Paris on 10th December; this was in addition to its General Meeting, which was attended by 800 shareholders on 20 May 2014. Furthermore, on 21 and 22 November Societe Generale took part in the Salon Actionaria trade fair, on which occasion it organised a meeting with more than 300 shareholders. The bank also took part in three information meetings in partnership with other issuers, in Toulouse and Montpellier in June and Dijon in October, each of which was attended by 200 to 300 participants.

Five times a year the Group publishes its Letter to Shareholders: this appears quarterly in a newsletter format and in June, after the General Meeting, in paper format (140,000 copies). It also keeps its shareholders informed through a variety of other channels: Shareholders Club, toll-free number, letters, dedicated web pages, etc.

To make sure it continues to meet the needs and expectations of its individual shareholders, the Group has had a Shareholders’ Consultative Committee since 1988, whose primary role is to advise on the Group’s individual shareholder relations and communications policy. Their questions are relayed to the General Meeting.

In October 2014 Societe Generale’s financial communication was honoured for the second consecutive year at the Transparency Awards. This award, organised by Labrador and with the guidance of an independent scientific committee, recognises easy access to regulated information for all categories of readers. Societe Generale ranks 1st among financial institutions according to the criteria defined by this committee (www.grandsprixtransparence.com).

EMPLOYEES

(See p. 323 "Employee satisfaction survey" and "Collective bargaining")

RATING AGENCIES

The Group attaches great importance to its financial and extra-financial ratings and strives to obtain ratings that best reflect its CSR actions by ensuring the quality and transparency of the data provided. As a result Societe Generale's stock has been listed for many years in the main international CSR indices (FTSE4Good, Euronext Vigeo, Ethibel, STOXX, etc.) and is also a popular choice amongst a large number of SRI funds. (See Group website)

NON-GOVERNMENTAL ORGANISATIONS (NGOS)

Societe Generale promotes constructive talks with all its stakeholders. In particular the Group is attentive to listen to and engage in dialogue with NGOs that alert it to E&S issues within its sphere of influence or that can help it to adapt its policies and procedures in a continuous improvement approach. The bank is committed to having regular exchanges on the implementation of its policies. In 2014 such exchanges were organised while developing the new Environmental and Social Policy on the agriculture, fisheries and food sector.

Through its E&S watch list Societe Generale monitors projects, companies and sectors, whether or not they are financed by the bank, that are the subject of controversy or public campaigns on the part of civil society. (See p. 298 "Environmental and social commitments")

The bank has implemented a procedure for centralising questioning and contact originating from NGOs within the CSR Department, which is intended to alert it to the impacts associated with its financing or other services. Wherever possible, an internal enquiry is conducted and documented replies are supplied in writing or at meetings when appropriate.

Overall, in the course of 2014 Societe Generale participated in various work and discussion meetings with around 10 NGOs (BankTrack, Amis de la Terre, Oxfam, WWF, Greenpeace, Transparency International, etc.) either through bilateral meetings or during more wide-ranging consultation meetings organised by the OECD, the Equator Principles, the Cross-Sector Biodiversity Initiative (CSBI) and the Thun Group.

The Group also maintains regular, constructive contact with CRESUS (a network of associations specialising in providing assistance to individuals with excessive or poorly structured debt) through its partnerships with Group entities (CGI, Franfinance, BDDF) as well as a dialogue with people in charge of personal lending about preventing individuals from getting too far into debt and assisting people in difficulty. (See p. 304 "Support programmes")

Partnerships with other associations. (See p. 335 & 336 "Partnerships and corporate sponsorship").

POLITICAL ACTORS

The rules and regulations that are likely to have an impact on the bank's activities are growing in number and complexity. In this context, Societe Generale endeavours to be a proactive interlocutor vis-à-vis political actors.

Its Public Affairs Department makes a transparent contribution to the drafting of the legislation that has an impact on our activities. In 2014 Societe Generale provided information and comments on most of the changes to the financial regulations of the European Union.

In May 2014 Societe Generale elected to sign the Joint Declaration organised by Transparency International France to promote lobbying that is based on transparency and integrity, taking account of principles recommended by Transparency International France. The Group also published its Charter for responsible representation before public authorities and representative institutions, which has the following aims:

- To specify the conditions for the Group's contribution to the work of the regulatory authorities at every level of governance;
- To foster lobbying that has transparency and integrity and contributes to public debate among those of its employees and third-parties that participate – in the name of the Group – in public decision-making processes;
- To establish the main rules governing representational activities in dealings with public authorities and representative institutions.

The full document setting out the Group's main positions in 2014 can be consulted on the Group's institutional website, in the "Responsible Finance" section.

THE REGULATOR

See Chapter 4 p. 143.

1. RESPONSIBLE FINANCE, OUR COMMITMENTS

ENVIRONMENTAL AND SOCIAL COMMITMENTS

General principles

Societe Generale's proactive role in financing the real economy makes it aware of the environmental, social and economic convergence issues at play within its sphere of influence.

This has led it to enter into several voluntary commitments in these areas. These commitments are based on the Group's institutional commitments and on its regulatory obligations, and are set out in the Environmental and Social (E&S) General Principles and the E&S sector and cross-sector policies appended to them. These E&S General Principles have a status of internal Directive and are signed by the Chairman and Chief Executive Officer. They provide a global framework for coordinating the various CSR policies and tend to facilitate their implementation.

In particular these Principles set out standards and initiatives in relation to those human rights that Societe Generale has identified as being the most important:

- The universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights;
- The main Conventions of the International Labour Organisation;
- The OECD Guidelines for Multinational Enterprises and the Ruggie principles, namely the United Nations Guiding Principles on Business and Human Rights;
- The United Nations Global Compact.

These General Principles are made public via the Group's communications and can be consulted on its website. In 2014 the General Principles and all the E&S policies were revised in order to clarify Societe Generale's commitments and the criteria for implementing the policies embodying them.

Sector and cross-sector policies

The sector and cross-sector policies now cover around twelve sectors that are considered to be potentially sensitive from an E&S or ethical point of view and in which the Group plays an active role. In 2014 two new sector policies (Agriculture, Fisheries and Foods and Thermal Power) have been added to the list of sectors covered (Dams and Hydropower, Coal-Fired Power, Defence, Forestry and forest products, Palm Oil, Mining, Shipping, Civil Nuclear Power and Oil and Gas). In addition, there is a cross-sector E&S policy on biodiversity.

Developed by cross-business working groups, the E&S policies are approved by the Executive Committee. They specify the main E&S challenges and risks in the sector, identify the most widely accepted international standards applied in the sector and also specify the policies at the level of the customers and the dedicated transactions. In the ongoing improvement process, sectoral monitoring makes it possible to assess the need to update the existing policies. In 2014 the Mining sector policy was updated to reflect the evolution of the standards. In order to make it easier for the operational teams to apply these policies, guidance notes are being gradually rolled out, such as those on the Defence Policy and the Palm Oil Policy.

The E&S policies are public and accessible on the Group's website (http://www.societegenerale.com/en/measuring-our-performance/csr/responsible-finance).

BIODIVERSITY

Since 2012, Societe Generale has adopted a specific E&S policy on biodiversity applicable to all Group banking and financial operations through review procedures of dedicated transactions and customers. The E&S General Guidelines also list the UNESCO World Heritage Convention among the international conventions that the bank undertakes to comply with.

Furthermore the normative framework of the Equator Principles also includes specific standards on biodiversity.

Within its subsidiaries abroad, initiatives to raise awareness about preserving biodiversity and maintaining ecosystems are growing in number. This is particularly the case with SGAL in Albania, DELTACREDIT in Russia and SGCB in New Caledonia, which all participate in reforestation operations and support biodiversity programmes.

Equator Principles

For more than ten years, the credit risk and reputation management policies and processes have gradually incorporated the assessment of E&S criteria. In particular the commitment to factor E&S risks into credit risk was demonstrated by the adoption of the Equator Principles (EP) in 2007. The EP serve as the reference framework for the finance sector in order to identify, evaluate and manage the E&S risks of projects for which financial institutions provide financing and advice. They have been adopted by 80 international financial institutions to date. In 2014, following the adoption of the revised version of the initiative (EP3) in 2013, Societe Generale updated its internal processes for implementing the EP. The EP3 extended, in particular, the scope of transactions covered by including certain dedicated transactions, such as project-related corporate loans and bridging loans

They have also increased the requirements in relation to Human Rights aspects. To this end the bank has incorporated new Human Rights themes in the due diligence carried out in connection with the EP.

Thus in countries that are "non-high income OECD countries", dedicated transactions for which an E&S evaluation is required are examined from the perspective of the Performance Standards of the International Finance Corporation (IFC) of the World Bank Group. In particular these standards cover human rights through the evaluation of the working conditions and workers' rights, the population resettlement and the impact on the indigenous populations.

In addition Societe Generale participates in several working groups within the EP initiative. These meetings enable exchanges to take place between banks on the practical implementation of the EP.

IMPLEMENTATION OF E&S COMMITMENTS IN BUSINESS LINES

The Group has adopted several procedures to facilitate the gradual implementation of its E&S commitments (the E&S General Principles, the sector policies and the Equator Principles). These procedures define the rules for implementing commitments and aim to provide a framework for identifying, evaluating and monitoring the implementation of measures for mitigating E&S impacts associated with transactions or customers. They also seek to facilitate the application of policies and commitments within the various Group entities.

These procedures also make it possible to establish the link between potential negative impacts and expected positive impacts, which is the basis of positive impact finance. (see p. 308 "Environmental and positive impact finance banking products")

Evaluation of E&S risks of projects and dedicated transactions

Evaluating the E&S risks of dedicated transactions includes on one hand the application of the Equator Principles for the transactions within this scope and on the other hand reviewing other transactions that do not fall within this scope.

This evaluation comprises several key steps:

- The categorisation of the project (A for projects with high potential E&S risk or impact, B for average-risk projects and C for low-risk projects);
- The specific E&S evaluation and requirement levels are then set depending on the category assigned to the project. The E&S documentation (due diligence report where applicable or any other documentation received from the customer) is reviewed by front officers in the business lines. In the case of projects that have been identified as carrying the highest potential risk, dedicated E&S experts are appointed to perform this task. In connection with these reviews, additional information may be requested from the customer and/or an independent E&S expert. An E&S memo is then drafted (for projects in categories A and B). This memo forms part of the credit file that constitutes the basis for the decision by the bank's Risk Division.

In parallel, transactions carrying reputational risk undergo a specific review and validation process.

- If significant E&S impact or risk is identified an action plan sets out the necessary measures to minimise the impacts and to mitigate the potential E&S risks. The implementation of this action plan is then incorporated into the loan agreement, along with the E&S standards that the client is obliged to comply with under the requirements of the Equator Principles. Where customers do not meet the necessary standards, Societe Generale may decide to withdraw its financing.

During 2014, 33 project loans, 5 project-related corporate loans and 8 advisory mandates relating to project financing, all falling within the scope of the Equator Principles, were signed. A hundred or so dedicated transactions (whether or not they were signed) outside the scope of the EP also underwent an E&S review that was geared to the type of financial commitment and the E&S issues that were identified.

E&S criteria for analysing customers, watch list and exclusions

Within Societe Generale's Corporate and Investment Banking division, customer E&S evaluation criteria have been integrated into the customer review processes (the Know Your Customer (KYC) process) since 2010. The E&S review forms part of the regular KYC process and feeds the credit process. The main objective of this review is to identify companies with activities in sensitive or controversial sectors on the one hand and to identify controversies surrounding the customer in relation to E&S issues on the other. This review is carried out based on publicly available information collected using computer search tools and databases and, where necessary, information provided by the client relationship managers within the business lines. It is chiefly conducted by the KYC analysts, who have been assisted by two individuals dedicated to E&S customer evaluation since 2010. New KYC analysts are also given training on these subjects.

Between 2010 and the end of 2014 almost 4,100 customers were analysed from the perspective of checking for controversy related to E&S matters. Moreover, customers of the Investment Banking division that were identified as being in business sectors for which the Bank has published an E&S policy underwent a more thorough review. As a result a higher E&S risk was detected in 20% of the client group for which a more thorough analysis was conducted. In cases where Compliance considers the E&S risk to be too high, Societe Generale may decide to refrain from establishing a relationship with a customer or to impose restrictions on the customer relationship. Societe Generale has also engaged in discussions with five customers this year for the purposes of agreeing ways of mitigating their E&S risks with them.

Societe Generale is gradually rolling out this principle of customer E&S analysis to other Group entities.

Watch list

To facilitate the identification of controversies relating to E&S issues an E&S watch list is drawn up and updated quarterly by internal E&S experts. This list consists of projects, companies or sectors, whether or not they are financed by Societe Generale, that are the subject of controversy or public campaigns on the part of civil society. This E&S watch list enables monitoring on a global scale. It is intended to give the operational teams an advance warning and to implement a more stringent E&S evaluation process.

Exclusion list for defence sector companies involved with controversial weapons

In addition to the E&S watch list an exclusion list has been drawn up in connection with a sector policy. It covers companies that produce, manufacture, stock or sell anti-personnel mines or cluster bombs as well as other types of highly controversial weapons. This is because Societe Generale has, through its policy, undertaken to refuse to knowingly supply banking and financial services to such companies, their parent companies or their subsidiaries. It is forbidden to establish any commercial relationship with companies on this list.

ECONOMIC AND SOCIAL IMPACTS OF OUR ACTIVITIES

Supporting the economy in low- or middle-income countries

Through its network of subsidiaries, the Group plays a leading role in the development of the regions in which it operates. Its subsidiaries or branches actively contribute to the development of the economy in their respective country, fully assume their social and environmental responsibilities and undertake initiatives supporting progress. The bank reinforces its actions as a socially responsible bank by offering employment, supporting the creation and development of businesses and assisting local authorities with their projects.

At the end of 2014, 60.5% of the Group's staff are located outside of mainland France, including 10.7% in low- or lower-middle-income countries (according to the World Bank's definition) (Burkina Faso, Cameroon, Ghana, Georgia, India, Ivory Coast, Madagascar, Morocco, Senegal, etc.) and 12% in middle-income countries (according to the World Bank's definition) (Algeria, Brazil, Bulgaria, China, Romania, Serbia, Tunisia, etc.).

Societe Generale constantly adapts its range of products and services to the maturity of each market, proposing new and innovative solutions in countries where access to banking is extremely limited, i.e. most countries in Sub-Saharan Africa and to a lesser extent Eastern Europe.

The bank's strategy is a long-term strategy. Indeed some of its subsidiaries have had a presence in Africa for more than 50 years (Senegal, Ivory Coast, Cameroon), and more than 100 years (Morocco). Since the opening of its subsidiary in Togo (a branch of Societe Generale Benin) the Societe Generale Group is now established in 17 African countries and is uniquely positioned to offer its customers the benefits of an international bank and the proximity of a local bank. In Africa the Group supports local economies and serves close to 2.8 million customers, including 172,000 corporate customers.

The cooperation of Group subsidiaries with the EBRD (European Bank for Reconstruction and Development) continued in 2014, with 5 financing contracts signed for a total of EUR 85 million. Notable transactions included a credit facility for EUR 10 million granted to Societe Generale Montenegro (SGME) to finance real estate loans, aimed at helping Montenegrin citizens to become property owners. Other credit facilities intended to boost energy efficiency were also signed, such as by Bank Republic in Georgia (Energy Efficiency, USD 10 million).

Support for SMEs

IN FRANCE

Societe Generale has been a key player in relation to companies, micro-enterprises and entrepreneurship for 150 years. Its customer base is made up of 80,000 large and medium-sized companies, 250,000 very small businesses and professional clients. The Group is committed to giving regional support to artisans, entrepreneurs and enterprises of every size throughout their life and their business cycle. To achieve this, it relies on its employees, its dedicated financing subsidiaries and its partners. In this way it is able to give assistance to its business customers under its partnerships with Coface, Ubifrance, EIB and Bpifrance in order to foster their growth.

LOCAL ORGANISATION TO PROVIDE THE NECESSARY EXPERTISE AT EACH KEY STAGE OF CORPORATE LIFE

Supporting SMEs and mid-cap companies is a strong point of support for the economy. Consequently the bank has significantly reinforced its support programme for companies in terms of local networks or access to business expertise. In 2014 the SMEs' overall levels of satisfaction with the bank confirm the momentum generated over the past few years. These positive results emphasise the relevance of the bank's programme, based on the proximity of a national network with strong local roots combined with the power and expertise of a universal bank. By way of proof, 77% of Societe Generale's customers state that the bank puts its experts at their disposal and 8 out of 10 of its customers are of the opinion that the commercial strategy that is deployed enables a close fit with SMEs' needs (+11 points versus 2010)[1].

(1) Scope of the survey: the CSA institute carried out a telephone interview with 2,720 banking relationship managers within SMEs (turnover < €75 million), including 603 Societe Generale customers, in February/March 2014.

SUPPORT FOR COMPANY START-UPS

In 2014, Societe Generale entered into relationships with 23,525 new businesses that were set up less than one year ago in France (+0.9% versus the end of December 2013), i.e. 66% of new professional customers at 31 December 2014, to which it granted approximately 4,621 medium/long-term loans amounting to EUR 462 million.

Societe Generale relies on specialist networks to ensure tailored help for its customers, which makes it possible to substantially boost the survival rate of new companies (three-year survival rate of 87% and five-year survival rate of 84% for company start-ups supported by a specialist network versus an overall national survival rate of 51.5%. Source: INSEE – 2011). It includes among its partners: *CCI Entreprendre en France*; *Initiative France*; the BGE network (*Boutiques de Gestion*); Moovjee (*Mouvement pour les Jeunes et les Étudiants Entrepreneurs*); *Société Nationales des Meilleurs Ouvriers de France*; Adie (*Association pour le droit à l'initiative économique*); IME (*l'Institut du Mentorat Entrepreneurial*) and *Réseau Entreprendre*. This year Societe Generale again took part in many events alongside its partners and organised various conferences on the theme of starting up and taking over a business.

The bank is a partner of 154 local Initiative France platforms (6 additional partnerships have been initiated), which permitted the creation or takeover of 11,912 companies in 2013, generating more than 28,000 direct jobs starting in the first year. In addition to the loans on trust (interest-free, unsecured) of the 230 platforms, the bank granted 953 loans for EUR 57.2 million to entrepreneurs approved by Initiative France in 2013 (figures reported by Initiative France in 2014 in its activity report). Launched in 2012, the Collection Business entrepreneurs card allows the chosen support network (Initiative France or Moovjee) to not only receive financial support but above all to benefit from joint actions involving the expertise of bank employees. Through its partnerships Societe Generale promotes access to credit for business start-ups and takeovers. Moreover in 2014 it renewed its partnership with SIAGI[(2)], thereby facilitating access to credit for entrepreneurs, especially artisans, tradesmen, self-employed professions and micro-enterprises. The SIAGI guarantee obviates the need for the borrower to pledge its personal guarantee or to limit it.

A partnership agreement between the Crédit du Nord Group and Isodev was signed in January 2014. With Isodev, a company specialising in the distribution of quasi-equity for SMEs 10 months after their launch, 1,280 applications have been submitted, of which 76 are being examined, 490 have been rejected, 368 have been classified as not requiring any further action by the customer (including granted applications) and 272 have been granted. The total sum disbursed amounts to EUR 7.4 million (EUR 35,300 on average); 63 applications are in the process of being signed, equating to a disbursement of EUR 2.4 million (raising the average to EUR 36,100).

SUPPORT FOR THE DEVELOPMENT OF BUSINESSES

The Group reaffirmed its commitment to supporting the development of businesses and its mobilisation to support collective efforts to stimulate the European and French economies by launching a special credit offer exclusively for SMEs, micro-enterprises and professionals in France, which promotes investment in France, in its networks (Societe Generale and Crédit du Nord). This offer has earmarked an overall budget of EUR 2 billion for credit at exceptionally low interest rates to finance their investment projects.

Societe Generale, via the intermediary of its subsidiaries, is marshalling its resources to deploy the Group support strategy. Among the offers put in place in 2014 we can mention the following:

- in March the factoring subsidiary CGA (*Compagnie Générale d'Affacturage*) launched its new supply chain finance platform to support the growth of SMEs. This platform (SCF) was developed in response to the growing interest of large companies to support small and medium-sized companies in order to drive their own economic growth and to promote their interests as well as those of their suppliers, which are often smaller and may be located overseas. This solution provides an appropriate response to all the parts of the supply chain;
- the new demand-driven bill financing offer "*Avance évolutive*" has also enriched the support programme. It enables companies to have access to a funding reserve (up to EUR 1.5 million) and to select the bills for which they would like to have an advance, without any obligation to record the entire turnover achieved as accounts receivable. Thus this supplements the range of short-term financing products designed to help businesses finance their operating cycle;
- the Group also offers a comprehensive and integrated range of finance and investment banking services (advice, financing by the bank or via the capital markets, capital investment) via the intermediary of MCIB (Mid Capital Investment Banking), which numbers more than 90 professionals based in Paris and in the six provincial/regional delegations of the Societe Generale network. MCIB is a partnership between French Retail Banking and Investment Banking whose assignment is to support both listed and unlisted medium-sized businesses with their development and their succession planning.

ABROAD

In accordance with its global strategy, in the other countries in which the Group has a presence it is committed to forging and maintaining partnerships with international financial institutions in order to offer financing solutions that meet the needs of the businesses (of the local economy) that it supports. Relationships with the EIB were extended in 2014, with the signing of 12 contracts for a total amount of EUR 640 million, credit lines generally dedicated to SMEs and mid-caps, including EUR 415 million at Societe Generale Equipment Finance (SGEF). Notable major transactions of the year are as follows:

- the EIB and SGEF Italy signed an agreement for a EUR 100 million credit facility for Italian SMEs. This is the first transaction in Italy between the EIB and the Societe Generale Group, which have moreover forged lasting ties in several European countries. In the United Kingdom and Scandinavia, SGEF UK and SG Finans have got in touch with the EIB and signed contracts for GBP 50 million (EUR 60 million) and EUR 80 million respectively for credit lines dedicated to funding for SMEs.

(2) Established in 1966 by the Chambers of Trades and Crafts, SIAGI is involved in the crafts and local activities sectors. It guarantees the credit facilities granted by all the banking institutions in the marketplace.

- in Romania, BRD has entered into a new partnership with the European Investment Fund (EIF) enabling it to offer Romanian SMEs EUR 20 million in investment loans or operating loans at a subsidised interest rate (a 50% subsidy) and reduced guarantees;
- similarly, under an agreement signed with the EIF, SG Leasing Croatia has obtained a budget of EUR 7 million for granting loans to Croatian micro-enterprises, especially to auto-entrepreneurs and small and micro-businesses.
- in Moldova, Mobiasbanca has signed a bilateral partnership, incorporating a risk-sharing mechanism, with the European Bank for Reconstruction and Development EBRD) to meet the financing needs of medium-sized companies, capped at EUR 10 million;
- in the Czech Republic, Komerční Banka (KB) is renewing its "Nastartujte soi" (Start yourself up) programme for the second year running, which will enable it to offer a grant to start-up company entrepreneurs. KB has also set up EIB funding for SMEs that are intending to hire at least one young person of between 15 and 29 years of age (the "Jobs for Youth" programme), amounting to EUR 75 million in total. Furthermore KB has also signed a EUR 100 million credit facility with CEB (Council of Europe Development Bank) to finance the projects Improving Living Conditions in Urban and Rural Areas and Protection of the Environment;
- in Morocco, SGMA is continuing its partnership with "*Réseau Maroc Entreprendre*" for the purposes of granting loans on trust to founders of very small and medium-sized businesses. In 2014 a new agreement was signed with the association, which again provided it with a financial envelope of MAD 1 million (EUR 91,600) interest-free. The impact of this support is expected to be even more significant in 2015 following the opening of several regional offices (Rabat, Agadir, Marrakesh, etc.).

Societe Generale has also established partnerships or associations to offer solutions tailored to the local environment. Several transactions illustrate this support in 2014:

- in November, Societe Generale Benin (SGB) signed a Mesofinance Support Programme agreement, an aid plan for mesofinance coordinated by the French Development Agency (AFD) and financed from funds of the European Union. Thanks to this financial support from its partner SGB will be able to further facilitate access to financing and credit for micro-enterprises and SMEs in Benin, thereby helping these businesses to not only develop but also to exit the "informal" market.
- by receiving further financial assistance of EUR 20 million from the EIB (European Investment Bank) enabling it to offer a new loans programme to local entrepreneurs, Societe Generale Ghana is reaffirming its commitment to the development of local SMEs in the private sector, thanks to the support of its many partnerships with various international financial institutions;
- proparco, a subsidiary of the French Development Agency, has signed an agreement for EUR 12.5 million with Societe Generale Chad (SGT) in addition to a new USD 20 million credit line signed with Ghana pledging to allocate USD 10 million to the agricultural sector. These credit lines make it possible to meet the growing demand of SMEs for financing for loans and projects and also make it possible to support economic activity and jobs in these countries.

Demonstrating that it is firmly anchored in the economic fabric of the regions in which the Group is based, its subsidiary Societe Generale Equipment Finance received three awards during the 2014 Conference Leasing Life, beating its major international competitors, notably winning the SME Champion of the Year award for the 3rd consecutive year, as recognition of its commitment to the SME customer base on an international scale and of its particular support for European SMEs. 70% of the funding granted by Societe Generale Equipment Finance is for SMEs/SMIs.

It is also worth noting the initiative by Societe Generale Algeria (SGA), which inaugurated two new business centres dedicated to businesses and SMEs, bringing the total number of these specific banking branches to ten. The employees in these centres are trained to specifically support SMEs and to propose offers and services that are geared to their needs.

Financing for states and local authorities

For over twenty years now Societe Generale has been providing loans to the public and parapublic sectors, thereby financing public interest investments, particularly among Public Economy players (social housing, public institutions, urban planning). At 31 December 2014 the Group's short, medium and long-term outstanding loans across these markets amounted to approximately EUR 17 billion.

Societe Generale has diversified its range of products and services for local authorities by offering them co-financing in partnership with institutional investors.

In France as abroad, the Group respects the principles of the Gissler Charter in its transactions with public authorities.

Financing of the association system in France

Associations are important players in the French economy because of their production of intrinsic wealth, the jobs created and the services rendered.

For many years, Societe Generale has developed close relationships with the world of associations across the country. With an overall market share of 10% and 120,000 customer associations, now bolstered by an additional 37,000 customer associations of the Crédit du Nord Group banks, the bank provides know-how to allow them to achieve their objectives, by financing their projects, helping them to manage their assets and facilitating their day-to-day management.

Alongside these commitments Societe Generale, in partnership with the law firm Fidal, organised some forty information meetings on current legal and tax-related subjects in order to cast an expert eye on the problems the associations face.

Lastly it supports around sixty associations thanks to its charity cards and its solidarity savings service.

LOYALTY OF PRACTICES

The loyalty shown to its customers and, more generally, the integrity of the banking and financial practices decisively contribute to Societe Generale's reputation.

By ensuring the respect of these rules, the Group helps to develop a key asset: the trust of customers, other counterparties, employees and regulatory authorities on which it depends.

Actions to protect customers

Societe Generale's ambition is to be the reference relationship bank on its markets, close to its customers and chosen for the quality and commitment of its teams. (See p 217, Chapter 4.10). As part of the Group's strategy, all of the Group's business lines have made a commitment to implement Customer Satisfaction action plans. (See p. 295, "Dialogue with the stakeholders").

REMUNERATION FOR CUSTOMER ADVISORS

Societe Generale Group's remuneration policy is devised to avoid there being any incentives that might provoke a conflict of interest between its employees and its customers. The principles and rules of governance applying to remuneration are set out in the normative documentation linked to the Group's policy for managing conflicts of interest.

A company agreement signed in June 2013 eliminates the individual commission system for the French Retail Banking and Private Banking sales forces in France, replacing it with gross global annual remuneration and the variable share. This agreement is applicable since 1st January 2014.

FINANCIAL INCLUSION

SOME INITIATIVES ENABLING EVERYONE TO HAVE ACCESS TO BANKING SERVICES

With regard to the right to hold a bank account, in accordance with Article L312-1 of the French Monetary and Financial Code, Societe Generale and Crédit du Nord provide customers who are entitled to this right with free services that constitute a "basic banking service", such as these services are defined by law.

The two institutions are thereby complying with the Moscovici law (law no. 2013-672 of 26 July 2013 on the separation and regulation of banking activities), which has reinforced the effectiveness of this right (including with respect to shorter account opening times and the exercise of the right to hold an account in the beneficiary's name by the actors in the social sphere).

Since 2005, following commitments undertaken by the banking profession to "make banking easier for everyone", Societe Generale and Crédit du Nord offer a range of alternative means of payment (Gamme de moyens de Paiements Alternatifs – GPA) to those of their customers who do not have a cheque book.

In 2013 and 2014 the Moscovici law and its implementing legislation were enshrined in the regulatory field, reinforcing the successive commitments that had been undertaken since 2005 in relation to support for vulnerable customers (identifying them and adapting the offering to their needs). Accordingly Societe Generale and Crédit du Nord, in accordance with their obligations, implement criteria for identifying these financially vulnerable customers. This allows them to systematically offer these customers a tailored offering that could limit costs in the event of an incident, so they may have the benefit, for a modest sum, of secure payment methods and the normal use of a bank account. At the end of December 2014, 27,943 Societe Generale customers subscribed to the GENERIS service and 971 Crédit du Nord customers subscribed to that bank's equivalent service.

On the international plane, initiatives are continuing to make progress and are already opening doors to other projects in 2015:

- in Senegal the Company in support of social inclusion, Manko, a 100%-owned subsidiary of Societe Generale, has since 2013 been offering a unique range of banking products and services tailored to populations with modest incomes and those that do not as yet have access to the traditional banking system. All these banking products and services are distributed either by mobile telephone (Yoban'tel technology developed by SGBS – Société Générale de Banques au Sénégal, in 2011), or via the Manko agency. Furthermore financial education courses, given by an association (in touch with Manko) for a nominal fee, have also been put in place to help customers in hardship. Since 2014 Manko has been entering a new phase of development as a result of extending its reach to populations that already have bank accounts but are in the informal sector and/or have low incomes, and as a result of the imminent opening of new branches. It is planned to roll out the concept to other African countries;
- in Cameroon the mobile branch concept developed by the subsidiary Societe Generale Cameroon in 2013, bringing the bank to its customers on the road, has covered 390,000 km and has enabled its customers to carry out over 5,000 banking transactions in the course of 2014. This mobile branch, a vehicle with a completely new look and the latest information and communications technologies, contains tools to allow the customer advisor to perform all banking transactions and provide the same services as a traditional branch;
- in Chad, Societe Generale Chad has developed a voice push SMS solution to inform and alert all of its customers, particularly illiterate people (78% of Chad's population) by sending voice SMS messages instead of written messages. This innovative project, the result of creative workshops within the bank, permits total accessibility to both illiterate customers and to visually impaired customers;
- in India, Societe Generale India launched a financial inclusion project in 2014, which enables it to reach out to remote populations while bringing them basic banking services and raising their awareness of budget management. Furthermore Societe Generale India has also formed a partnership with a local operator in order to facilitate access to the services via their mobile telephone. So far this initiative has been rolled out to two villages and 260 accounts have been opened in just a few months.

CUSTOMERS WITH A SERIOUS HEALTH RISK

Societe Generale's goal has always been to develop products and services that match the needs and expectations of each individual.

Under the terms of the AERAS agreement (Insurance and Loans with an Increased Health Risk) signed between professionals in France's banking and insurance sectors in 2007 and later amended in 2011, Societe Generale and Crédit du Nord make it easier for people with a serious health risk to obtain a loan (home and consumer) and plan to cover some of the additional premiums for customers in the lowest income brackets.

OVER-INDEBTEDNESS

Since 2004 the Societe Generale France network has put in place the resources needed to identify over-indebted customers in order to be able to offer them a responsible solution.

The law governing consumer credit that entered into force in November 2010 and which altered the regulatory framework for over-indebted people with no major changes to procedures in place within the Group was precursory in this respect.

A PROCESS DEDICATED TO OVER-INDEBTEDNESS

Societe Generale introduced a dedicated process to ensure the responsible management of over-indebted customers as early as 2004.

It maintains the service of bank accounts in which income is domiciled, except in special cases, and informs over-indebted customers of alternative payment methods to cheques. The debtor continues to benefit from the overdraft that had been granted. Management of the customer relationship is based on a complementary system:

- account managers ensure the everyday monitoring of the account;
- back-office operators monitor the outstanding credit prior to acceptance of the application and manage the repayment schedule once it has been approved. Thanks to this procedure, the bank is able to avoid any increase in loans borne by an over-indebted customer whilst still permitting day-to-day personalised monitoring.

An over-indebted person is vulnerable and should not be granted any further credit. Having said that, access to a bank account and payment methods means they are not totally excluded from society in general. This person can then subscribe to the tailored offering that could limit costs in the event of an incident. (See "Initiatives enabling everyone to have access to banking", p. 303)

SUPPORT FOR VULNERABLE CUSTOMERS TO PREVENT OVER-INDEBTEDNESS

The support scheme for vulnerable customers, operational across the entire network of branches in France since mid-2013, is based on:

- the identification of all customers meeting certain vulnerability criteria (authorisations overruns, overdue outstanding repayments, etc.);
- the transfer of these customers to a platform of specialist advisers who temporarily take over the business relationship from the branch;
- the search, with the supported customers, for solutions for gradual discharge of unpaid debts, favouring a path back to a healthy situation rather than litigation as much as possible;
- resumption of the customer relationship with their branch at the end of the discharge period.

At the end of November 2014 the platforms for amicable negotiation lent support to more than 37,000 customers. For customers receiving such assistance the outcome of their cases may take over three and a half months on average. Around 64% of them return to a sound financial footing and their banking relationship in their Societe Generale branch is resumed.

Franfinance, the Group's subsidiary that specialises in consumer loans, has also introduced various measures to prevent over-indebtedness. In 2010, Franfinance and CGI signed a partnership agreement with CRESUS, a network of associations founded in 1992 that assists individuals with excessive or poorly structured debt. Today, the Group's two French subsidiaries specialising in consumer loans recommend that financially vulnerable clients contact their local CRESUS association. A charter, signed by the association and the voluntary client, leads to the implementation of a budget and a social evaluation followed by special support to strengthen the client's financial balance.

FINANCIAL EDUCATION

Aware that the intelligent use of bank products and services requires a financial "education" and access to clear information on these products and services, Societe Generale's network looks to develop the tools that can be used to improve the financial awareness of customers.

SUPPORT PROGRAMMES

In France, Societe Generale and CRESUS jointly launched a budget education program conducted as part of a skills sponsorship initiative. This Financial Education project aims to make young people more aware of the issues of good budget management and includes joint voluntary involvement in the Apprentice Training Centres (CFA – *Centres de Formation d'Apprenti(e)s*) of four regions of France that accepted the proposal by Societe Generale and CRESUS. Following the success of the experiment in 2013, with 100 employees committed, this project is continuing in 2014-2015 with the objective of raising the awareness of 3,000 young people and mobilising 200 voluntary employees.

Overseas a large number of initiatives are being put in place, such as:

- in Morocco SGMA is participating in a global banking access and financial education programme: banking institutions have made a concerted effort to initiate various actions to familiarise an uninformed public – especially young people – with some basic financial concepts;
- Societe Generale Albania (SGAL) has joined forces with Global Money Week to organise an event promoting financial education, with the cooperation of the Bank of Albania. SGAL's managers explained the role and key functions of a bank and welcomed schoolchildren to its head office and branches;
- Komerční Banka and its foundation KB Jistota are helping young people from children's homes to enter into working life by giving them some pointers about the complex world of finance, thanks to the international programme "Skills to succeed";
- in Spain, following the success of the volunteer programme implemented in the subsidiary in 2013, a team of ten permanent volunteers are contributing to a financial education programme in partnership with the INTEGRA Foundation.

Other initiatives are also being rolled out in Romania, Russia, the US, Benin, Senegal, etc.

TOOLS TO SUPPORT FINANCIAL EDUCATION

In the interests of transparency and education Societe Generale makes a large number of simulation or financial calculation tools available to its customers and partners, either online or via partner applications.

By way of example, Societe Generale Equipment Finance UK has developed a financial calculator, “SGEF Assist quote”, in the form of a smartphone application for its vendor business getter customers, which offers simplicity, transparency and immediate interaction between the three parties concerned (the end customer, the reseller/manufacturer and SGEF).

In France Societe Generale has also joined teamed up with the Playbac Group to offer a financial education website dedicated to 6-11 year olds. This website, abcbanque.fr, offers educational content via games, videos, news and various tools enabling children to learn while having fun. The site contains a Parents’ Corner with advice and topics for reflection so parents can support them in this learning process as best they can. All this is topped off by an educational guide backed by a commercial guide that is handed out when a relationship is entered into.

DIGITAL SECURITY

Societe Generale, being concerned about protecting new e-banking operations by its customers, has put relationship and digital banking at the heart of its strategy and has deployed a set of solutions.

To protect the security of its customers’ banking transactions it offers in particular Trusteer®, a powerful software application that specialises in detecting banking viruses, which can be downloaded free of charge.

More recently the bank has developed Pass security. a solution that enables users to validate any online transaction they have started to carry out via their smartphone, using the Societe Generale app. This system affords extra protection for online purchases.

Societe Generale is also involved in a programme to fight against cybercrime fraud through the use of Big Data. These technologies will make it possible to detect, and hence to react swiftly to, certain types of attack experienced by customers (e.g. theft of the customer’s bank details via phishing).

In order to enhance the security of access to sensitive services, the bank is trialling voice biometric technology, which strengthens authentication. A trial was conducted recently on 300 employees.

Finally, because the human factor in cybersecurity is well established and because fraudsters are becoming increasingly inventive and organised, to prevent its customers and prospects from falling victim to banking fraud through social engineering Societe Generale, in partnership with judicial authorities, has been running conferences for business leaders, treasurers, etc. for more than a year. A dedicated website (https://entreprises.societegenerale.fr/securite.html), a good practices guide and awareness raising messages are also routinely disseminated.

From 14 October to 17 December 2014 Societe Generale launched the 2nd edition of “Cafés 2.0”, educational workshops open to all those wishing to familiarise themselves with digital technology; these were held in 30 branches throughout France with trainers that specialise in digital technology. These sessions are an opportunity to raise awareness and to provide information on the risks associated with using new technologies, as well as an opportunity to remove any possible obstacles to some of them. In banking, as in all sectors, security and vigilance are essential.

In addition Societe Generale is joining forces with French Chambers of Commerce and Industry to offer all its professional customers a version of the “Cafés 2.0” training event that has been tailored to suit this type of customer base.

Anti-corruption initiatives

By 2000, Societe Generale had already taken on a series of commitments linked to the Wolfsberg Group as well as, in 2003, the United Nations Global Compact. Its anti-money laundering measures include monitoring potential abuse of the banking system for the purposes of corruption. In 2014 the Wolfsberg Group published the Wolfsberg Anti-Money Laundering Principles for Correspondent Banking.

Societe Generale has very strict principles on the prevention of corruption which are included in its Code of Conduct and complies with the provisions of the most stringent regulations on the subject, in particular the UK Bribery Act. Close monitoring of their implementation has been put in place. Information concerning obligatory measures and controls has been disseminated and applied throughout the Group since 2001 in the form of instructions which are updated on a regular basis.

(See chapter 4: “Risks of non-compliance, reputational risks and legal risks”, p 274 and following)

Societe Generale’s Code of Conduct

The Group’s Code of Conduct was reviewed and published in January 2013 in the form of a directive signed by the Chairman and Chief Executive Officer. It continues on from the prior version and is the basis of the Group’s professional ethics.

It is part of the Normative Documentation on which the governance system is based.

It is available in the eight most used languages and applicable to all Group employees. These rules go beyond strict application of the legal and regulatory provisions in force and constitute a uniform base within the Group.

The new version of the Code clarifies the rights and duties of employees, customers, suppliers and shareholders in the relationship with Societe Generale. It promotes social and environmental responsibility and reminds them of the main commitments made by the Group, such as the Global Compact and the UNEP-FI (United Nations Environment Programme – Finance Initiative), and the sparing use of natural and energy resources.

Details are added to the fundamentals: respect for fundamental commitments (such as Human Rights, respect for the environment, etc.), the prevention of conflicts of interest, corruption and money laundering, the gift policy, responsible sourcing and the escalation procedure in the event of non-compliance.

It thus contributes to the prevention of risks in order to strengthen the company's reputation and responsible approach.

The code of conduct is available on the Group's website.(See chapter 4 subsection 10 p. 275).

Tax behaviour

The Group's Tax Code of Conduct, approved by the Board of Directors in November 2010, is part of the worldwide developments to fight harmful tax practices, particularly at the request of the OECD. It is available on the Group's website.

Under this Code, Societe Generale makes a commitment in particular not to facilitate or support transactions with customers where the effectiveness of such transactions depends on withholding information from the tax authorities. To this end, the Group has fully committed itself to implementing regulations aimed at ensuring fiscal transparency (FATCA, the EU Directive on administrative cooperation in the field of taxation and recently the Common Reporting Standard). It is particularly worth noting that all the subsidiaries of Private Banking are based in countries that have adopted the Common Reporting Standard. From 2016 onwards, and by 1 January 2017 at the latest, based on the international agreements that have been signed, these subsidiaries will consequently automatically exchange information with the 98 countries that have committed themselves so far. It has also been decided to give our international Private Banking customers more explicit information about their obligation to comply with the tax laws and regulations of all the jurisdictions that apply to them. A specific section was added accordingly to the General Terms and Conditions of all our foreign operations in 2013.

Thus the Group continues to be vigilant about the tax compliance of its activities and of its customers.

Societe General does not have any active operation in any of the countries on the list of Non Co-operative Countries and Territories (NCCTs) drawn up by the French Government.

Since 2003 the bank has been laying down strict internal regulations for preventing the development of any operations in countries that have been designated as non-cooperating tax havens by the OECD. Setting up any operation, or developing any activities, at existing bases can only be authorised by decision of the General Management after consulting the Corporate Secretary and the Risk Management Division.

Societe Generale already decided in 2010 to close down, and has taken the necessary steps to close down, all Group sites in NCCTs, the list of which was updated by the ministerial decree of 17 January 2014 (published in the OJ of 19 January 2014).

As of 2014 Societe Generale no longer holds, either directly or indirectly, any active branch in the countries in question. Societe Generale holds an unused banking licence in Brunei and an inactive branch, which is being wound up, in the British Virgin Islands.

Moreover the Group prohibits setting up new operations in an extended list of locations known as the "SG list" (drawn up on the basis of countries that left the OECD's grey list of tax havens belatedly).

The Group does not preclude having a presence in recognised financial centres, such as Singapore, Hong Kong and Luxembourg, since an efficient banking and financial business has been developed there that meets the needs of the local or international customers. Furthermore the Group's business in such financial centres contributes to developing the Group's French business.

Lastly the Group complies with the provisions of the French General Tax Code, particularly Article 209 B ("Controlled Foreign Companies rules", which provides for Group entitles established in countries where taxation on income is less than 50% of the French tax rate to be taxed in France. (e.g. SGA in the Netherlands Antilles). (See Chapter 2-12, p 57 "Information regarding sites and activities as at 31 December 2014").

2. RESPONSIBLE FINANCE, OUR PRODUCTS AND SERVICES

SOLIDARITY PRODUCTS AND SERVICES IN FRENCH RETAIL BANKING

As one of the first banks to develop a range of solidarity products, Societe Generale's aim is to forge closer links between its customers and social entrepreneurs and enable its customers to support their chosen charities and associations. In 2014, the bank continued to increase the number of its partner associations and enhance its range of products and services. Its solidarity banking offer is open to all customers, enabling individuals, professionals and corporates to make contributions to a number of general and public interest associations.

In 2014, three Group products, *"Services d'épargne solidaire"* (Solidarity Savings Services), *"Cartes collection caritatives"* (Charity Bank Card Collection) and *"Programme de fidélisation Filigrane"* (Filigrane Loyalty Programme), allowed more than EUR 1.8 million in such contributions to be made (up 26% on 2013) to 50 different partner associations.

Promotional campaigns on the Charity Bank Card Collection and Solidarity Savings Services were run in November 2014 to sustain the solidarity momentum.

Solidarity Savings Services

The Solidarity Savings Services allow customers to contribute all or part (25, 50, 75 or 100%) of the interest on their savings accounts (*Livret A, Livret Développement Durable, Livret Jeune, CSL, Livret Épargne Plus, Livret BFM Avenir*) to one or more charities or foundations supporting a humanitarian or social cause and acting for health and the environment. Societe Generale makes a matching contribution. At the end of 2014 there were 31,073 Solidarity Savings Services and interest of EUR 328,167 was contributed over the year (up 5.4% on 2013), broken down as follows:

- EUR 286,544 in customer donations (including EUR 50,709 from customers of BFM – *Banque Fédérale Mutualiste*);
- EUR 28,666 in employer matching contribution (including EUR 5,072 in BFM matching contribution);
- EUR 12,967 in Societe Generale donations as part of the Solidarity CRCM (Centre de Relation Clientèle Multimedia - Multimedia Customer Relations Centre) operation.

In 2014 four new associations were added to the Solidarity Savings Services: UNICEF, *Reporters Sans Frontières* (Reporters Without Borders), *Solidarité Nouvelle Face au Chômage* (a charity supporting job-seekers), and AFM Téléthon.

For its part Crédit du Nord launched the *Livret Régional* (Regional Savings Account) at the end of 2014, which has scope for very flexible management and enables savers to invest their money whilst actively participating in the development of the regions. The savings are held securely and reinvested, particularly in regional projects that support local initiatives (aid for company start-ups, home loans for individuals, support for non-profit associations, etc.).

Charity bank cards

Societe Generale's current offering of charity bank cards is becoming increasingly popular with customers. These cards enable them to support causes that are dear to them, thanks to having expanded the number of beneficiaries, and to give concrete aid to one of the sixty partner associations.

For each payment made with one of these cards, Societe Generale pays 5 euro cents to the charity concerned.

Since the launch of these cards in May 2008, EUR 3,112,176 have been contributed to partner charities, including EUR 738,764 in 2014.

Contactless card for donation

Societe Generale, which has been supporting the SNSM (French National Society for Rescue at Sea) for more than ten years, is introducing an innovation in contactless payment by card or by mobile device by supporting this association in a pioneering fund raising campaign which allows, thanks to sophisticated and interactive urban equipment, any contactless card holder to make a donation in a way that is fun.

This innovation, which is a further demonstration of the collaboration between the Bank and the SNSM, confirms the Group's commitment to be at the cutting edge of new technologies and to continually work as closely as possible with its partners.

Filigrane programme

Since the beginning of 2014 the Filigrane Loyalty Programme, associated with the JAZZ package, has allowed customers to support the *Secours Populaire Français* humanitarian organisation and the French Red Cross.

In line with the regulations governing sales with bonuses, Societe Generale has decided to donate a financial contribution of EUR 0.25 for each gift order, split equally between two charitable associations. As a result these associations received nearly EUR 177,523 in 2014.

Members of this loyalty programme can also convert their loyalty points into donations to the charitable association of their choice. In 2014, the total contribution to the charities amounted to EUR 309,921.

Overall, Filigrane raised EUR 487,444 in 2014, i.e. 10% more than in 2013.

Sponsorship scheme

Societe Generale launched the Sponsorship scheme in January 2014: for every account opened under the Sponsorship scheme, Societe Generale donates EUR 5 to the *Secours Populaire Français* in support of the most disadvantaged. This scheme raised EUR 158,325 for the *Secours Populaire Français* in 2014.

SPEAR partnership

A partnership agreement with SPEAR (Society for Actively Responsible Saving) was signed in June 2012. SPEAR is a cooperative certified by Finansol that allows companies or charities wishing to carry out a solidarity project to obtain a bank loan thanks to savers who want to give meaning to their savings. Its activity consists of hosting projects responding to social, environment or cultural issues to allow them to secure financing under advantageous conditions by raising the necessary capital from individuals who wish to see their money put to good use.

Through its dedicated online platform (www.spear.fr/), SPEAR positions itself as an easy-access tool providing a powerful solution for solidarity savings and ethical investment. In 2014 Societe Generale financed four projects with added social and environmental value for EUR 750,000.

Solidarity insurance

Through its insurance subsidiary, SOGECAP, Societe Generale helps to reduce social vulnerabilities and contributes to sustainable sociable protection. It offers customers experiencing times of hardship the prospect of support, advice and assistance thanks to its dedicated solutions. This is particularly the case with regard to cover for dependency, retirement and health.

SOLIDARITY PRODUCTS AND SERVICES IN INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

Societe Generale's international retail Banking division offers their customers products and services that meet the highest international standards and that are adapted to suit their needs. In seeking out new customers, the foreign networks contribute to the number of banking products and services available to and used by local communities in countries where the level of "financial inclusion" is still relatively low. The innovative products and services they frequently launch on their domestic markets also make them a source of positive competition for clients.

Societe Generale's International Retail Banking division constantly seeks to enhance the specific expertise needed in financing small and micro-businesses that often do not have access to banking services. (See p. 303, "Financial inclusion")

Products and services for migrant customers

Introduced in 2007, Societe Generale's "Your Bank: Here & There" service is designed for foreigners or French citizens of foreign origin living in France who still have very close links with their native country (a group estimated to include 5 million people). At Societe General they represent 8.6% of the account openings for individuals.

The concept was developed thanks to the Societe Generale Group's presence in countries where migratory flows to France are significant. It benefits from the synergies between the France and International Retail Banking Networks.

Solidarity products and services in Morocco and Croatia

Modelled after the cards offered in France, Societe Generale Morocco (SGMA) continues to roll out the charity bank card *"SOS Villages"*, thereby supporting the association of the same name for the purposes of funding the schooling of children from disadvantaged backgrounds.

In Croatia Splitska Banka, as part of its child protection programme and in partnership with UNICEF, has launched a new service: a direct debit scheme whereby customers make monthly donations to UNICEF and receive the title of "champion of child protection". A year after its launch 2,402 customers have subscribed to this service and have raised EUR 38,000 in donations.

ENVIRONMENTAL AND POSITIVE IMPACT FINANCE BANKING PRODUCTS

Positive impact financing

Through the Positive Impact Finance project, Societe Generale wishes to promote the financing of investments or programmes that have a demonstrated positive impact on the basic needs of the population, the environment or the economic development of the poorest countries while ensuring the suitable management[1] of potential negative impacts on populations and the environment.

In 2014 Societe Generale's Corporate and Investment Banking division approved EUR 958 million in new positive impact financing transactions, an increase of around 37% compared to 2013.

Societe Generale put several internal and external initiatives in place to share its Positive Impact Finance methodology and thus promote and expand positive impact financing.

(1) The Environmental and Social management of these projects aims to demonstrate existing positive impact and to verify that appropriate corrective measures are put in place for potential negative impacts.

Examples of positive impact financing:

- Financing for the largest geothermal production plant in the world, situated in Indonesia. This project combines clean and renewable energy production with construction and operation efforts during the design phases to reduce its impact on the neighbouring communities and to comply with the most stringent environmental and social requirements (the recommendations of the IFC, the Equator Principles, etc.). This financing was named as The Best Project Finance Deal by Global Capital Asia/Asiamoney Awards 2014.
- Financing for a portfolio of three photovoltaic power plants with a total capacity of 15.3 MW in the Landes region (France). This project made it possible to rehabilitate the forest land that was ravaged by storm Klaus in 2009 and to provide solar energy in the region.

Green products and loans in France

SUSTAINABLE DEVELOPMENT SAVINGS ACCOUNT (LDD)

As at 31 December 2014 the deposits in these accounts amounted to EUR 8,247 million. The bank mostly uses the amounts paid into these savings accounts to finance SMEs and sustainable development projects.

ECO-PTZ AND OTHER LOANS GENERATING ENERGY SAVINGS

The Group distributes green products and loans designed for its individual customers. Since being implemented in France 25,000 interest-free eco-loans and sustainable development loans have been granted, representing more than EUR 393 million.

LOANS TO PURCHASE ELECTRIC OR HYBRID VEHICLES

Established in September 2012, “Clean Vehicles” preferential rates are reserved for customers who wish to finance the purchase of a new or used electric or hybrid vehicle with an Expresso loan.

In 2014, 2,368 Expresso loans totalling EUR 31.4 million were granted, bringing the total to 3,975 “Clean Vehicles” Expresso loans amounting to EUR 53.9 million since these special rates were put in place.

At the same time, Societe Generale customers can receive a 5% discount on their motor insurance premium (for vehicles emitting less than 120 g of CO_2/km) for the entire duration of their contract, regardless of the chosen package.

ENVIRONMENT BUSINESS CARD WITH THE ONF

Through its Environment Business Card dedicated to corporate customers, the bank has reiterated its commitment until 2016 by contributing 5 euro cents for each payment made with the card. This offer includes making paperless card statements available to company employees to enable them to track their expenditure, which can be consulted on Societe Generale’s secure website (www.sogecartenet.fr).

In 2014 payments made to the ONF, the French Forestry Commission, amounted to EUR 100,696, up 40% on 2013, and 32,419 customers have an ONF card.

Green finance and services

For Societe Generale, green finance refers to the financing of wind farms, solar panel power production facilities, hydraulic energy production facilities, production of energy from other renewable energies, waste recovery projects, “polluting” emission reduction projects, mass transit projects, vehicles running on NGV (natural gas for vehicles) or recycled gas and hybrid or electric vehicles, alternative fuel production plants, etc.

In 2014, the Group’s “green financing” in the public or private sector amounted to nearly EUR 1.1 billion. As for “green financing” in favour of individual customers, it amounts to EUR 304 million. Green financing has risen by over 35% compared to 2013, reaching a total of EUR 1.40 billion.

For its part in 2014 SOGEPROM, the Group’s property development subsidiary, announced the launch of the “E+” programme for “Positive Energy Sources” and the signing of a series of sustainable partnerships with large industrial groups such as OTIS, RENAULT and SCHNEIDER. The objective of this combining of economic actors from different sectors, on SOGEPROM’s initiative, is to generate “positive” synergies based on renewable energies, amongst other factors. The “Positive Energy Sources” programme also aims to pool talents and create synergies between the property developer’s various business divisions (the office, retail and housing property divisions), boosting the performance and sustainability achieved when implementing building projects (environmental issues and quality of life). As a versatile and multidisciplinary player, operating throughout France, SOGEPROM intends to meet the specific needs of public authorities by seeking integrated and innovative urban solutions.

SOME INTERNATIONAL GREEN FINANCE EXAMPLES

Thanks to its network of subsidiaries the Group is an active participant in financing that promotes environmental protection. Consequently this has enabled a large number of projects to be financed for widely varying amounts depending on the country concerned and the project’s local application. International financing of particular note:

- SG EXPRESS BANK (Bulgaria) financed the construction of several solar energy production plants amounting to EUR 22.7 million;
- Komerční Banka (Czech Republic) financed 13 water treatment plant modernisation projects to the tune of EUR 5 million and 14 solar energy plant construction projects to the tune of EUR 46.5 million;
- RUSFINANCE (Russia), the automobile leasing subsidiary, arranged financing loans amounting to EUR 31 million for individuals to buy their own vehicles with a guarantee by the Societe Generale Group;
- SG China financed a construction project for two hydroelectric plants for a total sum of EUR 44 million;

Additional projects on biofuels, biogas and geothermal energy were also financed by other subsidiaries in Moldova, Macedonia, Serbia, etc.

RESPONSIBLE USE OF AUTOMOBILE FLEETS

Under the "ALD newmobility" programme it launched in 2012 ALD Automotive, a Group automobile leasing subsidiary, deploys concrete, innovative actions to meet its customers' new mobility expectations by developing company car-sharing (ALD sharing), flexibility (ALD switch), and multi-mode (ALD Railease, ALD companybike, etc.) solutions and more recently a "mobility budget" (ALD mobility card) solution, allowing its user to choose the most appropriate means of transport for the journey in question (public transport, taxi, vehicle hire, etc.).

ALD Automotive also continues to develop its ALD Bluefleet range aimed at the everyday reduction of CO_2 emissions and fuel consumption of its fleets.

The company, which is a pioneer in electric (or hybrid) mobility, offers services – via several of its subsidiaries – to companies to assist them in bringing electric vehicles into their fleets. For example, showrooms have been put in place in both France and Belgium.

As at the end of 2014 ALD Automotive maintains a fleet of nearly 6,000 electric vehicles, undoubtedly the largest fleet of electric company vehicles in the world. With the addition of rechargeable hybrid vehicles (1,000 vehicles) and conventional hybrid vehicles the fleet of new-technology vehicles managed by ALD Automotive has climbed to nearly 23,000 vehicles. Particularly noteworthy is the supply to Belgium of the 1st fuel cell vehicle powered by hydrogen. Other vehicles of this type will be supplied at the very beginning of 2015, permitting a first-hand evaluation of this promising technology.

Green Bonds for institutional investors

In Spring 2014 SG CIB strengthened the way it is organised in the green and responsible bond market by combining its long-standing expertise in ESG (Environmental, Social and Governance) management and its structuring and distribution solutions for the debt markets to be able to offer its customers a comprehensive range of services. Committed to contributing to the development of a sustainable bond market, SG CIB supported the financing as the lead manager, in two green bond issues or SRI (Air Liquide in October 2012, the 1st benchmark green corporate bond issued by EDF in November 2013) and, in May 2014, in an issue in two tranches totalling EUR 2.5 billion for GDF Suez, which is the largest green bond issue ever carried out. The proceeds from these issues will finance projects and acquisitions in the areas of renewable energies and energy efficiency, contributing to the fight against climate change. The extra-financial rating agency Vigeo has checked the eligibility criteria for the projects and GDF Suez will produce an annual report on the development of the eligible projects using environmental indicators.

In September 2014 SG CIB participated in the issue of the 1st green bond issued by a European issuer rated in the high yield category: the Spanish company Abengoa, which raised EUR 265 million and USD 300 million as a result.

To support the development of this market even more effectively SG CIB is part of the group of 20 major investment banks that published the Green Bond Principles in 2014, which serve as a guide for issuers of green bonds.

SOCIALLY RESPONSIBLE INVESTMENT (SRI)

SRI research

Societe Generale offers its customers dedicated research on Environmental, Social and Governance (or ESG) issues. Its SRI team is made up of three analysts based in Paris and London and is an integral part of the Corporate and Investment Bank's financial research department. This year Societe Generale was ranked in 1st position in the SRI Research category of the Extel Survey.

Societe Generale's primary aim is to assist investors and asset manager clients in better integrating ESG criteria in their investment decisions. When it comes to research, the SRI team has three objectives:

- to investigate and develop its own resources and tools;
- to co-produce thematic, sectoral and stock market research;
- and, in the longer term, to work with the research teams to offer SG CIB customers specific, tailored advice and assistance with their research and investment projects.

In 2014, in addition to enriching the "SRI: Beyond Integration" study combining ESG assessments with the financial recommendations of financial analysts with the aim of proposing an integrated, practical view of all the companies monitored, the SRI team drafted and led more than ten multi-sectoral studies that were presented to numerous national and international investors.

As part of its "corporate access" activities, numerous conferences and roadshows for investors and listed companies on the themes of sustainable development and social responsibility were organised in Paris, London, Brussels, Amsterdam, Geneva, Zurich, Frankfurt, Milan and New York. In November 2014, 29 companies presented ESG topics related to their activities to institutional investors at the ESG/SRI Conference.

Lastly, SRI research is used to underpin several indexes and baskets of listed stocks, via the issue of financial products in the SRI thematic sectors of ESG, renewable energies, CO_2 and sustainable development (list of products and methodologies available on www.sgbourse.fr).

SRI products for individual investors

SRI FUNDS

Societe Generale is committed to meeting investor demand for socially responsible investment (SRI) products by offering several types of investments (equities, bonds and money market products), particularly through three investment funds grouping together the most advanced companies based on these three ESG criteria. At the end of 2014, Societe Generale's SRI assets under management in these three funds totalled EUR 495 million.

SRI LIFE INSURANCE

To meet the needs of savers looking to diversify and invest in a socially responsible manner, Sogecap and Oradea Vie's investment-backed life insurance policies offer money market, bond or equity SRI vehicles, depending on the investment duration and level of risk desired by the customer.

SRI assets managed by Sogecap as at 30/11/2014 amount to EUR 39.4 million, collected via 31 UCITS offered under contracts with Societe Generale, SG Private Banking, Oradea Vie and pension schemes.

SRI-CERTIFIED SAVINGS FOR SOCIETE GENERALE EMPLOYEES

Societe Generale's employee savings plan offers employees the opportunity to invest in various company mutual funds(1) (FCPE) certified SRI (Socially Responsible Investment) by the CIES (Inter-union Committee on Employee Savings).

As at 31/12/2014, the collection of SRI funds in savings plans (the various Company Savings Plans, Group Savings Plans and Collective Retirement Savings Plans) invested in SRI represented EUR 376 million in assets under management for 24,000 unit holders on average at Societe Generale France and EUR 5.8 million for 580 unit holders on average at Crédit du Nord.

Socially responsible investment products for companies

The increasing attention that companies are paying to E&S issues has prompted Societe Generale to design the 1st offering of socially responsible cash investments. Under this offering the amounts corporate clients invest with SG CIB are dedicated to short-term financing that meets strict E&S criteria. The financing is selected according to a methodology that incorporates the following elements: compliance with Societe Generale's internal policies and Know Your Customer procedures, the exclusion of certain specific sectors and taking account of the ESG ratings assigned by Societe Generale's SRI research team, which is dedicated to such issues. These socially responsible deposits can be made on a daily basis or in one, three, six or twelve months' time.

MICROFINANCE

Beyond its impact in terms of jobs and regional development, Societe Generale has spent several years developing tools and products that contribute to the social cohesion of the communities and regions in which it is present with EUR 82 million in microfinance credit lines.

Abroad

REFINANCING OF MICROFINANCE FINANCIAL INSTITUTIONS

Committed to professional integration and providing entrepreneurs and start-ups with all the support they need, Societe Generale's overseas networks make it a leader in microfinance and a contributor to the development of the local populations and economies.

The Group has chosen to focus its microfinance activities in those countries in which it provides universal banking products and services. Since 2003 it has been lending its support, via its subsidiaries, to the microfinance sector in two ways: granting refinancing lines to MFIs (microfinance institutions) in local currency and acquiring minority stakes in MFIs. This strategy underpins the economic support given to the social and local entrepreneurs and meets the MFIs' need to find local sources of financing, especially in local currency, to ensure their development without being exposed to currency risk.

The MFI partners facilitate access to credit for communities that are unable to open a bank account and, in doing so, feed their local economies. As of the end of 2013 EUR 76.4 million had been granted to around 34 MFIs, chiefly in Sub-Saharan Africa (Senegal, Ghana, Madagascar, Benin, Cameroon, etc.); in the Middle East, in North Africa (Morocco, Jordan, Tunisia), in Eastern Europe (Albania, Serbia, Georgia, Moldova) and in Asia (India).

Synergies are developed with the various partners, particularly in the area of electronic payment, with the development of co-branded cards by Societe Generale's subsidiaries, in partnership with Advans MFIs. These cards give MFI customers access to ATMs (automatic teller machines) and to branches in the networks of Societe Generale's subsidiaries. This scheme has been in place in the Cameroon since the end of September 2013 and in the Ivory Coast since the end of 2014.

(1) For Societe Generale: SG Obligations ISR, SG Diversifié ISR, Arcancia monétaire, Amundi label actions solidaires; for Crédit du Nord: Amundi Label Equilibre Solidaire, Amundi Label Obligataire et Solidaire, Arcancia Ethique & Solidaire, Etoile Sélection Développement Durable.

ACQUISITION OF EQUITY HOLDINGS IN MICROFINANCE INSTITUTIONS

Through its subsidiaries in Africa, Societe Generale also holds a stake in five MFIs via active minority interests and in subsidiaries of internationally recognised microfinance groups (Advans Cameroun, Advans Ghana, Advans Côte d'Ivoire, AccesBanque Madagascar and ACEP Burkina).

In France

SUPPORT FOR ADIE*

Societe Generale has been an active supporter of Adie since 2006, providing refinancing lines for its microfinance activity in mainland France and the overseas departments and contributing to the financing of its accompanying actions.

In 2014, the credit line amounted to EUR 5.6 million for mainland France (up EUR 1.2 million on 2013), including a EUR 3.5 million line for professional loans and a EUR 2.1 million line for personal loans, supplemented by a EUR 0.62 million credit line granted by the Bank of Polynesia for Polynesia.

In 2014 the Bank made it possible for Adie to finance EUR 4 million in loans, corresponding to 2,145 micro-loans. More than 1,000 jobs have been created and around a further 500 have been maintained thanks to professional micro-loans, and 600 jobs have been created or maintained thanks to professional micro-loans for employment. All in all, since 2006, the Group has refinanced 8,202 micro-loans totalling EUR 24 million (including EUR 3.1 million in New Caledonia, EUR 1.2 million in French Polynesia and EUR 2.3 million in Mayotte). The average amount of the micro-loans is EUR 2,929. In 2014, Adie also received an operating grant of EUR 125,000, supplemented by EUR 12,000 for its "Microcredit Week", which Societe Generale has partnered for several years now, bolstered by a supplementary contribution of EUR 13,000 on the occasion of Adie's 25th anniversary.

* French Association for the Right to Economic Initiative

PERSONAL MICROCREDIT

Societe Generale has been offering supported micro-loans in France since 2010, wherever there is a support network with which it has concluded a partnership agreement. Its main partners to date are CRESUS, *Secours Catholique* and *Restos du Cœur*.

These networks have a dual role: bringing in business and supporting borrowers in the period before the micro-loan is granted right up to the end of its term. This has enabled Societe Generale to grant 36 microcredit applications between the end of 2010 and the end of November 2014.

3. A RESPONSIBLE EMPLOYER

Developing its employees to best serve its customers

Societe Generale aims to set the standard for relationship banking. To achieve this goal, it aspires to be an employer of choice and to invest in employee development to best serve its customers. This ambition shapes the Group's Human Resources policy, which closely links the human element to strategy, and corporate culture to performance.

Societe Generale is a responsible employer that treats its employees with respect and fairness, in all their diversity. Its Human Resources management embodies the Group's four values of team spirit, innovation, responsibility and commitment to serve its customers. By developing its employees' skills, Societe Generale gives them the incentive and means to dedicate themselves to serving the current and future needs of its customers on a daily basis.

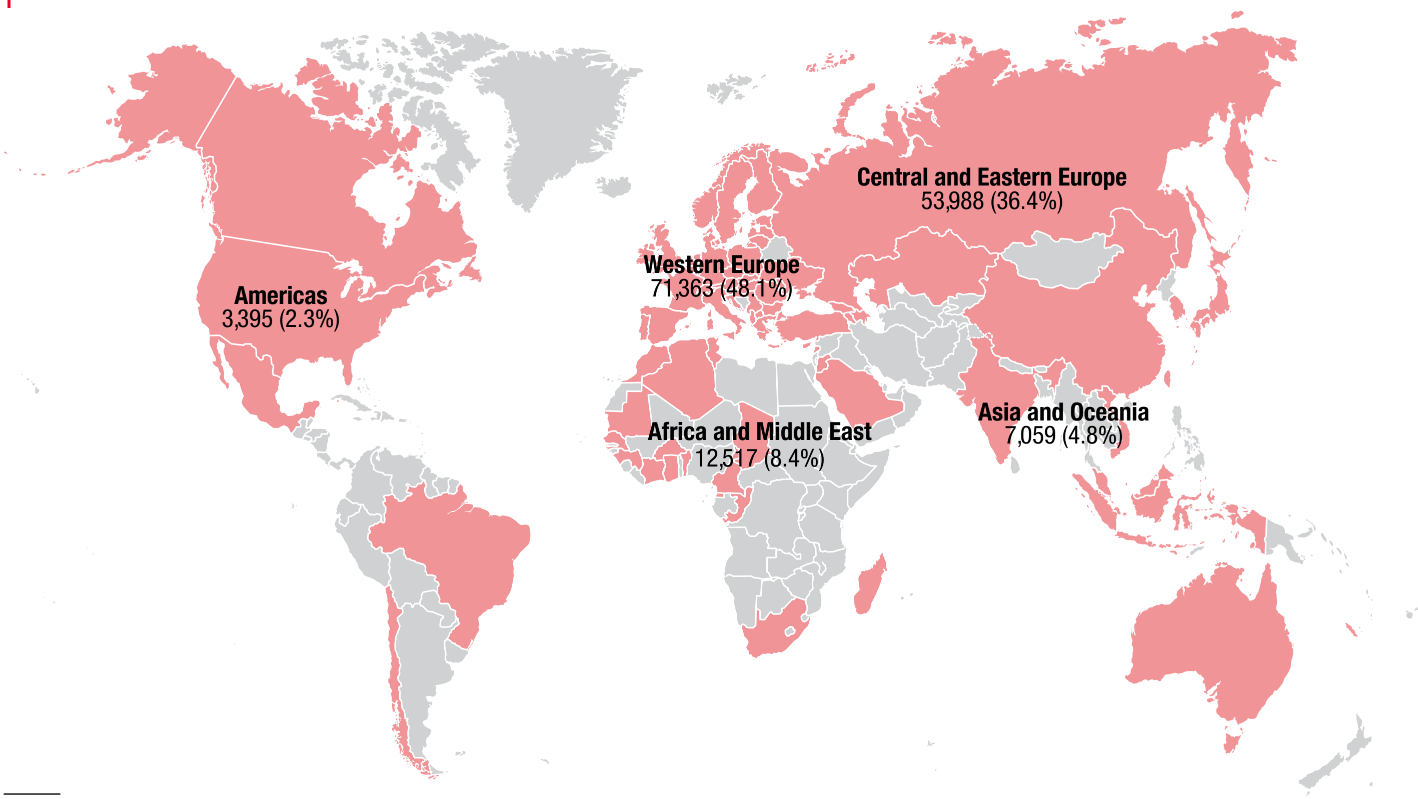
THE SOCIETE GENERALE GROUP'S TEAMS AT THE END OF 2014

Distribution of teams

The Societe Generale Group employed 148,322[1] people at the end of 2014, a 0.43% increase in total headcount compared with 2013. This headcount represents 136,223 full-time equivalents[2] (FTE).

	2014	2013	2012	2011	2010	2009
Group headcount (at end of period, excluding temporary staff):	148,322	147,682[3]	154,009	159,616	155,617	156,681

BREAKDOWN OF STAFF BY GEOGRAPHICAL REGION



(1) Staff at the recently integrated Newedge subsidiary (about 2,100 people) will be included in headcount as from financial year 2015.
(2) As detailled in chapter 2, p. 72.
(3) Figure reprocessed from data published in the 2014 Registration Document.

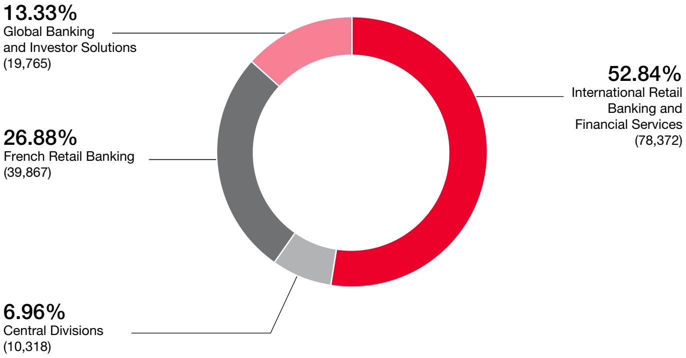
The Group's 148,322 employees are spread across 76 countries.

The percentage of Group staff located outside of mainland France is 60.4% (compared with 60.6% in 2013).

The countries where the Group is most represented are France (58,795 employees, of which 43,290 excluding subsidiaries), Russia (23,742), the Czech Republic (9,691), and Romania (8,862).

Low- or lower-middle-income[1] countries account for 10.2% of staff (e.g., Ivory Coast, Ghana, Georgia, India, Madagascar, Morocco) and middle-income countries[2] represent 12% (e.g., Algeria, Brazil, Bulgaria, Romania, Serbia, Tunisia).

BREAKDOWN OF STAFF BY CORE BUSINESS (HEADCOUNT AT END OF PERIOD EXCLUDING TEMPORARY STAFF)



Changes in headcount

CHANGES IN HEADCOUNT BY CORE BUSINESS

The most significant changes in headcount in 2014 stemmed from restructurings and the Group's adaptation to the environment and affected each core business differently:

- for the Group's Central Divisions, a 16.8% increase in headcount due to growth in the IT business lines and the ramp-up of the shared service centres as part of the transformation of the operational model undertaken in recent years;
- for International Retail Banking and Financial Services[3], a limited 0.6% decrease in headcount; this includes declines associated with the downsizing of staff in a strained economic environment in Russia (including a 5% decline in headcount at Rosbank), while other subsidiaries expanded, for example, Eurobank in Poland and Sogecap in France;
- for Global Banking and Investor Solutions[4], a slight 0.7% increase in headcount; this includes the recruitment efforts in the IT business lines as well as the sale of the Private Banking subsidiaries in Asia (SGBT Hong Kong and SGBT Singapore);
- for French Retail Banking, a 1.2% decline in headcount, which can be attributed to retiring employees who were not replaced at Crédit du Nord and in the Societe Generale network and the sale of the Self Trade UK subsidiary (160 employees at end-2013); these declines in headcount were partially offset by growth in the IT business lines and the effort made to recruit work-study participants in the Societe Generale network in France.

KEY FIGURES

	2014	2013
Overall headcount on permanent contracts at Dec. 31, 2014	136,759	136,683
Overall headcount on fixed-term contracts (including work-study participants) at Dec. 31, 2014	11,563	10,999[5]
Temporary staff	11,028	10,267
Outside contractors[6]	6,989	7,133
New hires on permanent contracts	16,061	13,256
New hires on fixed-term contracts (including work-study participants)	9,753	10,822[5]
Departures of employees on permanent contracts	18,212	18,947
Turnover of employees on permanent contracts[7]	13.3%	13.9 %

(1) As defined by the World Bank: Low-income + Lower-middle-income economies ($4,125 or less).
(2) As defined by the World Bank: Upper-middle-income economies ($4,126 to $12,745): http://data.worldbank.org/about/country-classifications/country-and-lending-groups.
(3) Staff at the Franfinance subsidiary (about 1,000 people), who had previously reported to International Retail Banking and Financial Services, now report to French Retail Banking. Changes in headcount were calculated at constant 2014 structure.
(4) Staff at the recently integrated Newedge subsidiary (about 2,100 people) will be included in headcount as from financial year 2015.
(5) Figure reprocessed from data published in the 2014 Registration Document.
(6) Monthly average in 2014 for Societe Generale SA in France. The use of outside contractors principally concerns the sub-contracting of specialised activities such as IT systems, security, armoured transport, catering, and building maintenance.
(7) Exit rate for permanent contracts (ratio between the total number of departures and total headcount at end 2014 for permanent contracts).

DEPARTURES

In 2014, a total of 18,212 staff on permanent contracts left the Group, down slightly from 2013. The main reasons for departure were, in descending order of importance: resignations (11,471), redundancies (3,422), and retirements (2,248).

In France, retirements were down this year, with a total of 1,705 staff retiring (compared with to 1,809 in 2013).

DEVELOPING THE EMPLOYABILITY AND SKILLS OF EMPLOYEES

Recruitment and integration

RECRUITMENT

In the 2014 financial year, the Group's recruitments broke down as follows:

- 16,061 permanent contracts (up 21% compared with 2013), including 54.9% women;
- 9,753 fixed-term contracts, including 68% women.

In France, Societe Generale recruited:

- 4,090 permanent contracts (2,828 excluding subsidiaries; 59.6% of which are executives);
- 3,730 fixed-term contracts (including work-study contracts).

The recruitment and talent attraction policy is adapted to the characteristics of each business line and activity and to the specific regional environment.

The primary space for interaction with candidates, the "***careers.societegenerale.com***" site has, since 2013, offered a unified recruitment process for the Group and a better experience for the candidate, on every type of device (PC, tablet, mobile). In 2014 more than 360,000 applications were sent via the Careers site, which had more than 3 million hits.

In France, the Group is improving this candidate experience with the *MyCoachingRoom.com* site. This site supports **candidates in all stages of their job search** in the banking/finance sector, whether they apply for a position at Societe Generale or elsewhere. Greater attention has been paid to digital transformation topics (changes in recruitment methods and ways of working, new practices, etc.), based on input from experts.

The **direct approach to recruitment** made possible by new digital methods of interaction is also gaining traction within the Group. Societe Generale has been a pioneer on the social networks. At end-2014, the Group had more than 200,000 followers on its HR social networks. Societe Generale's digital pre-recruitment approach was recognised once again in 2014 (No. 1 in Dogfinance's HR 2.0 general ranking, No. 1 in the Twitter user ranking in Althéa's 2014 HR Idea study).

The digital transition also offers candidates a more nimble and convenient experience: in France, for example, candidates can now take their aptitude tests from home, using an online platform, and can be interviewed remotely through video links.

TAILORED INITIATIVES FOR STUDENTS AND RECENT GRADUATES

Societe Generale is committed to a proactive approach to the **professional integration** of young people.

In 2014, **Societe Generale and its subsidiaries recruited 4,090 employees on permanent contracts in France**.

Societe Generale's former interns, Volunteers for International Experience (VIEs) and work-study participants represent a priority recruiting ground for recent graduates.

The Group is also continuing its dynamic work-study policy implemented over several years on apprenticeship and professional training contracts in order to develop the employability of young people. At the end of 2014, more than 3,200 work-study participants and VIEs were stationed within the Group's French entities.

In the 2014 financial year, 3,676 interns were welcomed in France (including subsidiaries). These training courses, most of which are mandatory for graduation, allow students to be immersed in the business world, while benefiting from the support and guidance of their training supervisor. Globally, the Group welcomed 11,372 interns during the year.

Societe Generale and its subsidiaries have partnered with a number of schools and institutes of higher education worldwide **to attract and recruit students and recent graduates whose academic experience is in line with the Group's skill requirements**. In France and Europe, for example, the Group partnered with more than 60 schools (university, engineering or business training) and implemented a wide range of initiatives in 2014, including:

- organisation of more than 112 permanent contract recruitment sessions across France for Bac to Bac+2/3 graduates;
- six "Join Our Team Today" recruitment actions, where students can sign a permanent, work-study or internship contract in half a day. Once at the company, the work-study participants and interns had the opportunity to attend three "Boost My Career" events, where they could meet with managers/recruiters from the different core businesses with a view to converting their contracts into permanent or VIE contracts;
- promotion of the entry exam to join the General Inspection Department. The 2014 edition of this entry exam enabled 36 recent graduates of almost 10 different nationalities to join the Group's General Inspection Department;
- funding of educational programmes and research through eight academic partnerships. In all, Societe Generale earmarked close to EUR 1.3 million for academic chairs in 2014. Some examples include sponsorship of the Energy & Finance Chair at HEC, renewed for another three years, and of the Biomecam Chair at ParisTech, which researches motor skill solutions for the disabled;
- continuation of Global Banking and Investor Solutions' "GeneratioNext" (interns, VIEs and apprentices) and "Junior Programme" (recent graduates) support and development programmes, which serve as in-house launching pads (1,500 members worldwide);

- organisation of several "Hackathons", events intended to spur the collaborative development of IT solutions in record time (one to two days), which brought together in-house teams and students, mainly in France and Bangalore.

These initiatives demonstrate the Group's determination to attract and recruit talents by **raising their awareness, from their very first contact with the company, of the challenges and responsibilities of the banking sector and its professional realities**. They also reflect the Group's determination to guide students as they formulate their professional goals and give them the keys to understanding their future working environment.

INDUCTION

"Starting" is the welcome and induction programme that offers each new employee a consistent introduction to the Societe Generale Group. The 12- to 18-month programme is activated as soon as the new employee arrives to give him or her a **better understanding of the Group, its strategy, its business lines and functions, its values, and the career prospects** available to employees, through specific support and dedicated tools (e-learning, intranet, etc.).

Training and skills development

TRAINING WITHIN THE GROUP

Societe Generale invests significantly in training to enable its employees to **develop their skills and employability, taking into account the needs of the company, of its customers and their future development**.

Strategic training initiatives are prioritised by the Learning Board, composed of Executive Committee and Management Committee members. In 2014, they consisted primarily of:

- the ongoing roll-out of "Culture RISK" across the Group (see also "Enterprise Risk Management (ERM) Programme", page 127);
- the organisation of management training sessions that incorporate the Group's newly redefined values (team spirit, innovation, responsibility, commitment);
- the development of innovative techniques to disseminate knowledge (see "Development of a digital corporate culture", page 317);
- the continuation of specific support initiatives, including business-specific professional development, support for apprenticeship supervisors and mentors and internal promotion (see "Cursus Cadre and Passerell'E" hereafter).

The Group's Training Division also prepared for implementation of the professional training reform in France: starting in 2015, the commitments made under a dedicated corporate agreement will ensure support for and strengthened monitoring of skills development and greater recognition of employees' achievements.

In 2014, 86% of the Group's employees were able to complete at least one training programme (+4.1% in comparison with 2013), for a total of 3,613,452 hours, and 217,710 e-learning modules were given out worldwide by the Group's training teams. This represents an average of 24.4 training hours per employee (compared with 22.2 in 2013).

Most of the training provided related to business-specific expertise, with a technical focus; the remainder involved the Group's cross-business modules, mainly the managerial, behavioural, regulatory and risk management components.

INTERNAL PROMOTION: CURSUS CADRE AND PASSERELL'E

In France specifically, certain training sessions are **real tools for internal promotion**. This is the case for Cursus Cadre and the Passerell'E programme:

- "Cursus Cadre" is an 18-month training programme that enables high-potential employees to obtain "cadre" (junior executive) status, thereby preparing them for greater responsibility and, in some cases, team leadership;
- Passerell'E, a 10-month qualifying course, is designed to help employees with their skills development in order to achieve France's banking classification Level E.

In 2014, a total of 390 employees of Societe Generale SA in France completed the Cursus Cadre and Passerell'E.

DEVELOPMENT AND PROFESSIONAL TRAINING FOR FUNCTIONS AND BUSINESS-SPECIFIC COURSES

New development and professional training programmes for the functions were introduced in 2014, building on the momentum initiated in 2013 in the Human Resources, Audit, Private Banking and Risk functions. Designed to improve skills and knowledge, **they provide reinforced support and help to align practices worldwide**. Some of the initiatives implemented in 2014 include:

- the **Bankers Academy** programme, which uses real-life examples to give attendees role-play scenarios in which they advise Large Corporates. Led by Senior Bankers and internal experts, this programme is designed for employees with experience in the sales functions across the Group;
- the **Retail Banking Academy** qualifying course, recognised by the Chartered Bankers Institute and provided to a number of banks in more than 60 countries. This high-level certification course is offered as a MOOC[1] and targets strategic and sales managers in retail banking;
- the Finance Division's **Management Faculty**, inspired by co-development techniques; its aim is to develop management practices of excellence by encouraging commitment and cooperation in an activity that has been hit particularly hard by the turbulent economic environment;
- the **ITEC Institute** programme; this helps all new hires in Global Banking and Investor Solutions' IT function to get fully on-board and optimise their efficiency from day one.

On-the-job training sessions that ease a new hire's entry are also offered in the retail banking network:

- International Retail Banking's **school branches**, which allow learners to be placed in customer relations scenarios in a near-real work environment. There are around 30 school branches in subsidiaries in Central and Eastern Europe, Russia, the Mediterranean Basin and Sub-Saharan Africa;

(1) Massive Open Online Course

- more than 800,000 hours of business-specific training provided to salespeople (branches, call centre agents) and back office employees as soon as they start, in **French Retail Banking's "FACs" (Favouring Acquisition of Competences)**. These role-playing exercises based on real cases cover the related behavioural, technical, business-specific and risk aspects.

COACHING AND OTHER SUPPORT

Over the last 13 years, Societe Generale has also developed **a structured coaching approach within the company**. Coaching actions are guided by a team of internal coaches who are responsible for the scope of the coaching and for the calibre of the participants. This team is supported by an international community of internal coaches, who take on coaching assignments in addition to their primary responsibilities, and by selected external coaches. Within the Group, coaching is governed by a specific ethical charter that guarantees the confidentiality of exchanges and lays the foundations of confidence between the employees and coaches. The coaching programme includes individual and team coaching actions, supplemented with co-development, mentoring and change support actions.

Development of high value-added skills for customers

A VALUE-BASED BEHAVIOURAL MODEL

On its 150th anniversary, Societe Generale redefined the company's unifying values: commitment and responsibility were added to team spirit and innovation, thus affirming a shared vision of a responsible bank committed to serving its customers. Discussions began among Group senior management and nearly 300 managers worldwide in June 2014 with the aim of **accelerating the Group's cultural transformation by emphasising the behaviours** through which these values will be expressed by all employees. This new model, with its firm focus on the best interests of the customer, will be implemented in 2015.

MANAGERIAL SYMMETRY

With its far-reaching organisational transformation, Societe Generale is strengthening the importance placed on relationships with others (customers, employees), which are at the core of its strategy. This determination is grounded in one fact: to achieve customer satisfaction excellence, **the same attention must be paid to employee relations**.

In 2012, the Human Resources Department therefore launched an "attention symmetry" initiative, which is gaining steam in particular in the French networks (Societe Generale and Crédit du Nord) and in Group Resources (IT, purchasing, real estate). This programme, in which the quality of employee relations mirrors customer satisfaction, thus seeks to encourage manager accessibility, direct contact and employee empowerment, as well as to foster a listening culture at every level of the organisation.

More than 30,000 French and foreign employees have now participated in this initiative, which won the "Corporate Culture" category at the 2014 Human Capital Awards.

DEVELOPMENT OF A DIGITAL CORPORATE CULTURE

The Societe Generale Group believes digital is a real **lever for transforming the banking relationship and the banking profession** and will rely on all its employees to accelerate its digital transition. To encourage everyone to adopt digital tools, Group management launched the Digital For All programme in September 2014. It aims to install new collaborative and office solutions on every workstation and roll out tablets to 90,000 employees. The test phase underway with 200 employees will help support the official roll-out, set to begin in February 2015.

Beyond the tools themselves, the Group is **transforming the corporate culture** by changing the customer relationship and its ways of working (see also "Recruitment", page 315, "Participatory interactions", page 323, and "Well-being at work", page 324).

The Group makes daily efforts to raise employee awareness of digitalisation at all levels of the organisation, not only with conferences open to all but also through workshops for targeted audiences (e.g., the Executive Committee or potential senior managers, in collaboration with the Corporate University).

Training is itself going digital with innovative content and packaging. The Group, for example:

- is developing virtual classes, in particular in Russia, to address the issue of the great physical distances separating the teams;
- is continuing to experiment with MOOCs[1] with, in 2014, a pilot digital awareness MOOC that will be implemented more widely in France in 2015 and then rolled out to Group employees outside France;
- is also changing employee development through the company's digital transformation. For example, International Retail Banking and Financial Services has developed the "Coach in the Pocket" smartphone application. Currently in use in 15 European countries, it enables managers at 23 entities to improve their management style by regularly receiving individualised and practical advice through an action plan developed on the basis of a 180-degree questionnaire.

Changes in employment and mobility

The Societe Generale Group is determined to develop an active mobility policy in order to promote **the ongoing adaptation of employee skills to the rapid changes** in the economic, regulatory or technological environment. This commitment was strengthened in February 2013 with the unanimous signature of an agreement on the evolution of professions, skills and employment for Societe Generale SA in France.

(1) Massive Open Online Course

STRATEGIC WORKFORCE PLANNING

To further the initiatives undertaken in 2013, the Group has continued to implement its strategic workforce planning approach. This approach to anticipating and supporting future changes in its professions allows the Group to adjust its HR policies, mainly with respect to training and filling vacant positions. It gives employees the resources to examine their motivations and ambitions in light of these changing professions.

This Group-wide strategic workforce planning approach is three-pronged:

- a three- to five-year **forward-looking macro vision**, to anticipate major qualitative trends in key professions undergoing change and/or in which the Group is having trouble filling open positions; it is based on the Group's **strategic plan** and on market trends/ environment;
- a **one-year strategic management plan**, in conjunction with the business line's **operational** plan; this enables the Group to develop collective development plans and mobility and recruitment plans for the full year;
- the **individual development plan** for each employee, which relates back to the collective guidelines resulting from the strategic management plan and the **career and performance management process**.

Through the **Societe Generale job trends observatory** put in place in 2013, the bank was thus involved in several studies with the branch Observatory (AFB - Association française des banques, the French banking association), including two studies on digital's impact on the banking professions. This topic was furthermore selected as the unifying theme for the first strategic workforce planning seminar organised in 2014, which gathered together Human Resources, Union Organisations, and managers.

The **cartography** of all the Group's professions and the possible connections between different professions has also been improved to better orient employees towards mobility options at Societe Generale. A profession cartography initiative was also undertaken in the Africa region in 2014 by International Retail Banking and Financial Services. It analysed, in close collaboration with local management, all of the positions in each entity in four African countries. The aim was mainly to better plan for internal mobility, by anticipating possible career movements and paths and making them more fluid.

MOBILITY

With the agreement on employment signed in February 2013 for Societe Generale SA in France, internal mobility has become the focal point of employees' ability to adapt to changes in the company; it is therefore at the heart of the Group's HR policy.

In France, internal mobility is steered by the "Campus Métiers Mobilité" (Job Mobility Campus) which centralises the positions to be filled for the core businesses (excluding Retail Banking[1]) and corporate divisions. It offers employees greater visibility on internal opportunities and gives them priority for filling positions.

In total, **8,600 employees** were moved internally at Societe Generale SA in France in 2014, including 2,500 thanks to the Campus.

The Group also opens up opportunities for cross-border mobility. The objective of international mobility is to support Societe Generale's international development strategy and promote the company's intercultural dimension. Thus, at the end of 2014, the Group had approximately **1,000 international mobility employees** (all origin and destination countries combined), including 60% within Global Banking and Investor Solutions (London, New York, Singapore, Hong Kong, etc.), 30% within International Retail Banking and Financial Services (mainly on the African continent and in Eastern Europe) and 10% in the Corporate Divisions.

Performance management

COMPETENCY FRAMEWORK

To guide the teams and support the company's transformation, Societe Generale has developed a common vision for the entire Group of the components of performance. As such, the expected behaviours for **delivering long-term results** on three key issues – developing business activity, preparing for the future and working together – are explained to employees and managers.

A common framework thus gives each person prospects for progress in his or her current and future position, emphasising the search for behaviours that will create value over the long term. It is at the heart of the various components of the managerial cycle and particularly employee evaluations. This framework will gradually be revamped in response to the current discussion on the company's four values (see "A value-based behavioural model", page 317).

EVALUATION PROCESSES

A **uniform evaluation process** has been rolled out within the Group so that all employees, regardless of their profession, entity, geographic region or classification, have an annual evaluation based on the same model, assessing not only the achievement of operational results but also **the manner in which these results are obtained**. Its purpose is to recognise, using common criteria, each employee's skills and foster employee development and the emergence of Strategic Talent.

In 2014, a total of nearly 112,700 Group employees had an evaluation interview, i.e., 89% of headcount on permanent contract (up four points from 2013).

Preparing the next generation of managers

DETECTION AND DEVELOPMENT OF STRATEGIC TALENTS

The aim of the Strategic Talent approach is to **detect, develop and build the loyalty of high-potential employees** to prepare the next generation of managers. A Strategic Talent is defined as an employee who embodies the Group's values, performs well over the long

(1) In light of its organisation and geographic breakdown, the French Retail Banking network manages its employees' internal mobility in a decentralised manner.

term, and has strong potential for advancement. With its systematic approach, the Strategic Talent policy identifies individuals around the world on an objective basis, gives them the same chances to bring out their potential and enables them to advance within the Group. This initiative involves both the managerial line and the HR line and is supported by a transparent communication process vis-à-vis Strategic Talents. The talent pool created consists of Emerging, Confirmed and Potential Senior Manager Strategic Talents.

The **diversity of Strategic Talent profiles** is key to meeting the Group's ambitions in terms of management body diversity (see hereafter). Today, 39% are women and 42% are international (non-French).

CORPORATE UNIVERSITY

The Corporate University is an internal centre of expertise launched at the end of 2010 dedicated to developing leadership qualities in the most senior managers, Strategic Talents, and the Group's senior leaders. The programmes it offers focus on **the development of behavioural skills** in a teaching environment that promotes cooperation and teamwork. The Corporate University offers a true forum for dialogue and networking among senior managers and between peers, for participants from more than 50 countries.

In 2014, 860 Group employees attended its programmes.

PROMOTING DIVERSITY AND INCLUSION

Diversity and inclusion policy

For the Societe Generale Group, diversity is reflected first and foremost in its 148,322 employees, working in 76 different countries, with 122 nationalities represented.

DRIVER OF COMMITMENT AND ADAPTATION TO CHANGE

In addition to ethical responsibility, the diversity of Societe Generale's employees and its inclusive culture address a performance challenge.

Recognising differences and encouraging open-mindedness and respect for each person as a unique individual also means building trust and allowing innovative ideas to be expressed and heard. Diverse profiles and the combination of each person's skills can generate a variety of ideas and help the Group identify weak signals to anticipate risks and opportunities, adapt and act quickly. First and foremost, they enable the bank to better understand and serve its customers, in all the markets in which it operates. They lie at the heart of its relationship banking strategy and give it a competitive edge.

DIVERSITY AT THE HEART OF BUSINESS LINE CHALLENGES

In terms of diversity, the Group has made it a priority to **promote women and international profiles** to positions of responsibility and seats within the bank's management bodies.

To do so, a **Diversity Board**, composed of Executive Committee and Management Committee members, was established in 2013. It sets strategic directions by placing diversity issues at the heart of business line challenges. It also ensures progress in gender balance and internationalisation.

This strategy has been **adapted for the different entities**. For example, in 2014 Global Banking and Investor Solutions established a four-year action plan that uses all HR levers (recruitment, development, mobility, evaluation, etc.) to promote female and international employees to senior positions.

In addition to these priorities, Societe Generale is committed to other aspects of diversity, such as generations, social inclusion (see "Initiatives for employment and education", page 335) and disability. A variety of initiatives are determined locally, depending on the challenges and regulations in the different countries and core businesses.

RAISING AWARENESS TO CREATE AN INCLUSIVE CULTURE

Societe Generale has also focused its efforts on its managerial culture by establishing, in 2011, actions to **raise awareness of unconscious biases**. The aim is to heighten awareness of the challenges of diversity and inclusion and to deconstruct stereotypes in order to engage everyone to change their daily management behaviours (recruitment, promotion, evaluation, decision-making, etc.).

At end-2014, 775 managers had participated in one of these training sessions. The objective for 2015 is to roll the initiative out worldwide.

The teams' awareness of diversity and inclusion is also raised through the Group's support of key events, such as the European Diversity Conference, which Societe Generale sponsored and hosted in April 2013 and January 2015. This discussion forum brings inspiring figures from the political and business worlds together with social science researchers.

Gender balance

KEY FIGURES – SHARE OF WOMEN

	2014	2013
Group	60.22%	60.66%(1)
Managers	44.04%	n/a
Senior management (top 1,000)	21.6%	20.1%
Management Committee (59 members)(2)	18.6%	19.0%
Executive Committee (13 members)	15.4%	15.4%
Board of Directors (14 members)(3)	42.8%	42.8%
Executives (for Societe Generale SA in France)	44.7%	43.7%

PROMOTION OF GENDER BALANCE

Gender balance reflects the company's ability to **appoint and promote the person whose skills best match a given position without bias or cultural filters**. For this reason, Societe Generale encourages all its managers to promote this principle within their teams, and adopts this approach at the highest level of the company.

At the 2014 Global Summit of Women, Frédéric Oudéa was awarded the "Corporate Champion Award" for the Bank's efforts in recent years to bring the percentage of women on the Board of Directors to more than 30%.

DEVELOPMENT

The number of support initiatives, the key means to developing female employees' skills, has risen significantly since 2006, with more than 700 women taking part in one of the programmes established by the Group.

Today, the Women in Leadership (WILL) development course is the driving force behind these actions. Designed for female Strategic Talents, it includes, over an 18-month period, group training, personal coaching and mentoring actions as well as participation in inter-company events, such as the "JUMP" forum, dedicated to women's professional life and career management.

NETWORKS

The Group supports the **women's and mixed networks formed within the company** that actively and independently help promote gender balance. They have enabled their 2,400 members worldwide to attend conferences, share their experiences and take part in personal development workshops, for example, in the United States, Singapore, India, Luxembourg, the Czech Republic, Senegal, Tunisia and Cameroon.

In France, "Féminin by Societe Generale", created in 2004, was opened to men in 2014 so as to include them in the network's discussions and actions.

In the United Kingdom, the "Women's Network" is part of the "UK Diversity Committee". This committee, made up of employee volunteers and supported by Management, has been tasked, since it was established in 2008, with encouraging employees to promote an environment of inclusion. Its goal is also to inform employees of the support measures available if they experience discrimination or harassment and to encourage the establishment of networks on various components of diversity (family, multicultural, sexual orientation, etc.).

PARTNERSHIPS

In 2014 Societe Generale:

- supported and sponsored the 24th Global Summit of Women, an international gathering of influential figures from the political and business world, focused on leadership and female entrepreneurship;
- resumed its participation in the gender balance benchmark of the Financi'Elles inter-company network, whose objective is to improve and accelerate access to high-level positions in the finance and insurance sector for women.

GENDER EQUALITY MEASURES

The Group's gender balance policy is adapted locally through specific measures and collective agreements signed with the employee representative bodies where appropriate.

Societe Generale SA in France allocates considerable resources to reversing the unjustified pay gaps between men and women doing equivalent jobs or at equivalent managerial or seniority levels within the company. Between 2008 and 2012, corrective measures were taken in more than 4,000 cases, for an overall amount of EUR 5.9 million. In 2013, EUR 5 million was allocated over three years (2013-2015). At end-2014, EUR 3.56 million of this amount had been used to change the situation of 1,820 female employees. Also, the "Égalité professionnelle entre les femmes et les hommes" (Equality in the workplace) agreement, signed by all union organisations at end-2013, sets the goal of 45% women executives by end-2015 (it is 44.7% at end-2014) and reinforces the measures governing maternity or adoption leave both before taking leave and after returning

(1) Figure reprocessed from data published in the 2014 Registration Document.

(2) Management Committee: 11 women (compared with 10 at the beginning of 2013, 8 at the beginning of 2011 and 6 at the beginning of 2010).

(3) Board of directors: 6 women (including 2 staff-elected directors).

to work (mobility possibilities depending on seniority, systematic implementation of training or refresher courses, wage increases, etc.). As a result of these numerous concrete actions, the bank has been awarded the **"Label Égalité Professionnelle"** (Professional Equality Label) by French independent certification company AFNOR since 2007. Receiving this label demonstrates the desire to place professional equality at the heart of the HR policy, by considering gender balance at all levels of responsibility as one of the drivers of the relationship banking model.

There are also numerous initiatives **internationally**, for example:

- in the Czech Republic, the Group's subsidiaries are focused on establishing measures to smooth the return to work after maternity leave (by maintaining contact with the company, returning gradually and starting back with part-time work, benefiting from skills upgrades, etc.). The "Maternity Programme" at Komerčni Banka has helped to increase the rate of women who return after maternity leave from 45% (in 2008) to 59% (in 2014);
- in Luxembourg, the "Opportunités égales pour hommes et femmes" (Equal Opportunities for Men and Women) project approved and supported by the Luxembourg Ministry for Equal Opportunities focuses on three topics: equal treatment between men and women, gender equality in decision-making processes and reconciling work-life balance.

Internationalisation

To better represent the diversity of the business lines, customers, countries and communities in which the Group operates around the world, Societe Generale's diversity policy also emphasises the diversity of origins and nationalities of its employees.

Within the Group, 122 nationalities are represented, and 58% of employees are not French.

Within the Management Committee, 10 nationalities are represented, and 22% of members are not French.

This is also the case in the Group's various establishments around the world, where more than a quarter of the members of management bodies (management committees and executive committees) do not have the local nationality.

The diversity of the Strategic Talents, who make up a global talent pool that can be mined for succession plans for key Group positions, is a concrete lever for promoting the international dimension of the management teams. Today, more than 52% of emerging Strategic Talents, regarded as the next generation of managers in the medium term, are non-French.

KEY FIGURES – SHARE OF NON-FRENCH

	2014	2013
Group	58%	60%
Senior management (top 1000)	21%	21%
Management Committee (59 members)	22%	21%
Executive Committee (13 members)	8%	8%
Board of Directors (14 members)[1]	36%	36%

Generations

The Group is committed to **representing different generations, taking care** to provide its older employees with guidance and assistance, while also making sure the next generation takes its place within the company.

Societe Generale has been a member of "OCTAVE" since 2013. This is an inter-company leadership development programme launched by Danone that works on better intergenerational cooperation in corporations, as well as on the need for organisations to adapt to the changes brought about by new technologies.

In addition, the Group focuses special efforts on the professional integration of young people (see also "Special initiatives for students and recent graduates", page 315), while overseeing the continued employment of its older employees and accompanying employees towards retirement.

GENERATION CONTRACT

In France, as part of the effort to adapt the generation contract, all Group subsidiaries have established specific agreements and/or dedicated action plans to reflect the objective of the professional integration of young people and the continued employment of older staff.

For Societe Generale SA more specifically, an annual target has been set for the recruitment of young people on permanent contract. In 2014, this target was 500, a goal that has been met and exceeded as 880 people under the age of 26 were recruited during the year. The generation contract also aims to develop training for seniors, implement health and prevention measures, and adjust seniors' working hours (progressive part-time and compensated half-time, dedicated to transmission of knowledge and skills or solidarity actions such as partnership/sponsorship with social entrepreneurs/charitable structures).

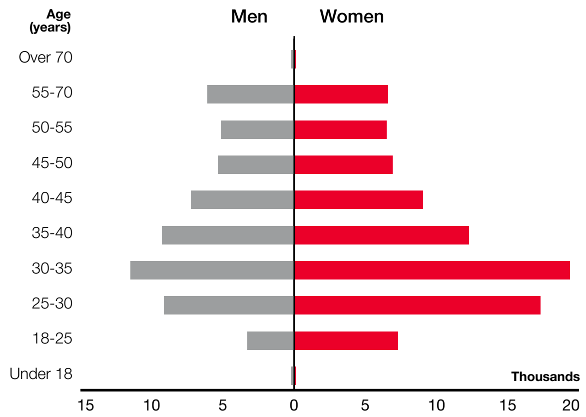
AGE PYRAMID AND LENGTH OF SERVICE

Within the Group:

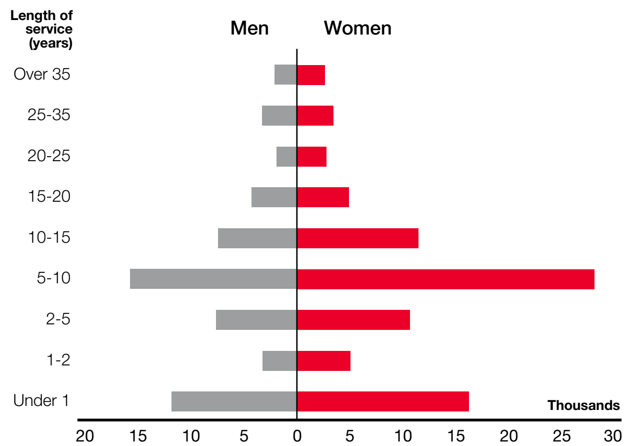
- 26% of employees are under the age of 30;
- 26% of employees are over the age of 45;
- the average age is 37.3;
- the average length of service is 9.1 years.

(1) Ratio excluding staff-elected directors = 41.7%.

BREAKDOWN OF STAFF BY AGE BRACKET(1)



BREAKDOWN OF STAFF BY LENGTH OF SERVICE(1)



Disability

As an employer, Societe Generale has been endeavouring to take the measures required to **ensure that disabled employees hold positions which match their qualifications and benefit from appropriate working conditions and training**, by adapting working environments, tools, equipment, positions and/or working hours and offering the possibility of partially paying some expenses.

KEY FIGURES

At the end of 2014, the Societe Generale Group employed 2,250 disabled staff (as defined locally) around the world, accounting for 1.5% of the overall headcount. The highest proportions can be found in France, Italy and Germany.

Societe Generale SA in France employs 1,115 disabled employees(2).

LOCAL INITIATIVES FOR THE DISABLED

Societe Generale SA in France renewed its **three-year agreement governing the recruitment and professional integration of disabled employees**, covering the 2014-2016 period:

- it reiterates the Group's lasting commitment to disabled employees through a non-discrimination and equal opportunity approach, with an initial target of 150 hires over three years. 50 disabled employees were recruited in 2014;
- it provides for the establishment of multi-disciplinary teams to strengthen prevention actions and career management for employees in a declared or potential disability situation.

Initiatives coordinated in 2014 in France by **Societe Generale's Mission Handicap** included:

- the organisation, in partnership with ADAPT, of the sixth "Pass pour l'emploi" forum, one of the main recruitment forums in the Paris region for the disabled. At the 2014 event, which focused on training and professional integration, 90 Societe Generale volunteers accompanied nearly 2,000 visitors and candidates;
- 400 job retention actions taken for disabled Societe Generale employees;
- availability of the "Handiproline" hotline, which all employees can call anonymously and at no cost to talk and seek advice about disability;
- development of qualifying work-study programmes offering disabled persons a possibility to obtain necessary job skills ("HandiFormaBanques").

In 2014, the Group's **international initiatives** included:

- in Serbia, the **"Inclusive Academy"** initiative, led by employee volunteers from Societe Generale Srbija. It helps young disabled people enter the job market by giving them new skills through workshops and internships. The programme has assisted 40 young people since its beginnings in 2011. More than half were able to transform their experience into long-employment either at the bank or externally;
- in Romania, the Czech Republic, Spain, Scandinavia, Turkey and Japan, implementation of awareness-raising, recruitment, induction and support programmes dedicated to disabled employees; similar programmes are also being developed in Algeria.

(1) Data at 31 December 2014, for 95.5% of the Group.

(2) Number of disabled employees, at 31 December 2014, based on the Mandatory Annual Declaration of Employment of Disabled Workers (*Déclaration Obligatoire des Travailleurs Handicapés*) criteria, which will be finalised in March 2015.

CARING ABOUT THE WORKING CONDITIONS OF EMPLOYEES

Listening to employees and employee commitment

EMPLOYEE SATISFACTION SURVEY AND IMPLEMENTATION OF ACTION PLANS

The employee satisfaction survey reflects Societe Generale's desire to create a **reliable listening environment** in which each employee can express his or her expectations, perceptions of the company and experiences to date. This internal, anonymous survey is conducted every two years and allows action plans for improvement to be put in place the following year.

The 2013 survey was carried out among 131,000 Group employees in 76 countries, for a participation rate of 67% (up 6 points). The results, which were communicated to all employees, led to the **implementation of more than 1,700 actions in 2014**. They mainly concerned strategic vision, interteam cooperation, skills development and employee commitment. These actions covered the entire scope of the organisation. At end-December 2014, nearly 90% of them had been completed or were being finalised.

For example, the survey showed that employees would like the Group to better share its strategic vision. To meet these expectations, and after the launch of Societe Generale's 2014-2016 strategic plan, nearly 60 internal roadshows were organised worldwide. These events gave Executive Committee members an opportunity to explain the strategy to employees and managers in 25 countries. More than 15,000 employees attended these roadshows, while an intranet-based approach gives everyone access to the information.

In terms of professional development, and in response to the wishes expressed in the survey, different bank scopes have also implemented initiatives to develop their employees' skills and optimise their career management. These actions, aimed at developing employees' potential, open up opportunities and improve retention rates.

PARTICIPATORY INTERACTIONS

For several years, the Group's entities have been putting in place collaborative, interactive initiatives, tools and services allowing employees to **become proactive agents of change** with respect to changes in the way work is done within the company.

The innovation approach within the Group is one example, with a participatory, **mobilising approach to innovation**, one that is regularly recognised by inter-company organisations. A network of 700 "Innov'actors" around the world supports innovation, galvanises the teams and encourages the exchange of best practices beyond borders and the bank's various business lines. This approach offers employees the opportunity to become personally involved in the success of their innovative projects, around 20 of which are awarded Innov'Group trophies each year.

In addition, the development of the collaborative approach within the company is tangible through the rapid spread of the **corporate social network SG Communities**. Launched in 2011, it had more than 47,200 users in 65 countries at end-2014, a twofold increase, and more than 1,100 user groups on work and non-work topics.

Another example of this approach, the **HR dialogue forum** accessible to all employees, was created in 2014 on the Group's HR intranet. This platform allows employees to ask their questions about HR practices and policies directly to the Group's Head of HR and his team. This forum offers a transparent way to respond to employees' questions and concerns, broaden dialogue and even conduct mini-polls of employees.

In April 2014, a **TEDx conference**(1) on the theme of engagement was organised by a team of about 20 employee volunteers and managers. This conference brought in 12 distinguished speakers to address employees in Societe Generale's auditoriums at La Défense. Each talk consisted of a personal story illustrating one of the 12 steps of engagement.

Lastly, Societe Generale's 150th anniversary celebration offered a historic opportunity to involve highly committed employees in unifying events such as the Citizen Commitment Games worldwide and the Trophées des Chênes (for family entrepreneurship) and the musical sponsorship action "Playing for Salle Pleyel" in France (see "Societe Generale Citizenship", page 335).

Employer-employee dialogue and respect for human rights

EMPLOYER-EMPLOYEE DIALOGUE

Employer-employee dialogue is a **collaborative process** between employer and employees (or their representatives) on common-interest issues relating to a company's economic and social policy. Applied at a Group-wide or individual entity level, it can take various forms, from the exchange of information to consultation and negotiations.

Societe Generale SA in France has, since 2013, ushered in **a new phase of employer-employee dialogue**: beyond the legal provisions, it has introduced dialogue and consultation bodies to address the company's strategy. In 2014, union leaders gained additional visibility through four meetings with the Chairman and CEO and 15 meetings of the dialogue and consultation body, attended by Executive Committee members, to discuss strategic directions and the basis for any projects under consideration. A dialogue and discussion body focused more specifically on the evolution of professions and skills to anticipate and support the Group's transformation was also established. In 2014, three meetings, including one seminar, and workshops for HR and operational staff were held.

(1) Event dedicated to personal development and the spreading of ideas organised independently under licence, based on the TED "Technology, Entertainment and Design" format.

The Group's Human Resources Division has also established a global coordination, for each country in which the bank operates, in order to ensure respect for information from employee representative bodies or employees and application of the local legal provisions for implementation of social procedures that guarantee employee rights during restructuring projects. This coordination helps ensure the same principles are applied throughout the Group.

Lastly, each entity worldwide must ensure that employees have an ad hoc procedure for voicing their concerns or grievances and that they are taken into account. Employer-employee dialogue can also take the form of regular meetings which are an opportunity for managers and Human Resources to initiate discussions with staff. Employees and their managers are informed of the existence and implementation of these procedures, particularly during the induction of new employees.

COLLECTIVE BARGAINING

In 2014, 181 agreements were signed within the Group (of which 86 in France). More than half of these agreements involved remuneration and benefits. Other key topics included professional equality, employer-employee dialogue procedures and working hours; 14 agreements focused specifically on health and safety.

RESPECT FOR HUMAN RIGHTS AND THE INTERNATIONAL LABOUR ORGANIZATION'S FUNDAMENTAL CONVENTIONS

The Societe Generale Group conducts its business with the utmost respect for fundamental human and workers' rights, wherever it is in the world.

The Group's **Code of Conduct**, classified as an "Internal Directive", guarantees Societe Generale's commitment to respect human rights and the rights of freedom of speech and association, and notes the signature of these conventions and its commitment to comply with the rules established by the International Labour Organization (ILO) in all the countries in which it conducts business.

Each Group entity thus ensures respect for rules related to freedom of association and working conditions and is prohibited from using forced labour, compulsory labour, or child labour, as defined by the ILO, even when permitted by local law. It also fights against any form of discrimination, whether through its diversity policy (see "Promoting diversity and inclusion", page 319) or its solidarity initiatives to encourage social inclusion, improve professional integration and combat illiteracy (see "Initiatives for employment and education", page 335).

Employee health and safety

WELL-BEING AT WORK

Societe Generale considers the health, and, more broadly, the well-being at work of its employees to be a long-term driver of performance and efficiency and critical to its attractiveness, effectiveness and sustainability. In 2014, the Group therefore formalised an ambitious corporate project on well-being at work. This project is in keeping with the Group's determination to secure its employees' well-being across multiple components, including:

- individual and collective efficiency;
- telework and new forms of work organisation;
- health and prevention;
- quality of life and benefits.

To coordinate and oversee this policy at the Group level, the Human Resources Division is represented by local contributors to well-being at work at the Core Businesses and Corporate Divisions, as entities can take specific actions on their own within their scope. Management's involvement in rolling out these actions and its ability to set an example are key to the project's success, which is why the Group is educating managers and setting up training sessions on the different components of the programme.

INDIVIDUAL AND COLLECTIVE EFFICIENCY

At end-2014, the Executive Committee of the Societe Generale Group and the Crédit du Nord Group signed the **"15 Commitments for Work-life Balance" Charter**. This charter, introduced by the French Ministry of Social Affairs, Health and Women's Rights and the French Work-Life Balance and Corporate Parenthood Observatory, proposes that signatory companies work to improve their employees' work-life balance. Implementation of the Charter will be accompanied by concrete actions in 2015, such as programmes to manage information and communication technologies and optimise meetings, but also a training module on well-being at work designed for managers.

This charter also resonates outside France with the following initiatives conducted in 2014:

- several European International Retail Banking and Financial Services entities established a flex-time policy (in Romania, Belgium, Luxembourg, Germany, Scandinavia, the United Kingdom, Poland);
- in Russia, Deltacredit has offered a training course on work-life balance since September 2014, and has also created an intranet dedicated to this topic.

See also "Organisation of working hours", page 326.

TELEWORK AND NEW FORMS OF WORK ORGANISATION

Telework serves a dual purpose: to develop innovative operating procedures in the digital era and help employees achieve a better work-life balance. It is therefore **a motivating factor and source of empowerment, and thus a performance lever** that several Group entities are experimenting via policies aligned with the local environment.

In total, at end-2014, the Group had more than 1,800 regular teleworkers. The countries in which this practice is the most widespread are the Czech Republic (nearly 500 people), France (more than 400 people), the United Kingdom (nearly 300 people), Belgium and Germany (more than 200 people each).

In France, Societe Generale SA has experimented with telework since October 2013. In light of the success of the first phase (98% satisfaction rate), a second experimental agreement was signed in July 2014 expanding telework to new services and new business lines and, after a gradual ramp-up, should benefit nearly 2,000 employees, on a voluntary basis, by end-2015.

In Romania, BRD has also introduced telework in innovative ways, for example, the “Project Day”, which allows employees to work at home on an occasional basis (they are therefore not counted as “regular” teleworkers), for one to five days, without access to the company’s IT systems.

HEALTH AND SAFETY

SOCIAL PROTECTION

The Societe Generale Group fulfils its social responsibility by actively **contributing to the social protection of all its employees, particularly in terms of healthcare, pension, death, invalidity and incapacity benefits**.

As compulsory benefit plans vary according to the legislation and regulations which apply in each country, each Group entity is responsible for defining the degree of local additional cover needed, in accordance with the objective defined by the bank to offer a minimum level of cover at least comparable to local market practices. Working alongside their regulatory authorities (and potentially with other Societe Generale entities in the same country), Group entities must also factor in their development strategy, remuneration policies, and financial position when defining employee cover.

In France, the Societe Generale Group health plan covers more than 117,000 people (participating members and beneficiaries).

Internationally, retail banking pays particularly close attention to the social protection schemes (healthcare, pension and personal protection insurance) at its subsidiaries, including in Africa. Consequently, all African subsidiaries generally offer health cover to employees and their beneficiaries, personal protection insurance for beneficiaries should the employee die and, in certain cases, complementary pension plans. At the end of 2014, almost 12,000 employees in the Mediterranean Basin and Sub-Saharan Africa, in addition to 19,000 beneficiaries (spouses and children), had easier access to care and benefited from the company’s contribution to their healthcare expenses.

Prevention measures

The Societe Generale Group also continually monitors the possibility of any risks liable to affect the health of its staff, anywhere in the world, and conducts large-scale prevention campaigns. In 2014, a wide range of actions were carried out in a number of Group entities, among which seasonal flu vaccination campaigns, awareness-raising on health and well-being, education, testing, provision of treatment against malaria and HIV/AIDS in the African subsidiaries, prevention against the spread of the Ebola virus, etc.

Stress in the workplace

Since 2008, Societe Generale has committed to take action to prevent and manage psychosocial risks with all of the company’s stakeholders. As part of this, various actions are carried out to inform, **train and support employees likely to encounter situations that could cause stress**, in several Group entities.

For Societe Generale SA in France, initiatives to prevent stress were put in place following consultation with the representative union organisations. They involve a large number of actions developed in conjunction with the occupational health department and specialised outside firms:

- a “stress observatory” established in January 2009 and a survey involving several thousand employees each year;
- qualitative actions (diagnosis followed by action plans), carried out with the Agence Nationale pour l’Amélioration des Conditions de Travail (French National Agency for the Improvement of Working Conditions, ANACT);
- training modules on psychosocial risk management;
- a sexual and psychological harassment prevention initiative;
- a personalised system for listening and support for employees of the central services in Paris, with the support of an outside firm, allowing a team of psychologists trained to listen to provide support remotely;
- a company agreement signed in 2008 on the prevention and management of aggression, with the deployment of a number of measures (mandatory e-learning for all personnel in contact with the public in order to deal with conflict situations; a partnership with the Institut National d’Aide aux Victimes et de Médiation - National Institute for Victim Support and Mediation, INAVEM - to provide post-traumatic support to employees who have been victims of armed assault or aggression).

This consultation has continued since end-2014 with the start of negotiations with the Representative Union Organisations on a Well-being at Work agreement.

Stress prevention initiatives are conducted in more than 70 Group subsidiaries and branches in France and abroad, mainly in Europe, America and Asia, covering close to 50% of the Group’s workforce in total. This is reflected differently in different countries:

- free support programmes established in partnership with healthcare or insurance sector specialists (Germany, United States, United Kingdom, Ireland);
- training on psychosocial risks and/or education through workshops (Hong Kong, Japan, Singapore, Taiwan, Brazil, Turkey, Morocco, Italy, Spain, Luxembourg, Poland, Czech Republic, Russia);
- stress surveys and evaluations (Spain, Austria, Italy, Germany, Scandinavia);
- leisure and relaxation activities (Hong Kong, Singapore, India, Romania).

QUALITY OF LIFE AND BENEFITS

Through various local programmes, the Societe Generale entities offer their employees monetary and non-monetary help facilities for their family life (in particular with childcare and/or elder care). For example, day-care facilities are available in France, the United Kingdom, Germany and India.

HEALTH AND SAFETY INDICATORS

Number of accidents in the workplace (Group): 937 for a frequency rate of 3.8. The rate of accident severity is not an indicator that is monitored, given the nature of the Group's activities.

The rate of absenteeism (number of days absent/total number of days paid, as a percentage) for the Group overall in 2014 was 3.38%, down from 2013 (main causes: illness 1.82%, maternity 1.20%). For Societe Generale SA in France, it was 4.81% (2.45% for illness and 2.23% for maternity).

ORGANISATION OF WORKING HOURS

FULL-TIME WORK

The organisation of working hours depends on the regulations applicable in each country where the Group operates and the employee's function. As a result, practices vary significantly (number of working hours, flexible working hours, organisation, etc.).

Societe Generale SA in France, for its part, **signed an agreement on the reduction and organisation of working hours** in 2000 and later amended 5 times, including in 2014. For hourly-paid staff (banking technicians and executives), the agreement provides for 1,607 working hours per year; for salaried executives, the number of work days over the year is 209 (or 206 based on the length of service and age of the employees when the agreement came into force). These working hours are the same in almost all bank entities in France.

PART-TIME WORK

Employees of Societe Generale SA in France also qualify for schemes that reduce the number of working hours to 90% (introduced by amendment in May 2008), 80%, 70%, 60% or 50% (introduced by agreement in June 2004).

Several of the Group's French subsidiaries have signed special agreements, as have many foreign entities.

Group-wide, 10,293 employees (i.e. 6.94% of staff) work part-time (including 6,226 in France and 4,955 for Societe Generale SA in France).

OVERTIME

The definition of overtime is taken from French law, which means that the reporting scope for this indicator is therefore limited to France.

The total number of hours of overtime reported by staff at the French entities was 83,867 in 2014, i.e. an average of 1.44 hours per employee.

INTERNATIONAL TRAVELLERS

In order to effectively protect the **health and safety of its international travellers and employees who move between countries**, Societe Generale has established a security and safety policy structured around:

- a watch service for security and safety alerts in the world and formulation of appropriate recommendations;
- mechanisms to improve the security of expatriates or personnel on business travel;
- a global "Health, Safety, Security" assistance programme;
- a training programme for all business travellers.

Compensation and benefits

The Societe Generale Group recognises the performance of its employees by implementing a motivating and consistent remuneration policy, in compliance with prevailing standards and regulations. The Group regularly communicates on this policy.

REMUNERATION POLICY

To keep pace with its development, the Group needs to **attract, motivate and retain** high-quality professionals by offering competitive pay packages consisting of a salary, reflecting each individual's contribution to the Group's development, and employee benefits. The Group also offers a long-term profit-sharing programme aimed at motivating and increasing the loyalty of certain categories of employees, in particular key executives and Strategic Talents. Lastly, an active employee share ownership policy is in place with the aim of involving employees in the Group's development and promoting cohesion.

Monetary remuneration includes a fixed salary, which rewards, among others, the ability to satisfactorily hold a position using the **requisite skills**, and, where applicable, variable remuneration. This is based on **collective and individual performance** and the achievement of results, but also the behaviour adopted in order to achieve the objectives set at the beginning of the year, in line with the company's values, based on Group-wide standards and according to the context (see "Performance management", page 318). A company agreement implemented on 1 January 2014 eliminates the individual commission system for the Retail Banking and Private Banking sales forces in France, replacing it with gross overall annual pay and the variable portion.

The Group's monetary remuneration policy is based on Group-wide principles applied in all the countries and is adjusted to the economic, social and competitive environment of the local markets as well as to the legal and regulatory obligations in force. Where the size of the workforce permits, a cross-business review between functions and business lines is carried out to ensure consistent, objective remuneration levels between the Group's different activities and facilitate cross-business co-operation. **All Societe Generale Group entities meet their commitments with regard to the payment of taxes and social security charges on salaries and staff benefits**.

For the 2014 financial year, personnel expenses for the Group totalled EUR 9,049 million (see note 38, page 440). For Societe Generale SA in France, the average gross annual remuneration[(1)] amounted to EUR 54,846, an increase of 1.95% compared with 2013, showing moderate growth in remuneration.

(1) Average overall remuneration includes fixed and variable components as well as bonuses, excluding financial remuneration (employer contribution, profit-sharing and employer matching contributions).

REGULATORY COMPLIANCE

The principles governing the remuneration policy, in particular for the categories of staff whose professional activities are liable to have a significant impact on the Group's risk profile, as per the European Capital Requirements Directive no. 2013/36/EU (CRD IV), are detailed in the compensation policy report. It will be published, as last year, prior to the General Meeting and transmitted to the Autorité de Contrôle Prudentiel et de Résolution (French Prudential Supervisory and Resolution Authority, ACPR), in accordance with the provisions of EU Regulation no. 575/2013[(1)]. Detailed quantitative information on those persons likely to have a significant impact on the Group's risk profile is also sent to the ACPR.

EMPLOYEE SHARE OWNERSHIP

Since 1988, the Societe Generale Group has offered its employees worldwide the opportunity to become involved in its development by pursuing a proactive employee share ownership policy. Societe Generale therefore has a high, stable employee share ownership, ranking the Group number 6 in employee share ownership among CAC 40 French companies, thus demonstrating the ongoing **commitment of its employees**.

The average individual shareholding for Societe Generale France employees was 930 shares per employee shareholder based on the 31 December 2014 closing price. With the exception of the fund reserved for Crédit du Nord staff, the holders of units invested in Societe Generale shares have a voting right at the General Meeting. At end-2014, under the Company and Group Savings Plans, current and former employees of Societe Generale, representing more than 95,000 people, held 7.42% of the share capital and 12.07% of the voting rights.

In 2014, with the 27th global employee share ownership plan, nearly 120,000 current and retired employees in nearly 240 entities and 58 geographic locations were offered the chance to take part in the capital increase. In total, more than 35,000 people signed up for the Plan for a total amount of EUR 183.4 million. In France, nearly 40% of beneficiaries took part in the transaction. Internationally, the figure was more than 15%. The frequency of these capital increases, which has been annual until now, will be reduced as from financial year 2015, as announced at the May 2014 General Meeting.

FREE SHARE PLAN

With the approval of the General Meeting of 25 May 2010, the Board of Directors implemented a "free share plan granted to all employees"[(2)] on 2 November 2010, with the ambition of **involving each employee closely in the earnings and future of Societe Generale**. The Group therefore awarded 40 shares to all its employees subject to their continued employment within the Group, performance conditions, and an increase in customer satisfaction, awarded in two instalments (1st instalment in 2013 and 2nd in 2014 for employees who are French residents for tax purposes; 1st instalment due end of March 2015 and 2nd in 2016 for for non-French residents for tax purposes).

MANDATORY EMPLOYER CONTRIBUTIONS, VOLUNTARY PROFIT-SHARING AND COMPANY SAVINGS PLAN

In France, employees are involved in the long-term development of the Group and receive a share of its earnings via profit-sharing and/or employer contribution schemes. These schemes enable employees to finance projects or earn additional income. They are tied to the company's overall performance and regulated by Societe Generale agreements signed with the trade unions every three years.

The company savings plan proposes medium- and long-term savings, offering employees the opportunity to build up assets under preferential financial conditions[(3)] and tax rates through the tailored management of a diversified portfolio of investment securities. It comprises a diversified range of eight funds, including the employee share ownership fund ("Fonds E"). Financial remuneration (consisting of the employer contribution and profit sharing[(4)]) may be invested in the company savings plan. See also "SRI employee savings", p. 311.

INFORMATION ABOUT THE SOCIETE GENERALE EMPLOYEE SHARE OWNERSHIP FUND, "SOCIETE GENERALE ACTIONNARIAT (FONDS E)"

Under the terms of the rules governing the Societe Generale mutual fund, the voting rights attached to the Societe Generale shares included in the Fund's assets belong individually to the holders of fund units in proportion to the respective shares they hold. The Fund's Supervisory Board, which is composed of an equal number of unit-holding employee representatives and representatives of the Management, exercises voting rights for fractional shares and voting rights not exercised by unit holders.

In the event of a public purchase or exchange offer, the Supervisory Board decides, based on the relative majority of the votes cast, whether or not to tender shares to the offer. If there is no relative majority, the decision is put to the vote of the unit holders, who decide according to the relative majority of the votes cast.

TOTAL REWARD STATEMENT

Following the successful pilot programme carried out in 2013, a Total Reward Statement (TRS) was sent to more than 38,000 employees of Societe Generale SA in France, to their home and electronically. This personalised HR informational document provides employees with a complete view of the components of their overall remuneration for 2013 and gives them a better understanding of these components.

Other Group entities have provided their teams with such a document for several years, such as Crédit du Nord and certain Societe Generale branches outside France.

---

(1) The report on the Group's compensation policy and principles in 2013 was sent to the ACPR and published on the Societe Generale website in April 2014.

(2) See details page 443, in Note 39 to the consolidated financial statements.

(3) Discount on the Societe Generale share in the event of a reserved capital increase and employer matching contribution.

(4) In addition to Societe Generale SA in France, for which the amounts of financial remuneration paid in 2014 are detailed in Note 24 (page 496), most French subsidiaries belonging to the Group Savings Plan are subject to an employer contribution and/or profit-sharing agreement.

4. ENVIRONMENT FOR ITS OWN ACCOUNT & RESPONSIBLE SOURCING

GENERAL POLICY AND ACHIEVEMENTS REGARDING THE ENVIRONMENT

Faced with the many climatic and ecological changes, one of the challenges of this century will undoubtedly be the preservation of environmental balances. The interdependence of activities to address these increased risks shows that comprehensive, coordinated action is necessary.

The bank also generates impacts on the environment through its activity. Aware of this responsibility, Societe Generale is pursuing its sustainable development policy, which involves the control and improvement of its direct and indirect impacts on society and the environment in association with its various stakeholders.

This policy is fully managed and coordinated by the Corporate and Social Responsibility (CSR) Division. At the same time, each division and business seeks to contribute to the Group's environmental policy by developing its own initiatives, including within its business lines. This policy strives to meet three major objectives:

- to reduce and minimise the impact of the Group's activities on the environment;
- to decrease the costs associated with the consumption of natural and energy resources through rational, optimised use;
- to constantly ensure customer and staff well-being satisfaction.

Similarly the Buildings and IT Infrastructures divisions, whose energy consumption account for 71% of the Group's GHG emissions, incorporate and steer the environmental aspects of their activities.

Carbon reduction programme for 2012-2015

Following its carbon neutrality programme, implemented between 2008 and 2012, the Group adopted a new strategy in July 2012 to reduce its carbon impact between 2012 and 2015 by strengthening its ambitions steered by two objectives. Further to the integration of the Russian subsidiary Rosbank into the CSR reporting in 2012 these objectives were adjusted to enable the Group's environmental performance over these 4 years to be monitored on an homogeneous perimeter. The strategy from now on aims:

- to reduce greenhouse gas (GHG) emissions per occupant by 11% compared to 2012 by the end of 2015 (excluding the purchase of green electricity) (the previous figure was -26% compared to 2007);
- to increase energy efficiency by 13% compared to 2012 by the end of 2015 (the previous figure was +24% compared to 2007).

In light of the 2014 results, to achieve these objectives the bank must reduce CO_2 emissions by around 6% and energy consumption by 7% per occupant by the end of 2015. Except Rosbank the Group has reduced its GHG emissions per occupant by around 15% and increased its energy efficiency by 11% between 2007 and 2012. Since 2012, including Rosbank, emission reduction was 5% between 2012 and 2014 and energy performance was just over 6% over the same period. This performance is basically due to the good 2014 results, since the Group's carbon footprint now stands at 2.35 tCO_2/occ. (down 4% versus 2013).

Since 2005, the Group has performed an inventory of greenhouse gas emissions, in accordance with the GHG Protocol (an international standard). The monitoring of environmental indicators is enhanced from year to year as a result of using a CSR reporting tool (Planethic Reporting) to manage information. The data collected via this inventory serves as a basis for calculating the internal carbon tax.

Internal carbon tax scheme

The carbon reduction programme is based on the implementation of an innovative scheme: each business line and corporate division pays an internal carbon tax according to their carbon footprint (€10/tCO_2) and the revenue from this tax is allocated to internal environmental efficiency initiatives via the Environmental Efficiency Awards.

This scheme, based on a twofold incentive, encourages each entity to:

- cut its CO_2 emissions to reduce the amount of the tax;
- implement environmental efficiency initiatives, for which they may receive funding.

The goal of this scheme is to show that environmental measures are also opportunities to create value and innovation for the bank. A committee makes the selection, ensuring that each initiative implemented has demonstrated its environmental additionality and represents an economic interest for the Group. Some of the initiatives rewarded in 2014 have created synergies between environmental performance and customer-related initiatives, such as the one by ALD Automotive Belgium, which has made bicycles available to its employees in order to promote its new bicycle hire service.

In 2014, 35 initiatives were rewarded with a total of EUR 3.2 million. These combined actions, relating to buildings, IT, paper and transport, have led to annual recurring savings of EUR 14 million on general expenditure and resulted to a reduction of 2,250 tCO_2 (equivalent to around 0.7% of the Group's GHG emissions).

Measures taken to improve environmental efficiency

BUILDINGS

REDUCTION OF ENERGY CONSUMPTION

The building sector (in terms of construction, utilisation and destruction) consumes almost 40% of the world's energy demand (WBCSD sources). With floor space of over 4 million sq. m in 2014, the bank is aware of the impacts of its energy consumption on climate change. Consequently it has made a commitment to continually enhance the performance of its buildings by implementing an environmental strategy for its buildings.

To this end, one of the objectives it has set is to increase the energy performance of its central buildings (excluding branches and subsidiaries) in 2015 by 15% in comparison to 2012. This objective is designed to accelerate the reduction of energy consumption started since 2007. In 2014 the Group's energy consumption per occupant decreased by 5.3% versus 2013.

Several tools have been implemented to reach this objective.

An Environmental Diagnostic Tool (EDT) has been developed to evaluate the environmental performance of the building portfolio. Environmental profiles of the buildings over 5,000 sq. m will be collected at the beginning of 2015. This will enable to set a benchmark for these buildings with regard to the Group building standard (Responsible Buildings Reference – RBR) for the purposes of deploying consistent and effective action plans at country or entity level and improving the energy performance of all buildings.

An energy management tool (GREEN) for real-time monitoring of a building's energy consumption, and consequently to master evolutions and costs, was developed in 2014 and has been rolled out to three pilot sites so far, in France, the Czech Republic and Luxembourg respectively. The goal is to roll it out to the entire Group, with the aim of reducing energy consumption by 10% thanks to the automated real-time monitoring.

New SG buildings throughout the world are designed in accordance with the RBR, such as the Basalte building in la Défense handed over in 2013, which is HQE (*Haute Qualité Environnementale* – High Environmental Quality) certified.

Specific measures are also being taken in respect of the existing buildings at the level of the central services and the branch and subsidiary networks in order to gain better control of consumption and even greater energy savings, namely:

- managing consumption data: the number of branches equipped with a remote meter reading system has doubled between 2013 and 2014, bringing the total number of branches thus equipped to 199. In the buildings in Paris and the Paris region an Environmental Management System (EMS) with incentives for saving energy and fluids is in place with the operator. The energy consumption of the central buildings decreased by 9.8% in 2014 versus 2013.
- renovating buildings: major work has been carried out in the branches of the Societe Generale and Bank Rhône-Alpes network, in SG's new head office in New York and at the PEMA Group entity in Germany. This has led to a reduction in energy consumption of around 5 GWh/year, equivalent to 1,500 tCO_2.
- using renewable energy: In 2014, 14% of the Group's electricity consumption comes from renewable sources, thanks partly to generating renewable energy in our buildings (solar panels and the anaerobic digestion of the food waste of some of the Group's in-house restaurants, totalling 418 MWh in 2014) and partly to acquiring green certificates.

DECREASED WATER USE

The Group's water consumption was 1.80 million m^3 in 2014, unchanged from 2013.

In the buildings, water management is done in conjunction with energy management. It is boosted by consumption-cutting measures (motion detectors, replacement of evaporative air conditionners, etc.). The rollout of remote meter reading systems in the branch network results in water savings of 4,900 m^3/year. The most efficient buildings have a consumption of 5 m^3/occupant a year.

WASTE MANAGEMENT

Societe Generale strives to reduce the direct impact of waste on the environment by valorisating it. At Group level waste production is estimated at 16,346 tonnes in 2014, down 2.5% year-on-year.

At this stage, the goal is to gain a better understanding of these flows, hence the emphasis on reporting, which is constantly improving. A large number of measures for improving waste management exist within the Group. Efforts are focusing especially on reducing waste (pull printing, an eco-design scheme for designing equipment in collaboration with its producer), reusing it (reselling office equipment that is in good condition) or recycling it (the management of Waste Electrical and Electronic Equipment; the anaerobic digestion of 323 tonnes of food waste in some buildings in the Paris region, which has produced 113 MWh of thermal energy; recycling waste paper in branch networks). Some of these services are performed by companies from the protected sector.

IT INFRASTRUCTURES

IT infrastructures account for nearly 50% of the Group's energy consumption. In light of this fact the IT Division has adopted an environmental strategy that gives greater consideration to environmental aspects when managing its IT stock. The aim underpinning this strategy is twofold: to improve the management of energy consumption data for equipment and to systematically integrate environmental considerations into project design and management.

Four levers for action are used to reduce the environmental footprint of the Group's IT stock:

- pooling: centralising information stored in different infrastructures on a single higher-capacity machine, thereby reducing equipment's environmental impact and its economic cost;
- virtualisation: migrating physical infrastructures (servers, workstations) to virtual infrastructures (the Cloud) thanks to new storage technologies, reducing electricity consumption and achieving significant savings in operating and maintenance costs;

- technology watch: identifying the technologies with the most efficient performance in environmental terms as part of an ongoing process to improve equipment;
- an annual analysis of equipment: identifying obsolete or redundant equipment to cut down on energy wastage.

In 2014, 21 initiatives could benefit from a financing of environmental efficiency. (see p. 328 "Internal carbon tax sheme"). They have led to savings of 6.6 GWh/year.

TRANSPORT

Societe Generale has long since implemented measures for reducing the environmental impact of personal and business travel as well as of the transportation of goods.

BUSINESS TRAVEL

The Internal Instruction on business travel was updated in 2014 with the dual purpose of limiting the number of business trips and reducing their environmental impact, notably through the use of long-distance communication tools.

Group employees travelled 486 million km by train, aeroplane and car in 2014, representing 3,224 km per occupant. This means that group-wide there was a 5% rise of business travel per occupant compared to 2013, which is due to the addition of a new indicator covering the utilisation of employees' private vehicles for business use, and the increase of air travel.

In partnership with its automobile leasing subsidiary, ALD Automotive, Societe Generale has been making efforts to reduce the carbon content of its vehicle fleet since 2009. Group policy on consumption in respect of service vehicles and executive vehicles was updated in 2014. This lowers the authorised emission levels for the new vehicles that were ordered to 120 g CO_2/km, i.e. 10 g less than the average emission level permitted by the European Union[(1)]. It also encourages the use of good practices, such as using "clean" vehicles (hybrid or electric vehicles), sharing company cars and applying a 10,000 km/year threshold below which an alternative in the individual car must be considered.

COMMUTING

Targeted measures are deployed to promote alternative solutions to the personal use of vehicles. At Head Office a carpool platform and a car-sharing scheme are in place. Measures have also been implemented in the subsidiaries. In particular CGI and ALD International have made bicycles and electrically assisted bicycles available to their employees, used for commuting to work as well as for some business trips.

The implementation of telework solutions in several Group entities also helps to limit the amount of daily travel. At Head Office, following a pilot phase in 2013, the second phase, completed in 2014, will involve more than 2,000 individuals over time. (See p. 324, "Telework initiatives and new forms of work organisation").

TRANSPORT OF GOODS

This covers bank transport (mail and parcels), fund transport and transport in connection with moving activities. Data on the CO_2 emitted by such transport has been included in the Group's carbon profile since 2012 and new indicators are added every year (the moving activities indicator was added in 2014).

Various collaborative projects to review flows of transport of goods have already contributed to reducing the environmental footprint. For example a cash recycling solution has been implemented with the fund transporters and the *Banque de France* to cut down on the amount of travelling between branches and counters.

PAPER

Paper is the top consumable used by the service activities. It represents a significant economic issue and a sensitive environmental theme (waste management, fight against climate change and pollution).

It is a constant concern for the Group and an increasing number of initiatives are being implemented to rationalise consumption, which stood at 16,381 tonnes in 2014. This figure has climbed slightly compared to 2013 (+2.5%). This trend is chiefly due to the improved coverage rate of this indicator (99% in 2014 as opposed to 96% in 2013). The consumption of office paper has been decreasing since 2007. In 2014 it was 50.7 kg per occupant, an 11% drop compared to the previous year. Use of eco-certified office paper has reached 100% in France and 69% throughout the world.

The progress achieved is the result of various measures implemented group-wide, such as good use of printers, conversion of paper materials to digital materials and use of recycled paper. For instance the winning measures in the "Paper" category in the 2014 Environmental Efficiency Awards – which represent only a portion of the measures in place at Group level – enable annual recurring savings of 70 tonnes of paper.

As part of its environment commitments, Societe Generale not only joined EcoFolio[(2)], but also supported its creation by becoming a shareholder alongside other companies representing different sectors of the economy. It has been on the Board of Directors of this eco-organisation since 2012.

(1) Regulation (EC) No 443/2009 setting the average CO_2 emissions for new passenger cars at 130 g CO_2/km in 2015.

(2) Since 2006 French legislation has stipulated that issuers of unsolicited printing for business purposes (publicity, free press advertisements, corporate publications, etc.) aimed at individual consumers must contribute to the financing of the recycling, reclamation and destruction of such material by local authorities. EcoFolio, a state-approved private company, was set up in 2007 to enable companies to uphold this obligation.

GENERAL POLICY AND ACHIEVEMENTS IN SOURCING

The Group's total purchases amounted to EUR 6 billion in 2014, which makes the Sourcing function a key actor in the Group's CSR strategy. Pursuing a responsible sourcing policy works towards the fulfilment of Societe Generale's commitments in relation to contributing to economic and social development and in relation to limiting its environmental impact.

This policy is implemented through a multiannual action plans that seek the proactive involvement of all stakeholders in the value chain (key influencers, purchasers and suppliers). These actions plans, known as the Ethical Sourcing Programme (ESP 2006-2010) and then the Sustainable Sourcing Programme (SSP 2011-2015), demonstrate the determination to make CSR a fundamental part of its sourcing processes.

It manifests itself by key actions carried out in France:

- the signing of ethical rules as regards sourcing (signed by all the purchasers);
- the inclusion of a sustainable development clause in contracts (incorporated in all Group contracts) committing suppliers to uphold any employment laws (and where no such laws apply, to at least comply with the provisions of the ILO) or environmental legislation in force in the countries in which they operate;
- environmental and social risk mapping on products and services purchased;
- an evaluation of suppliers, which is requested by the third-party organisation Ecovadis prior to each purchase;
- the incorporation of CSR objectives by all purchasers in a CSR initiative specific to their purchasing category (for example, contracts with protected sector companies, inclusion of environmental criteria in specifications);
- the launch of a CSR-specific "Purchasing and Sustainable Development" training module in in-house training (100% of purchasers undergo this training course).
- the publication of the Instruction "Conducting a Responsible Sourcing Policy & a Code of Ethics for Sourcing", which applies to all Group employees, including those of the subsidiaries and the branches.

Within the scope of its responsible sourcing policy the Group's efforts are centred around three core pillars:

- economic pillar: making it less difficult for SMEs to win Societe Generale procurement contracts and establishing a framework of mutual trust with suppliers;
- social pillar: having recourse to actors from the social and solidarity economy. For example, a close collaboration between the Group's "Mission Handicap" and the Sourcing Division enables adapted enterprises in the protected sector[1] to be included, as far as possible, in the search for suppliers during calls for tenders.

  Since 2014 the purchasers in the Group have benefited from direct access to the platform of GESAT (national network for the protected and adapted sector), which lists adapted enterprises (EA) and establishments of *"Services d'Aide par le Travail"* (ESAT) by geographic area and type of service. Many services are now provided by enterprises that employ disabled workers. In the French Retail Banking network such enterprises collect and recycle paper on a nationwide basis and manage the post for 72 sites in the network. On a group-wide basis, enterprises in the protected and adapted sector also printed the agendas and provided catering services for the festivities marking Societe Generale's 150th anniversary;
- environmental pillar: participating in the reduction of the Group's environmental impact thanks to targeted sourcing actions.

Progressive development abroad

The Sourcing units in Germany, Great Britain and the United States, which represent 9%[2] of the Group's expenditure, have also implemented CSR evaluations of their suppliers on an internal questionnaire.

CSR evaluation of suppliers and products and services

EVALUATION OF SUPPLIERS

In addition to incorporating a sustainable development clause in every Group contract, a supplier evaluation, covering the respective supplier's commitments and actions in the field of CSR, is requested when making any purchasing decision. This evaluation, which is carried out by the independent expert Ecovadis, serves as a basis for measuring suppliers' performance in relation to environmental and social issues, business ethics and subcontracting.

The CSR rating (Ecovadis) given is factored into the selection criteria with a minimum weighting of 3%. Since 2011 2,074 suppliers have been invited to take part in this evaluation, representing purchasing scope of EUR 2.3 billion for 2014. In 2014, the average rating was 46/100. Suppliers with a rating less than or equal to 30/100 are considered at risk (i.e. 67 suppliers under contract in 2014 against 90 in 2013).

The Group encourages suppliers in a process of continuous progress by urging those identified as presenting a risk (an Ecovadis rating that is below or equal to 30/100) to implement a corrective action plan. In 2014, 13 suppliers affected implemented such plans. At the same time, an on-site audit approach supplements the plan for suppliers identified as at-risk and belonging to a sensitive sourcing category (in 2014, in collaboration with an independent body, three on-site audits were performed and the process of implementing audits for four other suppliers was set in motion).

(1) "Adapted" enterprises (Entreprises Adaptées – EA) are enterprises serving a social purpose; they are obliged to ensure that at least 80% of their employees are people with disabilities and they must operate in accordance with the provisions of the French Employment Code. The establishments of Services d'Aide par le Travail (ESAT), which facilitate the integration of disabled individuals into the mainstream labour market, are medi-social establishments whose operation is primarily governed by the French Family and Social Action Code.

(2) Cumulative volumes for all three countries between January and September 2014.

CSR RISK MAPPING ON PRODUCTS & SERVICES

CSR risk mapping includes all the 62 sourcing categories of the France Management. Each one underwent an evaluation according to four families: Environment, Social, Business Ethics, and Suppliers.

31 categories were identified as being highly sensitive in terms of the CSR risk for Societe Generale and underwent, simultaneously, an analysis of the measures implemented to minimise and control these risks. In addition an external audit was conducted to evaluate the level of control of these risks. At the end of this audit the risks of 22 of the 31 sensitive purchasing categories were identified as being under control or partly under control. Overall, 53 of the 62 purchasing categories are considered to be risk-free, or to have risks that are under control or partly under control, i.e. 60% of the Group's total purchases in 2014. The 9 remaining categories identified as presenting a risk have now become priorities for CSR action.

Commitment to supporting SMEs

SMEs are key players in the French economy and at the heart of the strategy that French banks pursue. In France, with 60% of the Group's purchases made in 2013 from SMEs (Small and Medium-sized Enterprises) and mid-cap suppliers, Societe Generale facilitates access for these companies to the Group's procurement contracts and establishes a climate of mutual trust with its suppliers.

SME PACT

Societe Generale, which was the first bank to sign the SME Pact in December 2007, continues to reinforce its commitment to supporting innovative small and medium-sized businesses. Various actions are carried out in the Group within the scope of the SME Pact, particularly calls for skills (the Group has been using the open innovation platform of *Pacte PME* (http://innovation.pactepme.org) since 2014); sponsorship, win/win partnerships and the supplier satisfaction survey.

The supplier satisfaction survey is an annual evaluation of the quality of the relationships that Societe Generale maintains with its SME suppliers. In 2014, 280 SME suppliers were invited to respond to the satisfaction survey. The Societe Generale Group was rated 60/100, an increase of 10 points year-on-year, which is above the average rating for the Banking and Insurance sector. Upon the completion of this survey the results were presented to the suppliers via web conference.

Willing to progress

Intent on maintaining and fostering the progress-oriented approach that has been underway for several years, and on building on a framework of mutual trust vis-à-vis its suppliers, the Group is pursuing a certification programme, which reflects this commitment. The Group has been a signatory of the "Responsible Supplier Relations" Charter since 2010. This Charter sets out 10 commitments for facilitating the building of a balanced and sustainable relationship between the major corporate signatories and their suppliers.

In 2012 Societe Generale SA (France) received the "Responsible Supplier Relations" certification from *Médiation Inter-entreprises, Médiation des Marchés publics* and *Compagnie des dirigeants et acheteurs de France* (CDAF). This certification, awarded following an on-site audit of our practices by the evaluation agency Vigéo, attests to the fact that our organisation and our day-to-day management provide reasonable assurance of compliance with the objectives and commitments defined in the certification's frame of reference. At the end of 2014, in light of the annual follow-up evaluation, the Awarding Committee decided that Societe Generale would retain its certification.

Procedures have also been set in motion for specific sourcing categories. The Group is founder member of the Charter of Best Practices in Procurement of Private Security Services (security, transport of funds, remote monitoring), created under the auspices of the French Ministry of the Interior.

Since October 2014 Societe Generale has been a signatory to the *"La Belle Compétition"* Charter, which encourages competition, for "Communication Agency – Advertiser" calls for tender.

ENVIRONMENTAL DATA

Environmental information	Units	Including ROSBANK 2014	Including ROSBANK 2013	Including ROSBANK Ref. year 2012(2)	Excluding ROSBANK 2012	Excluding ROSBANK Ref. year 2007(2)
General environmental policy						
Total number of Group employees	-	**148,322**	**148,324**	**149,812**	**137,474**	**134,738**
Total number of occupants covered in the reporting	-	**152,374**	**146,340**	**143,464**	**142,889**	**118,183**
Coverage data collection scope(1)	%	99%	97%	89%	99.7%	76%
Total surface area counted	m^2	4,027,759	3,925,155	3,921,013	3,921,639	3,499,265
Pollution and waste management						
Waste	**Tonne**	**16,346**	**16,766**	**15,503**	**15,703**	
Coverage(1)	%	83%	76%	62%	70%	
Business travel	**Millions of km**	**486**	**447**	**421**	**381**	**455**
Coverage(1)	%	99%	96%	90%	98%	78%
Business travel per occupant	**Km**	**3,224**	**3,070**	**2,989**	**2,715**	**3,853**
Plane	Millions of km	243	231	165	159	288
Train	Millions of km	42	44	41	40	33
Car	Millions of km	201	202	215	182	134
Sustainable use of resources						
Water consumption	**Millions of m^3**	**1,80**	**1,79**	**1,64**	**1,55**	**1,56**
Coverage(1)	%	93%	82%	71%	74%	50%
Total paper consumption(3)	**Tonne**	**16,381**	**15,973**	**15,813**	**14,842**	
Coverage(1)	%	**99%**	**96%**	**91%**	**98%**	
Office paper consumption	**Tonne**	**7,673**	**8,061**	**8,187**	**7,279**	**7,621**
Coverage(1)		99%	94%	89%	96%	84%
Office paper consumption per occupant	Kg	50.7	56.8	59.2	52.8	61.2
of which recycled office paper	%	37%	37%	36%	40%	15%
Total energy consumption	**GWh**	**875**	**894**	**886**	**847**	**764**
Coverage(1)	%	95%	95%	90%	98%	75%
Total consumption per occupant	**KWh**	**5,866**	**6,197**	**6,269**	**6,021**	**6,781**
Total electricity consumption	GWh	608	642	639	627	524
Total electricity consumption per occupant	KWh	4,078	4,453	4,525	4,454	4,647
Electricity production from renewable sources	MWh	418	455	434	434	
Consumption of energy by data centres(4)	GWh	111	113	213	146	
Climate change						
GHG emissions(5)	**Tonne**	**338,840**	**343,648**	**337,030**	**302,138**	**293,403**
Coverage(1)	%	94%	92%	85%	96%	76%
GHG emissions per occupant		**2.35**	**2.45**	**2.48**	**2.21**	**2.58**
GHG emissions avoided(6)	Tonne	17,905	31,080	32,736	32,736	4,797
SCOPE 1(7)	Tonne	32,483	31,778	32,091	31,762	35,516
SCOPE 2(8)	Tonne	205,699	216,360	211,259	189,431	159,333
SCOPE 3(9)	Tonne	100,659	95,510	93,680	80,945	98,554

(1) Coverage represents entities having contributed to data in proportion to their FTE (full-time equivalent) workforce.

(2) In order to ensure the comparability of the data and in order to present the environmental indicators on the basis of constant criteria the reference year has been changed to factor in the integration of Rosbank. Historical data has been restated as follows:
- entity removed from the scope of consolidation due to disposal (NSGB (National Societe Generale Bank) in Egypt) has been excluded from the scope of consolidation for 2012;
- new indicators integrated into the calculation of CO_2 emissions have also been integrated into the historical data.

The restatements do not correct the variations related to the growth or the reduction of the activity within the entity itself.

(3) Includes office paper, documents for customers, envelopes, account statements and other types of paper.

(4) Includes own data centres hosted in France. Only the energy consumption of own data centres is included in total electricity.

(5) Greenhouse gases (GHG).

(6) CO_2 emissions avoided through generation and consumption of electricity from renewable sources. In 2014, 14% of the total electricity consumed by the Group was generated from renewable sources.

(7) Includes direct emissions related to energy consumption and emissions of fluorinated gases for the central departments.

(8) Includes indirect emissions related to energy consumption.

(9) Includes GHG emissions related to overall paper consumption, business travel, transport of goods and energy consumption of data centres hosted in France.

5. SOCIETE GENERALE IN CIVIL SOCIETY

ACCESSIBILITY FOR PERSONS WITH DISABILITIES

In France, in accordance with the Disability Act of 11th February 2005 governing equal rights and opportunities and the participation and citizenship of disabled persons in France, Societe Generale has introduced a number of measures throughout its network of retail branches in France to improve the accessibility to its services:

For the visually impaired:

- systematic fitting of voice guidance systems and digital keyboards with raised characters on new ATMs and upgrading of existing machines. As of the end of October 2014, 94% of Societe Generale's ATMs, equal to 4,374 machines, and 96% of those of Crédit du Nord, equal to 999 machines, are now equipped with voice guidance systems and digital keyboards with raised characters to guide the visually impaired. New ATMs systematically comply with the PMR standard, the French standard for persons with reduced mobility;
- since June 2012, the Societe Generale iPhone application, with its overhauled compatibility with the screen reading software VoiceOver, is the 1st French banking application to be completely accessible to the visually impaired, offering;
- a toll free phone number (0 810 810 850) that puts visually impaired customers in direct contact with a customer call centre;
- braille account statements: 944 customers have benefited from these features to date.

For people with reduced mobility:

As of the end of September 2014, two years before the deadline set by the Disability Act of 11th February 2005, nearly 80% of Societe Generale branches in France are accessible to people with reduced mobility, i.e. 1,789 branches out of a total network of 2,243. At Crédit du Nord 648 branches out of 799 are accessible as of the end of September 2014, i.e. 82% of the branch network. All new premises are now accessible to the disabled as of the time they are opened, as a matter of course.

At the same time, Societe Generale's "Mission Handicap" set up in 2008 is committed to heightening awareness amongst the Group's managers and employees of the importance of integrating disabled persons, and has implemented a whole series of initiatives linked to the recruitment, integration, training and long-term employment of disabled staff. (See p. 322, "Disability")

At the international level, accessibility of banking services for persons with disabilities, and particularly for those with limited mobility, is above all a matter of legislation and local regulations. The initiatives are therefore less systematic and more heterogeneous.

SOCIETAL AND CIVIC ACTIONS

The Societe Generale Group engages in two key fields of intervention: inclusion through education and professional integration. Civic engagement is a major focus of the Group's solidarity policy and is expressed via its Corporate Foundation for Solidarity and its programme for involving Group employees.

Societe Generale Corporate Foundation for Solidarity

The aim of the Societe Generale Foundation is to promote access to employment for those who are or risk being distanced from the labour market, particularly among young people. It favours projects that will serve as effective relays or stepping stones: support in finding employment, integration projects or initiatives, exploration of the business world, measures to combat illiteracy, etc. All of these are gateways to sustainable integration into working life. Some individuals lack mastery of the most basic knowledge. The Foundation strives to address these inequalities by supporting actions to fight illiteracy for people in hardship. Since its creation in 2006, the Foundation has supported 654 projects. In 2014, 92 projects, including 36 in countries where Societe Generale is present, and 53 renewals were supported.

Overseas, Societe Generale's subsidiaries continued to develop their civic commitment, setting up new programmes and solidarity projects, and/or supporting local associations and their projects in collaboration with the Foundation and its areas of focus.

Certain subsidiaries have also set up their own foundations, for example the Societe Generale Institute in Brazil, the Jistota Foundation in the Czech Republic and the SG UK Group Charitable Trust in the United Kingdom.

All in all, including the initiatives launched by the Foundation and those implemented at a local level, the Group donated over EUR 10.2 million to different solidarity projects in 2014, including EUR 2.3 million for the Societe Generale Foundation.

Initiatives for employment and education

Societe Generale has also been a partner of the French association *"Nos Quartiers ont des Talents"* since 2007 and is the leading provider of professional employee mentors. In just seven years, 383 Societe Generale mentors have helped more than 1,616 young graduates from underprivileged areas in the Paris region, Aquitaine, Nord Pas de Calais, Picardie, Rhône Alpes, and Provence Alpes Cote d'Azur. This makes Societe Generale the leading company in terms of the number of employees mentors. Thanks to this scheme 780 graduates were able to find a permanent contract that matches their qualifications in under six months.

In the United Kingdom, Societe Generale UK is focusing its CSR-related initiatives on three themes: raising educational aspirations and employability prospects and building stronger communities. In 2014 more than 500 volunteers devoted over 2,100 hours to 43 job-seeker workshops in two of the most disadvantaged neighbourhoods in the United Kingdom to help young people prepare for the business world.

The Group also deploys initiatives to support the disabled; in particular it has backed the "Handilivres" award since its creation, which works to promote the integration of the disabled into society, among other aims.

Societe Generale also partners with the *Fédération Française Handisport* (French Disabled Sports Federation) and the *Fédération Française de Sport Adapté* (French Adaptive Sports Federation) to support not just the development of high-level sport but also the practice of sport as a vehicle for integration into community life.

Employee commitment

CITIZEN COMMITMENT GAMES

To celebrate Societe Generale's 150th anniversary the Group extended a sports challenge to all its employees in the various countries in which it is based to raise funds for charitable associations. 2,000 employees gathered in Paris on 14th June 2014 to compete in the final of the various sports events: rugby, pétanque, cycling, table tennis, a relay race and football.

This event of global scope mobilised 20,000 employees (sportsmen and women, volunteers, supporters/donors) in 29 countries for a charitable cause backed by Societe Generale and raised over EUR 900,000 for associations.

SKILLS SPONSORSHIP

Skills sponsorship is a means of making employees available, on an ad hoc basis and free of charge, to associations that are partners of the Foundation or supported by Societe Generale.

Overall, including the actions launched by the Foundation and all the initiatives backed by local Group entities, in 2014 employees devoted 1,667 days of their working hours to solidarity-related activities through a financial education programme, pro bono days and more specific projects, such as the "Volunteering Skills Matrix" in the United Kingdom. The teams in the United Kingdom defined the advantages of voluntary work on the basis of data collected through an annual volunteer survey showing that 85% of the volunteers improved their communication skills and 79% improved their interpersonal skills thanks to the volunteer programmes. This programme also gives the volunteer greater job satisfaction, extended networks and increased self-confidence.

MENTORING

Mentoring involves an employee of the company providing support to a person who is socially marginalised or far removed from the labour market in his or her schooling, orientation or job search by sharing experience and advice.

In 2014, 288 employees of Societe Generale France acted as mentors within six of the Foundation's partner associations (*Proxité*, *Nos Quartiers ont des Talents*, *Solidarités Nouvelles face au Chômage*, Frateli, Mozaïk RH and Capital Filles).

TALENTS & PARTAGE: THE CHARITY OF GROUP EMPLOYEES AND RETIREES

The charity celebrated its 20th anniversary in 2014. Over the course of the year it supported around 1,500 charitable projects in France and abroad backed by employees and retirees of Societe Generale, their spouses and their children.

CULTURAL SPONSORSHIP

Classical music and contemporary art are the two foundations of Societe Generale's cultural sponsorship. Societe Generale relies on strong commitments to support its communication policy and the development of its businesses. Conducted centrally or locally by the Group's subsidiaries, the partnerships primarily focus on culture and sport. In 2014, more than EUR 7 million was devoted to cultural sponsorship and patronage.

Contemporary art

Since it first began in 1995, Societe Generale's contemporary art collection has grown to feature some 400 original works. Structured around three main media – painting, sculpture, photography – it combines the works of both established and new artists. Open to all audiences, emphasis is also placed on fun and educational guided tours for younger visitors. Outside of the Group's walls, the works are regularly loaned to museums in France's largest towns and cities, as well as to foreign institutions.

Classical music

The Societe Generale group has become one of the key players in classical music, particularly through the association Mécénat Musical Societe Generale, created in 1987. With an annual budget of EUR 2.8 million, the association supports orchestras and ensembles, purchases and lends instruments to young talented musicians, allocates scholarships to students and funds educational projects introducing children to classical music. In addition, Societe Generale is a supporter of symbolic venues such as the Salle Pleyel in Paris, the Glyndebourne Festival (UK), the National Theatre of Prague and the Festival d'Aix-en-Provence.

Buoyed by the success of the first edition of the programme "Playing for Salle Pleyel" (a choir and symphony orchestra gathering some Societe Generale employees' and the *Les Siècles* orchestra) in 2013, General Management decided to repeat this initiative, which is one of a kind in the business world, as part of the Societe Generale Group's 150th anniversary celebrations. Thus "Playing for Salle Pleyel" gathered together more than 250 Societe Generale employees, either choristers or instrumentalists with the Les Siècles orchestra, conducted by François-Xavier Roth, for two concerts at the Salle Pleyel in Paris and one concert at the Auditorium de Lyon in November 2014. The Group is also a major patron of the Philharmonie de Paris concert hall.

SPORTS SPONSORSHIP AND PARTNERSHIPS

Societe Generale is committed to forging sports partnerships alongside its other activities around the world. A fervent supporter of today's sporting heroes and international competitions, and committed to bringing sports to younger generations, Societe Generale is a privileged partner of national federations and local clubs alike. Primarily involved in rugby, golf and disabled sports, the Group allocated EUR 16 million to its sports partnerships in 2014, including EUR 0.54 million to disabled sports alone.

Rugby

Societe Generale has been a devoted partner of rugby at the local level in France and amateur rugby right up to the top level since 1987. Involved in more than 450 clubs, Societe Generale is a major partner of professional rugby, and of France's national team. Through its subsidiaries and sites, the Group also supports rugby in many countries around the world, from Luxembourg to China, from Senegal to Serbia. Every four years since 2007, Societe Generale has been a major partner of the Rugby World Cup. Rugby Sevens, which has been supported by Societe Generale since 2001 and will become an Olympic sport in 2016, also allows the Group to spread rugby awareness to new populations, school children and students.

Golf

Societe Generale has been a partner of the French Golf Federation since 2001. In keeping with its conviction that sporting activities must be accessible to as many people as possible, Societe Generale also supports the Handigolf association.

At the same time, Societe Generale' brands, both private and retail banking or global banking and investor solutions become more and more visible on courses. The Group supports this international dynamics by becoming in partner 2008 of the only from now on major tournament taking place in continental Europe, Evian Championship.

Disabled sports

Societe Generale has been working with the Paralympic Movement since 2003 and shares its values with the French Disabled Sports Federation (*Fédération Française d'Handisport* (FFH)) and the French Adaptive Sports Federation (*Fédération Française du Sport Adapté* (FFSA)), two French federations for sports dedicated to people with disabilities.

6. APPENDICES

METHODOLOGY

The purpose of this note is to explain the reporting methodology used by the Societe Generale Group for matters relating to Corporate Social Responsibility (CSR). This methodology is set out in detail in the Group's reporting protocol, available on request.

Reporting protocol

The information contained in the registration document, on the Group's website and in other communication media, as well as in the Group's activity and sustainable development report, whether pertaining to the 2014 fiscal year or to previous years, was prepared on the basis of contributions from the Group's internal network of sustainable development officers and in accordance with the Group's CSR reporting protocol and CSR initiatives programme. It is also prepared on the basis of data from the "Planethic Reporting" tool, used for the standardised collection of the indicators used to keep track of the various initiatives. The entire reporting protocol is coordinated by the Group's Sustainable Development Department, reporting to the Corporate Secretary, which has distributed an Internal Instruction defining the procedure for collecting and reporting CSR information and indicators.

Regular efforts are made to bring contributors and managers on board and familiarise them with the reporting protocol and the tool in the interest of increasing data reliability.

This reporting protocol is updated on a regular basis.

Reporting periods

SOCIAL DATA AND BUSINESS DATA

Subject to exceptions, quantitative indicators are calculated for the period running from 1 January 2014 to 31 December 2014 (12 months), with data taken as at 31 December 2014.

ENVIRONMENTAL DATA AND CORPORATE SPONSORSHIP DATA

Subject to exceptions, quantitative indicators are calculated for the period running from 1 December 2013 to 30 November 2014 (12 months), with data taken as at 30 November 2014.

CSR Consolidation Scope

Entities included in the reporting scope meet at least one of the following criteria:

- entities in which the parent company, Societe Generale SA (SGSA), directly or indirectly holds a controlling interest exceeding 50%. The branches are by definition wholly owned, since they are not "capitalistic";
- all entities that are fully consolidated in the Societe Generale group and that have more than 50 employees.

For the financial year 2014, the following entitles were excluded from this reporting scope:

- newedge: due to the integration of this subsidiary into Societe Generale it will be included in the reporting scope from 2015 onwards.
- self Trade UK: due to the disposal of the entity it was excluded.

The CSR consolidation includes 153 companies within the Group's financial consolidation scope as at 31 December 2014.

Data Collection

The following data collection methods are used for the scope defined above:

- for social, environmental, business and corporate sponsorship data, most quantitative indicators are collected by each Group entity via the "Planethic Reporting" tool by collectors who enter the data at the level of their subsidiary, which is validated by validators who check the input data at the level of their entity before validating it, administrators who check and validate the data at the level of the business line and central administrators (Sustainable Development Department), at group level, who carry out the final checks prior to consolidation;
- other data is collected directly from the business lines' CSR correspondents or from the relevant departments (Sourcing Department, Risk Division, Human Resources Department) by the Group Sustainable Development Department.

In 2014 a new reporting tool was simultaneously rolled out within all the contributing entities. A large number of exchanges took place to explain how it works and to answer contributors' questions.

Indicators

During a formal communication campaign, all contributors were informed of the data collection schedule, a Group Instruction and a protocol for each category of indicators. The protocol serves as a reminder of indicator definitions and application criteria.

The 2014 indicators were chosen particularly in respect of information requirements under the "Grenelle II" Law (in accordance with Article L. 225-102-1 of the French Commercial Code) as well as in light of the Group CSR strategy and the determination to fulfil a core ambition as closely as possible with regard to the GRI-G4.

The indicators are largely reported for a global scope. However, some of these indicators cannot be consistently applied to a global scope. In such cases, the indicators were analysed for the scope of France or Societe Generale SA in France (excluding subsidiaries).

Scope and rules for calculation of social indicators

The frequency rate of accidents in the workplace is the ratio of the number of accidents in the workplace (as defined by local regulations) to the total number of hours worked, multiplied by 1,000,000.

The rate of absenteeism is the ratio of the number of days absent paid to the total number of days paid, as a percentage. It is counted in calendar days and is calculated based on the total number of employees (multiplied by 335).

The scope of the charts "Breakdown of staff by age bracket" and "Breakdown of staff by length of service" (page 322) is the CSR consolidation scope as defined above, to which should be added the headcount of the shared service centres in Bucharest and Bangalore but excluding the headcount of entities in Germany (GEFA, PEMA GmbH, KAG Munich, On Vista), South Korea (SG Securities), India (ALD), Morocco (Sogelease, Eqdom), Mauritania (SG Mauritania) and Russia (Delta Credit), for which this information is not consolidated.

The restatement of some 2013 data in light of data published in the 2014 Registration Document led to an adjustment to the reporting for employees on a fixed-term contract in a Group entity.

Scope and main management rules for environmental indicators

In 2014, the data collection scope was adjusted because of the further integration of Rosbank (100% versus 75% in 2013).

Coverage of the total data collection scope corresponds to the ratio of the headcount of all entities that participated in the data collection campaign to the total headcount of Societe Generale. With 148,322 employees counted, Societe Generale estimates that the total data collection scope – i.e. accounting for at least the data on occupants and surface area – covers approximately 99.4% of the workforce, which is higher than in 2013 (97%).

Restatement of historical data

Starting from 2007 Societe Generale had already set itself the objective of reducing its CO_2 emissions by 26% over the period 2007-2012. As a result a 15% reduction was observed over this period based on the reference year 2007.

Reporting in relation to this objective then occurred over the period 2012-2015. It was considered that a further 11% reduction needed to be achieved by 2015.

Then in 2008 Societe Generale acquired a very significant entity: Rosbank. This entity has gradually been incorporated into the environmental reporting. Accordingly in 2012 it reported on 25% of its scope (in terms of occupants), then 75% in 2013 and finally 100% this year.

In order to incorporate Rosbank into the measures and objectives set for emissions reduction, it was decided to incorporate Rosbank's emissions in the new reference year (2012). Rosbank's data was therefore estimated by multiplying the data reported on 25% of its scope by 4.

To ensure the transparency of communication and the comparability of data, the emissions for the reference years and the two periods, 2007-2012 and 2012-2015, were presented in the emissions table.

One table relates to the first objective for the period 2007-2012. These figures relate to the scope excluding Rosbank, with 2007 as the reference year and 2012 as the target year.

A second table relates to the second objective – with 2012 as the reference year – covering a scope that this time includes Rosbank and presenting the emissions for the years 2012, 2013 and 2014.

By the same token, the Egyptian entity that had left in 2013 was removed from the scope for 2012. The historical data has therefore been restated as follows:

- the entity removed from the scope due to disposal (NSGB (National Societe Generale Bank) in Egypt) has been excluded from the scope for 2012;
- the new indicators integrated into the calculation of CO_2 emissions have also been integrated into the historical data.

The restatements do not correct the variations related to the growth or the reduction of the activity within the entity itself.

The details of the main restatements are set out in the following table:

Indicator	Restatement for the years 2012 and 2013
Environmental Management System	
Scope and coverage	For 2012, removal of the NSGB data
Floorspace	For 2012, removal of the NSGB data
Waste	For 2012, removal of the NSGB data
Transport	
a)) Distances covered for business travel, by a car on a long-term rental contract or a car belonging to the company. *b) Distances covered for business travel by privately owned cars (new indicator).*	Recovery of 2014 data (for entities that reported for the first time in 2014) evaluated on the basis of the number of occupants for the previous two years. For 2012, removal of the NSGB data and addition of the 2013 data for Rosbank – prorated according to the number of occupants – that had not been declared.
Paper	
a) Quantity of paper used for account statements for customers and quantity of personalised envelopes. *b) Other types of paper used.*	For Rosbank, addition – prorated according to the number of occupants compared to 2014 – in line with the data reported by the branch network in 2014. For 2012, removal of the NSGB data.
Total quantity of recycled and non-recycled photocopy paper bought.	Rosbank, addition of 1,000 t in line with the data reported by the agency network in 2014. For 2012, removal of the NSGB data.
Energy consumption	
Electricity consumption	For 2012, removal of the NSGB data.
Fuel consumption (excluding cars)	Rosbank, restatement of 2013 data for 2012, prorated acc. to no. of occupants Because data was not supplied. For 2012, removal of the NSGB data.
Superheated water or steam consumption	Rosbank, restatement of 2014 data for 2012, prorated acc. to m²
Total CO_2-equivalent emissions from fluorinated gases	Rosbank, integration for 2012-2013 of the fluorinated gas emissions declared in 2014.
Gas consumption	Rosbank, volume for 2013 removed, as it doesn't consume gas.

Environmental data: general rules

Environmental data is calculated on the basis of invoices, direct readings, information received from suppliers and estimates.

In 2014, checks on variation compared to the previous year were performed for all environmental indicators. Contributors received alerts asking them to check the recorded data if the variation was greater than 30%.

The data collected on energy, office paper and transport was compared to the number of occupants declared by entity.

Energy consumption (electricity, steam, chilled water, oil, gas) is also reported in terms of the surface area (in m^2).

Wherever possible, the number of occupants concerned corresponds to the average number of Societe Generale employees or contractors working on-site during the reporting period or failing that as at 30 November 2014.

Coverage of the data collection scope for each indicator is the ratio of the headcount of all entities having completed the indicator to the total headcount of Societe Generale.

With the exception of the Societe Generale France network, most of the subsidiaries consolidate their data in the reporting tool; therefore detailed data for the subsidiary is not available at central level.

New indicators were added in 2014:

- distances covered in a personal capacity by company car;
- indicator for establishing whether entities identified waste of the type WEEE.

QUALITATIVE ENVIRONMENTAL DATA

In the interest of continually improving the reliability of data, qualitative questions (expected answers via written comments) are used to identify different scopes of data and best practices and to understand year-to-year variations.

CENTRALISED ENVIRONMENTAL DATA

Transport and paper consumption data for France are centralised by the Sustainable Development Department via the Purchasing Department:

Transport data:

- distances travelled by car: ALD Automotive is the long-term vehicle leasing supplier for the Group's entities in the countries where ALD Automotive operates. Since 2011 ALD Automotive has reported on mileage (in km), consumption and type of fuel used as well as CO_2 emissions within France. ALD Automotive also provides emission data for the entire fleet outside France;

- distances travelled by train: for each entity, the Group-approved travel agency in France provided data on the main destinations of employees working in France;
- distances covered by aeroplane: for each entity, the Group-approved travel agency in France provided data on air mileage as per the definitions used by Societe Generale (short-, medium- and long-haul). For some entities (particularly outside France), the definition of short-, medium- and long-haul air travel differs from the reporting protocol definition (<500 km, <1,600 km, > 1,600 km, as defined by ADEME, the French Agency of the Environment and the Control of Energy). Furthermore data was estimated for the subsidiaries of Crédit du Nord since their business travel is not booked via the common travel agency.

Paper consumption:

In 2014, the reporting scope for paper consumption covers photocopy paper, all paper for customers, account statements, envelopes and other types of paper. The Group-approved office supplier, Lyreco, provided data on the quantities of office paper and blank envelopes purchased in 2014 in France and by entity.

Calculation of CO_2 emissions

Calculation of the Group's CO_2 emissions is broken down into three categories:

- scope 1 includes direct emissions related to energy consumption and fugitive emissions of fluorinated gases by the central departments;
- scope 2 includes indirect emissions related to energy consumption (external electricity, steam and chilled water);
- scope 3 includes GHG emissions from office paper consumption and business travel, since 2012. The scope has been widened to include the overall paper consumption, the transport of goods and the energy consumption of data centres hosted in France.

CO_2 emissions are calculated according to the GHG Protocol method.

INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Societe Generale – Year ended 31 December 2014

To the Shareholders,

In our capacity as an independent verifier accredited by the COFRAC[1] under number 3-1050, and as a member of the network of one of the statutory auditors of Societe Generale, we present our report on the consolidated social, environmental and societal information established for the financial year ended on 31 December 2014, presented in chapter 5 of the management report, hereafter referred to as the "CSR Information" pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code (Code de commerce).

RESPONSIBILITY OF THE COMPANY

It is the responsibility of the Board of Directors to establish a management report including the CSR Information referred to in Article R. 225-105-1 of the French Commercial Code, in accordance with the protocols used by the company (hereafter referred to as the "Criteria"), a summary of which is included in this Registration Document, appended to section 5 (the "Methodology Note").

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in Article L. 822-11 of the French Commercial Code. In addition, we have implemented a quality control system, which includes documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT VERIFIER

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of Presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria (Limited Assurance on CSR Information);

Our verification work was undertaken by a team of seven people between July 2014 and February 2015 for an estimated duration of eight months.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the limited assurance report, in accordance with the international standard ISAE 3000[2].

1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the CSR Information presented in the management report with the list as provided for in Article R. 225-105-1 of the French Commercial Code.

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions of Article R. 225-105, paragraph 3, of the French Commercial Code.

We verified that the CSR Information covers the consolidated perimeter, namely the entity and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the entities that it controls within the meaning of Article L. 233-3 of the same code with the limitations specified in the Methodological Note in chapter 5 of this registration document.

Based on this work, and given the limitations mentioned above, we confirm the presence in the management report of the required CSR Information.

2. Limited assurance on CSR Information

NATURE AND SCOPE OF THE WORK

We conducted about 30 interviews with the people responsible for the preparation of the CSR Information in the departments BDDF, IBFS and GBIS, and the Sustainable Development, Compliance, Human Resources and Purchasing departments in charge of the data collection process and, where applicable, the people responsible for internal control processes and risk management, in order to:

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality and understandability, taking into consideration, if relevant, industry standards;

(1) The scope of the accreditation is available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

- verify the implementation of the process for the collection, compilation, processing and control in respect of the completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information in relation to the characteristics of the Company, its social and environmental issues, and its strategy in relation to sustainable development and industry best practices.

For the CSR Information that we considered the most important(3):

- at the level of the consolidated entity and the business lines, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the consolidation of the data, and also verified its coherence and consistency with the other information presented in the management report;
- at the level of the representative selection sites that we selected(4), based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify the correct application of the procedures and carried out detailed tests on the basis of samples, consisting of verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented 39% of the total workforce.

For the other consolidated CSR Information, we assessed its consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sampling methods and sizes of the samples that we considered by exercising our professional judgement allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

CONCLUSION

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

OBSERVATION

Without qualifying our conclusion above, we draw your attention to the following points:

Through its Environmental and Social (E&S) General Principles, set out in the form of sector policies, and through extending its voluntary adherence to other standards, particularly the Equator Principles, Societe Generale has commited to integrate the evaluation of E&S criteria in the decision-making processes relating to its offering of financial services, in the KYC (Know Your Customer) process and in its risk management processes. The effective implementation of these commitments is occurring gradually and their application is not yet homogeneous in its various business lines and geographic locations.

Paris La Défense, 4 March 2015

Independent Verifier

ERNST & YOUNG et Associés

Eric Duvaud

Partner, Sustainable Development

Hassan Baaj

Partner

(3) Societal and business information: regional, economic and social territorial impact (support for SMEs, the range of solidarity products and services, financial inclusion and microfinance, the Positive Impact Finance initiative), business ethics (actions undertaken to prevent bribery and corruption, measures undertaken in favour of consumers' health and safety, especially consumer protection, the prevention of over-indebtedness and financial education), the Group's environmental and social commitments when conducting its business (sector policies, the Equator Principles and E&S evaluations), relationships with the stakeholders (customer satisfaction), factoring social and environmental issues into the sourcing policy.

Environmental information: the general policy on environmental matters, greenhouse gas emissions.

Social information: employment (total headcount, new hires and dismissals), remuneration policies, training policies, total number of hours of training, the diversity policy.

(4) The entities selected are Crédit du Nord Group (France), SG London GBIS (UK), ALD UK (UK), SGMA (Morocco) and SGPM (France).

6

FINANCIAL INFORMATION

1. Consolidated financial statements 346

2. Notes to the consolidated financial statements 354

3. Statutory Auditors' report on the consolidated financial statements 460

4. Societe Generale management report 464

5. Parent company financial statements 469

6. Notes to the parent company financial statements 472

7. Statutory Auditors' report on the financial statements 518

8. Statutory Auditors 520

Contents of consolidated financial statements

1. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet 346
Consolidated income statement 348
Statement of net income and unrealised or deferred gains and losses 349
Changes in shareholders' equity 350
Cash flow statement 353

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Significant accounting principles 354
Note 2 Changes in consolidation scope 372
Note 3 Fair value of financial instruments 375
Note 4 Risk Management linked to financial instruments 380
Note 5 Cash, due from central banks 398
Note 6 Financial assets and liabilities at fair value through profit or loss 399
Note 7 Hedging derivatives 402
Note 8 Available-for-sale financial assets 403
Note 9 Due from banks 405
Note 10 Customer loans 406
Note 11 Lease financing and similar agreements 407
Note 12 Held-to-maturity financial assets 407
Note 13 Tax assets and liabilities 408
Note 14 Other assets 409
Note 15 Tangible and intangible fixed assets 410
Note 16 Goodwill 411
Note 17 Due to banks 414
Note 18 Customer deposits 415
Note 19 Debt securities issued 416
Note 20 Other liabilities 416
Note 21 PEL/CEL mortgage savings accounts 417
Note 22 Provisions and impairments 418
Note 23 Employee benefits 419
Note 24 Subordinated debt 423
Note 25 Offsetting financial assets and financial liabilities 424
Note 26 Societe Generale ordinary shares, treasury stock, shares held by employees and shareholders' equity issued by the Group 426
Note 27 Commitments 428
Note 28 Assets pledged and received as security 430
Note 29 Transferred financial assets 431
Note 30 Breakdown of assets and liabilities by term to maturity 432
Note 31 Foreign exchange transactions 433
Note 32 Insurance activities 433
Note 33 Interest income and expense 436
Note 34 Fee income and expense 437
Note 35 Net gains and losses on financial instruments at fair value through profit or loss 438
Note 36 Net gains and losses on available-for-sale financial assets 439
Note 37 Income and expenses from other activities 439
Note 38 Personnel expenses 440
Note 39 Share-based payment plans 440
Note 40 Cost of risk 444
Note 41 Income tax 444
Note 42 Earnings per share 445
Note 43 Transactions with related parties 446
Note 44 Additional disclosures for consolidated entities and investments accounted for using the equity method 447
Note 45 Unconsolidated structured entities 448
Note 46 Companies included in the consolidation scope 450
Note 47 Segment information 456
Note 48 Fees to statutory auditors 459

1. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

ASSETS

(In millions of euros)		31 December 2014	31 December 2013*
Cash, due from central banks	Note 5	57,065	66,598
Financial assets at fair value through profit or loss	Note 6	530,536	479,112
Hedging derivatives	Note 7	19,448	11,474
Available-for-sale financial assets	Note 8	143,722	130,232
Due from banks	Note 9	80,709	75,420
Customer loans	Note 10	344,368	332,651
Lease financing and similar agreements	Note 11	25,999	27,741
Revaluation differences on portfolios hedged against interest rate risk		3,360	3,047
Held-to-maturity financial assets	Note 12	4,368	989
Tax assets	Note 13	7,447	7,307
Other assets	Note 14	65,238	54,118
Non-current assets held for sale		866	116
Investments accounted for using the equity method		2,796	2,829
Tangible and intangible fixed assets	Note 15	17,917	17,591
Goodwill	Note 16	4,331	4,968
Total		**1,308,170**	**1,214,193**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

LIABILITIES

(In millions of euros)		31 December 2014	31 December 2013*
Due to central banks		4,607	3,566
Financial liabilities at fair value through profit or loss	Note 6	480,330	425,783
Hedging derivatives	Note 7	10,902	9,815
Due to banks	Note 17	91,290	86,789
Customer deposits	Note 18	349,735	334,172
Debt securities issued	Note 19	108,658	138,398
Revaluation differences on portfolios hedged against interest rate risk		10,166	3,706
Tax liabilities	Note 13	1,416	1,613
Other liabilities	Note 20	75,124	53,525
Non-current liabilities held for sale		505	4
Underwriting reserves of insurance companies	Note 32	103,298	91,538
Provisions	Note 22	4,492	3,807
Subordinated debt	Note 24	8,834	7,507
Total liabilities		**1,249,357**	**1,160,223**
SHAREHOLDERS' EQUITY			
Shareholders' equity, Group share			
Issued common stocks, equity instruments and capital reserves		29,486	27,381
Retained earnings		22,463	21,927
Net income		2,692	2,044
Sub-total		**54,641**	**51,352**
Unrealised or deferred capital gains and losses		527	(475)
Sub-total equity, Group share		**55,168**	**50,877**
Non-controlling interests		3,645	3,093
Total equity		**58,813**	**53,970**
Total		**1,308,170**	**1,214,193**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Consolidated income statement

(In millions of euros)		2014	2013*
Interest and similar income	Note 33	24,532	27,024
Interest and similar expense	Note 33	(14,533)	(16,996)
Dividend income		432	461
Fee income	Note 34	9,159	8,347
Fee expense	Note 34	(2,684)	(2,107)
Net gains and losses on financial transactions		4,787	4,036
o/w net gains and losses on financial instruments at fair value through profit or loss	*Note 35*	*4,481*	*3,754*
o/w net gains and losses on available-for-sale financial assets	*Note 36*	*306*	*282*
Income from other activities	Note 37	50,219	58,146
Expenses from other activities	Note 37	(48,351)	(56,478)
Net banking income		**23,561**	**22,433**
Personnel expenses	Note 38	(9,049)	(9,019)
Other operating expenses		(6,060)	(6,121)
Amortisation, depreciation and impairment of tangible and intangible fixed assets		(907)	(906)
Gross operating income		**7,545**	**6,387**
Cost of risk	Note 40	(2,967)	(4,050)
Operating income		**4,578**	**2,337**
Net income from investments accounted for using the equity method	Note 44	213	61
Net income/expense from other assets		109	574
Impairment losses on goodwill	Note 16	(525)	(50)
Earnings before tax		**4,375**	**2,922**
Income tax	Note 41	(1,384)	(528)
Consolidated net income		**2,991**	**2,394**
Non-controlling interests		299	350
Net income, Group share		**2,692**	**2,044**
Earnings per ordinary share	Note 42	**2.92**	**2.23**
Diluted earnings per ordinary share	Note 42	**2.91**	**2.23**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Statement of net income and unrealised or deferred gains and losses

(In millions of euros)	**2014**	**2013***
Net income	**2,991**	**2,394**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**1,058**	**(1,028)**
Translation differences[(1)]	402	(962)
Available-for-sale financial assets	636	(104)
Revaluation differences	*1,074*	*101*
Reclassified into income	*(438)*	*(205)*
Hedge derivatives	164	6
Revaluation differences	*39*	*11*
Reclassified into income	*125*	*(5)*
Unrealised gains and losses accounted for using the equity method and that will be reclassified subsequently into income	135	30
Tax on items that will be reclassified subsequently into income	(279)	2
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	**(235)**	**141**
Actuarial gains and losses on post-employment defined benefits plans	(344)	211
Unrealised or deferred gains and losses accounted for by the equity method and that will not be reclassified subsequently into income	(2)	-
Tax on items that will not be reclassified subsequently into income	111	(70)
Total unrealised or deferred gains and losses	**823**	**(887)**
Net income and unrealised or deferred gains and losses	**3,814**	**1,507**
o/w Group share	*3,463*	*1,332*
o/w non-controlling interests	*351*	*175*

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) The variation in translation differences amounted to EUR 402 million and consists of:

- EUR 382 million in Group translation differences, mainly due to the appreciation against the Euro of the US dollar (EUR 802 million), the pound sterling (EUR 60 million) and the yuan (EUR 59 million), partially offset by the appreciation of the Euro against the Russian rouble (EUR -459 million) and the purchase of non-controlling interests in Rosbank (EUR -39 million);
- EUR 20 million in translation differences attributable to non-controlling interests, mainly due to the purchase of non-controlling interests in Rosbank (EUR 39 million).

Changes in shareholders' equity

(In millions of euros)	Capital and associated reserves						
	Issued common stocks	**Issuing premium and capital reserves**	**Elimination of treasury stock**	**Other equity instruments**	**Total**	**Retained earnings**	**Net income, Group Share**
Shareholders' equity as at 1 January 2013	**975**	**19,411**	**(971)**	**6,781**	**26,196**	**22,706**	
Increase in common stock	23	391			414	(1)	
Elimination of treasury stock			332		332	(222)	
Issuance of equity instruments				294	294	91	
Equity component of share-based payment plans		145			145		
2013 Dividends paid					-	(833)	
Effect of acquisitions and disposals on non-controlling interests					-	51	
Sub-total of changes linked to relations with shareholders	***23***	***536***	***332***	***294***	***1,185***	***(914)***	
Unrealised or deferred gains and losses[1]					-	147	
Other changes					-	(12)	
2013 Net income for the period[1]					-		2,044
Sub-total	***-***	***-***	***-***	***-***	***-***	***135***	***2,044***
Change in equity of associates and joint ventures accounted for using the equity method					-		
Shareholders' equity as at 31 December 2013[1]	**998**	**19,947**	**(639)**	**7,075**	**27,381**	**21,927**	**2,044**
Appropriation of net income[1]						2,044	(2,044)
Shareholders' equity as at 1 January 2014	**998**	**19,947**	**(639)**	**7,075**	**27,381**	**23,971**	**-**
Increase in common stock (see Note 26)	9	179			188	(2)	
Elimination of treasury stock[2]			(92)		(92)	(55)	
Issuance /redemption of equity instruments (see Note 26)				1,994	1,994	205	
Equity component of share-based payment plans[3]		15			15		
2014 Dividends paid (see Note 26)					-	(1,355)	
Effect of acquisitions and disposals on non-controlling interests[4][5]					-	(94)	
Sub-total of changes linked to relations with shareholders	***9***	***194***	***(92)***	***1,994***	***2,105***	***(1,301)***	
Unrealised or deferred gains and losses					-	(230)	
Other changes					-	24	
2014 Net income for the period					-		2,692
Sub-total	***-***	***-***	***-***	***-***	***-***	***(206)***	***2,692***
Change in equity of associates and joint ventures accounted for using the equity method					-	(1)	
Shareholders' equity as at 31 December 2014	**1,007**	**20,141**	**(731)**	**9,069**	**29,486**	**22,463**	**2,692**

Unrealised or deferred gains and losses (net of tax) that will be reclassified subsequently into income					Non-controlling interests				
Translation reserves[6]	**Change in fair value of assets available-for-sale**	**Change in fair value of hedging derivatives**	**Total**	**Shareholders' equity, Group share**	**Capital and Reserves**	**Other equity instruments issued by subsidiaries**	**Unrealised or deferred gains and losses**	**Total**	**Total consolidated shareholders' equity**
(296)	**634**	**39**	**377**	**49,279**	**3,665**	**420**	**187**	**4,272**	**53,551**
			-	413				-	413
			-	110				-	110
			-	385		(420)		(420)	(35)
			-	145				-	145
			-	(833)	(214)			(214)	(1,047)
			-	51	(669)			(669)	(618)
			-	***271***	***(883)***	***(420)***	***-***	***(1,303)***	***(1,032)***
(843)	(19)	(21)	(883)	(736)	(1)		(176)	(177)	(913)
			-	(12)	(49)			(49)	(61)
			-	2,044	350			350	2,394
(843)	***(19)***	***(21)***	***(883)***	***1,296***	***300***	***-***	***(176)***	***124***	***1,420***
	(6)	37	31	31				-	31
(1,139)	**609**	**55**	**(475)**	**50,877**	**3,082**	**-**	**11**	**3,093**	**53,970**
				-				-	-
(1,139)	**609**	**55**	**(475)**	**50,877**	**3,082**	**-**	**11**	**3,093**	**53,970**
			-	186				-	186
			-	(147)				-	(147)
			-	2,199		800		800	2,999
			-	15	-			-	15
			-	(1,355)	(182)			(182)	(1,537)
			-	(94)	(357)			(357)	(451)
-	***-***	***-***	***-***	***804***	***(539)***	***800***	***-***	***261***	***1,065***
382	335	178	895	665	(4)		56	52	717
				24	(60)			(60)	(36)
				2,692	299			299	2,991
382	***335***	***178***	***895***	***3,381***	***235***	***-***	***56***	***291***	***3,672***
	83	24	107	106				-	106
(757)	**1,027**	**257**	**527**	**55,168**	**2,778**	**800**	**67**	**3,645**	**58,813**

(1) Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(2) As at 31 December 2014, the Group held 26,491,481 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 3.29% of the capital of Societe Generale S.A.

The amount deducted by the Group from its net book value for equity instruments (shares and derivatives) came to EUR 731 million, including EUR 220 million in shares held for trading purposes and EUR 14 million in respect of the liquidity contract.

On 22 August 2011, the Group implemented a EUR 170 million liquidity contract in response to the market volatility of its stock price.

As at 31 December 2014, this liquidity contract contained: 400,000 shares and EUR 178 million.

THE CHANGE IN TREASURY STOCK OVER 2014 BREAKS DOWN AS FOLLOWS:

(In millions of euros)	Liquidity contract	Transaction-related activities	Treasury stock and active management of Shareholders' equity	Total
Disposals net of purchases	(14)	(155)	77	(92)
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	(2)	1	(54)	(55)

(3) Share-based payments settled in equity instruments in 2014 amounted to EUR 15 million:

- EUR -44 million relative to the adjustment of the 2013 expense for the Global Employee Share Ownership Plan;
- EUR 57 million for free share plans;
- EUR 2 million for payments in ordinary shares.

(4) Impact on the shareholder's equity, Group share, regarding transactions related to non-controlling interests:

Buybacks of non-controlling interests not subject to any put options	(101)
Transactions and variations in value on put options granted to non-controlling shareholders	1
Net income attributable to the non-controlling interests of shareholders holding a put option on their Group shares allocated to consolidated reserves	6
TOTAL	**(94)**

(5) The EUR -357 million impact of purchases and disposals on non-controlling interests can notably be attributed to:

- EUR -388 million relating to the purchase of non controlling interests including Rosbank for EUR -240 million, Boursorama for EUR -125 million and Nuger for EUR -24 million;
- EUR 31 million capital increase relating to International Union Bank (UIB).

(6) As at 31 December 2014, the main currencies contributing to translation reserves recorded in gains and losses recognized directly in Shareholders' equity Group share are Ruble (RUB) for EUR -964 million and US dollar (USD) for EUR 521 million.

Cash flow statement

(In millions of euros)	2014	2013*
Net income (I)	**2,991**	**2,394**
Amortisation expense on tangible fixed assets and intangible assets (include operational leasing)	3,421	3,344
Depreciation and net allocation to provisions	6,247	5,440
Net income/loss from investments accounted for using the equity method	(213)	(61)
Change in deferred taxes	192	(662)
Net income from the sale of long-term available-for-sale assets and subsidiaries	(317)	(621)
Change in deferred income	(147)	(93)
Change in prepaid expenses	(20)	(57)
Change in accrued income	903	149
Change in accrued expenses	(701)	(281)
Other changes	3,751	4,473
Non-monetary items included in net income and other adjustments not including income on financial instruments at fair value through Profit or Loss (II)	**13,116**	**11,631**
Income on financial instruments at fair value through Profit or Loss(1)	(4,481)	(3,754)
Interbank transactions	7,856	(37,121)
Customers transactions	(5,805)	21,824
Transactions related to other financial assets and liabilities	(25,982)	9,756
Transactions related to other non financial assets and liabilities	(1,280)	(2,122)
Net increase/decrease in cash related to operating assets and liabilities (III)	**(29,692)**	**(11,417)**
NET CASH INFLOW (OUTFLOW) RELATED TO OPERATING ACTIVITIES (A) = (I) + (II) + (III)	**(13,585)**	**2,608**
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long-term investments	4,133	766
Net cash inflow (outflow) related to tangible and intangible fixed assets	(3,407)	(3,823)
NET CASH INFLOW (OUTFLOW) RELATED TO INVESTMENT ACTIVITIES (B)	**726**	**(3,057)**
Cash flow from/to shareholders	1,501	(559)
Other net cash flows arising from financing activities	1,175	27
NET CASH INFLOW (OUTFLOW) RELATED TO FINANCING ACTIVITIES (C)	**2,676**	**(532)**
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(10,183)**	**(981)**
Net balance of cash accounts and accounts with central banks	63,032	65,883
Net balance of accounts, demand deposits and loans with banks	8,467	6,597
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	**71,499**	**72,480**
Net balance of cash accounts and accounts with central banks	52,458	63,032
Net balance of accounts, demand deposits and loans with banks	8,858	8,467
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**61,316**	**71,499**
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS	**(10,183)**	**(981)**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

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

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 11 February 2015.

Note 1

SIGNIFICANT ACCOUNTING PRINCIPLES

- Introduction
- 1. Consolidation principles
- 2. Accounting policies and valuation methods
- 3. Presentation of financial statements
- 4. Accounting standards and interpretations to be applied by the Group in the future

INTRODUCTION

In accordance with European Regulation 1606/2002 of 19 July 2002 on the application of International Accounting Standards, the Societe Generale Group ("the Group") prepared its consolidated financial statements for the year ended 31 December 2014 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in force at that date (these standards are available on the European Commission website at: *http://ec.europa.eu/finance/accounting/ias/index_en.htm)*.

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

The consolidated financial statements are presented in euros.

IFRS AND IFRIC INTERPRETATIONS APPLIED BY THE GROUP AS OF 1 JANUARY 2014

Accounting standards or Interpretations	Publication dates by IASB	Adoption dates by the European Union
Amendments to IAS 32 "Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities"	16 December 2011	13 December 2012
IFRS 10 "Consolidated Financial Statements"	12 May 2011	11 December 2012
IFRS 11 "Joint Arrangements"	12 May 2011	11 December 2012
IFRS 12 "Disclosure of Interests in Other Entities"	12 May 2011	11 December 2012
Amendments to IAS 28 "Investments in Associates and Joint Ventures"	12 May 2011	11 December 2012
Transition guidance (Amendments to IFRS 10, 11 and 12)	28 June 2012	4 April 2013
Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"	29 May 2013	19 December 2013
Amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	27 June 2013	19 December 2013

Amendments to IAS 32 "Presentation - Offsetting Financial Assets and Financial Liabilities"

These amendments clarify existing rules for offsetting financial assets and liabilities: offsetting is required only if the Group holds a currently enforceable legal right to set off the recognised amounts on a net basis or to realise the financial asset and settle the financial liability simultaneously. The legal right to set off the recognised amounts must be enforceable in all circumstances, in both the normal course of business and in the event of default of one of the counterparties. These amendments also clarify the characteristics for which a simultaneous gross settlement system may be considered equivalent to net settlement. These amendments had no impact on the consolidated financial statements of the Group.

IFRS 10 "Consolidated Financial Statements"

This new standard modifies the definition of control which will require more judgement in order to be assessed. Considering these new requirements, the Group controls a subsidiary or a structured entity when the Group has all the following:

- power over the entity (ability to direct the relevant activities), for example through voting rights or other rights; and
- exposure to or rights to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of those returns.

When voting rights are not relevant to determine the existence or the absence of control over an entity, the assessment of control is based on the consideration of all facts and circumstances.

The impacts of the retrospective application of this new standard are presented in Note 2.

■ IFRS 11 "Joint Arrangements"

This new standard distinguishes between two forms of joint arrangement (joint operation and joint venture) by assessing the rights and obligations conferred on the parties and removes the option of applying the proportionate consolidation method. Joint ventures are now consolidated by applying the equity method.

The impacts of the retrospective application of this new standard are presented in Note 2.

■ IFRS 12 "Disclosure of Interests in Other Entities"

This standard includes all the disclosures that are required to be presented in the notes for all subsidiaries, joint arrangements, associates as well as for consolidated and unconsolidated structured entities. This information is disclosed in the Notes 44 and 45.

■ Amendments to IAS 28 "Investments in Associates and Joint Ventures"

Further to the publication of IFRS 10 and IFRS 11, IAS 28 has been amended to prescribe the accounting treatment of investments in associates and joint ventures.

■ Transition guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

The amendments to IFRS 10, IFRS 11 and IFRS 12 concerning transition guidance limit the requirement to provide restated comparative information to the preceding comparative period only and eliminate the requirement to present comparative information for unconsolidated structured entities for periods before IFRS 12 is first applied.

■ Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"

These amendments limit to impaired assets only the obligation to disclose information about the recoverable amount and the basis on which the fair value of the cash-generating unit has been determined (less costs of disposal) when it includes goodwill or intangible assets with indefinite useful lives.

■ Amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"

These amendments allow hedging relationships to be maintained in situations where counterparties of an hedging instrument are obliged as a consequence of regulations or laws (for example the European Market and Infrastructure Regulation-EMIR in the European Union) to arise a novation and to transfer the instrument to a central counterparty or a clearing counterparty without modifying the other contractual terms of the instruments.

The main valuation and presentation rules used in drawing up the consolidated financial statements are disclosed below. These accounting methods and principles were applied consistently in 2013 and 2014.

USE OF ESTIMATES

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

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

The use of estimates mainly concerns the following valuations:

- fair value in the balance sheet of financial instruments not quoted in an active market which are classified as *Financial assets and liabilities at fair value through profit or loss, Hedging derivatives* or *Available-for-sale financial assets* (described in paragraph 2 and Note 3) and fair value of unlisted instruments for which this information must be disclosed in the notes to the financial statements;
- the amount of impairment of financial assets (*Loans and receivables*, *Available-for-sale financial assets*, *Held-to-maturity financial assets*), Lease financing and *Lease financing and similar agreements, Tangible and Intangible fixed assets and Goodwill* similar agreements, Tangible or Intangible fixed assets and Goodwill (described in paragraph 2 and Notes 4, 11, 15,16 and 22);
- provisions recognised under liabilities, including *Provisions for employee benefits or Underwriting reserves of insurance companies* as well as deferred profit-sharing on the asset side of the balance sheet (described in paragraph 2 and Notes 21, 22, 23 and 32);
- the amount of deferred tax assets recognised in the balance sheet (described in paragraph 2 and Note 13);
- initial value of goodwill determined for each business combination (described in paragraph 1 and Notes 2 and 16);
- in the event of the loss of control of a consolidated subsidiary, the fair value that is used to remeasure the portion retained by the Group in this entity, where applicable (described in paragraph 1).

1. CONSOLIDATION PRINCIPLES

The consolidated financial statements of Societe Generale include the financial statements of the parent company and of the main French and foreign companies as well as foreign branches that make up the Group.

Since the financial statements of foreign subsidiaries and branches are prepared in accordance with accepted accounting principles in their respective countries, any necessary restatements and adjustments are made prior to consolidation so that they comply with the accounting principles used by the Societe Generale Group.

CONSOLIDATION METHODS

Subsidiaries

Subsidiaries are the entities over which the Group has exclusive control. These subsidiaries, which may be structured entities, are fully consolidated. The Group controls an entity if and only if the following conditions are met:

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

Power

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

When voting rights are not relevant to determine whether or not the Group controls an entity, the assessment of this control shall consider all the facts and circumstances, including the existence of one or more contractual arrangements.

Power over an investee exists only if the investor has substantive rights that give it the current ability to direct relevant activities without barriers.

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

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

Exposure to variable returns

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

Link between power and returns

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

Joint arrangements

Through a joint arrangement (either a joint operation or a joint venture) the Group exercises joint control over an entity if decisions about the direction of its relevant activities require the unanimous consent of the parties that collectively control the entity. Assessing joint control requires an analysis of the rights and obligations of all the parties.
In the case of a joint operation, the parties to the arrangement have rights to the assets and obligations for the liabilities. The Group then distinctively recognises in its consolidated financial statements its share in the assets and in the liabilities and its share in the related revenue and expense.
In the case of a joint venture, the parties have rights to the net assets of the entity. This joint venture is accounted for using the equity method.

Associates

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

Under the equity method, on initial recognition the investment in an associate is recognised at cost and after the date of acquisition the carrying amount is increased or decreased to recognise the changes in the investor's share in the net asset value of the investee. The net profit or loss of the investor includes its share of the net profit or loss of the investee. The other comprehensive income of the investor includes its share of other comprehensive income of the investee.

STRUCTURED ENTITIES

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

A structured entity often presents certain characteristics such as a limited business activity, a specific and carefully defined purpose, or insufficient capital to fund its activities without the use of subordinated financing.

Structured entities may use different legal forms: stock companies, partnerships, securitisation vehicles, mutual funds, unincorporated entities, etc.

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

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

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

In consolidating structured entities that are controlled by the Group, the shares of said entities not held by the Group are recognised as Debt in the balance sheet.

CONSOLIDATION RULES

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

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

TRANSLATION OF FOREIGN ENTITY FINANCIAL STATEMENTS

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

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

TREATMENT OF ACQUISITIONS AND GOODWILL

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

Any contingent consideration is included in the acquisition cost at its fair value on the acquisition date, even if its occurrence is only potential. It is recognised under equity or debt in the balance sheet depending on the settlement alternatives; any subsequent adjustments are recorded under income for financial liabilities in accordance with IAS 39 and within the scope of the appropriate standards for other debts. For equity instruments, these subsequent adjustments are not recognised.

At the acquisition date, all assets, liabilities, off-balance sheet items and contingent liabilities of the acquired entities that are identifiable under the provisions of IFRS 3 "Business Combinations" are measured individually at their fair value regardless of their purpose. The analyses and professional appraisals required for this initial valuation must be carried out within 12 months as from the acquisition date, as must any corrections to the value based on new information related to facts and circumstances existing at the acquisition date.

Any excess of the price paid over the assessed fair value of the proportion of net assets acquired is recorded on the asset side of the consolidated balance sheet under *Goodwill*. Any deficit is immediately recognised in the income statement. *Non-controlling interests* are valued according to their share of the fair value of the identifiable assets and liabilities of the acquired entity. However, for each business combination, the Group may also choose to measure *non-controlling interests* initially at their fair value, in which case a fraction of goodwill is allocated. At the acquisition date, each item of goodwill is allocated to one or more cash-generating units expected to derive benefits from the acquisition. When the Group reorganises its reporting structure in a way that changes the composition of one or more cash-generating units, goodwill previously allocated to modified units shall be reallocated to the units affected (new or existing). This reallocation is generally performed using a relative approach based on the normative capital requirements of each cash-generating unit affected.

On the date of acquisition of an entity, any stake in this entity already held by the Group is remeasured at fair value through profit or loss. In the case of a step acquisition, goodwill is therefore determined by referring to the fair value on the acquisition date.

In the event of an increase in Group stakes in entities over which it already exercises control: the difference between the price paid for the additional stake and the assessed fair value of the proportion of net assets acquired at this date is recorded under the Group's *Consolidated reserves*; also, in the event of a reduction in the Group's stake in an entity over which it keeps control, the difference between the selling price and the carrying amount of the share of interests sold is accounted for under *Consolidated reserves, Group share*. The cost relative to these transactions is recognised directly in equity.

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

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

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

Goodwill for companies that are accounted for using the equity method is recorded under *Investments accounted for using the equity method* in the consolidated balance sheet. These investments are tested for impairment if there is objective evidence of impairment. If the recoverable amount of the investment is lower than its carrying amount, an impairment loss is recorded under *Net income from investments accounted for using equity method*. Realised capital gains and losses on sale of these investments that are accounted for using the equity method are recognised under *Net income/expense from other assets*.

COMMITMENTS TO BUY OUT MINORITY SHAREHOLDERS IN FULLY CONSOLIDATED SUBSIDIARIES

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

The commitments are recorded as follows:

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

These accounting principles may be revised over the coming years in line with any amendments proposed by the IFRS Interpretations Committee (formerly IFRIC) or the IASB.

SEGMENT REPORTING

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

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

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

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

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

Segment income is presented taking into account internal transactions in the Group, while segment assets and liabilities are presented after their elimination. The tax rate levied on each business line is based on the standard tax rate applicable in each country where the division makes profits. Any difference with respect to the Group's tax rate is allocated to the Corporate Centre.

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

2. ACCOUNTING POLICIES AND VALUATION METHODS

TRANSACTIONS DENOMINATED IN FOREIGN CURRENCIES

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the entity's functional currency at the prevailing spot exchange rate. Realised or unrealised foreign exchange losses or gains are recognised in the income statement.

Forward foreign exchange transactions are recognised at fair value based on the forward exchange rate for the remaining maturity. Spot foreign exchange positions are valued using the official spot rates prevailing at the end of the period. Unrealised gains and losses are recognised in the income statement.

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

DETERMINING THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation methods used by the Group to establish the fair value of financial instruments are detailed in Note 3.

FINANCIAL ASSETS AND LIABILITIES

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

When initially recognised, financial assets and liabilities are measured at fair value including transaction costs attributable to their acquisition or their issuance (except for financial instruments recognised at fair value through profit or loss). Financial assets are classified under one of the four categories detailed below.

If the initial fair value is based on observable market data, any difference between the fair value and the transaction price, i.e. the sales margin, is immediately recognised in the income statement. However, if valuation parameters are not observable or if the valuation models are not recognised by the market, the initial fair value of the financial instrument is deemed to be the transaction price and the sales margin is then generally recognised in the income statement over the life of the instrument. For some instruments, due to their complexity, this margin is recognised at their maturity or in the event of early sale. Where substantial volumes of issued instruments are traded on a secondary market with quoted prices, the sales margin is recognised in the income statement in accordance with the method used to determine the instrument's price. When valuation parameters become observable, any portion of the sales margin that has not yet been recorded is recognised in the income statement at that time.

■ Loans and receivables

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, held for trading purposes or held for sale from the time they are originated or acquired. Loans and receivables are recognised in the balance sheet under *Due from banks or Customer loans* depending on the type of counterparty. Thereafter, they are valued at amortised cost using the effective interest rate method and impairment, determined on an individual or a collective basis, may be recorded if appropriate.

■ Financial assets and liabilities at fair value through profit or loss

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

This category also includes, in the same heading of financial statements, non-derivative financial assets and liabilities designated by the Group upon initial recognition to be carried at fair value through profit or loss in accordance with the option available under IAS 39. The Group's aim in using the fair value option is:

- firstly, to eliminate or significantly reduce discrepancies in the accounting treatment of certain financial assets and liabilities.

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

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

- secondly, so that the Group can recognise certain compound financial instruments at fair value, thereby avoiding the need to separate embedded derivatives that would otherwise have to be recognised separately. This approach is notably used for valuation of the convertible bonds held by the Group.

Held-to-maturity financial assets

These are non-derivative financial assets with fixed or determinable payments and a fixed maturity, that are quoted in an active market and which the Group has the intention and ability to hold to maturity. They are measured after acquisition at their amortised cost and may be subject to impairment as appropriate. The amortised cost includes premiums and discounts as well as transaction costs. These assets are recognised in the balance sheet under *Held-to-maturity financial assets*.

Available-for-sale financial assets

These are non-derivative financial assets held for an indeterminate period which the Group may sell at any time. By default, these are any assets that do not fall into one of the above three categories. These financial assets are recognised in the balance sheet under *Available-for-sale financial assets* and measured at their fair value at the balance sheet date. Interest accrued or paid on fixed-income securities is recognised in the income statement using the effective interest rate method under *Interest and similar income – Transactions in financial instruments*. Changes in fair value other than income are recorded in shareholders' equity under *Unrealised or deferred gains and losses*. The Group only records the changes in fair value in the income statement when assets are sold or impaired, in which case they are reported as *Net gains and losses on available-for-sale financial assets*. Impairments regarding equity securities recognised as *Available-for-sale financial assets* are irreversible. Dividend income earned on these securities is recorded in the income statement under *Dividend income*.

SECURITIES LENDING AND BORROWING

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

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

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

RECLASSIFICATION OF FINANCIAL ASSETS

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

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

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

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

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

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

DEBTS

Group borrowings that are not classified as financial liabilities recognised through profit or loss are initially recognised at cost, measured as the fair value of the amount borrowed net of transaction fees. These liabilities are valued at period-end and at amortised cost using the effective interest rate method, and are recognised in the balance sheet under *Due to banks, Customer deposits or Debt securities issued*.

■ Amounts due to banks and Customer deposits

Amounts due to banks and customer deposits are classified according to their initial duration and type: demand (demand deposits and current accounts) and time deposits and borrowings in the case of banks; regulated savings accounts and other deposits in the case of customers. They also include securities sold to banks and customers under repurchase agreements.

Interest accrued on these accounts at the effective interest rate is recorded as *Related payables* and as an expense in the income statement.

■ Debt securities issued

These liabilities are classified by type of security: loan notes, interbank market certificates, negotiable debt instruments, bonds and other debt securities excluding subordinated notes, which are classified under *Subordinated debt*.

Interest accrued on these debt instruments, determined using the effective interest rate, is recorded as *Related payables* and as an expense in the income statement. Bond issuance and redemption premiums are amortised at the effective interest rate over the life of the related borrowings. The resulting charge is recognised under *Interest expense* in the income statement.

SUBORDINATED DEBT

This item includes all dated or undated borrowings, whether or not in the form of debt securities, which in the event of the liquidation of the borrowing company may only be redeemed after all other creditors have been paid. Interest accrued and payable in respect of long-term subordinated debt, if any, is recorded as *Related payables* and as an expense in the income statement. Issuance and redemption premiums are amortised at the effective interest rate over the life of the related debts. The resulting charge is recognised under *Interest expense* in the income statement.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

FINANCIAL DERIVATIVES AND HEDGE ACCOUNTING

All financial derivatives are recognised at fair value in the balance sheet as financial assets or financial liabilities. Changes in the fair value of financial derivatives, except those designated as cash flow hedges (see below), are recognised in the income statement for the period.

Financial derivatives are divided into two categories:

■ Trading financial derivatives

Derivative instruments are considered to be trading financial derivatives by default, unless they are designated as hedging instruments for accounting purposes. They are recorded in the balance sheet under *Financial assets or liabilities at fair value through profit or loss*. Changes in fair value are recorded in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss*.

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

■ Derivative hedging instruments

To designate an instrument as a derivative hedging instrument, the Group must document the hedging relationship at the inception of the hedge. This documentation specifies the asset, liability, or future transaction hedged, the risk to be hedged, the type of financial derivative used and the valuation method applied to measure its effectiveness. The derivative designated as a hedging instrument must be highly effective in offsetting the change in fair value or cash flows arising from the hedged risk, both when the hedge is first set up and throughout its life. Derivative hedging instruments are recognised in the balance sheet under *Hedging derivatives*.

Depending on the risk hedged, the Group designates the derivative as a fair value hedge, cash flow hedge, or currency risk hedge for a net foreign investment.

Fair value hedge

In a fair value hedge, the carrying value of the hedged item in the balance sheet is adjusted for gains and losses attributable to the hedged risk, which are reported in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss*. To the extent that the hedge is highly effective, changes in the fair value of the hedged item and changes in the fair value of the hedging derivative instrument are accurately offset through profit or loss, the difference corresponding to an ineffectiveness gain or loss. As regards interest rate derivatives, accrued interest income or expenses are recorded in the income statement under *Interest income and expense – Hedging derivatives* at the same time as the interest income or expense related to the hedged item.

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

Cash flow hedge

In a cash flow hedge (including hedges of highly probable forecast transactions), the effective portion of the changes in fair value of the hedging derivative instrument is recognised in a specific equity account, while the ineffective portion is recognised in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss*.

Amounts directly recognised in equity under cash flow hedge accounting are reclassified in *Interest income and expense* in the income statement at the same time as the cash flows being hedged. Accrued interest income or expense on hedging derivatives is recorded in the income statement under *Interest income and expense – Hedging derivatives* at the same time as the interest income or expense related to the hedged item.

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

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

Hedging of a net investment in a foreign operation

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

Macro-fair value hedge

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

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

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

Embedded derivatives

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

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets measured at amortised cost

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

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Notwithstanding the existence of a guarantee, the criteria used to assess objective evidence of credit risk include the existence of unpaid instalments overdue by over three months or independently of the existence of any unpaid amount, the existence of objective evidence of credit risk counterparty or when the counterparty is subject to judicial proceedings.

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

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

- receivables on counterparties which have encountered financial difficulties since these receivables were initially recognised, without any objective evidence of impairment having yet been identified at the individual level (sensitive receivables) or;
- receivables on counterparties linked to economic sectors considered as being in crisis further to the occurrence of loss events or;
- receivables on geographical sectors or countries in which a deterioration of credit risk has been assessed.

The amount of impairment on a group of homogeneous assets is notably determined on the basis of historical default or loss data for assets with credit risk characteristics similar to those in the portfolio, or using hypothetical extreme loss scenarios or, if necessary, *ad-hoc* studies. These factors are then adjusted to reflect any relevant current economic conditions. Allocations to and reversals of such impairment are recorded under *Cost of risk*.

Available-for-sale financial assets

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

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

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

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

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

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

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

LEASE FINANCING AND SIMILAR AGREEMENTS

Leases are classified as finance leases if they substantially transfer all the risks and rewards incidental to ownership of the leased asset to the lessee. Otherwise they are classified as operating leases.

As lessor, the Group recognises finance lease receivables under *Lease financing and similar agreements* in its consolidated balance sheet. These receivables represent the Group's net investment in the lease, calculated as the present value of the minimum payments to be received from the lessee discounted at the interest rate implicit in the lease, plus any unguaranteed residual value.

Interest included in the lease payments is recorded under *Interest and similar income* in the income statement such that the lease generates a constant periodic rate of return on the lessor's net investment. If there has been a reduction in the estimated unguaranteed residual value used to calculate the lessor's gross investment in the finance lease, the present value of this reduction is recognised as a loss under *Expenses from other activities* in the income statement and as a reduction of finance lease receivables on the asset side of the balance sheet. Impairment of finance lease receivables, whether individual or collective, follows the same rules as those described for impairment of financial assets measured at amortised cost.

Operating fixed assets held under operating lease activities are presented in the balance sheet under *Tangible and intangible fixed assets*. In the case of buildings, they are recorded as *Investment property* under the same heading. Lease payments are recognised in the income statement on a straight-line basis over the life of the lease under *Income from other activities*. They are depreciated, outside the residual value, over the life of the lease. Income invoiced for maintenance services provided in connection with leasing activities are recognised under *Income from other activities* and their accounting treatment aims to show over the life of the lease a constant margin on these products in relation to the expense incurred.

TANGIBLE AND INTANGIBLE FIXED ASSETS

Operating and investment fixed assets are carried at their purchase price on the asset side of the balance sheet. Borrowing expenses incurred to fund a lengthy construction period for the fixed assets are included in the acquisition cost, along with all other directly attributable expenses. Investment subsidies received are deducted from the cost of the relevant assets.

Software developed internally is recorded on the asset side of the balance sheet in the amount of the direct cost of development. This includes external expenditures on hardware and services and personnel expenses which can be directly attributed to the production of the asset and its preparation for use.

As soon as they are fit for use, fixed assets are depreciated over their useful life. Any residual value of the asset is deducted from its depreciable amount. If there is a subsequent decrease or increase in this initial residual value, the depreciable amount of the asset is adjusted, leading to a prospective modification of the depreciation schedule.

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

When one or more components of a fixed asset are used for different purposes or to generate economic benefits over a different time period from the asset considered as a whole, these components are depreciated over their own useful life. The Group has applied this approach to its operating and investment properties, breaking down its assets into at least the following components and using their corresponding depreciation periods:

Infrastructures	Major structures	50 years
	Doors and windows, roofing	20 years
	Facades	30 years
Technical installations	Elevators	10-30 years
	Electrical installations	
	Electricity generators	
	Air conditioning, extractors	
	Technical wiring	
	Security and surveillance installations	
	Plumbing	
	Fire safety equipment	
Fixtures and fittings	Finishings, surroundings	10 years

Depreciation periods for fixed assets other than buildings depend on their useful life, which is usually estimated within the following ranges:

Plant and equipment	5 years
Transport	4 years
Furniture	10-20 years
Office equipment	5-10 years
IT equipment	3-5 years
Software, developed or acquired	3-5 years
Concessions, patents, licenses, etc.	5-20 years

Fixed assets are tested for impairment whenever there is any indication that their value may have diminished and, for intangible assets with an indefinite useful life, at least once a year. Evidence of a loss in value is assessed at every balance sheet date. Impairment tests are carried out on assets grouped by cash-generating unit. Where a loss is established, an impairment loss is recorded in the income statement under *Amortisation, depreciation and impairment of tangible and intangible fixed assets*. It may be reversed when the factors that prompted impairment have changed or no longer exist. This impairment loss will reduce the depreciable amount of the asset and thus affect its future depreciation schedule.

Realised capital gains and losses on operating fixed assets are recognised under *Net income from other assets*, while profits or losses on investment real estate are recognised under *Income from other activities*.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A non-current asset or group of assets and liabilities is deemed to be "held for sale" if its carrying value will primarily be recovered via a sale and not through its continuing use. For this classification to apply, the asset or a group of assets and liabilities must then be immediately available-for-sale in its present condition and it must be highly probable that the sale will occur within twelve months.

For this to be the case, the Group must be committed to a plan to sell the asset (or disposal group of assets and liabilities) and have begun actively searching for a buyer. Furthermore, the asset or group of assets and liabilities must be marketed at a price that is reasonable in relation to its current fair value.

Assets and liabilities falling into this category are reclassified as *Non-current assets held for sale* and *Non-current liabilities held for sale*, with no netting.

Any negative differences between the fair value less selling costs of non-current assets and groups of assets held for sale and their net carrying value is recognised as impairment in profit or loss. Moreover, *Non-current assets held for sale* are no longer depreciated.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or;
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are recognised as a single item in the income statement for the period, at their net income after taxes for the period up to the date of sale, combined with any net gains and losses after taxes on their disposal or on the fair value less selling costs of the assets and liabilities making up the discontinued operations. Similarly, cash flows generated by discontinued operations are recorded as a separate item in the cash flow statement for the period.

PROVISIONS

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

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

Provisions are presented in Note 22. Information on the nature and the amount of the associated risks is not disclosed when the Group considers that such disclosure could seriously undermine its position in a dispute with other parties on the object of the provision.

COMMITMENTS UNDER *"CONTRATS EPARGNE-LOGEMENT"* (MORTGAGE SAVINGS AGREEMENTS)

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

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

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

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

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

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

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

LOAN COMMITMENTS

The Group initially recognises at fair value loan commitments that are not considered as financial derivatives. Thereafter, these commitments are provisioned as necessary in accordance with the accounting principles for *Provisions*.

FINANCIAL GUARANTEES GIVEN

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

DISTINCTION BETWEEN LIABILITIES AND SHAREHOLDERS' EQUITY

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

When they are classified as Debt instruments, securities issued are recorded under *Debt securities issued* or *Subordinated debt* depending on their characteristics.

When they are classified as equity, securities issued by Societe Generale are recorded under *Other equity instruments*. If they are issued by Group subsidiaries, these securities are recognised under *Non-controlling interests,* and the related remuneration paid to securities holders is recorded under *Non-controlling interests* in the income statement.

NON-CONTROLLING INTERESTS

Non-controlling interests refer to equity holdings in fully consolidated subsidiaries that are neither directly nor indirectly attributable to the Group. They include equity instruments issued by these subsidiaries and not held by the Group.

TREASURY SHARES

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

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

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

INTEREST INCOME AND EXPENSE

Interest income and expense are recognised in the income statement under *Interest and similar income* for all financial instruments valued at amortised cost using the effective interest rate method.

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

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

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

NET FEES FOR SERVICES

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

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

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

PERSONNEL EXPENSES

Personnel expenses include all expenses related to personnel, including the cost of the legal employee profit-sharing and incentive plans for the year as well as the cost of the various Group pension and retirement schemes and expenses related to payments based on Societe Generale shares.

EMPLOYEE BENEFITS

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

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

Post-employment benefits

Pension plans may be defined contribution or defined benefit plans.

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

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

Provisions are recognised on the liabilities side of the balance sheet under *Provisions*, to cover the whole of these retirement obligations. These provisions are assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) or differences between actuarial assumptions and real performance are recognised as actuarial gains and losses.

Actuarial gains and losses, as well as the return on plan assets excluding amounts expensed as net interest on the net defined benefit liability (asset) and any change in the effect of the asset ceiling are components used to re-measure the net defined benefit liability (or asset). These components are immediately and fully recognised in *Unrealised or deferred gains and losses* and they are subsequently never reclassified in income.

In the Group consolidated financial statements, these items that will not be subsequently reclassified into income are displayed separately in the Statement of net income and unrealised or deferred gains and losses, but they are transferred immediately to retained earnings in the Statement of changes in shareholders' equity so that they are presented directly under *Consolidated reserves* in shareholders' equity in the Consolidated balance sheet.

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

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

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

Long-term benefits

These are benefits paid to employees more than 12 months after the end of the period in which they provided the related services. Long-term benefits are measured in the same way as post-employment benefits, except for the treatment of actuarial gains and losses, which are recognised immediately as income.

PAYMENTS BASED ON SOCIETE GENERALE SHARES OR SHARES ISSUED BY A CONSOLIDATED ENTITY

Share-based payments include:

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

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

Global Employee Share Ownership Plan

Every year the Group carries out a capital increase reserved for current and former employees as part of the Global Employee Share Ownership Plan. New shares are offered at a discount with an obligatory five-year holding period. The resultant benefit to the employees is recognised by the Group as an expense for the year under *Personnel expenses – Employee profit-sharing and incentives*. This benefit is measured as the difference between the fair value of each security acquired and the acquisition price paid by the employee, multiplied by the number of shares purchased. The fair value of the acquired securities is measured taking account of the associated legal obligatory holding period using market parameters (notably the borrowing rate) applicable to market participants who benefit from these non-transferable shares to recreate a situation of free transferability.

Other share-based payments

The Group can award some of its employees stock purchase or subscription options, free shares or rights to a future cash payment based on the increase in Societe Generale share price.

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

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

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

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

COST OF RISK

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

INCOME TAX

Current taxes

Current tax is based on the taxable profits of each consolidated taxable entity and determined in accordance with the rules established by the local taxation authorities, upon which income taxes are payable.

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

Deferred taxes

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

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

INSURANCE ACTIVITIES

Financial assets and liabilities

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

Underwriting reserves of insurance companies

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

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

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

Underwriting reserves for unit-linked policies with discretionary profit-sharing or any other significant feature are measured at the balance sheet date on the basis of the current value of the assets underlying these policies.

Non-life insurance underwriting reserves comprise reserves for unearned premiums (share of premium income relating to subsequent financial years) and for outstanding claims. The risks covered are principally risks linked to home, car and accident insurance guarantees.

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

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

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

3. PRESENTATION OF FINANCIAL STATEMENTS

ANC RECOMMENDED FORMAT FOR BANKS' SUMMARY FINANCIAL STATEMENTS

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

RULE ON OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability are offset and the net amount presented on the balance sheet when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The legal right to set off the recognised amounts must be enforceable in all circumstances, in both the normal course of business and in the event of default of one of the counterparties.

TRANSFER OF UNREALISED OR DEFERRED GAINS AND LOSSES

Unrealised or deferred gains and losses recognised directly in equity during the period and which will not be reclassified subsequently into income are displayed separately in the Statement of net income and unrealised or deferred gains and losses.

At the end of the period they are transferred immediately to *Consolidated reserves* in the Consolidated balance sheet and in the Statement of changes in shareholders' equity.

CASH AND CASH EQUIVALENTS

In the cash flow statement, *Cash and cash equivalents* include cash accounts, demand deposits, loans and borrowings due to and from central banks and other credit institutions.

EARNINGS PER SHARE

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

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

Not all of the accounting standards published by the IASB had been adopted by the European Union at 31 December 2014. These accounting standards and interpretations are required to be applied from annual periods beginning on 1 July 2014 at the earliest or on the date of their adoption by the European Union. They were therefore not applied by the Group as of 31 December 2014.

ACCOUNTING STANDARDS, AMENDMENTS OR INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION

Accounting standards or Interpretations	Adoption dates by the European Union	Effective dates: annual periods beginning on or after
IFRIC 21 "Levies"	13 June 2014	1 January 2015
Amendments to IAS 19 "Defined Benfit Plans: Employee Contributions"	17 December 2014	1 February 2015
Improvements to IFRS (2010-2012)	17 December 2014	1 February 2015
Improvements to IFRS (2011-2013) - December 2013	18 December 2014	1 July 2014

■ IFRIC Interpretation 21 "Levies"

This interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" clarifies the accounting for a liability to pay a levy. For an entity the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time. Furthermore, if an obligation to pay a levy is triggered when a minimum threshold is reached the corresponding liability is recognised when that minimum activity threshold is reached. The Group is currently analysing the potential impact of this interpretation on its consolidated financial statements.

■ Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions"

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

■ Improvements to IFRS (2010-2012 and 2011-2013)

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

AMENDMENTS OR INTERPRETATIONS NOT YET ADOPTED BY THE EUROPEAN UNION AT 31 DECEMBER 2014

Accounting standards or interpretations	Publication dates by IASB	Effective dates: annual periods beginning on or after
IFRS 9 “Financial Instruments”	12 November 2009, 28 October 2010, 16 December 2011, 19 November 2013 and 24 July 2014	1 January 2018
Amendments to IFRS 11: “Accounting for Acquisitions of Interests in Joint Operations”	6 May 2014	1 January 2016
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortisation”	12 May 2014	1 January 2016
IFRS 15 “Revenue from Contracts with Customers”	28 May 2014	1 January 2017
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	11 September 2014	1 January 2016
Annual Improvements to IFRS (2012-2014)	25 September 2014	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment entities: Applying the Consolidation Exception”	18 December 2014	1 January 2016
Amendments to IAS 1 “Disclosure Initiative”	18 December 2014	1 January 2016

▪ IFRS 9 “Financial Instruments”

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

▪ Classification and measurement

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

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

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

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

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

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

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

▪ Credit risk

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

At initial recognition, this expected credit loss will be equal to 12-month expected credit losses. This expected credit loss will subsequently be raised to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since its initial recognition.

▪ Hedge accounting

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

The standard extends the scope of non-derivative financial instruments that could be considered as hedging instruments. Similarly, the scope of items that could be considered as hedged items is increased to include components of non-financial items. The standard also amends the approach for assessing hedge effectiveness. Additional disclosures are also required to explain both the effect that hedge accounting has had on the financial statements and the entity’s risk management strategy.

■ Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"

The amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business as defined in IFRS 3 "Business combinations". It is therefore necessary to apply all the principles of IFRS 3 to the acquisition of an interest.

■ Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"

IASB clarifies that using a revenue-based method to calculate the impairment of an asset is not appropriate, because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

■ IFRS 15 "Revenue from Contracts with Customers"

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

■ Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint venture"

These amendments clarify the gain or loss (full or partial) recognised in the consolidated financial statements in dealing with the sale or contribution of assets between the Group and its associates or joint ventures.

■ Annual Improvements to IFRS (2012-2014)

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

■ Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment entities: Applying the Consolidation Exception"

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

■ Amendments to IAS 1 "Disclosure Initiative"

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

Note 2

CHANGES IN CONSOLIDATION SCOPE

1. NORMATIVE CHANGES

Following the retrospective application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements", the main changes to the consolidation scope are listed below:

- two securitisation special purpose vehicles on behalf of third parties, Antalis SA. and Barton Capital LLC, were fully consolidated;
- the Group analysed its joint arrangements and took into account the following changes in consolidation methods:
  - 77 entities meeting the definition of joint ventures, previously proportionately consolidated, were retrospectively accounted for using equity method (particularly Newedge Group until it became controlled by the Group on 7 May 2014; Antarius, an insurance entity 50%-owned by Credit du Nord; and certain mortgage financing entities),
  - 2 mortgage financing entities meeting the definition of joint operations, previously proportionately consolidated, were retrospectively consolidated for the assets, liabilities, revenues and expenses relating to the Group's interest in those entities.

The schedules below disclose the impacts of the retrospective application of IFRS 10 and 11 on the consolidated balance sheet and consolidated income statement:

Consolidated balance sheet

ASSETS

(In millions of euros)	31 December 2013 After IFRS 10 & 11	31 December 2013 Before IFRS 10 & 11	Impact IFRS 10 & 11
Cash, due from central banks	66,598	66,602	(4)
Financial assets at fair value through profit or loss	479,112	484,386	(5,274)
Hedging derivatives	11,474	11,483	(9)
Available-for-sale financial assets	130,232	134,564	(4,332)
Due from banks	75,420	84,842	(9,422)
Customer loans	332,651	333,535	(884)
Lease financing and similar agreements	27,741	27,741	-
Revaluation differences on portfolios hedged against interest rate risk	3,047	3,047	-
Held-to-maturity financial assets	989	989	-
Tax assets	7,307	7,337	(30)
Other assets	54,118	55,895	(1,777)
Non-current assets held for sale	116	116	-
Investments accounted for using equity method	2,829	2,129	700
Tangible and intangible fixed assets	17,591	17,624	(33)
Goodwill	4,968	4,972	(4)
Total	**1,214,193**	**1,235,262**	**(21,069)**

LIABILITIES

(In millions of euros)	31 December 2013 After IFRS 10 & 11	31 December 2013 Before IFRS 10 & 11	Impact IFRS 10 & 11
Due to central banks	3,566	3,566	-
Financial liabilities at fair value through profit or loss	425,783	426,756	(973)
Hedging derivatives	9,815	9,819	(4)
Due to banks	86,789	91,098	(4,309)
Customer deposits	334,172	344,687	(10,515)
Debt securities issued	138,398	131,734	6,664
Revaluation differences on portfolios hedged against interest rate risk	3,706	3,706	-
Tax liabilities	1,613	1,639	(26)
Other liabilities	53,525	59,761	(6,236)
Non-current liabilities held for sale	4	4	-
Underwriting reserves of insurance companies	91,538	97,167	(5,629)
Provisions	3,807	3,829	(22)
Subordinated debt	7,507	7,395	112
Total liabilities	**1,160,223**	**1,181,161**	**(20,938)**
SHAREHOLDERS' EQUITY			
Shareholders' equity, Group share			
Issued common stocks, equity instruments and capital reserves	27,381	27,381	-
Retained earnings	21,927	21,927	-
Net income	2,044	2,175	(131)
Sub-total	**51,352**	**51,483**	**(131)**
Unrealised or deferred capital gains and losses	(475)	(475)	-
Sub-total equity, Group share	**50,877**	**51,008**	**(131)**
Non-controlling interests	3,093	3,093	-
Total equity	**53,970**	**54,101**	**(131)**
Total	**1,214,193**	**1,235,262**	**(21,069)**

The consolidation of the two securitisation special purpose vehicles mainly impacted *Customer loans* (EUR 4,451 million), *Customer deposits* (EUR -2,298 million) and *Debt securities issued* (EUR 6,660 million).

The accounting for Antarius using the equity method impacted *Financial assets at fair value through profit or loss* (EUR - 1,624 million), *Available-for-sale financial assets* (EUR -4,297 million) and *Underwriting reserves of insurance companies* (EUR -5,629 million).

Other adjustments mainly resulted from accounting for Newedge Group using the equity method.

Consolidated income statement

(In millions of euros)	2013 After IFRS 10 & 11	2013 Before IFRS 10 & 11	Impact IFRS 10 & 11
Net banking income	22,433	22,831	(398)
Gross operating income	6,387	6,432	(45)
Operating income	2,337	2,380	(43)
Earnings before tax	2,922	3,058	(136)
Consolidated net income	2,394	2,525	(131)
Net income, Group share	2,044	2,175	(131)
Earnings per ordinary share	2.23	2.40	(0.17)
Diluted earnings per ordinary share	2.23	2.40	(0.17)

Net income was mainly impacted by the additional loss of value resulting from the impairment test on the stake in Newedge Group, which at the time was accounted for using the equity method.

2.CHANGES IN CONSOLIDATION SCOPE IN 2014

As at 31 December 2014, the Group's consolidation scope included 687 companies:

- ***601*** fully consolidated companies;
- ***2*** companies consolidated for the assets, liabilities, revenues and expenses relating to the Group's interest in those entities;
- ***84*** companies accounted for using the equity method, including 60 joint ventures and 24 companies under significant influence.

The consolidation scope includes subsidiaries (entities under the Group's exclusive control), joint arrangements (joint ventures over which the Group exercises joint control) and associates (entities over which the Group exercises significant influence) that are significant compared to the Group's consolidated financial statements, notably regarding Group consolidated total assets and gross operating income.

The main changes to the consolidation scope at 31 December 2014, compared with the scope applicable at the closing date of 31 December 2013 after retrospective application of IFRS 10 and IFRS 11, were as follows:

- the Group purchased the shares owned by Crédit Agricole CIB in Newedge Group, increasing its share in that subsidiary to 100%.

  At the same time, the Group sold 5% of its stake in Amundi to Crédit Agricole S.A. As a consequence, its ownership interest decreased from 25% to 20%;

  These transactions generated income of EUR 194 million, recorded under *Net income/expense from other assets*;
- the Group's stake in Rosbank increased from 92.4% to 99.49% due to several purchases of shares held by minority shareholders;
- following the takeover bid initiated by the Group in May 2014, its stake in Boursorama increased from 57.24% to 79.51%;
- the Group's stake in Banque Nuger, a subsidiary sub-consolidated by Crédit du Nord, rose from 64.69% to 100% following the purchase of shares held by minority shareholders;
- the Group's shareholding in Union Internationale de Banques decreased from 57.20% to 55.10% as a result of a capital increase;
- following a capital increase and the exercise of a put option granted to a minority shareholder, the Group's ownership interest in Societe Generale Benin climbed from 79.33% to 83.19%;
- the Group completed the sale of its consumer finance activities in Hungary.
- in the second half, the Group finalised the sale of its private banking assets and liabilities in Asia, which were reclassified under *Non-current assets held for sale* at 30 June 2014. The resulting capital gain before tax, amounting to EUR 141 million, was recognised in the income statement under *Net income/ expense from other assets*.

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

- shipping finance activities in United Kingdom;
- Selftrade, Boursorama's British subsidiary;
- consumer finance operations in Brazil.

Note 3

FAIR VALUE OF FINANCIAL INSTRUMENTS

This section specifies the valuation methods used by the Group to establish the fair value of the financial instruments presented in the following notes:

Notes	Description
Note 6	Financial assets and liabilities at fair value through profit or loss
Note 7	Hedging derivatives
Note 8	Available-for-sale financial assets
Note 9	Due from banks
Note 10	Customer loans
Note 11	Lease financing and similar agreements
Note 12	Held-to-maturity financial assets
Note 17	Due to banks
Note 18	Customer deposits
Note 19	Debt securities issued
Note 24	Subordinated debt

1. DEFINITION OF FAIR VALUE AND FAIR VALUE HIERARCHY

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

FAIR VALUE HIERARCHY:

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

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

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

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

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

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

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

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

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

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

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

- Level 3 (L3): instruments valued using inputs that are not based on observable market data (referred to as unobservable inputs). Those carried at fair value on the balance sheet are predominantly instruments for which the sales margin is not immediately recognised in profit or loss.

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

  The main L3 complex derivatives are:

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

- interest rate derivatives: long term and/or exotic options, products sensitive to correlation between different interest rates, different exchange rates, between interest rates and exchange rates or, for quanto products for example (in which the instrument is settled in a currency different from the currency of the underlying); they are liable to be classified as L3 because the valuation parameters are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD/JPY),
- credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation ("N to default" products in which the buyer of the hedge is compensated as of the N^{th} default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or CDO Bespoke products, which are Collateralised Debt Obligations created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility,
- commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (e.g. options on commodity swaps, baskets of underlyings).

2. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE SHEET

2.1 VALUATION METHODS

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

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

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

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

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

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

Similarly, an adjustment to take into account the costs or profits linked to the financing of these transactions (FVA, "Funding Value Adjustment") is performed on the derivatives not covered by netting agreements.

Observable data must be: independent of the bank (non-bank data), available, publically distributed, based on a narrow consensus and backed up by transaction prices.

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

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

■ Shares and other variable-income securities

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

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

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

■ Debt (fixed-income) instruments held in portfolio, issues of structured securities measured at fair value and financial derivatives

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

■ Other debts

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

2.2. ESTIMATES OF MAIN UNOBSERVABLE INPUTS

The following table provides the valuation of L3 instruments on the balance sheet and the range of values of the most significant unobservable inputs by main product type.

Cash instruments and derivatives[1]	Value in balance sheet (in millions of euros)		Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs min & max
	Assets	Liabilities				
Equities / funds	1,712	21,007	Simple and complex instruments or derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets of stocks	Equity volatilities	2.5% ; 83.6%
					Equity dividends	0.4% ; 4.8%
					Correlations	-100% ; 100%
					Hedge funds volatilities	7.5% ; 16.8%
					Mutual funds volatilities	1.9% ; 41.1%
Rates and Forex	3,786	6,933	Hybrid forex/interest rate or credit/interest rate derivatives	Hybrid instrument pricing models	Correlations	-72.5% ; 90%
			Forex derivatives	Forex option pricing models	Forex volatilities	1% ; 45.3%
			Interest rate derivatives whose notional is indexed to prepayment behaviour in European collateral pools	Prepayement modeling	Constant prepayment rates	0% ; 50%
			Inflation instruments and derivatives	Inflation pricing models	Inflation / inflation correlations	62% ; 96%
Credit	116	1,734	Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	0% ; 100%
					Recovery rate variance for single name underlyings	0% ; 100%
			Other credit derivatives	Credit default models	Time to default correlations	0% ; 100%
					Quanto correlations	-40% ; 40%
					Credit spreads	0 bps ; 1,000 bps
Commodities	370	549	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	20.5% ; 98.5%

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

2.3. SENSITIVITY OF FAIR VALUE FOR LEVEL 3 INSTRUMENTS

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

To quantify this, fair value sensitivity was estimated at 31 December 2014 on instruments whose valuation requires some unobservable inputs. This estimate was based: either on a "standardised[2]" variation in unobservable inputs, calculated for each input on a net position, or on assumptions in line with the additional valuation adjustment policies for the financial instruments in question.

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

	31 December 2014	
(In millions of euros)	**Negative impact**	**Positive impact**
Stocks and other equity instruments and derivatives	**(19)**	**123**
Stock volatilities	0	34
Dividends	(4)	7
Correlations	(14)	63
Hedge Fund volatility	0	16
Mutual Fund volatility	(1)	3
Rates and Forex instruments and derivatives	**(6)**	**64**
Correlations between exchange rates and/or interest rates	(3)	50
Forex volatilities	(1)	4
Constant prepayment rates	(1)	1
Inflation / inflation correlations	(1)	9
Credit instrument and derivatives	**(18)**	**24**
Time to default correlations	(2)	2
Recovery rate variance for single name underlyings	(16)	16
Quanto correlations	0	6
Credit spreads	0	0
Commodity derivatives	**0**	**4**
Commodities correlations	0	4

It should be noted that, given the already conservative valuation levels, this sensitivity is higher for a favourable impact on results than for an unfavourable impact. Moreover, the amounts shown above illustrate the uncertainty of the valuation as of the computation date, on the basis of a reasonable variation in inputs; future variations in fair value or consequences of extreme market conditions cannot be deduced or forecasted from these estimates.

(2) Meaning:
- either the standard deviation of consensus prices (TOTEM, etc.) used to measure the input, which are nevertheless considered unobservable;
- or the standard deviation of historical data used to measure the input.

3. FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments that are not recognised at fair value on the balance sheet, the figures given in the notes and broken down according to the fair value hierarchy, as described in paragraph 1, "*Definition of fair value and fair value hierarchy*", should not be taken as an estimate of the amount that would be realised if all such financial instruments were to be settled immediately.

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

■ Loans, receivables and lease financing agreements

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

The fair value of loans, receivables and lease financing transactions for retail banking customers, essentially comprised of individuals and small or medium-sized companies, is determined, in the absence of an actively-traded market for these loans, by discounting the associated expected cash flows to present value at the market rates prevailing on the balance sheet date for similar types of loans and similar maturities.

For all floating-rate loans, receivables and lease financing transactions and fixed-rate loans with an initial maturity less than or equal to one year, fair value is taken to be the same as book value net of impairment, assuming there has been no significant change in credit spreads on the counterparties in question since they were recognised in the balance sheet.

■ Debts

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

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

Note 4

RISK MANAGEMENT LINKED TO FINANCIAL INSTRUMENTS

This note describes the main risks linked to financial instruments and how they are managed by the Group.

Types of risks

The Group is exposed to the risks inherent in its core businesses. Given the diversity and changes in the Group's activities, its risk management focuses on the following main categories of risks, any of which could adversely affect its performance:

- credit and counterparty risk (including country risk): risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. Credit risk includes the counterparty risk linked to market transactions (replacement risk), as well as securitisation activities. Country risk arises when an exposure can be negatively affected by changing political, economic, social and financial conditions in the country of operation. Credit risk may be exacerbated by concentration risk, which arises from a large exposure to a given risk, to one or more counterparties, or to one or more homogeneous groups of counterparties. Limits are set for some countries, geographical regions, sectors, products or types of customers with a view to minimising the most significant risks. In addition, major concentration risks are analysed periodically for the entire Group;
- market risk: risk of a decline in the value of financial instruments arising from changes in market parameters, the volatility of these parameters and correlations between them. These parameters include but are not limited to exchange rates, interest rates, and the price of securities (equities, bonds), commodities, derivatives and other assets, including real estate assets. Positions and risks are subject to daily controls and compared to predefined limits that, for major positions, are validated by the Board of Directors on the advice of the Audit, Internal Control and Risk Committee (CACIR) in accordance with the risk appetite defined by the Board of Directors;
- structural interest and exchange rate risk: risk of loss or write-downs in the Group's assets arising from variations in interest or exchange rates. Structural interest and exchange rate risk arises from commercial activities and from transactions entered into by the Corporate Centre. The Group's general objective is to minimise structural interest rate and exchange rate risks as much as possible within its consolidated entities. Wherever possible, commercial transactions are therefore hedged against interest rate and exchange rate risks. Any residual structural interest rate risk exposure is subject to sensitivity limits set for each entity and for the overall Group as validated by the Finance Policy Committee. As for exchange rates, the Group's policy is to immunise its Core Tier 1 ratio against fluctuations in the currencies in which it operates;
- liquidity risk: risk of the Group not being able to meet its cash or collateral requirements as they arise and at a reasonable cost. Given that liquidity is a scarce resource, the Group's objective is to finance its activities at the best possible rates under normal conditions while maintaining adequate buffers to cover outflows in periods of stress. The scope of the Group's short and long-term financing plan, which supplements customer deposits, is conservative with reduced concentration in the short term while ensuring diversification in terms of products and regions. Targets are validated by the Board of Directors in accordance with risk appetite.

1. ORGANISATION, PROCEDURES AND METHODS

1.1. RISK MANAGEMENT STRATEGY

Implementing a robust and effective risk management structure is a critical undertaking for the Societe Generale Group, in all businesses, markets and regions in which the bank operates, as is maintaining a balance between a strong risk culture and the promotion of innovation. Specifically, the main objectives of the Group's risk management strategy are:

- to contribute to the development of the Group's various businesses by optimising its overall risk-adjusted profitability in accordance with its risk appetite;
- to guarantee the Group's sustainability as a going concern by implementing an effective risk analysis, measurement and monitoring system;
- to make risk management a differentiating factor and a competitive strength acknowledged by all.

This can take the form of:

- clear principles for governing, managing and organising risks;
- determination and formal definition of the Group's risk appetite;
- effective risk management tools;
- a risk culture that is cultivated and established at each level of the Group.

These points are the focus of a series of initiatives established under the ERM (Enterprise Risk Management) program, which aims to improve the consistency and effectiveness of the Group's risk management system by fully integrating risk prevention and control in the day-to-day management of the bank's businesses.

1.2. GOVERNANCE, CONTROL AND ORGANISATION OF RISK MANAGEMENT

Governance of the Group's risk management is based on:

- extensive managerial involvement in the risk management process and promotion of risk culture, throughout the entire organisational structure, from the Board of Directors to operational staff;

- clearly defined internal rules and procedures;
- continuous supervision by an independent body to monitor risks and to enforce rules and procedures.

The Group's risk management is organised around two key principles:

- risk assessment departments must be independent from the business divisions;
- the risk management approach and risk monitoring must be consistent throughout the Group.

Compliance with these principles forms part of the consolidation plans for subsidiaries acquired by the Group.

Group risk management is governed by two main bodies: the Board of Directors, via the Audit, Internal Control and Risk Committee, and the Risk Committee. The Group's Corporate Divisions, such as the Risk Division and Finance Division, which are independent from the business divisions, are dedicated to permanent risk management and control under the authority of the General Management.

1.2.1. Board of Directors

The Board of Directors defines the Group's strategy, and oversees its implementation, while assuming and controlling risks. In particular, the Board of Directors ensures the adequacy of the Group's risk management infrastructure, monitors changes in the portfolio and particularly in the cost of risk, and approves the market risk limits. Presentations on the main aspects and significant changes of the Group's risk management strategy are made to the Board of Directors by the General Management at least once a year (more often if circumstances require it), as part of the exercise to determine the Group's risk appetite.

1.2.2. Audit, Internal Control and Risk Committee

Within the Board of Directors, the Audit, Internal Control and Risk Committee plays a crucial role in assessing the quality of the Group's internal control. More specifically, it is responsible for examining the consistency of the internal risk monitoring framework with the procedures, laws and regulations in force. Special presentations are made by the General Management to the Committee, which reviews the procedures for controlling certain market risks as well as structural interest rate risks, and is consulted about the setting of risk limits. It also issues an opinion on the Group's overall provisioning policy and on large specific provisions. Finally, the Group's risk map and risk appetite indicators are presented to the Committee annually, and every year it examines the Annual Report on Internal Control, which is submitted to the Board of Directors and the French Prudential Supervisory and Resolution Authority (ACPR).

1.2.3. Risk Committee and Large Exposures Committee

The Group Risk Committee (CORISQ), chaired by the General Management, is made up of members of the Group's Executive Committee (COMEX), managers of the Risk Division, and, when needed, representatives of the Divisions concerned by the agenda. It convenes at least once a month in order to address the major trends in terms of Group risks.

In general, the Group Risk Committee, upon the advice of the Risk Division, makes the main decisions concerning the management of various risks (credit, country, market and operational risks).

The Large Exposures Committee is an ad hoc body which, under the chairmanship of General Management, comprises the operational managers and the managers of the Risk Division responsible for certain individual exposures.

1.2.4. Risk Division

The main role of the Risk Management Division is to contribute to the development of the Group business and profitability by defining, in conjunction with the Finance Division and the core businesses, the Group's risk appetite (adapted in the Group's different businesses) and implementing a risk management and monitoring system. In carrying out its duties, the Risk Management Division combines independence from the business lines and close collaboration with the core businesses, which hold primary responsibility for the transactions they initiate.

Accordingly, the Risk Division is responsible for:

- carrying out hierarchical and functional supervision of the Group's risk structure;
- alongside the Finance Division, setting the Group's risk appetite which is then submitted to the executive body;
- recording all Group risks;
- implementing a governance and monitoring system for these risks across all business lines, and regularly reporting on the nature and extent of these risks to the General Management, the Board of Directors and the banking supervision authorities;
- helping to define the Group's risk policies, taking into account business objectives and corresponding risk issues;
- defining and validating risk analysis, measurement, approval and monitoring methods and procedures;
- validating the transactions and limits proposed by business managers;
- defining and validating the "risk" information system and ensuring its suitability for the needs of the businesses.

1.2.5 New Product Committee

Each division submits all new products, businesses or activities to the New Product Committee. This committee, which is jointly managed by the Risk Division and the business divisions, aims to ensure that, prior to the launch of a new product, business or activity:

- all associated risks are fully identified, understood and correctly addressed;
- compliance is assessed with respect to the laws and regulations in force, codes of good professional conduct and risks to the image and reputation of the Group;
- all the support functions have been consulted and do not or no longer have, any reservations regarding the new product, business or activity in question.

This process is underpinned by a very broad definition of a new product, which ranges from the creation of a new product, to the adaptation of an existing product to a new environment or the transfer of activities involving new teams or new systems.

1.2.6 Finance Division

The Finance Division is in charge of the Group's overall financial management and as such is responsible for assessing and managing structural interest rate, foreign exchange and liquidity risks.

In accordance with regulatory principles advocating the separation of risk oversight and control functions, two different entities manage and monitor structural risks:

- the "Balance Sheet and Global Treasury Management Department" manages the balance sheet and funding for the Group, mainly through the implementation of financing and resilience plans in accordance with established objectives and in compliance with regulatory obligations. The main objective is to obtain reasonable borrowing costs and achieve diversification guaranteeing the security of the Group;
- the "ALM Risk Control Department" is responsible for supervising structural risk for the entire Group. As such, it is responsible for setting measurement and modeling standards, verifying structural risk models, and helping define and monitor structural risk limits and asset-liability management practices. This Department is functionally supervised by the Risk Division.

The control of scarce resources (capital, liquidity, balance sheet) and of performance in line with strategic objectives and in compliance with regulatory requirements is placed under the sole responsibility of the Strategic and Financial Steering Department.

Societe Generale's risk measurement and assessment processes are an integral part of the bank's ICAAP[(1)] (Internal Capital Adequacy Assessment Process). Alongside capital management, ICAAP is aimed at providing guidance to both the Group Risk Committee and the Finance Committee in defining the Group's overall risk appetite and setting risk limits.

2. CREDIT RISK

2.1. RISK MANAGEMENT - GENERAL PRINCIPLES

2.1.1. Credit policy

Societe Generale's credit policy is based on the principle that approval of any credit risk undertaking must be based on sound knowledge of the customer and the customer's business, an understanding of the purpose and structure of the transaction and the sources of repayment of the debt. Credit decisions must also ensure that the structure of the transaction will minimise the risk of loss in the event the counterparty defaults. Furthermore, the credit approval process takes into consideration the overall commitment of the Group to which the customer belongs. Risk approval forms part of the Group's risk management strategy in line with its risk appetite.

2.1.2. Approval process

The risk approval process is based on four core principles:

- all transactions involving credit risk (debtor risk, settlement/delivery risk, issuer risk and replacement risk) must be pre-authorised;
- responsibility for analysing and approving transactions lies respectively with the dedicated primary customer relationship unit and risk unit, which examine all authorisation requests relating to a specific customer or customer group, to ensure a consistent approach to risk management;
- the primary customer relationship unit and the risk unit must be independent from one another;
- credit decisions must be systematically based on internal risk ratings (obligor rating), as provided by the primary customer relationship unit and approved by the Risk Division.

The Risk Division submits recommendations to the Group Risk Committee on the limits it deems appropriate for certain countries, geographic regions, sectors, products or types of customers, in order to reduce risks with strong correlations. The allocation of limits is subject to final approval by the Group's General Management and is based on a process that involves the Business Divisions exposed to risk and the Risk Division.

Finally, the supervision exercised by the Group Risk Committee is supplemented by the Large Exposures Committee which focuses on reviewing large individual exposures.

2.1.3. Credit and counterparty risk monitoring

Societe Generale places great emphasis on carefully monitoring its credit and counterparty risk exposure in order to minimise its losses in case of default. Furthermore, counterparty limits are assigned to all counterparties (banks, other financial institutions, corporate and public institutions).

Any significant weakening in the bank's counterparties also prompts urgent internal rating reviews. A specific supervision and approval process is implemented for the most sensitive counterparties or the most complex financial instruments.

2.2. RISK MEASUREMENT AND INTERNAL RATINGS

The Group's rating system relies on a quantitative analysis of credit risks based on models that estimate the internal Basel parameters. In this regard, these models are used to calculate the Group's regulatory capital requirements. They also comply with the Group's risk management objectives and operational activities. As such, they are used as a tool to structure, price and approve transactions and help to determine the limits for approval decisions assigned to the operational teams and the Risk function.

(1) ICAAP (Internal Capital Adequacy Assessment Process), corresponds to the Pillar II process required under the Basel Accord that enables the Group to ensure capital adequacy to support all business risks

For capital requirements calculations according to the Advanced Internal Ratings Based models (A-IRB), Societe Generale uses the following Basel parameters:

- Exposure at Default (EAD) value is defined as the Group's exposure in the event of a counterparty default. EAD comprises exposures (loans, receivables, accrued income, market transactions, etc.) recorded on the balance sheet, as well as those recorded off the balance sheet and converted to their balance sheet equivalent using internal or regulatory Credit Conversion Factors (CCF) (drawdown assumption);
- Probability of Default (PD): probability that a counterparty of the bank defaults within one year;
- Loss Given Default (LGD): ratio between the loss incurred on an exposure in the event of a counterparty default and the amount of the exposure at the time of default.

These three parameters are used to estimate regulatory capital requirements by calculating the Risk Weighted Assets (RWA) and the Expected Loss (EL), loss likely to be incurred given the nature of the transaction, the strength of the counterparty and any measures taken to mitigate the risk.

The Group takes into account the impact of guarantees and credit derivatives by substituting the guarantor's PD, LGD and risk weighting formula for that of the borrower (the exposure is considered as direct guarantor exposure) if the guarantor's risk weight is more favorable than that of the borrower.

Similarly, for exposures based on the Internal Ratings Based (IRB) approach, the Group takes collateral (physical or financial) into account in calculating the LGD. This impact is reflected either in the LGD models for the segments in question, or line by line.

For exposures under the standardised approach: eligible credit risk mitigation techniques (after regulatory deductions) are taken directly into account in the EAD.

The vast majority of the Group's credit portfolio is covered by internal PD and LGD models, mainly with the A-IRB approach. These methods were validated in 2007 by the regulator and have since been subject to regular performance monitoring.

In addition, the Group received authorisation from the regulator to use the Internal Assessment Approach (IAA) method to calculate the regulatory capital requirement for Asset-Backed Commercial Paper conduits.

2.3. MANAGEMENT OF THE CREDIT PORTFOLIO AND OF COUNTERPARTY RISK

The Group uses credit risk mitigation techniques both for market and commercial banking activities. These techniques provide partial or full protection against the risk of debtor insolvency.

2.3.1. Use of credit derivatives to manage corporate concentration risk

The Group uses credit derivatives in the management of its Corporate credit portfolio, primarily to reduce individual, sector and geographic concentration and to implement a proactive risk and capital management approach. Individual protection is essentially purchased under the over-concentration management policy. For example, the ten most hedged names account for 93% of the total amount of individual protection purchased.

Total outstanding purchases of protection through Corporate credit derivatives were stable at EUR 1.2 billion at end-December 2014 (EUR 1.4 billion at end-December 2013). In 2014, Credit Default Swaps (CDS) spreads on European investment-grade issues (Itraxx index) narrowed slightly, reducing the portfolio's sensitivity to tightening spreads.

All protection was purchased from bank counterparties with ratings of BBB+ or above, the average being A/A-. Concentration with any particular counterparty is also carefully monitored.

All credit derivatives regardless of their purpose are recognised at fair value through profit or loss and cannot be recorded as hedging instruments. Accordingly, they are recognised as trading derivatives at their notional and fair value.

2.3.2. Guarantees and collateral

These techniques provide partial or full protection against the risk of debtor insolvency.

There are two main techniques:

- personal guarantees are commitments made by a third party to replace the primary debtor in the event of the latter's default. Guarantees encompass the protection commitments and mechanisms provided by banks and similar credit institutions, specialised institutions such as mortgage guarantors (e.g Crédit Logement in France), monoline or multiline insurers, export credit agencies, etc. By extension, credit insurance and credit derivatives (purchase of protection) also belong to this category;
- collateral can consist of physical assets in the form of property, commodities or precious metals, as well as financial instruments such as cash, high-quality investments and securities and also insurance policies.

In order to reduce its risk taking, the Group actively manages guarantees and collateral by diversifying them: physical collateral, personal guaranties and other (including CDS).

During the credit approval process, an assessment of the value of guarantees and collateral, their legal enforceability and the guarantor's ability to meet its obligations is undertaken. This process also ensures that the collateral or guarantee successfully meets the criteria set forth in the Capital Requirements Directive (CRD).

Guarantor ratings are reviewed internally at least once a year and collateral is subject to revaluation at least once a year.

The Risk Department is responsible for validating the operating procedures established by the business divisions for the regular valuation of guarantees and collateral, either automatically or based on an expert opinion, both during the approval phase for a new loan or upon the annual renewal of the credit application.

2.3.3. Mitigation of counterparty risk linked to market transactions

Societe Generale uses different techniques to reduce this risk. With regard to trading counterparties, it seeks to implement master agreements with a termination-clearing clause wherever it can. In the event of default, they allow netting of all due and payable amounts. The contracts usually call for the revaluation of required collateral at regular time intervals (often on a daily basis) and for the payment of the corresponding margin calls. Collateral is largely composed of cash and high-quality liquid assets such as government bonds with a good rating. Other tradable assets are also accepted, provided that the appropriate haircuts are made to reflect the lower quality and/or liquidity of the asset.

At 31 December 2014, most over-the-counter (OTC) transactions were secured: by amount(2), 62% of transactions with positive mark-to-market (collateral received by Societe Generale) and 70% of transactions with negative mark-to-market (collateral posted by Societe Generale).

Management of OTC collateral is monitored on an ongoing basis in order to minimise operational risk:

- the exposure value of each collateralised transaction is certified on a daily basis;
- specific controls are conducted to make sure the process goes smoothly (settlement of collateral, cash or securities; monitoring of suspended transactions, etc.);
- all outstanding secured transactions are reconciled with those of the counterparty according to a frequency set by the regulator (mainly on a daily basis) in order to prevent and/or resolve any disputes on margin calls;
- any legal disputes are monitored daily and reviewed by a committee.

In addition, the European Market Infrastructure Regulation (EMIR) published in 2012 established new measures aimed at improving the stability and transparency of the derivatives market. Specifically, EMIR requires the use of central counterparties for products deemed sufficiently liquid and standardised, the reporting of all transactions in derivative products to a trade repository, and the implementation of risk mitigation procedures (e.g. exchange of collateral, timely confirmation, portfolio compression(3), etc.) for OTC derivatives not cleared by central counterparties. Some of these measures are already in effect (portfolio reconciliation, dispute resolution, first clearing obligation), while others are expected to come into force in 2015. As of 31 December 2014, 21% of the OTC transactions (amounting to 52% of the nominal) are cleared through clearing houses.

2.3.4. Credit insurance

In addition to using export credit agencies (for example Coface and Exim) and multilateral organisations (for example the EBRD), Societe Generale has been developing relationships with private insurers over the last several years in order to hedge some of its loans against commercial and political non-payment risks.

This activity is performed within a risk framework and monitoring system validated by the Group's General Management. This system is based on an overall limit for the activity, along with sub-limits by maturity, and individual limits for each insurance counterparty which must meet strict eligibility criteria.

(2) Excluding OTC deals cleared in Clearing Houses

(3) Process which consists of i) the identification of deals whose risks can be offset and ii) their replacement by a smaller number of transactions, while keeping the same residual exposure

2.4. CREDIT PORTFOLIO ANALYSIS

2.4.1 Breakdown of on-balance-sheet credit portfolio

Outstanding loans in the on-balance-sheet credit portfolio could be broken down as follows as at 31 December 2014:

	31 December 2014				31 December 2013*			
(In billions of euros)	Debt instruments(1)	Customer loans(2)	Due from banks	Total	Debt instruments(1)	Customer loans(2)	Due from banks	Total
Outstanding performing assets	132.75	345.31	48.56	526.62	117.43	333.75	49.63	500.81
of which including past due amount	*-*	*5.94*	*0.05*	*5.99*	*-*	*6.81*	*0.05*	*6.86*
Impaired loans and advances	0.41	25.69	0.09	26.19	0.63	27.55	0.16	28.35
Total gross outstanding loans	**133.16**	**371.00**	**48.65**	**552.81**	**118.06**	**361.31**	**49.79**	**529.16**
Impairment	(0.27)	(16.01)	(0.03)	(16.31)	(0.13)	(16.71)	(0.03)	(16.87)
Revaluation of hedged items	-	0.59	0.04	0.63	-	0.40	0.03	0.43
Total net outstanding loans	**132.89**	**355.58**	**48.66**	**537.12**	**117.93**	**344.99**	**49.79**	**512.72**
Loans secured by notes and securities, and securities purchased under resale agreement	-	14.79	32.05	46.84	-	15.40	25.62	41.02
Total	**132.89**	**370.37**	**80.71**	**583.96**	**117.93**	**360.39**	**75.42**	**553.74**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS10 and IFRS 11 (see Note 2).

(1) Debt instruments include available-for-sale and held-to-maturity assets.

(2) Including Lease Financing.

Outstanding performing assets with past due amounts account for 1.5% of unimpaired on-balance sheet assets excluding debt instruments and including loans that are past due for technical reasons. The amount is stable compared to 31 December 2013 (1.8% of outstanding performing assets excluding debt/securities).

2.4.2. Information on risk concentration

The measurement used for outstanding loans in this section is EAD - Exposure At Default (on-balance sheet and off-balance sheet), excluding fixed assets, equity investments and accruals. EAD under Standard Approach is calculated net of collateral.

At 31 December 2014, the Group's Exposure at Default amounted to EUR 722 billion (including on-balance sheet assets of EUR 550 billion).

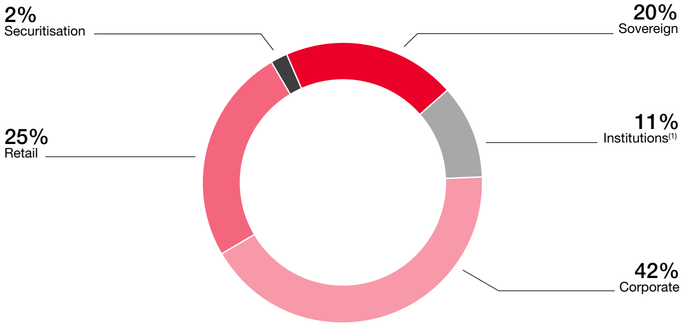
Societe Generale proactively manages its risk concentrations, both at the individual and portfolio levels (geographic or industry concentration).

Individual concentration is managed upon approval of the loan and throughout its life. The counterparties representing the bank's most significant exposures are regularly reviewed by the General Management.

Global portfolio analyses, as well as geographic and sector analyses, are performed and periodically presented to the General Management.

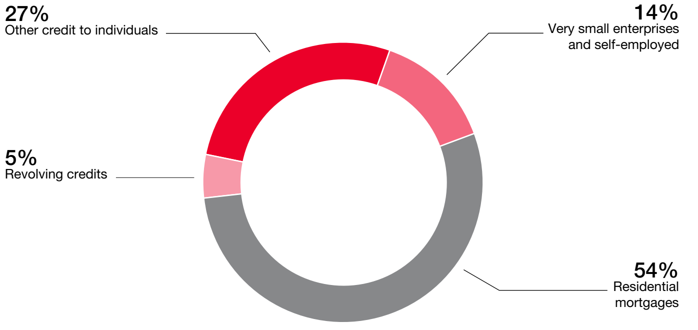
CREDIT RISK EXPOSURE BY EXPOSURE CLASS AS AT 31 DECEMBER 2014

On-balance sheet and off-balance sheet commitments (EUR 722 billion in EAD)



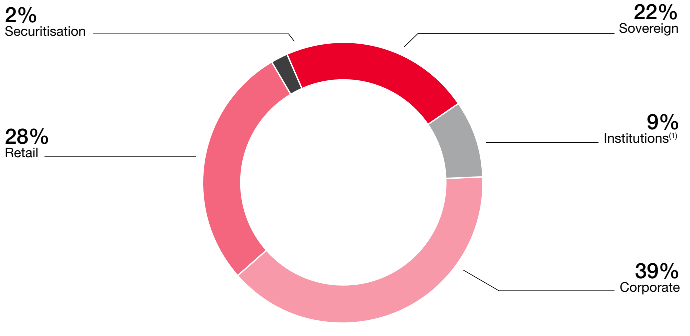
RETAIL CREDIT RISK EXPOSURE BY CLASS AS AT 31 DECEMBER 2014

On-balance sheet and off-balance sheet commitments (EUR 179 billion in EAD)



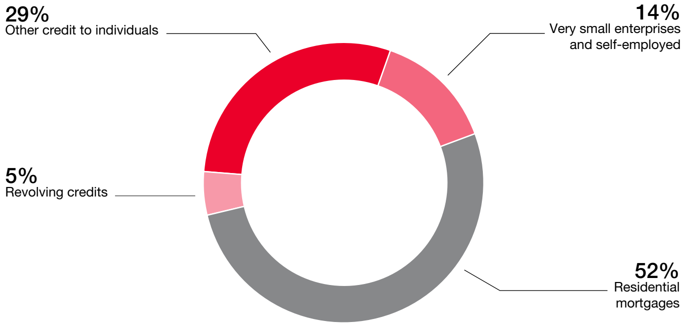
CREDIT RISK EXPOSURE BY EXPOSURE CLASS AS AT 31 DECEMBER 2013

On-balance sheet and off-balance sheet commitments (EUR 650 billion in EAD)



RETAIL CREDIT RISK EXPOSURE BY CLASS AS AT 31 DECEMBER 2013

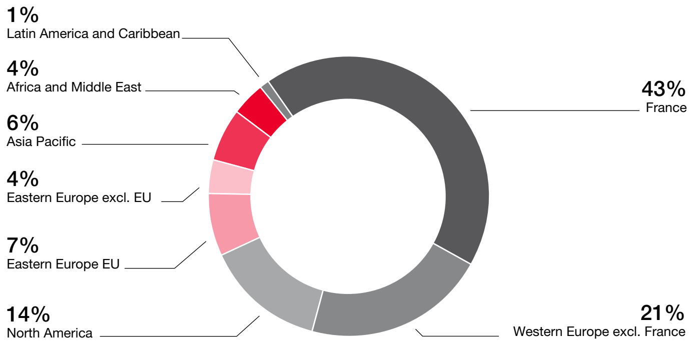
On-balance sheet and off-balance sheet commitments (EUR 181 billion in EAD)



(1) Institutions: Basel classification covering banks and public sector entities.

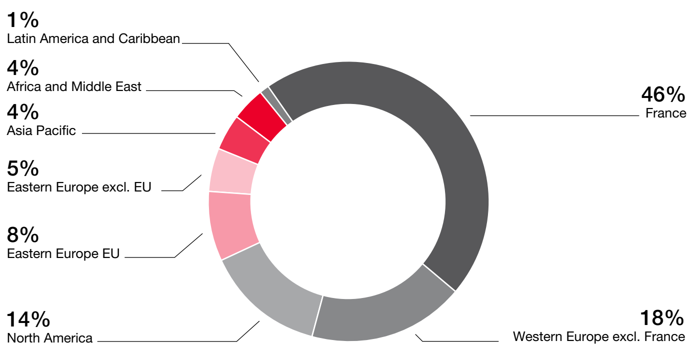
GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK OUTSTANDING AS AT 31 DECEMBER 2014 (ALL CUSTOMER TYPES INCLUDED)

On-balance sheet and off-balance sheet commitments (EUR 722 billion in EAD)



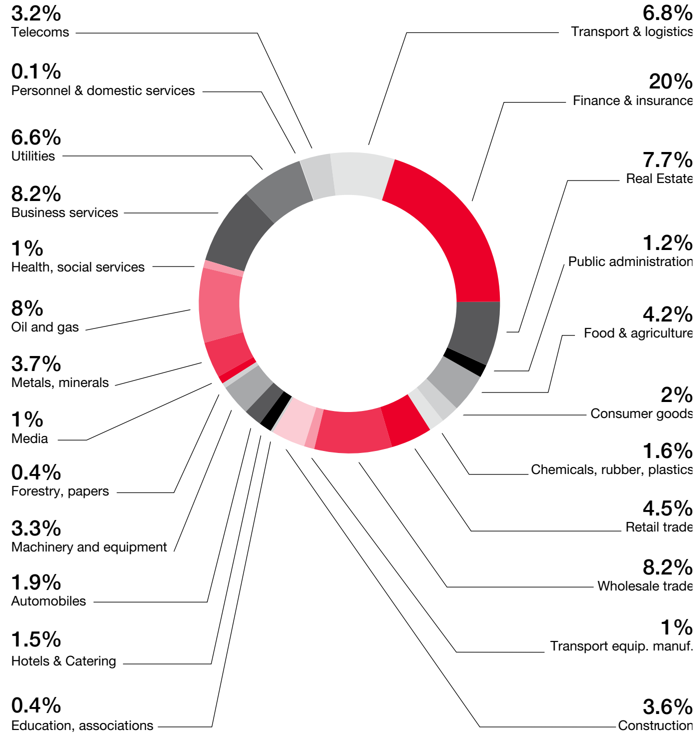
GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK OUTSTANDING AS AT 31 DECEMBER 2013 (ALL CUSTOMER TYPES INCLUDED)

On-balance sheet and off-balance sheet commitments (EUR 650 billion in EAD)



At 31 December 2014, 86% of the Group's on and off-balance sheet outstanding loans were concentrated in the major industrialised countries. More than 43% of the EAD concerned French customers (25% non-retail customers and 18% individual customers).

SECTOR BREAKDOWN OF GROUP CORPORATE CREDIT RISK OUTSTANDING AT 31 DECEMBER 2014 (BASEL CORPORATE PORTFOLIO, EUR 300 BILLION IN EAD)



The Group's Corporate portfolio (Large Corporates, SMEs and Specialised Financing) is highly diversified in terms of sectors.

At 31 December 2014, the Corporate portfolio amounted to EUR 300 billion (on and off-balance sheet outstanding measured in EAD). Only the Finance and Insurance sector accounts for more than 10% of the portfolio. The Group's commitments to its ten largest corporate counterparties account for 7% of this portfolio.

2.4.3. Loans and advances past due but not individually impaired

(In billions of euros)	31 December 2014 Loans and advances to customers	Loans and advances to Banks	% of Gross outstanding loans	31 December 2013 Loans and advances to customers	Loans and advances to Banks	% of Gross outstanding loans
Amounts including past due less than 91 days old	5.38	0.04	91%	6.17	0.05	91%
Of which less than 31 days old	*3.26*	*0.01*	*54%*	*4.31*	*0.04*	*63%*
Amounts including past due between 91 and 180 days old	0.29	0.01	5%	0.34		5%
Amounts including past due over 180 days old	0.27	0.00	4%	0.30		4%
Total	**5.94**	**0.05**	**100%**	**6.81**	**0.05**	**100%**

The amounts presented in the table above include loans and advances that are past due for technical reasons, which primarily affect the "less than 31 days old" category. Loans past due for technical reasons are loans that are classified as past due on account of a delay between the value date and the date of recognition in the customer account.

Total declared past due loans not individually impaired included all receivables (outstanding principal, interest and past due amounts) with at least one recognised past due amount. These outstanding loans can be placed on a watch list as soon as the first payment is past due.

2.4.4. Restructured debt

For Societe Generale, "restructured" debt refers to loans whose amount, term or financial conditions have been contractually modified due to the borrower's insolvency (whether insolvency has already occurred or will definitely occur unless the debt is restructured).

Restructured debt does not include commercial renegotiations involving customers for which the bank has agreed to renegotiate the debt in order to retain or develop a business relationship, in accordance with credit approval rules in force and without giving up any of the principal or accrued interest.

Any situation leading to debt restructuring entails placing the customers in question in the Basel default category and classifying the loans themselves as impaired.

The customers whose loans have been restructured are kept in the default category, as long as the bank remains uncertain of their ability to meet their future commitments and for a minimum of one year.

Restructured debt totaled EUR 8.3 billion at 31 December 2014.

2.4.5. Guarantees and collateral

The amount of guarantees and collateral is capped at the amount of outstanding loans, i.e. EUR 221 billion at 31 December 2014, of which EUR 111.5 billion for retail customers and EUR 109.5 billion for non-retail customers (versus EUR 89.4 billion and EUR 48.5 billion, respectively, at 31 December 2013). This is the amount used in the calculation of impairment. Guarantees and collateral received for outstanding loans not individually impaired amounted to EUR 2.15 billion at 31 December 2014 (of which EUR 1.25 billion for retail customers and EUR 0.90 billion for non-retail customers). Guarantees and collateral received for individually impaired loans amounted to EUR 5.74 billion at 31 December 2014 (of which EUR 1.96 billion for retail customers and EUR 3.78 billion for non-retail customers).

These amounts are capped at the amount of outstanding individually impaired loans.

2.5. IMPAIRMENT

Impairments include specific impairments, which cover counterparties in default and groups of homogeneous assets, which cover performing loans.

2.5.1. Specific impairment

Decisions to book specific impairments on certain counterparties are taken where there is objective evidence of default. The amount of impairment depends on the probability of recovering the amounts due. The expected cash flows are based on the financial position of the counterparty, its economic outlook and the guarantees called up or that may be called up.

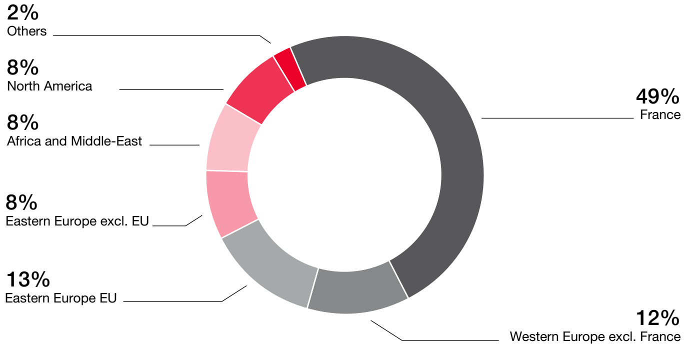
A counterparty is deemed to be in default when at least one of the following conditions is confirmed:

- a significant decline in the counterparty's financial situation leads to a high probability of said counterparty being unable to fulfill its overall commitments (credit obligations) hence a risk of loss to the bank whether or not the debt is restructured; and/or
- regardless of the type of loan (real estate or other) one or more past due at least 90 days were recorded (with the exception of restructured loans on probation, which are considered in default at first missed payment) and/or a recovery procedure is started, and/or
- a legal proceeding such as a bankruptcy, legal settlement or compulsory liquidation is in progress; and/or
- the debt was restructured less than one year previously.

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

As at 31 December 2014, impaired outstanding loans amounted to EUR 25.8 billion (EUR 27.8 billion as at 31 December 2013). They can be broken down as follows:

GEOGRAPHIC BREAKDOWN OF IMPAIRED OUTSTANDING LOANS AT 31 DECEMBER 2014



As at 31 December 2013, impaired outstanding loans were broken down as follows: 43% France, 12% Western Europe, 14% Eastern Europe EU, 11% Eastern Europe, 11% North America, 6% Africa and Middle East, 2% Asia and 1% Latin America and Caribbean.

As at 31 December 2014, these loans were covered by specific provisions amounting to EUR 14.8 billion against EUR 15.5 billion as at 31 December 2013.

2.5.2. Impairment on groups of homogenous assets

Impairment on groups of homogenous assets are collective impairments booked for portfolios that are homogenous and have a deteriorated risk profile although no objective evidence of default can be observed at an individual level.

These homogeneous groups can include sensitive counterparties, industrial sectors or countries. They are identified through regular analyses of the portfolio by industrial sector, country or counterparty type.

These provisions are calculated on the basis of assumptions on default rates and loss given default. These assumptions are calibrated for each homogeneous group based on its specific characteristics, sensitivity to economic environment and historical data. They are reviewed periodically by the Risk Division.

As at 31 December 2014, provisions on groups of homogeneous assets amounted to EUR 1.26 billion versus EUR 1.21 billion as at 31 December 2013.

2.5.3. Impairment

Impairment on assets can be broken down as follows:

(In millions of euros)	Amounts as at 31 December 2013*	Net impairment allowance	Reversal used	Exchange and scope effects	Amounts as at 31 December 2014
Specific impairments (Bank loan + Customer loan + lease financing)	15,530	2,368	(3,208)	95	14,785
Impairments on groups of homogenous assets	1,212	59	0	(15)	1,256
Impairments on available-for-sale assets and held to maturity securities, fixed income instruments	130	(17)	(19)	180	274
Other impairments	222	39	(40)	(12)	209
Total	**17,094**	**2,449**	**(3,267)**	**248**	**16,524**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (see Note 2).

3. MARKET RISKS

Market risks are the risks of losses resulting from unfavourable changes in market parameters.

They relate to all the trading book transactions as well as some of the banking book portfolios.

3.1. MARKET RISK MANAGEMENT STRUCTURE

Although primary responsibility for managing risk exposure lies with the front office managers, the supervision system is based on an independent structure, the Market Risk Department of the Risk Division.

The Department is in charge of:

- ensuring the existence and the implementation of an effective market risk framework based on suitable limits;
- approving the limit requests submitted by the different businesses within the framework of the overall limits set by the Board of Directors and the General Management, and based on the use of these limits;
- proposing appropriate market risks limits by Group activity to the Group Risk Committee;
- defining risk measurement methods, approving the valuation models used to calculate risks and results, and defining provisions for market risks (reserves and adjustments to earnings).

To carry out these different duties, the Market Risk Department uses the data and analysis provided by the Finance Department of GBIS (Global Banking and Investor Solutions), which monitors the Group's market positions on a permanent, daily and independent basis, notably via:

- daily calculation and certification of market risk indicators based on formal and secure procedure;
- reporting and first-level analysis of these indicators;
- daily monitoring of the limits set for each activity, in conjunction with the Market Risk Department;
- verification of the market parameters used to calculate risks and results in line with the methodologies defined by the Market Risk Department;
- monitoring and control of the gross nominal value of positions. This system is based on alert levels applied to all instruments and desks which are defined in collaboration with the Market Risk Department, and contributes to the detection of possible rogue trading operations.

Accordingly, the Finance Department of GBIS, in conjunction with the Market Risk Department, defines the architecture and functionalities of the information system used to produce the risk indicators for market operations to ensure it meets the needs of the different business lines.

A daily report on use of limits of VaR (Value at Risk), stress tests (extreme scenarios) and other major market risks metrics (sensitivity, nominal, etc) at various levels (Societe Generale, Global Banking and Investor Solutions, Global Markets) is submitted to the General Management and the managers of the business lines, in addition to a monthly report which summarises the key events in the area of market risk management.

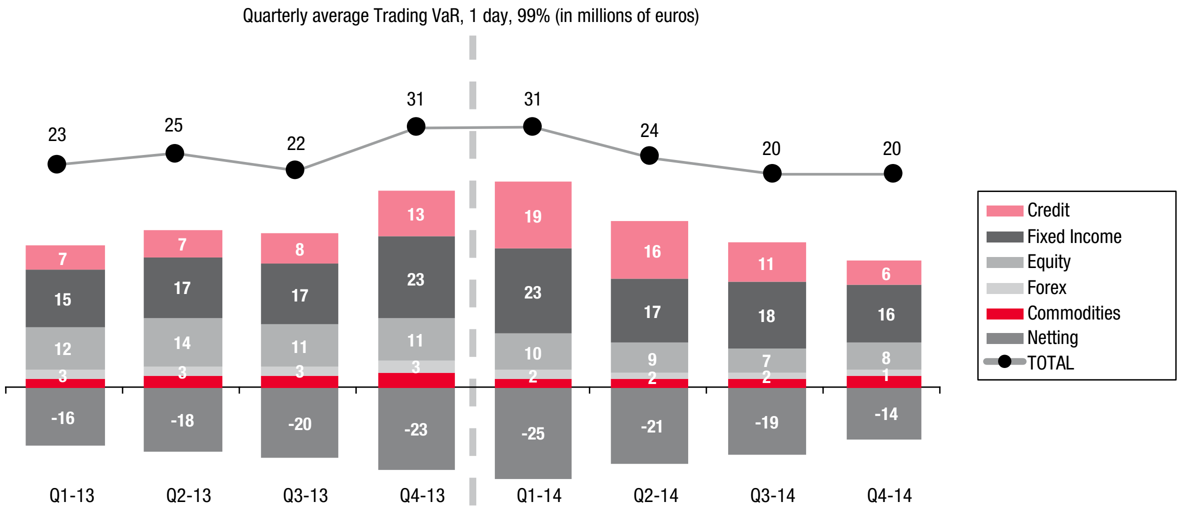
3.2. METHODS FOR MEASURING MARKET RISK AND DEFINING EXPOSURE LIMITS

The Group's market risk assessment is based on three main indicators, which are monitored through limits:

- the 99% Value-at-Risk (VaR) method: in accordance with the regulatory internal model, this global indicator is used for the day-to-day monitoring of the market risks incurred by the Bank, within the scope of its trading activities;
- a stress test measurement, based on a decennial shock-type indicator. Stress test measurements help restrict and monitor the Group's exposure to systemic risk and exceptional market shocks;
- complementary metrics (sensitivity, nominal, concentration or holding period, etc.), which ensure consistency between the overall risk limits and the operational thresholds used by the front office.

In accordance with CRD 3 (Capital Requirement Directive), the following indicators are also calculated on a weekly basis: stressed VaR, IRC (Incremental Risk Charge) and CRM (Comprehensive Risk Measure). The capital charges arising from these internal models complement VaR by taking into account rating migration risks and default risks, and limit the procyclical nature of capital requirements.

BREAKDOWN BY RISK FACTOR OF TRADING VAR - CHANGES IN QUARTERLY AVERAGE OVER THE 2013-2014 PERIOD (IN MILLIONS OF EUROS)



3.2.1. Average VaR

Average VaR amounted to EUR 24 million for 2014 compared to EUR 25 million in 2013. VaR, which on average remained low throughout 2014, was subject to the following changes:

- in January, VaR remained at a high average level, in line with the trend observed at end-2013, in a context of favourable market conditions;

- then the return of uncertainties in February/March (tensions in emerging countries, Ukraine crisis) led to more defensive positions and a gradual VaR reduction, amplified during the summer following the exit from the VaR computation window of the volatile scenarios of spring 2013, mainly impacting the rate perimeter;
- overall, VaR levels remained globally low from June to December and stabilised in the EUR 20-25 million range. The main contributor was the fixed income flow business, while some occasional peaks were due to the equity flow business (notably in June). This low VaR level was mainly due to the absence of volatile scenarios in the current computation window (except some year-end scenarios whose impacts remained limited on average) and a reduction of positions starting in mid-October.

3.2.2. VaR calculation method

The Internal VaR Model was introduced at the end of 1996 and has been approved by the French regulator within the scope of the Regulatory Capital requirements.

The method used is the "historical simulation" method, which implicitly takes into account the correlation between all risk factors and is based on the following principles:

- storage in a database of the risk factors that are representative of Societe Generale's positions (i.e. interest rates, share prices, exchange rates, commodity prices, volatility, credit spreads, etc.);
- definition of 260 scenarios, corresponding to one-day variations in these market parameters over a rolling one-year period;
- application of these 260 scenarios to the market parameters of the day;
- revaluation of daily positions, on the basis of the 260 sets of adjusted daily market parameters.

The 99% Value-at-Risk is the largest loss that would occur after eliminating the top 1% of the most adverse occurrences over a one-year historical period. Within the framework described above, it corresponds to the average of the second and third largest losses computed. The VaR assessment is based on a model and a certain number of conventional assumptions whose main limitations are as follows:

- by definition, the use of the 99% confidence interval does not take into account losses arising beyond this point; VaR is therefore an indicator of losses under normal market conditions and does not take into account exceptionally large fluctuations;
- VaR is computed using closing prices, so intra-day fluctuations are not taken into account.

The Risk Division's Market Risk Department mitigates the limitations of the VaR model by performing stress tests and other additional measurements.

In addition, the relevance of the model is checked through ongoing backtesting in order to verify whether the number of days for which the negative result exceeds the VaR complies with the 99% confidence interval.

Daily profit and loss used for backtesting includes in particular the change in value of the portfolio (book value) and the impact of new transactions and of transactions modified during the day (including their sales margins), refinancing costs, the various related commissions (brokerage fees, custody fees, etc.), as well as provisions and parameter adjustments made for market risk. Some components calculated at various frequencies (for example, some adjustments for market risk) are allocated on a daily basis.

3.2.3. Stressed VaR (SVaR)

At the end of 2011, Societe Generale was authorised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR - French Prudential and Resolution Supervisory Authority) to complement its internal models with the CRD3 measurements, in particular Stressed VaR, for the same scope as VaR.

The calculation method used is the same as under the VaR approach. It consists in carrying out a historical simulation with 1-day shocks and a 99% confidence interval. Contrary to VaR, which uses 260 scenarios for one-day fluctuations over a rolling one-year period, Stressed VaR uses a fixed one-year historical window corresponding to a period of significant financial tension.

The historical window, which is determined using a method approved by the regulator, captures significant shocks on all risk factors (risks related to equity, interest rates, foreign exchange rates, credit and commodities). It is subject to an annual review.

3.2.4. Stress Test assessment

Alongside the internal VaR model, Societe Generale monitors its exposure using stress test simulations to take into account exceptional market occurrences.

A stress test estimates the loss resulting from an extreme change in market parameters over a period corresponding to the time required to unwind or hedge the related positions (5 to 20 days for most trading positions).

This stress test risk assessment is applied to all of the Bank's market activities. It is based on a set of historical and theoretical scenarios that include the "Societe Generale Hypothetical Financial Crisis Scenario" (or "Generalised" scenario) based on the events observed in 2008. These scenarios apply shocks to all substantial risk factors including exotic parameters.

Together with the VaR model, this stress test risk assessment methodology is one of the main pillars of the risk management framework. The underlying principles are as follows:

- risks are calculated every day for each of the Bank's market activities (all products together), using the historical and hypothetical scenarios;
- stress test limits are established for the Group's activity as a whole and then for the Bank's various business lines. They frame the most adverse result arising from the set of historical and hypothetical scenarios.

The various stress test scenarios are revised and improved by the Risk Division on a regular basis, in conjunction with the Group's teams of economists and specialists. In 2013, this stress assessment was based on a set of 34 scenarios (26 historical scenarios and 8 hypothetical scenarios). In 2014, a thorough review of our global stress tests scenarios led to a reduction of their number from 34 to 18.

3.2.5. Historical Stress Tests

This method consists of an analysis of the major economic crises that have affected the financial markets since 1995 (the date from which the financial markets became global and subject to increased regulatory requirements): the changes in the prices of financial assets (equities, interest rates, exchange rates, credit spreads, etc.) during each of these crises have been analysed in order to define scenarios for potential variations in these risk factors which, when applied to the bank's trading positions, could generate significant losses. Applying this systematic approach during the 2014 review of the 26 historical scenarios previously in production led to keeping 3 historical scenarios and to removing 19 historical scenarios not significant in terms of impact. Moreover, 4 other former historical scenarios, although not significant according to our systematic approach, but however deemed relevant because of the crises covered and the types of shock applied, were finally kept and reclassified as hypothetical scenarios.

3.2.6. Hypothetical Stress Tests

The hypothetical scenarios are defined with the Bank's economists and are designed to simulate the possible sequences of events that could lead to a major crisis in the financial markets (e.g. a major terrorist attack, political instability in the main oil-producing countries, etc.). The Bank's aim is to select extreme but plausible events which would have major repercussions on all the international markets. Societe Generale has therefore adopted 15 hypothetical scenarios.

4. STRUCTURAL INTEREST RATE AND EXCHANGE RATE RISKS

Structural exposure to interest rate risks encompasses exposures resulting from commercial activities and their hedging transactions as well as corporate centre transactions for each of the Group's consolidated entities.

The interest rate and exchange rate risks linked to trading activities are excluded from the structural risk measurement scope as they belong to the category of market risks. Structural and market exposures constitute the total interest rate and exchange rate exposure of the Group.

The general principle is to reduce structural interest rate and exchange rate risks to the greatest extent possible within the consolidated entities. Wherever possible, commercial transactions must be hedged against interest rate and exchange rate risks, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within a treasury department). Interest rate and exchange rate risks linked to corporate centre transactions must also be hedged as far as possible except for some foreign exchange positions kept to immunise the Core Tier 1 ratio.

4.1. ORGANISATION OF THE MANAGEMENT OF STRUCTURAL INTEREST RATE AND EXCHANGE RATE RISKS

The principles and standards for managing these risks are defined at the Group level. The entities are first and foremost responsible for managing these risks. The ALM (Asset and Liability Management) Risk Control Departments within the Finance Divisions of the Group's business divisions conduct Level 2 controls of the entities' structural risk management.

The Group Finance Committee, a General Management body

- validates and oversees the structural risk monitoring, management and supervision system;
- reviews changes in the Group's structural risks through consolidated reporting by the Finance Division;
- examines and validates the measures proposed by the Group Finance Division.

The ALM Risk Control Department, within the Group Finance Division, is responsible for

- defining the structural risk policies for the Group;
- defining the steering indicators and overall stress test scenarios of the different types of structural risks and setting the main limits for the business divisions and the entities;
- analysing the Group's structural risk exposure and defining hedging strategies;
- monitoring the regulatory environment concerning structural risk;
- defining the ALM principles for the Group;
- defining the normative environment of the structural risk metrics;
- validating the models used by the Group entities with regard to structural risks;
- inventorying, consolidating and reporting on Group structural risks;
- performing controls of structural risk limits.

The ALM Risk Control Department reports to the Chief Financial Officer of the Group and is functionally supervised by the Chief Risk Officer, to whom it reports its activities and who validates its working plan jointly with the Chief Financal Officer. The ALM Risk Department is integrated in the governance of the Group Risk function in compliance with Regulation No. 97-02 of the French Banking and Financial Regulation Committee (CRBF).

Entities are responsible for structural risk management

In this respect, entities apply the standards defined at the Group level, develop their models, measure their risk exposure and implement the required hedges.

Each entity has its own structural risk manager, who reports to the entity's Finance Department and is responsible for conducting first level controls and for reporting the entity's structural risk exposure to the Group Finance Division via a shared IT system.

Retail banking entities both in France and abroad generally have an ad-hoc ALM (Asset Liability Management) Committee responsible for validating the models used, managing their exposures to interest rate and exchange rate risks and implementing hedging programs in compliance with the principles set out by the Group and the limits validated by the Finance Committee.

4.2. STRUCTURAL INTEREST RATE RISK

Structural interest rate risk is measured within the scope of structural activities (transactions with customers, the associated hedging transactions and corporate centre transactions) for each of the Group's entities.

Structural interest rate risk arises mainly from the residual gaps (surplus or deficit) in each entity's fixed-rate forecasted positions.

■ Objective of the Group

The Group's main aim is to reduce each Group entity's exposure to structural interest rate risk as much as possible.

To this end, any residual structural interest rate risk exposure must comply with the sensitivity limits set for each entity and for the overall Group as validated by the Finance Committee. Sensitivity is defined as the variation in the net present value of future (maturities of more than 20 years) residual fixed-rate positions (surplus or deficit) based on all its assets and liabilities for a 1% parallel increase in the yield curve (i.e. this sensitivity does not relate to the sensitivity of the annual net interest margin). The limit set at Group level is EUR 1 billion.

■ Measurement and monitoring of structural interest rate risks

Societe Generale uses several indicators to measure its interest rate risk. The three most important indicators are:

- interest rate gap analysis (the difference between outstanding fixed-rate assets and liabilities by maturity): the schedule of fixed rate positions is the main indicator for assessing the characteristics of the hedging transactions required, it is calculated on a static basis;
- economic value sensitivity is a supplementary and synthetic indicator used to set limits for the entities. It is calculated as the sensitivity of the balance sheet's economic value to variations in interest rates. This measurement is calculated for all currencies to which the Group is exposed;
- the net interest margin sensitivity to variations in interest rates in various stress scenarios takes into account the sensitivity generated by future commercial productions over a rolling three-year period. It is calculated on a dynamic basis.

In order to quantify its exposure to structural interest rate risks, the Group analyses all future fixed-rate assets and liabilities. These positions come from transactions remunerated or charged at fixed rates and from their maturities.

Assets and liabilities are analysed independently, without any a priori matching. The maturities of outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models based on historic customer behavior patterns (particularly for regulated savings accounts, prepayments, etc.), as well as conventional assumptions relating to certain balance sheet items (principally shareholders' equity and sight deposits).

Once the Group has identified its fixed-rate positions (surplus or deficit), it calculates the sensitivity (as defined above) to interest rate variations. This sensitivity is defined as the variation of the net present value of the fixed-rate positions for a 1% instantaneous parallel increase in the yield curve.

In addition to this analysis, the Group also analyses the sensitivity of its fixed-rate position to different yield curve configurations (steepening and flattening of the yield curve). The measurement of net interest income sensitivity is also used by the Group to quantify the structural interest rate risk of significant entities.

Throughout 2014, the Group's overall sensitivity to interest rate risk remained below 1.5% of Group regulatory capital and within the EUR 1 billion limit.

The following observations can be made with regard to the business lines' structural interest rate risk:

- within French Retail Banking, the outstanding amounts of customer deposits, generally considered to be fixed-rate, exceed fixed-rate loans for maturities over 1 year. Macro hedging is set up, essentially through the use of interest rate swaps, in order to keep the French retail networks' sensitivity to interest rate risk (on the basis of the adopted *scenarii*) inside the limits. At end of December 2014, the sensitivity of the French retail networks' economic value, based on their essentially euro-denominated assets and liabilities, was EUR 76 million;
- transactions with large corporates are generally micro-hedged and therefore present no residual interest rate risk;
- transactions with clients of the Financial Services subsidiaries are generally macro-hedged and therefore present only a very low interest rate risk;
- customers' transactions at our subsidiaries and branches located in countries with weak currencies can generate structural interest rate risk, which remains limited at the Group level. These entities may have problems in optimally hedging interest rate risk due to the weak development of the financial markets in some countries;
- proprietary transactions are well hedged. Residual positions are limited and arise primarily from shareholders' equity that has not been fully reinvested at expected maturities.

Sensitivity to interest rate variations of the Group's main entities amounted to EUR 35 million as at 31 December 2014 (for a 1% parallel and instantaneous rise in the yield curve). These entities account for 90% of the Group's outstanding customer loans.

TABLE1: MEASUREMENT OF THE ENTITIES' SENSITIVITY TO A 1% INTEREST RATE SHIFT, AT 31 DECEMBER 2014, INDICATED BY MATURITY

(In millions of euros)

Less than one year	Between 1 and 5 years	More than 5 years	Total sensitivity
77	(249)	207	35

4.3. STRUCTURAL EXCHANGE RATE RISK

Structural exchange rate risk is mainly caused by:

- foreign-currency denominated capital contributions and equity investments financed through the purchase of foreign currencies;
- retained earnings in foreign subsidiaries;
- investments made by some subsidiaries in a currency other than the one used for their equity funding for regulatory reasons.

Objective of the Group

The Group's policy is to immunise its Core Tier 1 ratio against fluctuations in its operating currencies. To this end, it may decide to purchase currencies to finance very long-term foreign currency-denominated investments, thus creating structural foreign exchange positions. Any differences in the valuation of these structural positions are subsequently booked as translation differences.

Measurement and monitoring of structural foreign exchange rate risks

The Group quantifies its exposure to structural foreign exchange rate risks by analysing all assets and liabilities denominated in foreign currencies, arising from commercial transactions and corporate centre transactions for each of the consolidated entities.

The Group monitors structural exchange rate positions and manages the sensitivity of the Core Tier 1 ratio to exchange rate fluctuations.

In 2014, structural positions monitoring reduced the sensitivity of the Core Tier 1 ratio to currency fluctuations (sensitivity of the Core Tier 1 ratio is managed within limits per currency set according to the Group's risk appetite in these currencies) .

4.4. HEDGING INTEREST RATE AND EXCHANGE RATE RISK

In order to hedge certain market risks inherent to Societe Generale's Corporate and Investment Banking arm, the Group has set up hedges which, in accounting terms, are referred to as fair value hedges or cash flow hedges depending on the risks and/or financial instruments to be hedged.

In order to qualify these transactions as accounting hedges, the Group documents said hedge transactions in detail, specifying the risk covered, the risk management strategy and the method used to measure the effectiveness of the hedge from its inception. This effectiveness is verified when changes in the fair value or cash flow of the hedged instrument are almost entirely offset by changes in the fair value or cash flow of the hedging instrument – the expected ratio between the two changes in fair value being within the range of 80%-125%. Effectiveness is measured each quarter on a prospective (discounted over future periods) and retrospective (booked in past periods) basis. Where the effectiveness falls outside the range specified above, hedge accounting is discontinued.

Fair value hedging

Within the framework of its activities and in order to hedge its fixed-rate financial assets and liabilities against fluctuations in long-term interest rates (essentially loans/borrowings, securities issued and fixed-income securities), the Group enters into hedging transactions qualified as fair value hedges for accounting purpose, primarily using interest rate swaps.

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

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

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

Cash flow hedging

Cash flow hedges on interest rates are used to hedge against the risk of fluctuation in the future cash-flows of a floating-rate financial instrument due to variation in market interest rates.

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

Societe Generale's Corporate and Investment Banking arm is exposed to future cash-flow variations by virtue of its short and medium-term financing needs. Its highly probable refinancing needs are determined according to the historical data drawn up for each activity and which reflects balance sheet assets. These data may be revised upwards or downwards depending on how management styles evolve.

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

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

31.12.2014 *(In millions of euros)*	**Less than 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Floating cash flows hedged	119	344	570	1,029	2,062
Highly probable forecast transaction	391	332	521	42	1,286
Other	74	281	32	-	386
Total flows covered by cash flow hedge	**584**	**957**	**1,123**	**1,071**	**3,734**

31.12.2013 *(In millions of euros)*	**Less than 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Floating cash flows hedged	160	745	968	1,276	3,149
Highly probable forecast transaction	100	275	427	(0)	802
Other	1	249	161	-	411
Total flows covered by cash flow hedge	**261**	**1,269**	**1,556**	**1,276**	**4,363**

Hedging of a net investment in a foreign company

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

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

5. LIQUIDITY RISK

Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price.

The Group manages this exposure using a specific framework designed to manage liquidity risk both under normal day-to-day conditions and in the event of a potential liquidity crisis.

5.1. GOVERNANCE AND ORGANISATION

The principles and standards applicable to the management of liquidity risks are defined by the Group's governing bodies. The functions of the Group's governing bodies in the area of liquidity are listed below:

- the Group's Board of Directors:
  - establishes the level of liquidity-related risk tolerance as part of the Risk Appetite exercise, including the time period during which the Group can operate under conditions of stress ("survival horizon"),
  - regularly examines the Group's liquidity risk situation (on a quarterly basis at least);
- the Executive Committee:
  - sets Group liquidity budget targets on the proposal of the Group Finance Division,
  - allocates liquidity at Business and Group Treasury level on the proposal of the Group Finance Division,
- the Finance Committee is the body that monitors structural risks and manages scarce resources. As such, it:
  - meets every six weeks under the chairmanship of the Chairman and Chief Executive Officer or a Deputy Chief Executive Officer with the representatives from the Risk Division, the Group Finance Division and pillars,
  - oversees and validates the structural risks framework in terms of liquidity,
  - assesses periodically the compliance of the Group's trajectory with the budget trajectory in terms of liquidity,
  - if necessary, rules, upon implementation of corrective measures,
  - if necessary, rules on methodological issues regarding liquidity risk management,
  - examines the potential regulations' evolutions and their impacts in terms of liquidity.

The pillars are responsible for the management of liquidity risk on their own perimeter and are under direct supervision of the Group Finance Division. They are also responsible for the compliance of the entities (that they supervise) with applicaple regulatory constraints.

The Group Finance Division provides liquidity risk management, steering and monitoring via three distinct departments in compliance with the principles advocating a separation of risk steering, execution and control functions:

- the Strategic and Financial Steering Department, responsible for:
  - establishing the Group's financial trajectory in compliance with its strategic objectives, regulatory requirements and market expectations,
  - ensuring that liquidity oversight is in line with the Group's other objectives in the areas of profitability and scarce resources,
  - proposing and monitoring the business lines' budget trajectories,
  - monitoring the regulatory environment and developing oversight standards for the pillars.

- the Balance Sheet and Global Treasury Management Department, responsible for:
  - executing the Group's short-term and long-term funding plan,
  - supervising and coordinating the Group's Treasury functions,
  - providing market monitoring and providing its operational expertise when necessary to help recommend budget target and allocation in terms of liquidity,
  - managing the collateral used in refinancing operations (Central Banks, covered bonds, securitisation, secured funding),
  - managing the Group's central funding department (management of liquidity and regulatory capital within the Group), including the internal liquidity grids;
- the Structural Risk Monitoring and Control Department, responsible for:
  - supervising and managing the structural risks (interest rates, foreign exchange rates, liquidity) to which the Group is exposed,
  - in particular, monitoring structural risk models, in view of established methodologies and principles, monitoring compliance with limit restrictions and management practices by the divisions, business lines and entities of the Group.

  It reports hierarchically to the Chief Financial Officer and functionally to the Group Chief Risk Officer.

In addition, several Risk Division departments contribute, together with the Finance Division, to the operational supervision of liquidity risk. Their actions are coordinated by the Cross-Business Risk Monitoring Department under the Group Chief Risk Officer. Specifically, they relate to:

- the independent review of capital market models;
- the validation of all the Group's liquidity models within the framework of centralised governance;
- the examination of requests for risk limits relating to liquidity risk metrics and the monitoring of any limit breaches.

5.2. LIQUIDITY RISK MANAGEMENT

The Group's primary objective is to ensure the funding of its activities in the most cost-effective way by managing liquidity risk and by adhering to regulatory limits. The aim of the liquidity steering system is to provide balance sheet oversight centred on a target asset and liability structure that is consistent with the risk appetite defined by the Board of Directors:

- the asset structure should allow the businesses to develop their activities in a way that is liquidity-efficient and compatible with the target liability structure. This development must comply with the liquidity gaps defined at the Group level (under static and stress *scenarii*) as well as regulatory requirements;
- the liability structure is based on the ability of the businesses to collect financial resources from customers and the ability of the Group to sustainably raise financial resources on the markets, in accordance with its risk appetite;

  This steering system is based on the measurement and supervision of the businesses' liquidity gaps under reference and stress scenarios, their Group funding needs, the funds raised by the Group on the market, the eligible assets and the businesses' contribution to regulatory ratios.
- The businesses must observe zero or low static liquidity gaps within the operating limits of their activities through a back-to-back with the Group's Central Treasury, which can, if needed, run a transformation/antitransformation position, and manage it within the framework of the established risk limits.
- Internal liquidity stress tests, established on the basis of systemic, specific and combined scenarios, are controlled at the Group level. They are used to ensure compliance with the survival horizon established by the Board of Directors and to calibrate liquidity reserves. They are accompanied by a Contingency Funding Plan that lays out measures to be taken in the event of a liquidity crisis.

  The Group's liquidity reserve consists of cash at central banks and assets that can be used to meet treasury outflows under a stress scenario. The reserve assets are available, i.e. not used as a guarantee or as collateral on any transaction. They are included in the reserves after application of a haircut to reflect their expected valuation under stress. The Group's liquidity reserve contains assets that can be freely transferred within the Group or used to meet liquidity outflows at the subsidiary level in the event of a crisis.

  The composition of the liquidity reserves is reviewed regularly by a special committee comprising the Finance Division, the Risk Division and the Management of the GBIS pillar, and is adjusted by delegation from the Finance Committee.
- The funding needs of businesses (short-term and long-term) are determined on the basis of the franchises' development objectives and in line with the Group's fundraising targets and capabilities.
- A long-term funding plan, which complements the resources raised by the pillars, is designed to ensure the repayments of upcoming maturities and finance the growth of the businesses. It takes into account the Group's investment capabilities and aims to optimise the cost of fundraising while complying with limits in terms of market concentration. Diversification in terms of issuers and investor pools is also examined and managed.

  Regarding the assets pledged as collateral in the framework of collateralised financing, with respect to market financing, the Group remains attentive to the proportion of collateralised financing and the associated overcollateralisation ratio. The objective is to optimise the use of collateral available within the Group, comply with existing obligations and reduce the overall refinancing cost.
- The Group's short-term resources are designed to finance the short-term needs of the businesses over periods appropriate to their management and in line with market concentration limits. As outlined above, they are proportioned under the asset liquidity reserve on the basis of the established stress survival horizon as well as the Group's LCR target (see below).

- The Group's steering takes into account compliance with target regulatory ratios, the framework for the businesses being based on their contribution to these ratios.

  The main ratio is the "Liquidity Coverage Ratio" (LCR), recommended by the Basel Committee at an international level. The definition of the LCR was finalised in a Delegated Act adopted by the European Commission on 10 October 2014, based on technical standards issued by the European Banking Authority (EBA). The aim of the ratio is to ensure that banks have an adequate safety buffer consisting of liquid or cash assets to withstand severe stress involving a combination of a market crisis and a specific crisis, for a duration of one month. The minimum ratio will be set at 60% on 1 October 2015, reaching 100% on 1 January 2018. At 31 December 2014, the Group's LCR was above 100%.

  The Group liquidity position in terms of ACPR ratio (defined in the framework of the current French regulation) was also well in excess of the minimum requirement of 100% throughout the whole of 2014.

Finally, liquidity is framed in terms of cost via the Group's internal transfer pricing scheme. Funding allocated to the businesses is charged to them based on scales that must reflect the liquidity cost for the Group. This system is aimed at optimising the use of external financing sources by businesses and is used to steer financing balances on the balance sheet.

Societe Generale has undertaken a specific review of its liquidity risks and believes that it is able to meet its upcoming maturities.

6. CAPITAL MANAGEMENT AND COMPLIANCE WITH REGULATORY RATIOS

6.1. DESCRIPTION OF THE APPROACH TO CAPITAL MANAGEMENT

Group policy on the use of shareholders' equity meets the following three priorities: for a given market capitalisation target, 1) to ensure internal growth, 2) to manage and optimise the Group's business portfolio and 3) to maintain a clear and consistent policy with respect to its shareholders (principally on matters of dividend pay-outs).

To this end, Societe Generale Group establishes a capital target based on a combination of factors specific to the Group (target rating, business mix, risk profile and Group strategy) and external factors (competitors' level of shareholders' equity, market expectations, minimum capitalisation expected by the supervisory authorities). Capital is also proportioned to cover extreme losses calculated through global stress tests taking into account the Group's entire risk profile and allowing the measurement of its resilience to macroeconomic crisis scenarios.

This target is maintained through financial planning, which consists in simulating the balance of resources in relation to capital requirements and capital transactions. Capital management is monitored through data collected within the framework of the Group budget and strategic plan, which are periodically updated.

6.2. COMPLIANCE WITH REGULATORY RATIOS

Basel 3 reforms are being implemented in the European Union through the Capital Requirements Regulation (CRR) and Capital Requirements Directive 4 (CRD 4) which came into effect on 1 January 2014.The solvency ratio complies with the calculation methods established by the CRR and complemented by the European Banking Authority (EBA) regulatory technical standards (RTS), including the draft RTS on prudent valuation (PVA RTS). This ratio is based on the Group's consolidated banking activities, thus eliminating the contributions of the insurance entities.

Prudential capital is comprised of the following: Common Equity Tier 1 capital (CET1), Additional Tier 1 capital (AT1) and Tier 2 (T2). Basel 3 introduced new deductions to be made for the most part from Common Equity Tier 1.

The solvency ratio represents the level of capital in reserve on a permanent basis, in order to cover all the risks to which Societe Generale Group is exposed. The minimum capital requirement is 8% (with 4% on CET1 and 5.5% on Tier 1 for 2014) of risks expressed as risk-weighted assets for credit risks and capital requirements multiplied by 12.5 for market risks and operational risks, calculated using internal models for which Societe Generale obtained authorisation from the French Banking Commission (Commission Bancaire) in 2007.

During 2014, Societe Generale Group complied with all of the prudential solvency ratios applicable to its activities.

6.3. ASSET QUALITY REVIEW BY THE EUROPEAN CENTRAL BANK

Over the course of 2014, the European Central Bank (ECB) conducted an Asset Quality Review and Stress Tests which the largest European banks have had to undergo prior to the ECB's single supervisory mechanism in the eurozone. The results of this review were published by the ECB and the EBA on 26 October 2014.

The ECB and French Prudential Supervision and Resolution Authority (ACPR) first carried out an in-depth review of the bank's accounting methodologies. The regulators subsequently selected and reviewed nearly half the Group's exposures using a methodology specific to the ECB, determined for the purposes of the exercise, covering principally the provisioning of credit risks and the valuation of market risks.

This review had no material impact on the Group's financial statements and in the rules applied by the Group for the valuation and presentation of these consolidated financial statements.

Note 5

CASH, DUE FROM CENTRAL BANKS

(In millions of euros)	31 December 2014	31 December 2013*
Cash	2,740	2,741
Due from central banks	54,325	63,857
Total	**57,065**	**66,598**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 6

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2014				31 December 2013*			
(In millions of euros)	Valuation on the basis of quoted prices in active markets (L1)[2]	Valuation using observable inputs other than quoted prices included in L1 (L2)[2]	Valuation using mainly inputs that are not based on observable market data (L3)[2]	Total	Valuation on the basis of quoted prices in active markets (L1)[2]	Valuation using observable inputs other than quoted prices included in L1 (L2)[2]	Valuation using mainly inputs that are not based on observable market data (L3)[2]	Total
Trading portfolio								
Bonds and other debt securities	59,216	7,661	857	67,734	72,918	2,458	480	75,856
Shares and other equity securities[1]	84,971	5,193	-	90,164	111,149	4,399	1	115,549
Other financial assets	18	120,861	343	121,222	2	89,172	303	89,477
Sub-total trading portfolio	**144,205**	**133,715**	**1,200**	**279,120**	**184,069**	**96,029**	**784**	**280,882**
o/w securities on loan				*11,001*				*30,754*
Financial assets measured using fair value option through P&L								
Bonds and other debt securities	9,890	126	66	10,082	8,264	41	70	8,375
Shares and other equity securities[1]	15,135	731	205	16,071	11,499	862	216	12,577
Other financial assets	-	14,659	550	15,209	-	14,831	198	15,029
Separate assets for employee benefit plans	-	275	-	275	-	177	-	177
Sub-total of financial assets measured using fair value option through P&L	**25,025**	**15,791**	**821**	**41,637**	**19,763**	**15,911**	**484**	**36,158**
o/w securities on loan				-				-
Trading derivatives								
Interest rate instruments	**27**	**142,083**	**2,401**	**144,511**	**98**	**105,900**	**1,920**	**107,918**
Firm instruments								
Swaps				104,331				80,065
FRA				726				99
Options								
Options on organised markets				178				35
OTC options				32,724				20,552
Caps, floors, collars				6,552				7,167
Foreign exchange instruments	**848**	**22,039**	**112**	**22,999**	**389**	**17,244**	**33**	**17,666**
Firm instruments				*17,589*				*13,295*
Options				*5,410*				*4,371*
Equity and index instruments	**292**	**22,734**	**477**	**23,503**	**28**	**21,623**	**414**	**22,065**
Firm instruments				*1,628*				*1,778*
Options				*21,875*				*20,287*
Commodity instruments	**-**	**8,526**	**370**	**8,896**	**-**	**3,267**	**226**	**3,493**
Firm instruments-Futures				*6,613*				*2,787*
Options				*2,283*				*706*
Credit derivatives	**-**	**9,446**	**116**	**9,563**	**38**	**10,117**	**440**	**10,595**
Other forward financial instruments	**8**	**222**	**78**	**308**	**11**	**224**	**100**	**335**
On organised markets				*163*				*162*
OTC				*145*				*173*
Sub-total trading derivatives	**1,175**	**205,050**	**3,554**	**209,779**	**564**	**158,375**	**3,133**	**162,072**
Total financial instruments at fair value through P&L[3]	**170,405**	**354,556**	**5,575**	**530,536**	**204,396**	**270,315**	**4,401**	**479,112**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) Including UCITS.

(2) See Note 3 for valuation level definitions.

(3) O/w EUR 118,870 million in securities purchased under resale agreements at 31 December 2014 versus EUR 88,768 million at 31 December 2013*.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2014				31 December 2013*			
(In millions of euros)	Valuation on the basis of quoted prices in active markets (L1)(4)	Valuation using observable inputs other than quoted prices included in L1 (L2)(4)	Valuation using mainly inputs that are not based on observable market data (L3)(4)	Total	Valuation on the basis of quoted prices in active markets (L1)(4)	Valuation using observable inputs other than quoted prices included in L1 (L2)(4)	Valuation using mainly inputs that are not based on observabl market data (L3)(4)	Total
Trading portfolio								
Debt securities issued	67	9,579	8,298	17,944	-	13,797	9,904	23,701
Amounts payable on borrowed securities	4,203	50,728	-	54,931	44,229	56,570	13	100,812
Bonds and other debt instruments sold short	3,133	7	3	3,143	4,733	17	-	4,750
Shares and other equity instruments sold short	1,584	-	2	1,586	1,155	-	2	1,157
Other financial liabilities	3	142,955	256	143,214	-	98,996	120	99,116
Sub-total trading portfolio(6)	**8,990**	**203,269**	**8,559**	**220,818**	**50,117**	**169,380**	**10,039**	**229,536**
Trading derivatives								
Interest rate instruments	**45**	**142,638**	**2,341**	**145,024**	**76**	**102,785**	**1,856**	**104,717**
Firm instruments								
Swaps				102,317				75,236
FRA				843				177
Options								
Options on organised markets				186				25
OTC options				34,372				21,292
Caps, floors, collars				7,306				7,987
Foreign exchange instruments	**1,103**	**22,709**	**50**	**23,862**	**320**	**18,636**	**162**	**19,118**
Firm instruments				*18,383*				*14,565*
Options				*5,479*				*4,553*
Equity and index instruments	**718**	**25,452**	**1,414**	**27,584**	**192**	**24,447**	**2,414**	**27,053**
Firm instruments				*1,816*				*1,918*
Options				*25,768*				*25,135*
Commodity instruments	**-**	**8,198**	**211**	**8,409**	**-**	**3,690**	**91**	**3,781**
Firm instruments-Futures				*5,964*				*2,756*
Options				*2,445*				*1,025*
Credit derivatives	**-**	**9,223**	**272**	**9,495**	**53**	**9,642**	**360**	**10,055**
Other forward financial instruments	**11**	**846**	**1**	**858**	**5**	**798**	**1**	**804**
On organised markets				*32*				*60*
OTC				*826*				*744*
Sub-total trading derivatives	**1,877**	**209,066**	**4,289**	**215,232**	**646**	**159,998**	**4,884**	**165,528**
Sub-total of financial liabilities measured using fair value option through P&L(6)(7)	**149**	**26,756**	**17,375**	**44,280**	**485**	**19,145**	**11,089**	**30,719**
Total financial instruments at fair value through P&L(5)	**11,016**	**439,091**	**30,223**	**480,330**	**51,248**	**348,523**	**26,012**	**425,783**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(4) See Note 3 for valuation level definitions.

(5) O/w EUR 141,545 million in securities sold under repurchase agreements at 31 December 2014 versus EUR 99,097 million at 31 December 2013*.

FINANCIAL LIABILITIES MEASURED USING FAIR VALUE OPTION THROUGH PROFIT OR LOSS

	31 December 2014			31 December 2013		
(In millions of euros)	Fair value	Amount repayable at maturity	Difference between fair value and amount repayable at maturity	Fair value	Amount repayable at maturity	Difference between fair value and amount repayable at maturity
Total financial liabilities measured using fair value option through P&L(6)(7)	44,280	43,767	513	30,719	31,308	(589)

(6) The change in fair value attributable to the Group's own credit risk generated an expense of EUR 139 million as at 31 December 2014.
The revaluation differences attributable to the Group's issuer credit risk are determined using valuation models taking into account the Societe Generale Group's actual financing terms and conditions on the markets and the residual maturity of the related liabilities.

(7) O/w EUR 37,642 million in structured issues.

VARIATION IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS WHOSE VALUATION IS NOT BASED ON OBSERVABLE MARKET DATA (LEVEL 3)

	Trading portfolio			Financial assets measured using fair value option through profit or loss			Trading derivatives						
(In millions of euros)	Bonds and other debt securities	Shares and other equity securities	Other financial assets	Bonds and other debt securities	Shares and other equity securities	Other financial assets	Interest rate instruments	Foreign exchange instruments	Equity and index instruments	Commodity instruments	Credit derivatives	Other forward financial instruments	Total financial instruments at fair value through P&L
Balance at 1 January 2014	**480**	**1**	**303**	**70**	**216**	**198**	**1,920**	**33**	**414**	**226**	**440**	**100**	**4,401**
Acquisitions	721	-	-	3	21	489	406	5	36	106	24	-	1,811
Disposals / redemptions	(364)	-	-	(7)	(31)	(156)	(637)	(13)	(34)	(34)	(216)	-	(1,492)
Transfer to Level 2[8]	(26)	(1)	-	-	-	(10)	(30)	(1)	(39)	-	(84)	-	(191)
Transfer from Level 2[8]	22	-	-	-	-	15	145	17	-	-	40	-	239
Gains and losses on changes in fair value during the period[9]	13	-	2	-	(8)	9	595	71	54	58	(64)	(30)	700
Translation differences	11	-	38	-	7	5	2	-	46	14	(24)	8	107
Change in scope and others	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	**857**	**-**	**343**	**66**	**205**	**550**	**2,401**	**112**	**477**	**370**	**116**	**78**	**5,575**

(8) See Note 3 for valuation level definitions.

(9) Gains and losses for the year are recognised in "Net gains and losses on financial instruments at fair value through profit or loss" in P&L.

VARIATION IN FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS WHOSE VALUATION IS NOT BASED ON OBSERVABLE MARKET DATA (LEVEL 3)

	Trading portfolio				Trading derivatives							
(In millions of euros)	Debt securities issued	Amounts payable on borrowed securities	Shares and other equity instruments sold short	Other financial liabilities	Interest rate instruments	Foreign exchange instruments	Equity and index instruments	Commodity instruments	Credit derivatives	Other forward financial instruments	Financial liabilities measured using fair value option through P&L	Total financial instruments at fair value through P&L
Balance at 1 January 2014	**9,904**	**13**	**2**	**120**	**1,856**	**162**	**2,414**	**91**	**360**	**1**	**11,089**	**26,012**
Issues	1,724	-	-	-	-	-	7	-	-	-	8,977	10,708
Acquisitions / disposals	(1,205)	-	5	140	(91)	(54)	(937)	52	(123)	-	319	(1,894)
Redemptions	(1,742)	-	-	-	-	-	(24)	-	-	-	(2,555)	(4,321)
Transfer to Level 2[10]	(1,213)	(3)	(2)	(11)	(134)	(2)	(123)	-	(67)	-	(1,226)	(2,781)
Transfer from Level 2[10]	440	-	-	13	86	16	21	-	9	-	46	631
Gains and losses on changes in fair value during the period[11]	115	(10)	-	(8)	603	(71)	(2)	63	93	-	621	1,404
Translation differences	275	-	-	2	21	(1)	58	5	-	-	104	464
Balance at 31 December 2014	**8,298**	**-**	**5**	**256**	**2,341**	**50**	**1,414**	**211**	**272**	**1**	**17,375**	**30,223**

(10) See Note 3 for valuation level definitions.

(11) Gains and losses for the year are recognised in "Net gains and losses on financial instruments at fair value through profit or loss" in P&L.

Note 7

HEDGING DERIVATIVES

	31 December 2014		31 December 2013*	
(In millions of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
FAIR VALUE HEDGE				
Interest rate instruments				
Firm instruments				
Swaps	18,326	10,261	10,711	9,364
Options				
Caps, floors, collars	150	-	33	-
Foreign exchange instruments				
Firm instruments				
Currency financing swaps	162	22	48	30
Forward foreign exchange contracts	-	-	-	1
Equity and index instruments				
Equity and stock index options	*1*	*10*	*2*	*3*
CASH FLOW HEDGE				
Interest rate instruments				
Firm instruments				
Swaps	704	301	488	219
Foreign exchange instruments				
Firm instruments				
Currency financing swaps	-	219	10	163
Forward foreign exchange contracts	61	54	53	29
Other forward financial instruments				
On organised markets	*44*	*35*	*129*	*6*
Total	**19,448**	**10,902**	**11,474**	**9,815**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 8

AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 December 2014				31 December 2013*			
(In millions of euros)	Valuation on the basis of quoted prices in active markets (L1)(2)	Valuation using observable inputs other than quoted prices included in L1 (L2)(2)	Valuation using mainly inputs that are not based on observable market data (L3)(2)	Total	Valuation on the basis of quoted prices in active markets (L1)(2)	Valuation using observable inputs other than quoted prices included in L1 (L2)(2)	Valuation using mainly inputs that are not based on observable market data (L3)(2)	Total
Current assets								
Bonds and other debt securities	113,741	14,453	327	**128,521**	100,925	15,766	247	**116,938**
*o/w provisions for impairment***				*(268)*				*(295)*
Shares and other equity securities(1)	11,543	1,556	82	**13,181**	9,945	1,081	134	**11,160**
o/w related receivables				*1*				*1*
*o/w impairment losses***				*(1,245)*				*(1,400)*
Sub-total current assets	**125,284**	**16,009**	**409**	**141,702**	**110,870**	**16,847**	**381**	**128,098**
Long-term equity investments	158	404	1,458	**2,020**	381	365	1,388	**2,134**
o/w related receivables				*8*				-
o/w impairment losses				*(525)*				*(454)*
Total available-for-sale financial assets	**125,442**	**16,413**	**1,867**	**143,722**	**111,251**	**17,212**	**1,769**	**130,232**
o/w securities on loan				*19*				601

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

** Amounts adjusted with respect to the 31 December 2013 published financial statements.

(1) Including UCITS.

(2) See Note 3 for valuation level definitions.

CHANGES IN AVAILABLE-FOR-SALE FINANCIAL ASSETS

(In millions of euros)	2014
Balance at 1 January	**130,232**
Acquisitions	127,281
Disposals / redemptions(3)	(118,697)
Transfers to Held-to-maturity financial assets	(3,639)
Change in scope and others	(1,359)
Gains and losses on changes in fair value recognised directly in equity during the period	7,107
Change in impairment on fixed income securities recognised in P&L	27
O/w: *increase*	*(6)*
write-backs	*42*
others	*(9)*
Impairment losses on variable income securities recognised in P&L	(33)
Change in related receivables	(60)
Translation differences	2,863
Balance at 31 December	**143,722**

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

VARIATION OF AVAILABLE-FOR-SALE ASSETS WHOSE VALUATION METHOD IS NOT BASED ON OBSERVABLE MARKET DATA (LEVEL 3)

(In millions of euros)	Bonds and other debt securities	Shares and other equity securities	Long-term equity investments	Total
Balance at 1 January 2014	**247**	**134**	**1,388**	**1,769**
Acquisitions	218	-	125	343
Disposals / redemptions	(132)	(52)	(278)	(462)
Transfer to Level 2(4)	-	(48)	-	(48)
Transfer to Level 1(4)	-	-	-	-
Transfer from Level 2(4)	-	-	-	-
Gains and losses on changes in fair value recognised directly in equity during the period	1	44	41	86
Changes in impairment on fixed income securities recognised in P&L	-	-	-	-
O/w: *increase*	-	-	-	-
write-backs	-	-	-	-
Impairment losses on variable income securities recognised in P&L	-	-	(11)	(11)
Changes in related receivables	1	-	8	9
Translation differences	-	4	25	29
Change in scope and others	(8)	-	160	152
Balance at 31 December 2014	**327**	**82**	**1,458**	**1,867**

(4) See Note 3 for valuation level definitions.

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

(In millions of euros)	Unrealised gains	Unrealised losses	Unrealised gains and losses
Unrealised gains and losses on available-for-sale equity instruments	488	(21)	467
Unrealised gains and losses on available-for-sale debt instruments	1,362	(612)	750
Unrealised gains and losses on assets reclassified in Loans and receivables	-	-	-
Unrealised gains and losses of insurance companies	400	(187)	213
o/w available-for-sale equity instruments	*1,384*	*(262)*	
o/w available-for-sale debt instruments and assets reclassified in Loans and receivables	*9,091*	*(533)*	
o/w deferred profit-sharing	*(10,075)*	*608*	
Total	**2,250**	**(820)**	**1,430**

Note 9

DUE FROM BANKS

(In millions of euros)	31 December 2014	31 December 2013*
Deposits and loans		
Demand and overnights		
Current accounts	23,625	24,912
Overnight deposits and loans and others	3,304	1,993
Term		
Term deposits and loans(1)	21,083	21,937
Subordinated and participating loans	482	704
Related receivables	153	248
Gross amount	**48,647**	**49,794**
Impairment		
Impairment of individually impaired loans	(27)	(30)
Revaluation of hedged items	39	31
Net amount	**48,659**	**49,795**
Securities purchased under resale agreements	32,050	25,625
Total	**80,709**	**75,420**
Fair value of amounts due from banks(2)	**81,742**	**76,234**

(1) As at 31 December 2014, the amount of receivables with incurred credit risk was EUR 89 million compared to EUR 161 million as at 31 December 2013.

(2) Breakdown of the fair value of amounts due from banks determined using a level valuation method (See Note 3 for valuation level definitions).

(In millions of euros)	31 December 2014	31 December 2013*
Level 1	-	-
Level 2	70,534	68,610
Level 3	11,208	7,624
TOTAL	**81,742**	**76,234**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 10

CUSTOMER LOANS

(In millions of euros)	31 December 2014	31 December 2013*
Customer loans		
Trade notes	9,616	10,320
Other customer loans[1]	312,448	303,747
o/w short-term loans	*89,047*	*83,619*
o/w export loans	*10,815*	*11,072*
o/w equipment loans	*51,023*	*53,325*
o/w housing loans	*106,618*	*106,400*
o/w other loans	*54,945*	*49,331*
Overdrafts	20,113	15,647
Related receivables	2,013	3,089
Gross amount	**344,190**	**332,803**
Impairment		
Impairment of individually impaired loans	(13,949)	(14,740)
Impairment of groups of homogenous receivables	(1,254)	(1,209)
Revaluation of hedged items	592	400
Net amount	**329,579**	**317,254**
Loans secured by notes and securities	263	252
Securities purchased under resale agreements	14,526	15,145
Total amount of customer loans	**344,368**	**332,651**
Fair value of customer loans[2]	**348,506**	**338,358**

(1) As at 31 December 2014, the amount of receivables with incurred credit risk was EUR 23,723 million compared to EUR 25,685 million as at 31 December 2013.
(2) Breakdown of the fair value of customer loans determined using a level valuation method (See Note 3 for valuation level definitions).

(In millions of euros)	31 December 2014	31 December 2013*
Level 1	-	2 058
Level 2	113,569	91,729
Level 3	234,937	244,571
TOTAL	**348,506**	**338,358**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 11

LEASE FINANCING AND SIMILAR AGREEMENTS

(In millions of euros)	31 December 2014	31 December 2013
Real estate lease financing agreements	7,997	8,157
Non-real estate lease financing agreements	18,754	20,280
Related receivables	59	67
Gross amount(1)	**26,810**	**28,504**
Impairment of individually impaired loans	(809)	(760)
Impairment of groups of homogenous receivables	(2)	(3)
Net amount	**25,999**	**27,741**
Fair value of receivables on lease financing and similar agreements(2)	**26,543**	**28,088**

(1) As at 31 December 2014, the amount of individually impaired loans with incurred credit risk was EUR 1,966 million compared to EUR 1,870 million as at 31 December 2013.
(2) Breakdown of the fair value of receivables on lease financing and similar agreements determined using a level valuation method (See Note 3 for valuation level definitions).

(In millions of euros)	31 December 2014	31 December 2013
Level 1	-	-
Level 2	1,792	-
Level 3	24,751	28,088
TOTAL	**26,543**	**28,088**

(In millions of euros)	31 December 2014	31 December 2013
Gross investments	**29,594**	**31,591**
less than one year	8,169	7,937
1-5 years	15,519	16,360
more than five years	5,906	7,294
Present value of minimum payments receivable	**25,317**	**26,971**
less than one year	7,458	7,242
1-5 years	13,421	14,011
more than five years	4,438	5,718
Unearned financial income	**2,784**	**3,087**
Unguaranteed residual values receivable by the lessor	**1,493**	**1,533**

Note 12

HELD-TO-MATURITY FINANCIAL ASSETS

(In millions of euros)	31 December 2014	31 December 2013
Bonds and other debt securities	4,372	993
Impairment	(4)	(4)
Total held-to-maturity financial assets(1)	**4,368**	**989**
Fair value of held-to-maturity financial assets(2)	**4,451**	**1,000**

(1) O/w EUR 3,639 million *Available-for-sale financial assets* transfered to *Held-to-maturity financial assets.*
(2) Breakdown of the fair value of held-to-maturity financial assets determined using a level valuation method (See Note 3 for valuation level definitions).

(In millions of euros)	31 December 2014	31 December 2013
Level 1	4,341	863
Level 2	91	99
Level 3	19	38
TOTAL	**4,451**	**1,000**

Note 13

TAX ASSETS AND LIABILITIES

(In millions of euros)	31 December 2014	31 December 2013*
Current tax assets	1,264	1,228
Deferred tax assets	6,183	6,079
o/w deferred tax assets on tax loss carryforwards	*3,547*	*3,635*
o/w deferred tax assets on temporary differences	*2,636*	*2,444*
Total	**7,447**	**7,307**

(In millions of euros)	31 December 2014	31 December 2013*
Current tax liabilities	990	1,249
Deferred tax liabilities	426	364
Total	**1,416**	**1,613**

Deferred tax on unrealised or deferred gains and losses

(In millions of euros)	31 December 2014	31 December 2013*
On items that will be subsequently reclassified into income	**(407)**	**(129)**
Available-for-sale financial assets	(353)	(86)
Hedging derivatives	(17)	(33)
Unrealised or deferred gains and losses accounted for by the equity method and that will be subsequently reclassified into income	(37)	(10)
On items that will not be subsequently reclassified into income	**270**	**158**
Actuarial gain / (loss) on post-employment benefits	270	158
Total[(1)]	**(137)**	**29**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) O/w EUR -6 million as at 31 December 2014 included in deferred tax assets and EUR 131 million in deferred tax liabilities versus EUR 121 million and EUR 92 million, respectively, as at 31 December 2013.

Deferred tax assets recognised on tax loss carryforwards

As at 31 December 2014, based on the tax system of each entity and a realistic projection of their tax income or expense, the projected period for deferred tax asset recovery is indicated in the table below:

(In millions of euros)	31 December 2014	Statutory time limit on carryforwards	Expected recovery period
Total deferred tax assets relating to tax loss carryforwards	3,547	-	-
o/w French tax group	*2,957*	*unlimited*[(2)]	*11 years*
o/w US tax group	*377*	*20 years*	*6 years*
others	*213*	-	-

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

Note 14

OTHER ASSETS

(In millions of euros)	31 December 2014	31 December 2013*
Guarantee deposits paid(1)	33,494	26,330
Settlement accounts on securities transactions	7,144	5,728
Prepaid expenses	556	559
Miscellaneous receivables	24,273	21,746
Gross amount	**65,467**	**54,363**
Impairment	(229)	(245)
Net amount	**65,238**	**54,118**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

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

Note 15

TANGIBLE AND INTANGIBLE FIXED ASSETS

(In millions of euros)	Gross book value at 31 December 2013*	Acquisitions	Disposals	Changes in translation, consolidation scope and re-classifications	Gross value at 31 December 2014	Accumulated depreciation and amortisation of assets at 31 December 2013*	Allocations to amortisation and depreci-ation in 2014	Impairment of assets 2014	Write-backs from amor-tisation and depreciation in 2014	Changes in translation, consolidation scope and re-classifications	Net book value at 31 December 2014	Net book value at 31 December 2013*
Intangible assets												
Software, EDP development costs	1,570	95	(15)	(8)	1,642	(1,305)	(130)	-	15	38	260	265
Internally generated assets	1,950	34	(4)	203	2,183	(1,372)	(236)	-	2	(46)	531	578
Assets under development	349	320	(1)	(260)	408	-	-	-	-	-	408	349
Others	708	4	(8)	14	718	(286)	(35)	-	-	(5)	392	422
Sub-total	**4,577**	**453**	**(28)**	**(51)**	**4,951**	**(2,963)**	**(401)**	**-**	**17**	**(13)**	**1,591**	**1,614**
Operating tangible assets												
Land and buildings	5,298	37	(27)	(173)	5,135	(1,685)	(166)	(11)	9	63	3,345	3,613
Assets under development	339	226	(3)	(137)	425	-	-	-	-	-	425	339
Lease assets of specialised financing companies	14,985	5,184	(4,328)	(63)	15,778	(4,772)	(2,496)	(38)	2,276	28	10,776	10,213
Others	5,262	290	(185)	3	5,370	(3,967)	(350)	(2)	129	61	1,241	1,295
Sub-total	**25,884**	**5,737**	**(4,543)**	**(370)**	**26,708**	**(10,424)**	**(3,012)**	**(51)**	**2,414**	**152**	**15,787**	**15,460**
Investment property												
Land and buildings	393	2	(102)	328	621	(161)	(8)	-	69	-	521	232
Assets under development	285	52	-	(319)	18	-	-	-	-	-	18	285
Sub-total	**678**	**54**	**(102)**	**9**	**639**	**(161)**	**(8)**	**-**	**69**	**-**	**539**	**517**
Total tangible and intangible fixed assets	**31,139**	**6,244**	**(4,673)**	**(412)**	**32,298**	**(13,548)**	**(3,421)**	**(51)**	**2,500**	**139**	**17,917**	**17,591**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

OPERATIONAL LEASING

(In millions of euros)	31 December 2014	31 December 2013*
Breakdown of minimum payments receivable		
due in less than one year	3,007	2,829
due in 1-5 years	5,061	4,270
due in more than five years	23	26
Total minimum future payments receivable	**8,091**	**7,125**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 16

GOODWILL

The table below shows the changes in the net values of goodwill recorded by the Cash Generating Units (CGUs) since 31 December 2013:

(in millions of euros)	Net book value at 31 December 2013*	Acquisitions and other increases	Disposals and other decreases	Impairment losses	Translation differences	Net value at 31 December 2014
French Retail Banking	**837**	**-**	**(39)**	**-**	**-**	**798**
Societe Generale Network	326	-	(39)	-	-	287
Credit du Nord	511	-	-	-	-	511
International Retail Banking & Financial Services	**3,272**	**-**	**(9)**	**(525)**	**(52)**	**2,686**
Europe	1,910	-	-			1,910
Russia	579	-	-	(525)	(54)	-
Africa, Asia, Mediterranean Basin and Overseas	263	-	(9)	-	-	254
Insurance	10	-	-	-	-	10
Equipment and Vendor Finance	335	-	-	-	-	335
Auto Leasing Financial Services	175	-	-	-	2	177
Global Banking and Investor Solutions	**859**	**-**	**(26)**	**-**	**14**	**847**
Corporate and Investment Banking*	44	-	-	-	5	49
Private Banking	344	-	(26)	-	9	327
Securities Services	471	-	-	-	-	471
TOTAL	**4,968**	**-**	**(74)**	**(525)**	**(38)**	**4,331**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

As at 31 December 2014, the Global Banking and Investor Solutions division's Brokerage CGU was incorporated in the Corporate and Investment Banking CGU to reflect the business line's vertical integration following the acquisition of exclusive control of Newedge Group.

As at 31 December 2014, goodwill recorded by the 11 CGUs can be broken down as follows:

Pillar	Activities
French Retail Banking	
Societe Generale Network	Societe Generale's retail banking network, online banking activities (Boursorama), consumer and equipment financing in France and transaction and payment management services
Credit Du Nord	Retail banking network of Crédit du Nord and its 8 regional banks
International Retail Banking and Financial Services	
Europe	Retail banking and consumer finance services in Europe, notably in Germany (Hanseatic Bank, BDK), Italy (Fiditalia), Romania (BRD), the Czech Republic (KB, Essox) and Poland (Eurobank)
Russia	Integrated banking Group including Rosbank and its subsidiaries DeltaCredit and Rusfinance
Africa, Asia, Mediterranean Basin and Overseas	Retail banking and consumer finance in Africa, Asia, the Mediterranean Basin and Overseas, including in Morocco (SGMB), Algeria, Tunisia (UIB), Cameroon (SGBC), Côte d'Ivoire (SGBCI), China (SG China) and Senegal
Insurance	Life and non-life insurance activities in France and abroad (Sogecap, Sogessur and Oradéa Vie)
Equipment and Vendor Finance	Financing of sales and professional equipment by Societe Generale Equipment Finance
Auto Leasing Financial Services	Operational vehicle leasing and fleet management services (ALD Automotive)
Global Banking and Investor Solutions	
Corporate and Investment Banking*	Advisory, financing and investment solutions for businesses, financial institutions, the public sector, family offices and clearing services and execution of transactions in derivatives
Private Banking	Wealth management solutions in France and abroad
Securities Services	Comprehensive range of securities solutions (SGSS)

The Group performed an annual impairment test at 31 December 2014 for each CGU to which goodwill has been allocated. A CGU is defined as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from the Group's other assets or groups of assets. An impairment loss is recorded in the income statement if the carrying value of a CGU, including goodwill, exceeds its recoverable value. This loss is primarily booked to the impairment of goodwill.

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

- in line with the 2013 impairment tests, allocated equity at 31 December 2014 amounted to 10% of risk-weighted assets;
- the discount rate is calculated using a risk-free interest rate grossed up by a risk premium based on the CGU's underlying activities. This risk premium, specific to each activity, is calculated from a series of equity risk premiums published by SG Cross Asset Research and from its specific estimated volatility (beta). Where appropriate, the risk-free interest rate is also grossed up by a sovereign risk premium, representing the difference between the risk-free interest rate available in the area of monetary assignment (mainly US dollar area or Euro area) and the interest rate observed on liquid long-term treasury bonds issued in the currency of assignment, or their average weighted by normative equity for CGUs covering several countries;
- the growth rate used to calculate the terminal value is determined using forecasts on long-term economic growth and sustainable inflation.

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

Assumptions as at 31 December 2014	Discount rate	Long-term growth rate
French Retail Banking		
Societe Generale Network and Credit du Nord	8%	2%
International Retail Banking and Financial Services		
Retail Banking and Consumer Finance	10.2% to 13.9%	3% to 3.5%
Insurance	9.0%	2.5%
Equipment and Vendor Finance and Auto Leasing Financial Services	9.7%	2%
Global Banking and Investor Solutions		
Corporate and Investment Banking	11.0%	2%
Private Banking and Securities Services	9.0% to 9.2%	2%

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

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

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

In the first quarter of 2014, the Group reviewed the value of the International Retail Banking & Financial Services division's Russia CGU, and performed a goodwill impairment test in light of the changes in the Russian economic environment. Due to growing uncertainties in the environment and the economic slowdown postponing the performances expected from Rosbank, the Group impaired all the goodwill allocated to the Russia CGU and recognised an impairment loss of EUR 525 million.

As at 31 December 2014, in light of the risks associated with business activity in the current environment, impairment tests were carried out based on a series of conservative assumptions or sensitivity tests.

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

- an increase of 50 basis points applied to all discount rates for the CGUs disclosed in the table above would lead to a decrease of 6.9% in recoverable value and would not generate any additional impairment;
- similarly, a decrease of 50 basis points in long-term growth rates would lead to a decrease of 2.2% in recoverable value and would not generate any additional impairment.

Note 17

DUE TO BANKS

(In millions of euros)	31 December 2014	31 December 2013*
Demand and overnight deposits		
Demand deposits and current accounts	14,767	15,185
Overnight deposits and borrowings and others	2,560	3,216
Sub-total	**17,327**	**18,401**
Term deposits		
Term deposits and borrowings	49,963	44,942
Borrowings secured by notes and securities	44	50
Sub-total	**50,007**	**44,992**
Related payables	128	214
Revaluation of hedged items	188	144
Securities sold under repurchase agreements	23,640	23,038
Total	**91,290**	**86,789**
Fair value of amounts due to banks(1)	**91,577**	**86,621**

(1) Breakdown of the fair value of amounts due to banks determined using a level valuation method (See Note 3 for valuation level definitions).

(In millions of euros)	31 December 2014	31 December 2013*
Level 1	-	2,474
Level 2	88,146	82,436
Level 3	3,431	1,711
TOTAL	**91,577**	**86,621**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 18

CUSTOMER DEPOSITS

(In millions of euros)	31 December 2014	31 December 2013*
Regulated savings accounts		
Demand	57,550	57,764
Term	22,235	20,754
Sub-total	**79,785**	**78,518**
Other demand deposits		
Businesses and sole proprietors	62,267	58,565
Individual customers	50,515	48,655
Financial customers	32,539	21,776
Others(1)	12,022	13,738
Sub-total	**157,343**	**142,734**
Other term deposits		
Businesses and sole proprietors	44,557	43,126
Individual customers	16,055	17,543
Financial customers	20,704	21,529
Others(1)	7,909	9,165
Sub-total	**89,225**	**91,363**
Related payables	889	1,011
Revaluation of hedged items	433	313
Total customer deposits	**327,675**	**313,939**
Borrowings secured by notes and securities	89	209
Securities sold to customers under repurchase agreements	21,971	20,024
Total	**349,735**	**334,172**
Fair value of customer deposits(2)	**349,810**	**333,901**

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

(2) Breakdown of the fair value of customer deposits determined using a level valuation method (See Note 3 for valuation level definitions).

(In millions of euros)	31 December 2014	31 December 2013
Level 1	-	-
Level 2	335,914	328,222
Level 3	13,896	5,679
TOTAL	**349,810**	**333,901**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 19

DEBT SECURITIES ISSUED

(In millions of euros)	31 December 2014	31 December 2013*
Term savings certificates	947	790
Bond borrowings	22,255	21,218
Interbank certificates and negotiable debt instruments	81,890	113,726
Related payables	970	1,096
Sub-total	**106,062**	**136,830**
Revaluation of hedged items	2,596	1,568
Total	**108,658**	**138,398**
O/w floating-rate securities	*32,099*	*40,513*
Fair value of debt securities issued[(1)]	**110,261**	**138,257**

(1) Breakdown of the fair value of debt securities issued determined using a level valuation method (See Note 3 for valuation level definitions).

(In millions of euros)	31 December 2014	31 December 2013*
Level 1	19,411	20,843
Level 2	89,371	117,414
Level 3	1,479	-
TOTAL	**110,261**	**138,257**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 20

OTHER LIABILITIES

(In millions of euros)	31 December 2014	31 December 2013*
Guarantee deposits received[(1)]	41,222	20,029
Settlement accounts on securities transactions	6,909	7,192
Other securities transactions	16	22
Expenses payable on employee benefits	2,761	2,620
Deferred income	1,558	1,708
Miscellaneous payables	22,658	21,954
Total	**75,124**	**53,525**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

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

Note 21

PEL/CEL MORTGAGE SAVINGS ACCOUNTS

1. OUTSTANDING DEPOSITS IN PEL/CEL ACCOUNTS

(In millions of euros)	31 December 2014	31 December 2013
PEL accounts	**16,514**	**14,801**
less than 4 years old	7,023	5,793
between 4 and 10 years old	4,281	3,166
more than 10 years old	5,210	5,842
CEL accounts	**1,502**	**1,666**
Total	**18,016**	**16,467**

2. OUTSTANDING HOUSING LOANS GRANTED WITH RESPECT TO PEL/CEL ACCOUNTS

(In millions of euros)	31 December 2014	31 December 2013
less than 4 years old	64	99
between 4 and 10 years old	101	121
more than 10 years old	12	16
Total	**177**	**236**

3. PROVISIONS FOR COMMITMENTS LINKED TO PEL/CEL ACCOUNTS

(In millions of euros)	31 December 2013	Allocations	Reversals	31 December 2014
PEL accounts	**120**	**116**	**(12)**	**224**
less than 4 years old	8	-	(6)	2
between 4 and 10 years old	9	1	(6)	4
more than 10 years old	103	115	-	218
CEL accounts	**7**	**-**	**(7)**	**0**
Total	**127**	**116**	**(19)**	**224**

"Plans d'Epargne-Logement" (PEL or housing savings plans) entail two types of commitment that have the potentially negative effect of generating a PEL/CEL provision for the Group: a commitment to lend at an interest rate that was established at the inception of the plan and a commitment to remunerate the savings at an interest rate also established at the inception of the plan.

The level of provisions is sensitive to long-term interest rates. Since long-term rates were low during 2014, the provisions for PEL and CEL mortgage savings accounts are mainly linked to the risks attached to the commitment to remunerate the deposits. Provisioning for PEL/CEL savings amounted to 1.24% of total outstandings as at 31 December 2014.

4. METHODS USED TO ESTABLISH PROVISION VALUATION PARAMETERS

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

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

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

Note 22

PROVISIONS AND IMPAIRMENTS

1. ASSET IMPAIRMENTS

(In millions of euros)	Asset impairments as at 31 December 2013*	Allocations	Write-backs available	Net impairment losses	Reversals used	Currency and scope effects	Asset impairments as at 31 December 2014
Banks	30	1	(6)	**(5)**	-	2	**27**
Customer loans	14,740	5,216	(2,947)	**2,269**	(3,143)	83	**13,949**
Lease financing and similar agreements	760	438	(335)	**103**	(66)	12	**809**
Groups of homogeneous assets	1,212	467	(408)	**59**	-	(15)	**1,256**
Available-for-sale assets(1)(2)	2,149	38	(135)	**(97)**	(19)	5	**2,038**
Others(1)	447	290	(141)	**149**	(50)	(12)	**534**
Total	**19,338**	**6,450**	**(3,972)**	**2,478**	**(3,278)**	**75**	**18,613**

* Amounts restated relative to the financial statements published in 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) Including a EUR 25 million net allowance for counterparty risks.

(2) O/w write-down on variable-income securities, excluding insurance activities, of EUR 28 million, which can be broken down as follows:
- EUR 13 million: impairment loss on securities not written down as at 31 December 2013;
- EUR 15 million: additional impairment loss on securities already written down as at 31 December 2013.

2. PROVISIONS

(In millions of euros)	Provisions as at 31 December 2013*	Allocations	Write-backs available	Net allocation	Write-backs used	Actuarial gains and losses	Currency and scope effects	Provisions as at 31 December 2014
Provisions for off-balance sheet commitments to banks	10	2	-	**2**	**-**	-	-	**12**
Provisions for off-balance sheet commitments to customers	282	306	(263)	**43**	**-**	-	(21)	**304**
Provisions for employee benefits	1,637	317	(492)	**(175)**	**-**	313	36	**1,811**
Provisions for tax adjustments	181	136	(19)	**117**	**(17)**	-	17	**298**
Other provisions(3)	1,697	723	(182)	**541**	**(183)**	-	12	**2,067**
Total	**3,807**	**1,484**	**(956)**	**528**	**(200)**	**313**	**44**	**4,492**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(3) Including:
- a EUR 372 million net allocation for net cost of risk, comprising predominantly allocations to provisions for disputes (See Note 40);
- a EUR 97 million net allocation for PEL/CEL provisions as at 31 December 2014 for the French Networks (See Note 21).

Note 23

EMPLOYEE BENEFITS

1. DEFINED CONTRIBUTION PLANS

Defined contribution plans limit the Group's liability to the contributions paid to the plan but do not commit the Group to a specific level of future benefits.

The main defined contribution plans provided to employees of the Group are located in France. They include state pension plans and other national pension plans such as ARRCO and AGIRC, as well as pension schemes put in place by some Group entities for which the only commitment is to pay annual contributions (PERCO).

2. POST-EMPLOYMENT BENEFIT PLANS (DEFINED BENEFIT PLANS)

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

(In millions of euros)	31 December 2014	31 December 2013*
A - Present value of funded defined benefit obligations	3,024	2,493
B - Fair value of plan and separate assets	(2,357)	(2,007)
C = A + B Deficit (surplus)	**667**	**486**
D - Present value of unfunded defined benefit obligations	423	373
E - Change in asset ceiling	2	2
C + D + E = Net balance recorded in the balance-sheet	**1,092**	**861**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Notes:

1. Post-employment benefit plans include annuity payments, end-of-career indemnities as well as mixed plans (cash balance). Annuity payments are added to pension plans paid by State and mandatory benefit plans. In France, the supplementary pension allocation plan for senior managers, set up in 1991, provides to the beneficiaries an annual allowance covered by Societe Generale, such as described in the "corporate governance" section of the Registration Document. This allowance is a function in particular of the seniority within Societe Generale and the proportion of fixed salaries exceeding "Tranche B" of the Agirc pension. In the UK, the defined benefit plan has been closed to new employees, who are now offered defined contribution plans.
2. The present value of defined benefit obligations have been valued by independent qualified actuaries.

2.2. COMPONENTS OF THE COST OF DEFINED BENEFITS

(In millions of euros)	2014	2013*
Current service cost including social security contributions	93	94
Employee contributions	(5)	(5)
Past service cost / curtailments	(12)	47
Settlement	(10)	(1)
Net interest	25	29
Transfer of unrecognised assets	2	0
A - Components recognised in income statement	**93**	**164**
Expected return on plan assets(1)	(195)	(38)
Actuarial gains and losses due to changes in demographic assumptions	15	1
Actuarial gains and losses due to changes in economic and financial assumptions	505	(181)
Actuarial gains and losses due to experience	18	5
Change in asset ceiling	1	1
B - Components recognised in unrealised or deferred gains and losses(2)	**344**	**(212)**
C = A + B Total components of the cost of the defined benefits	**437**	**(48)**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

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

(2) In respect of year 2013, the difference with Actuarial gains and losses on post-employment defined benefits plans of the Statement of net income and unrealised or deferred gains and losses mainly comes from the variation of assets and liabilities reclassified in non-current assets held for sale and non-current liabilities held for sale, as well as assets of entities consolidated by applying the equity method.

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

2.3.1. Changes in the present value of defined benefit obligations

(In millions of euros)	2014	2013*
Balance at 1 January	**2,866**	**3,117**
Current service cost including social security contributions	93	93
Employee contributions	-	-
Past service cost / curtailments	(12)	47
Settlement	(45)	(2)
Net interest	99	94
Actuarial gains and losses due to changes in demographic assumptions	15	1
Actuarial gains and losses due to changes in economic and financial assumptions	505	(181)
Actuarial gains and losses due to experience	18	5
Foreign exchange adjustment	88	(44)
Benefit payments	(179)	(168)
Acquisition/(Sale) of subsidiaries	(1)	(74)
Transfers and others	-	(22)
Balance at 31 December	**3,447**	**2,866**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

2.3.2. Changes in the fair value of plan assets and separate assets

(In millions of euros)	2014	2013*
Balance at 1 January	**2,007**	**1,969**
Expected return on plan assets	72	63
Expected return on separate assets	2	0
Actuarial gains and losses due to assets	195	38
Foreign exchange adjustment	81	(31)
Employee contributions	5	5
Employer contributions to plan assets	164	119
Benefit payments	(138)	(132)
Acquisition/(Sale) of subsidiaries	0	(39)
Transfers and others	(31)	15
Balance at 31 December(1)	**2,357**	**2,007**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) Including EUR 151 million in separate assets at 31 December 2014 (EUR 71 million at 31 December 2013).

2.4. INFORMATION REGARDING FUNDING ASSETS

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

The breakdown of the fair value of plan assets is as follows: 46% bonds, 40% equities, 2% money market instruments and 12% others. Directly held Societe Generale shares are not significant.

For pension plans with a fair value of plan assets in excess of defined benefit obligations, the aggregate of plan assets is EUR 18 million.

Employer contributions to be paid to post-employment defined benefit plans for 2015 are estimated at EUR 20 million.

The hedging strategies of the plans are defined locally in connection with the Finance and Human Resources departments of the entities, by *ad hoc* structures (Trustees, Foundations...) if necessary.

Investment or financing strategies of liabilities are monitored at Group level through a global governance system. Committee meetings, with the participation of representatives of the Human Resources, the Finance Department and the Risk Division, are organised in order to define Group investment and management guidelines as regards investment and management of liabilities, to validate decisions and to monitor the associated risks for the Group.

Depending on the duration of each plan and on local regulations, funding assets are invested in equities and/or in fixed income products, guaranteed or not. In general, plans are globally funded at the level of 66%, but depending on the entity and plan, the funding rate varies between 0% and 100%.

2.4.2. Actual returns on funding assets

The actual returns on plan and separate assets were:

(In millions of euros)	31 December 2014	31 December 2013*
Plan assets	264	102
Separate assets	2	-

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Assumptions on expected returns on assets are presented in section 2.5.

2.5. MAIN ASSUMPTIONS DETAILED BY GEOGRAPHICAL AREA

	31 December 2014	31 December 2013*
Discount rate		
Europe	2.19%	3.41%
Americas	4.13%	5.08%
Asia-Oceania-Africa	1.59%	2.61%
Long-term inflation		
Europe	2.28%	2.14%
Americas	2.00%	2.00%
Asia-Oceania-Africa	1.63%	1.68%
Future salary increase		
Europe	0.64%	0.67%
Americas	2.00%	2.00%
Asia-Oceania-Africa	2.15%	2.31%
Average remaining working lifetime of employees (in years)		
Europe	9.56	9.76
Americas	8.61	9.02
Asia-Oceania-Africa	13.02	13.68
Duration (in years)		
Europe	15.79	14.25
Americas	18.53	18.81
Asia-Oceania-Africa	9.97	9.81

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Notes:

1. The assumptions by geographical area are averages weighted by the present value of the liabilities of defined benefit obligations (DBO).
2. The yield curves used to discount the liabilities are corporate AA yield curves (source: Merrill Lynch) observed at the end of October for USD, GBP and EUR, and corrected at the end of December if the decrease in discount rates had a significant impact. Inflation rates used are the long-term targets of the central banks of the monetary areas above.
3. The average remaining working lifetime of employees is calculated taking into account turnover assumptions.
4. The assumptions described above have been applied to post employment benefit plans.

2.6. SENSITIVITIES OF DEFINED BENEFIT OBLIGATIONS TO MAIN ASSUMPTIONS RANGES

(Percentage of item measured)	31 December 2014	31 December 2013*
Variation of +1% in discount rate Impact on the present value of defined benefit obligations at 31 December N	-14%	-12%
Variation of +1% in long terme inflation Impact on the present value of defined benefit obligations at 31 December N	12%	11%
Variation of +1% in future salary increases Impact on the present value of defined benefit obligations at 31 December N	5%	4%

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note:

The disclosed sensitivities are averages of the variations weighted by the present value of the defined benefit obligations at 31 December 2014.

3. OTHER LONG-TERM BENEFITS

Group companies may award their employees other long-term benefits, such as long-term deferred variable remuneration, time saving accounts (*Comptes Epargne Temps)* or long service awards. They are different from post-employment benefits and termination benefits, which are not fully due whithin twelve months following the financial year during which the services are rendered by the employees. The net balance of other long-term benefits is EUR 454 million.

The total cost of other long-term benefits is EUR 165 million.

Note 24

SUBORDINATED DEBT

(In millions of euros)	Maturity dates							
Currency of issue	**2015**	**2016**	**2017**	**2018**	**2019**	**Other**	**Outstanding at 31 December 2014**	**Outstanding at 31 December 2013***
Subordinated Capital notes								
EUR	789	767	172	1,397	354	2,513	5,992	5,588
USD	62	427	-	-	-	824	1,313	434
GBP	-	-	-	355	-	-	355	331
Other currencies	4	-	-	-	-	-	4	9
Sub-total	**855**	**1,194**	**172**	**1,752**	**354**	**3,337**	**7,664**	**6,362**
Dated subordinated debt	**-**							
EUR	-	-	-	-	3	21	24	66
Other currencies	-	-	-	9	173	46	228	314
Sub-total	**-**	**-**	**-**	**9**	**176**	**67**	**252**	**380**
Related payables	**188**	**-**	**-**	**-**		**-**	**188**	**178**
Total excluding revaluation of hedged items	**1,043**	**1,194**	**172**	**1,761**	**530**	**3,404**	**8,104**	**6,920**
Revaluation of hedged items	-	-	-	-		-	730	587
Total							**8,834**	**7,507**

The fair value of subordinated debt securities can be broken down as follows (See Note 3 for valuation level definitions):

(In millions of euros)	31 December 2014	31 December 2013*
Level 1	-	-
Level 2	9,649	7,789
Level 3	-	-
TOTAL	**9,649**	**7,789**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 25

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability are offset and the net amount presented on the balance sheet when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.The legal right to set off the recognised amounts must be enforceable in all circumstances, in both the normal course of business and in the event of default of one of the counterparties.

In this respect, the Group recognises in its balance sheet the net amount of derivative financial instruments traded with certain clearing houses 1) where they achieve net settlement through a daily cash margining process, or 2) where their gross settlement system has features that eliminate or result in insignificant credit and liquidity risk, and that process receivables and payables in a single settlement process or cycle.

The following tables present the amounts of financial assets and financial liabilities set off on the Group's consolidated balance sheet, as well as the impact of amounts which could be offset as they are subject to Master Netting Agreements or similar agreements but which are not eligible to offsetting on the consolidated balance sheet.

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

The gross amounts of financial assets and financial liabilities subject to these offsettings are reconciled with the consolidated amounts presented on the balance sheet (total balance sheet assets and liabilities) after identification of amounts offset on the balance sheet for these various instruments (amounts offset) and of amounts of other financial assets and liabilities which are neither subject to offsetting nor to Master Netting Agreements and similar agreements (assets and liabilities not subject to offsetting).

As at 31 December 2014

ASSETS

	Financial Assets subject to offsetting								
	Impact of offsetting on the balance sheet			Impact of Master Netting Agreements (MNA) and similar agreements(1)					
(In millions of euros)	Gross amounts	Amounts offset	Net amounts presented on the balance sheet	Financial instruments recognised in the balance sheet	Cash collateral received	Financial instruments received as collateral	Net amount	Amounts of assets not subject to offsetting	Total balance sheet assets(2)
Derivative financial instruments (See Notes 6 and 7)	371,273	171,658	199,615	164,717	17,690	162	17,046	29,612	229,227
Securities borrowed (See Notes 6 and 8)	8,220	-	8,220	6,635	-	65	1,520	2,800	11,020
Securities purchased under resale agreements (See Notes 6, 9 and 10)	151,180	29,203	121,977	36,835	242	84,655	245	43,469	165,446
Guarantee deposits pledged (See Note 14)	17,644	-	17,644	-	17,644	-	-	15,850	33,494
Other assets not subject to offsetting	-	-	-	-	-	-	-	868,983	868,983
Total assets	**548,317**	**200,861**	**347,456**	**208,187**	**35,576**	**84,882**	**18,811**	**960,714**	**1,308,170**

LIABILITIES

	Financial Liabilities subject to offsetting								
	Impact of offsetting on the balance sheet			Impact of Master Netting Agreements (MNA) and similar agreements(1)					
(In millions of euros)	Gross amounts	Amounts offset	Net amounts presented on the balance sheet	Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments pledged as collateral	Net amount	Amounts of liabilities not subject to offsetting	Total balance sheet liabilities(3)
Derivative financial instruments (See Notes 6 and 7)	368,376	171,658	196,718	164,717	17,582	3	14,416	29,416	226,134
Securities loaned (See Note 6)	16,389	-	16,389	6,635	-	9,743	11	38,542	54,931
Securities sold under repurchase agreements (See Notes 6, 17 and 18)	158,527	29,203	129,324	36,835	62	91,973	454	57,832	187,156
Guarantee deposits received (See Note 20)	17,932	-	17,932	-	17,932	-	-	23,290	41,222
Other liabilities not subject to offsetting	-	-	-	-	-	-	-	739,914	739,914
Total liabilities	**561,224**	**200,861**	**360,363**	**208,187**	**35,576**	**101,719**	**14,881**	**888,994**	**1,249,357**

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

(2) Total balance sheet assets equal the sum of:
- net amounts of financial assets subject to offsetting; and
- amounts of Assets not subject to offsetting.

(3) Total balance sheet liabilities equal to the sum of:
- net amounts of financial liabilities subject to offsetting; and
- amounts of Liabilities not subject to offsetting.

As at 31 December 2013

ASSETS

	Financial Assets subject to offsetting								
	Impact of offsetting on the balance sheet			Impact of Master Netting Agreements (MNA) and similar agreements(4)					
(In millions of euros)	Gross amounts*	Amounts offset*	Net amounts presented on the balance sheet*	Financial instruments recognised in the balance sheet*	Cash collateral received*	Financial instruments received as collateral*	Net amount*	Amounts of assets not subject to offsetting*	Total balance sheet assets*(5)
Derivative financial instruments (See Notes 6 and 7)	277,269	129,111	148,158	124,237	13,152	-	10,769	25,388	173,546
Securities borrowed (See Notes 6 and 8)	9,826	-	9,826	9,075	-	-	751	21,529	31,355
Securities purchased under resale agreements (See Notes 6, 9 and 10)	111,777	17,637	94,140	17,715	318	66,033	10,074	35,398	129,538
Guarantee deposits pledged (See Note 14)	18,153	-	18,153	-	18,153	-	-	8,177	26,330
Other assets not subject to offsetting	-	-	-	-	-	-	-	853,424	853,424
Total assets	**417,025**	**146,748**	**270,277**	**151,027**	**31,623**	**66,033**	**21,594**	**943,916**	**1,214,193**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

LIABILITIES

	Financial Liabilities subject to offsetting								
	Impact of offsetting on the balance sheet			Impact of Master Netting Agreements (MNA) and similar agreements(4)					
(In millions of euros)	Gross amounts*	Amounts offset*	Net amounts presented on the balance sheet*	Financial instruments recognised in the balance sheet*	Cash collateral pledged*	Financial instruments pledged as collateral*	Net amount*	Amounts of liabilities not subject to offsetting*	Total balance sheet liabilities*(6)
Derivative financial instruments (See Notes 6 and 7)	278,216	129,111	149,105	124,237	17,498	173	7,197	26,238	175,343
Securities loaned (See Note 6)	22,479	-	22,479	9,075	9	6,347	7,048	78,333	100,812
Securities sold under repurchase agreements (See Notes 6, 17 and 18)	114,266	17,637	96,629	17,715	646	65,965	12,303	45,530	142,159
Guarantee deposits received (See Note 20)	13,470	-	13,470	-	13,470	-	-	6,559	20,029
Other liabilities not subject to offsetting	-	-	-	-	-	-	-	721,880	721,880
Total liabilities	**428,431**	**146,748**	**281,683**	**151,027**	**31,623**	**72,485**	**26,548**	**878,540**	**1,160,223**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

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

(5) Total balance sheet assets equal to the sum of:
- net amounts of financial assets subject to offsetting; and
- amounts of Assets not subject to offsetting.

(6) Total balance sheet liabilities equal to the sum of:
- net amounts of financial liabilities subject to offsetting; and
- amounts of Liabilities not subject to offsetting.

Note 26

SOCIETE GENERALE ORDINARY SHARES, TREASURY STOCK, SHARES HELD BY EMPLOYEES AND SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

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

(Number of shares)	31 December 2014	31 December 2013
Ordinary shares	805,207,646	798,716,162
Including treasury stock with voting rights(1)	20,041,922	22,509,704
Including shares held by employees(2)	61,740,620	60,484,220

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

(2) Number of shares restated relative to the financial statements published in 2013 to reflect shares held by employees under the free share plan.

As at 31 December 2014, Societe Generale S.A.'s capital amounted to EUR 1,006,509,557.5 and was made up of 805,207,646 shares with a nominal value of EUR 1.25.

During the first half of 2014 and in accordance with the free and conditional share allocation plan, Societe Generale S.A. carried out a capital increase of EUR 2 million through the incorporation of reserves.

During the second half of 2014, Societe Generale S.A. carried out a capital increase reserved for employees as part of the free share allocation plan for an amount of EUR 6 million, with additional paid-in capital of EUR 177 million, and three capital increases totalling EUR 0.089 million with additional paid-in capital of EUR 2 million, resulting from the exercise of stock-options granted in 2009 and 2010.

2. SHAREHOLDERS' EQUITY ISSUED

2.1. PERPETUAL SUBORDINATED NOTES

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

As at 31 December 2014, perpetual subordinated notes (TSDI) issued by the Group and recognised under Group shareholders' equity in other equity instruments totalled EUR 315 million.

This amount changed due to the redemption of the JPY-denominated perpetual subordinated note issued on 30 June 1994.

Issuance Date	Amount in local currency as at 31 December 2013	Repurchases and redemptions in 2014	Amount in local currency as at 31 December 2014	Amount in millions of euros at initial price	Remuneration
1 July 1985	EUR 62 M		EUR 62 M	62	BAR (Bond Average Rate) of -0.25% for the period from 1 June to 31 May before each due date
24 November 1986	USD 248 M		USD 248 M	182	Average 6-month Euro/Dollar deposit rates provided by reference banks +0.075%
30 June 1994	JPY 15,000 M	JPY 15,000 M	-	-	5.385% until December 2014 and for subsequent due dates: the more favourable rate between the fixed rate and a variable rate + spread defined as follows: JPY 5-year Mid Swap Rate +1.25% until December 2019 and JPY 5-year Mid Swap +2% for subsequent due dates
30 December 1996	JPY 10,000 M		JPY 10,000 M	71	3.936% until September 2016 and for subsequent due dates: the more favourable rate between the fixed rate and a variable rate + spread defined as follows: JPY 5-year Mid Swap Rate +2.0%

2.2. PERPETUAL DEEPLY SUBORDINATED NOTES

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

As at 31 December 2014, perpetual deeply subordinated notes issued by the Group and recognised under Group shareholders' equity in other equity instruments totalled EUR 8,754 million.

This amount changed due to the issuance of two new perpetual deeply subordinated notes in the first half of 2014.

Issuance Date	Amount in local currency as at 31 December 2013	Repurchases and redemptions in 2014	Amount in local currency as at 31 December 2014	Amount in millions of euros at historical rate	Remuneration
26 January 2005	EUR 728 M		EUR 728 M	728	4.196%, from 2015 3-month Euribor +1.53% annually
5 April 2007	USD 63 M		USD 63 M	47	3-month USD Libor +0.75% annually, from 2017 3-month USD Libor +1.75% annually
5 April 2007	USD 808 M		USD 808 M	604	5.922%, from 2017 3-month USD Libor +1.75% annually
19 December 2007	EUR 463 M		EUR 463 M	463	6.999%, from 2018 3-month Euribor +3.35% annually
16 June 2008	GBP 506 M		GBP 506 M	642	8.875%, from 2018 3-month GBP Libor +3.4% annually
27 February 2009	USD 450 M		USD 450 M	356	9.5045%, from 2016 3-month USD Libor +6.77% annually
4 September 2009	EUR 905 M		EUR 905 M	905	9.375%, from 2019 3-month Euribor +8.901% annually
7 October 2009	USD 1,000 M		USD 1,000 M	681	8.75%
6 September 2013	USD 1,250 M		USD 1,250 M	953	8.25%, from 29 November 2018 USD 5-year Mid Swap Rate +6.394%
18 December 2013	USD 1,750 M		USD 1,750 M	1,273	7.875%, from 18 December 2023, USD 5-year Mid Swap Rate +4.979%
25 June 2014			USD 1,500 M	1,102	6%, from 27 January 2020, USD 5-year Mid Swap Rate +4.067%
7 April 2014			EUR 1,000 M	1,000	6.75%, from 7 April 2021, EUR 5-year Mid Swap Rate +5.538%

2.3. OTHER EQUITY INSTRUMENTS ISSUED BY SUBSIDIARIES

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

As at 31 December 2014, other equity instruments issued by the Group's subsidiaries and recognised under non-controlling interests totalled EUR 800 million.

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

2.4. SUMMARY OF CHANGES IN EQUITY INSTRUMENTS ISSUED

Changes related to the perpetual subordinated notes and deeply subordinated notes included in *Consolidated reserves* are detailed below:

(In millions of euros)	Deeply subordinated notes	Perpetual subordinated notes	Total
Remuneration paid booked under dividends (2014 Dividends paid line)	(565)	(11)	(576)
Changes in nominal values in 2014	2,102	(108)	1,994
Tax savings on remuneration payable to shareholders and recorded under reserves	210	3	213
Net result related to the redemption of perpetual subordinated notes in 2014	-	6	6
Issuance costs, net of tax, related to subordinated notes issued in 2014	(7)	(7)	(14)

3. DIVIDENDS PAID

Dividends paid by the Societe Generale Group in 2014 amounted to EUR -1,537 million and are detailed in the following table:

(In millions of euros)	Group Share	Non-controlling interests	Total
Ordinary shares	(779)	(182)	(961)
o/w paid in shares	-	-	-
o/w paid in cash	*(779)*	*(182)*	*(961)*
Other equity instruments	(576)	-	(576)
Total	**(1,355)**	**(182)**	**(1,537)**

Note 27

COMMITMENTS

1. COMMITMENTS GRANTED AND RECEIVED

COMMITMENTS GRANTED

(In millions of euros)	31 December 2014	31 December 2013*
Loan commitments		
To banks	11,251	15,055
To customers		
Issuance facilities	-	-
Confirmed credit lines	118,483	108,001
Others	2,536	1,973
Guarantee commitments		
On behalf of banks	17,461	10,515
On behalf of customers(1)	52,412	51,979
Securities commitments		
Securities to be delivered	25,870	26,474

COMMITMENTS RECEIVED

(In millions of euros)	31 December 2014	31 December 2013*
Loan commitments		
From banks	56,235	65,245
Guarantee commitments		
From banks	74,982	69,794
Other commitments(2)	79,236	72,206
Securities commitments		
Securities to be received	26,228	26,818

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) Including capital and performance guarantees given to the holders of units in mutual funds managed by entities of the Group.

(2) Including guarantees granted by government and official agencies and other guarantees granted by customers for EUR 36,481 million as at 31 December 2014 versus 35,743 million as at 31 December 2013.

2. FORWARD FINANCIAL INSTRUMENT COMMITMENTS (NOTIONAL AMOUNTS)

	31 December 2014		31 December 2013*	
(In millions of euros)	Trading transactions	Hedging transactions	Trading transactions	Hedging transactions
Interest rate instruments				
Firm instruments				
Swaps	10,452,500	238,867	10,876,979	265,291
Interest rate futures	2,391,210	562	2,183,548	854
Options	*2,783,298*	*2,347*	*2,257,330*	*5,053*
Foreign exchange instruments				
Firm instruments	*2,130,738*	*8,790*	*1,901,873*	*6,710*
Options	*629,126*	-	*480,129*	-
Equity and index instruments				
Firm instruments	*76,862*	-	*72,288*	-
Options	*939,917*	*33*	*744,659*	*49*
Commodity instruments				
Firm instruments	*161,871*	-	*139,327*	-
Options	*62,807*	-	*53,924*	-
Credit derivatives	**900,268**	**-**	**905,937**	**-**
Other forward financial instruments	**55,446**	**372**	**12,469**	**285**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 28

ASSETS PLEDGED AND RECEIVED AS SECURITY

1. ASSETS PLEDGED AS SECURITY

(In millions of euros)	31 December 2014	31 December 2013*
Book value of assets pledged as security for liabilities[1]	190,168	168,901
Book value of assets pledged as security for transactions in financial instruments[2]	31,728	24,309
Book value of assets pledged as security for off-balance sheet commitments	742	724
Total	**222,638**	**193,934**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) Assets pledged as security for liabilities mainly include loans given as guarantees for liabilities (guarantees notably provided to the central banks).

(2) Assets pledged as security for transactions in financial instruments mainly include surety deposits.

2. ASSETS RECEIVED AS SECURITY AND AVAILABLE FOR THE ENTITY

(In millions of euros)	31 December 2014	31 December 2013*
Fair value of securities purchased under resale agreements	**165,790**	**129,840**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 29

TRANSFERRED FINANCIAL ASSETS

1. TRANSFERRED FINANCIAL ASSETS NOT DERECOGNISED

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

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

The accounting treatment of securities lending and repurchase agreements is presented in note 1 - Significant accounting principles.

With securities lending and repurchase agreements, the Group remains exposed to issuer default (credit risk) and to increases or decreases in of securities prices (market risk). The financial assets underlying securities lending and repurchase agreements cannot simultaneously be used as collateral in other transactions.

In 2014, no new securisation of customer loans was subject to partial refinancing with external investors. The vehicles carrying these loans are consolidated by the Group.

The Group remains exposed to the majority of the risks and rewards associated with these loans. Furthermore, the loans can neither be used as collateral or sold outright in other transactions.

1.1. REPURCHASE AGREEMENTS

	31 December 2014		31 December 2013	
(In millions of euros)	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Available-for-sale securities	7,752	6,567	3,444	3,377
Securities at fair value through profit or loss	39,864	34,916	44,883	43,372
Total	**47,616**	**41,483**	**48,327**	**46,749**

1.2. SECURITIES LENDING

	31 December 2014		31 December 2013	
(In millions of euros)	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities at fair value through profit or loss	7,194	130	8,091	509
Total	**7,194**	**130**	**8,091**	**509**

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

As at 31 December 2014

(In millions of euros)	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Customer loans	874	665	908	666	242
Total	**874**	**665**	**908**	**666**	**242**

As at 31 December 2013

(In millions of euros)	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Customer loans	1,860	1,485	1,872	1,489	383
Total	**1,860**	**1,485**	**1,872**	**1,489**	**383**

2. TRANSFERRED FINANCIAL ASSETS PARTIALLY OR FULLY DERECOGNISED

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

Note 30

BREAKDOWN OF ASSETS AND LIABILITIES BY TERM TO MATURITY

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES(1)

(In millions of euros at 31 December 2014)	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Undetermined	Total
Due to central banks	4,620	-	-	-	-	4,620
Financial liabilities at fair value through profit or loss, except derivatives	237,862	15,703	26,672	40,113	-	320,350
Due to banks	63,710	7,730	16,804	3,146	-	91,390
Customer deposits	271,322	24,976	32,202	21,642	-	350,142
Debt securities issued	26,178	26,821	30,547	14,527	-	98,073
Subordinated debt	196	879	3,822	3,710	-	8,607
Total Liabilities	**603,888**	**76,109**	**110,047**	**83,138**	**-**	**873,182**
Loan commitments granted	46,024	17,722	62,447	7,597	-	133,790
Guarantee commitments granted	23,539	16,585	11,484	16,055	-	67,663
Total commitments granted	**69,563**	**34,307**	**73,931**	**23,652**	**-**	**201,453**

(1) The displayed amounts are the contractual amounts except provisional interest and except derivatives.

UNDERWRITING RESERVES OF INSURANCE COMPANIES(2)

(In millions of euros at 31 December 2014)	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Undetermined	Total
Underwriting reserves of insurance companies	13,104	7,564	28,226	54,404	-	**103,298**

(2) Breakdown of carrying amounts.

NOTIONAL MATURITIES OF COMMITMENTS IN FINANCIAL DERIVATIVES(3)

	ASSETS				LIABILITIES			
(In millions of euros at 31 December 2014)	Less than 1 year	1 to 5 years	More than 5 years	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest rate instruments								
Firm instruments								
Swaps	2,455,948	4,314,380	3,921,039	**10,691,367**	-	-	-	-
Interest rate futures	949,894	211,406	128	**1,161,428**	1,001,297	228,664	383	**1,230,344**
Options	*592,818*	*459,104*	*292,785*	***1,344,707***	*618,820*	*507,299*	*314,819*	***1,440,938***
Forex instruments								
Firm instruments	*1,352,258*	*537,551*	*249,719*	***2,139,528***	-	-	-	-
Options	*218,271*	*75,668*	*20,594*	***314,533***	*216,077*	*75,387*	*23,129*	***314,593***
Equity and index instruments								
Firm instruments	*23,414*	*3,337*	*336*	***27,087***	*45,758*	*3,563*	*454*	***49,775***
Options	*445,487*	*119,965*	*20,159*	***585,611***	*224,974*	*112,959*	*16,406*	***354,339***
Commodity instruments								
Firm instruments	*73,247*	*8,038*	*73*	***81,358***	*72,248*	*8,069*	*196*	***80,513***
Options	*17,500*	*10,248*	*2,968*	***30,716***	*19,435*	*9,853*	*2,803*	***32,091***
Credit derivatives	**103,012**	**332,758**	**14,046**	**449,816**	**108,046**	**327,535**	**14,871**	**450,452**
Other forward financial instruments	**18,875**	**2,027**	**91**	**20,993**	**26,867**	**7,752**	**206**	**34,825**

(3) These items are presented according to the contractual maturity of the financial instruments.

Note 31

FOREIGN EXCHANGE TRANSACTIONS

	31 December 2014				31 December 2013*			
(In millions of euros)	Assets	Liabilities	Currencies bought, not yet received	Currencies sold, not yet delivered	Assets	Liabilities	Currencies bought, not yet received	Currencies sold, not yet delivered
EUR	770,420	804,870	17,383	18,704	752,019	790,022	18,168	17,054
USD	320,543	282,406	39,950	40,091	264,237	227,135	42,998	40,083
GBP	52,643	43,044	3,224	5,448	44,782	32,640	2,767	7,490
JPY	37,032	48,595	8,788	9,081	40,590	43,438	9,581	7,978
AUD	5,074	4,859	2,430	2,805	4,042	3,983	6,040	4,590
CZK	30,229	31,867	507	1,009	27,335	29,064	157	401
RUB**	11,379	9,435	307	202	15,752	13,567	84	150
RON**	5,281	6,517	49	98	4,762	6,515	221	96
Other currencies	75,569	76,577	13,495	12,023	60,674	67,829	9,801	10,643
Total	**1,308,170**	**1,308,170**	**86,133**	**89,461**	**1,214,193**	**1,214,193**	**89,817**	**88,485**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).
** Amounts adjusted with respect to the 31 December 2013 published financial statements.

Note 32

INSURANCE ACTIVITIES

UNDERWRITING RESERVES OF INSURANCE COMPANIES

(In millions of euros)	31 December 2014	31 December 2013*
Underwriting reserves for unit-linked policies	18,087	16,689
Life insurance underwriting reserves	75,360	70,515
Non-life insurance underwriting reserves	1,098	1,003
Deferred profit-sharing booked in liabilities	8,753	3,331
Total	**103,298**	**91,538**
Attributable to reinsurers	(282)	(253)
Underwriting reserves of insurance companies (including provisions for deferred profit-sharing) net of the share attributable to reinsurers	**103,016**	**91,285**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

STATEMENT OF CHANGES IN UNDERWRITING RESERVES OF INSURANCE COMPANIES

(In millions of euros)	Underwriting reserves for unit-linked policies	Life insurance underwriting reserves	Non-life insurance underwriting reserves
Reserves at 1 January 2014 (except provisions for deferred profit-sharing)*	**16,689**	**70,515**	**1,003**
Allocation to insurance reserves	488	3,039	48
Revaluation of unit-linked policies	900	-	-
Charges deducted from unit-linked policies	(120)	-	-
Transfers and arbitrage	27	(30)	-
New customers	2	-	-
Profit-sharing	103	1,765	-
Others	(2)	71	47
Reserves at 31 December 2014 (except provisions for deferred profit-sharing)	**18,087**	**75,360**	**1,098**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

In accordance with IFRS 4 and Group accounting standards, the Liability Adequacy Test (LAT) was performed as at 31 December 2014. This test assesses whether recognised insurance liabilities are adequate, using current estimates of future cash flows under insurance policies. It is carried out on the basis of stochastic modelling similar to the one used for asset/liability management. The result of the test as at 31 December 2014 was conclusive.

NET INVESTMENTS OF INSURANCE COMPANIES

(In millions of euros before elimination of intercompany transactions)	31 December 2014	31 December 2013*
Financial assets at fair value through profit or loss	**27,350**	**21,388**
Debt instruments	11,342	9,028
Equity instruments	16,008	12,360
Due from banks	**10,328**	**10,638**
Available-for-sale financial assets	**82,796**	**74,196**
Debt instruments	73,326	63,366
Equity instruments	9,470	10,830
Investment property	**477**	**430**
Total(1)	**120,951**	**106,652**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

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

UNDERWRITING INCOME OF INSURANCE COMPANIES

(In millions of euros)	2014	2013*
Earned premiums	11,904	10,578
Cost of benefits (including changes in reserves)	(12,243)	(11,307)
Net income from investments	4,198	4,766
Other net underwriting income (expense)	(3,158)	(3,360)
Contribution to operating income before elimination of intercompany transactions	**701**	**677**
Elimination of intercompany transactions(2)	181	539
Contribution to operating income after elimination of intercompany transactions	**882**	**1,216**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

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

NET FEE INCOME

(In millions of euros before elimination of intercompany transactions)	2014	2013*
Received Fees		
Acquisition fees	531	516
Management fees	696	693
Others	35	36
Paid Fees		
Acquisition fees	(534)	(556)
Management fees	(336)	(314)
Others	(51)	(46)
Total Fees	**341**	**329**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

MANAGEMENT OF INSURANCE RISKS

There are two main types of insurance risks:

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

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

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

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

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

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

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

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

Note 33

INTEREST INCOME AND EXPENSE

(In millions of euros)	2014	2013*
Transactions with banks	**1,281**	**1,304**
Demand deposits and interbank loans	1,073	1,100
Securities purchased under resale agreements and loans secured by notes and securities	208	204
Transactions with customers	**13,844**	**14,553**
Trade notes	570	625
Other customer loans(1)	12,520	13,152
Overdrafts	703	678
Securities purchased under resale agreements and loans secured by notes and securities	51	98
Transactions in financial instruments	**8,151**	**9,799**
Available-for-sale financial assets	3,042	3,102
Held-to-maturity financial assets	141	44
Securities lending	16	6
Hedging derivatives	4,952	6,647
Finance leases	**1,256**	**1,368**
Real estate finance leases	250	254
Non-real estate finance leases	1,006	1,114
Total interest income	**24,532**	**27,024**
Transactions with banks	**(1,129)**	**(1,155)**
Interbank borrowings	(994)	(1,008)
Securities sold under resale agreements and borrowings secured by notes and securities	(135)	(147)
Transactions with customers	**(6,118)**	**(6,476)**
Regulated savings accounts	(1,231)	(1,292)
Other customer deposits	(4,778)	(5,109)
Securities sold under resale agreements and borrowings secured by notes and securities	(109)	(75)
Transactions in financial instruments	**(7,286)**	**(9,365)**
Debt securities issued	(2,179)	(2,444)
Subordinated and convertible debt	(508)	(351)
Securities borrowing	(24)	(22)
Hedging derivatives	(4,575)	(6,548)
Other interest expense	-	-
Total interest expense(2)	**(14,533)**	**(16,996)**
Including interest income from impaired financial assets	*476*	*504*

(1) Breakdown of other customer loans

(In millions of euros)	2014	2013*
Short-term loans	4,398	4,733
Export loans	251	226
Equipment loans	2,025	2,205
Housing loans	4,359	4,491
Other customer loans	1,487	1,497
Total	**12,520**	**13,152**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(2) These expenses include the refinancing cost of financial instruments at fair value through P&L, which is classified in net gains or losses on these instruments (See Note 35). Given that income and expenses booked in the income statement are classified by type of instrument rather than by purpose, the net income generated by activities in financial instruments at fair value through P&L must be assessed as a whole.

Note 34

FEE INCOME AND EXPENSE

(In millions of euros)	2014	2013*
Fee income from		
Transactions with banks	120	149
Transactions with customers	2,595	2,697
Securities transactions	618	534
Primary market transactions	255	183
Foreign exchange transactions and transactions in financial derivatives	930	143
Loan and guarantee commitments	731	782
Services	3,623	3,558
Others	287	301
Total fee income	**9,159**	**8,347**
Fee expense on		
Transactions with banks	(113)	(133)
Securities transactions	(669)	(579)
Foreign exchange transactions and transactions in financial derivatives	(817)	(308)
Loan and guarantee commitments	(78)	(93)
Others	(1,007)	(994)
Total fee expense	**(2,684)**	**(2,107)**

Fee income and expense includes:

(In millions of euros)	2014	2013*
Fee income excluding the effective interest rate linked to financial instruments which are not booked at fair value through profit or loss	3,705	3,864
Fee income linked to trust or similar activities	1,925	1,803
Fee expense excluding the effective interest rate linked to financial instruments which are not booked at fair value through profit or loss	(78)	(93)
Fee expense linked to trust or similar activities	(1,000)	(896)

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 35

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

(In millions of euros)	2014	2013*
Net gain/loss on non-derivative financial assets held for trading	7,186	14,219
Net gain/loss on financial assets measured using fair value option	2,479	1,331
Net gain/loss on non-derivative financial liabilities held for trading	(3,065)	(4,142)
Net gain/loss on financial liabilities measured using fair value option	(4,894)	(420)
Net gain/loss on derivative instruments	2,038	(6,658)
Net gain/loss on fair value hedging instruments	6,533	(1,330)
Revaluation of hedged items attributable to hedged risks	(5,839)	1,078
Ineffective portion of cash flow hedge	2	4
Net gain/loss on foreign exchange transactions	41	(328)
Total(1)(2)	**4,481**	**3,754**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

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

(2) Including:
- EUR -7 million for the Credit Valuation Adjustment (CVA), versus EUR -205 million in 2013;
- EUR 38 million for the Debt Valuation Adjustment (DVA), versus EUR 85 million in 2013 and;
- EUR -52 million for the Funding Valuation Adjustment (FVA), versus EUR 102 million in 2013.

The remaining amount to be recorded in the income statement resulting from the difference between the transaction price and the amount which would be established at this date using valuation techniques, minus the amount recorded in the income statement after initial recognition in the accounts, can be broken down as shown in the table below. This amount is recorded in the income statement over time or when the valuation techniques switch to observable parameters.

(In millions of euros)	2014	2013
Remaining amount to be recorded in the income statement as at 1 January	1,012	834
Amount generated by new transactions within the period	564	599
Amount recorded in the income statement within the period	(545)	(421)
O/w amortisation	*(216)*	*(192)*
O/w switch to observable parameters	*(28)*	*(19)*
O/w disposed, expired or terminated	*(302)*	*(210)*
O/w translation differences	*1*	*-*
Remaining amount to be recorded in the income statement as at 31 December	**1,031**	**1,012**

Note 36

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

(In millions of euros)	2014	2013*
Current activities		
Gains on sale[1]	694	1,041
Losses on sale[2]	(235)	(381)
Impairment losses on variable-income securities	(8)	(4)
Profit-sharing on available-for-sale financial assets of insurance subsidiaries	(166)	(451)
Sub-total	**285**	**205**
Long-term equity investments		
Gains on sale	47	98
Losses on sale	(1)	(5)
Impairment losses on variable-income securities	(25)	(16)
Sub-total	**21**	**77**
Total	**306**	**282**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) O/w EUR 401 million for Insurance activities in 2014.

(2) O/w EUR -165 million for Insurance activities in 2014.

Note 37

INCOME AND EXPENSES FROM OTHER ACTIVITIES

(In millions of euros)	2014	2013*
Income from other activities		
Real estate development	75	78
Real estate leasing	109	81
Equipment leasing	7,025	6,683
Other activities[1][2]	43,010	51,304
Sub-total	**50,219**	**58,146**
Expenses from other activities		
Real estate development	-	(3)
Real estate leasing	(34)	(48)
Equipment leasing	(4,762)	(4,506)
Other activities[2][3]	(43,555)	(51,921)
Sub-total	**(48,351)**	**(56,478)**
Net total	**1,868**	**1,668**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) O/w EUR 12,440 million for Insurance activities in 2014.

(2) The variation in income and expenses from other activities is mainly due to lower volumes of non-ferrous metals on the London Metal Exchange.

(3) O/w EUR -12,012 million for Insurance activities in 2014.

Note 38

PERSONNEL EXPENSES

(In millions of euros)	2014	2013*
Employee compensation	(6,504)	(6,331)
Social security charges and payroll taxes	(1,581)	(1,580)
Net pension expenses - defined contribution plans	(657)	(659)
Net pension expenses - defined benefit plans	(95)	(168)
Employee profit-sharing and incentives	(212)	(281)
Total	**(9,049)**	**(9,019)**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

Note 39

SHARE-BASED PAYMENT PLANS

1. EXPENSES RECORDED IN THE INCOME STATEMENT

	2014			2013		
(In millions of euros)	Cash settled plans	Equity settled plans	Total plans	Cash settled plans	Equity settled plans	Total plans
Net expenses from purchase plans, stock option and free share plans	226.7	14.4	241.1	200.8	144.8	345.6

2. MAIN CHARACTERISTICS OF SOCIETE GENERALE STOCK-OPTION PLANS AND FREE SHARE PLANS

2.1. EQUITY-SETTLED STOCK OPTION PLANS FOR GROUP EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2014 ARE BRIEFLY DESCRIBED BELOW:

2.1.1. Stock options (purchase and subscription)

For plans 2007 to 2008, the information provided is limited due to the situation of the plans.

Issuer	Societe Generale	Societe Generale	Societe Generale	Societe Generale
Year of allocation	**2007**	**2008**	**2009**	**2010**
Type of plan			subscription stock option	subscription stock option
Shareholders agreement			05.27.2008	05.27.2008
Board of Directors' decision	01.19.2007	03.21.2008	03.09.2009	03.09.2010
Number of stock-options granted(1)			1,344,552(3)	1,000,000
O/w number of stock-options granted to Executive Committee members			155,289	415,596
Number of Executive Committee beneficiaries			7	10
Contractual life of options granted	7 years	7 years	7 years	7 years
Settlement			Societe Generale shares	Societe Generale shares
Vesting period			03.09.2009 - 03.31.2012	03.09.2010 - 03.31.2014
Performance conditions			yes(2)	yes(2)
Resignation from the Group			forfeited	forfeited
Redundancy			forfeited	forfeited
Retirement			maintained	maintained
Death			maintained for 6 months	maintained for 6 months
Share price at grant date (in euros)(1)(4)			23.18	43.64
Discount			0 %	not applicable
Exercise price (in euros)(1)	115.6	63.6	23.18	41.2
Options authorised but not allocated			-	-
Options exercised as at 31 December 2014			148,089	445
Options forfeited as at 31 December 2014			912,191	657,392
Options outstanding as at 31 December 2014		965,317	284,272	342,163
Number of shares reserved as at 31 December 2014	-		-	-
Share price of shares reserved (in euros)			-	-
Total value of shares reserved (in millions of euros)			-	-
First authorised date for selling shares			03.31.2013	03.31.2014
Delay for selling after vesting period			1 year	-
Fair value (% of the share price at grant date)			27%	26%
Valuation method used to determine the fair value			Monte-Carlo	Monte-Carlo

(1) In accordance with IAS 33, as a result of the detachment of preferential subscription rights from Societe Generale, the historical share data have been adjusted for the coefficients given by Euronext which reflect the portion attributable to the share after detachment following the capital increases which took place in the fourth quarter of 2009.

(2) The performance conditions are described in the “corporate governance” section of the registration document. For the options granted in 2009, the performance conditions on the arithmetic average EPS 2009-2011 were not met.

(3) O/w 320,000 options initially granted to the Chief Executive Officer and his deputies who gave them up. These options have thus been forfeited.

(4) Average share price of 20 days prior to grant date for the 2009 plan and closing share price at grant date for the 2010 plan.

2.1.2. Free shares

Issuer	Societe Generale	Societe Generale	Societe Generale	Societe Generale	Societe Generale
Year	**2010**	**2011**	**2012**	**2013**	**2014**
Shareholders agreement	05.27.2008	05.25.2010	05.25.2010	05.22.2012	05.22.2012
Board of Directors' decision	03.09.2010	03.07.2011	03.02.2012	03.14.2013	03.13.2014
Number of free shares granted(5)	4,200,000	2,351,605	2,975,763	1,846,313	1,010,775
Number of beneficiaries	5,617	5,969	6,363	6,338	6,082
O/w number of free shares granted to Executive Committee members	20,873	190,009	-	-	-
Number of Executive Committee beneficiaries	10	14	-	-	-
Settlement	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares
Vesting period	Sub-plan n°1: 03.09.2010 - 03.31.2013(7) Sub-plan n°2: 03.09.2010 - 03.31.2012 03.09.2010 - 03.31.2013(8)	03.07.2011 - 03.31.2013(8)(9)	03.02.2012 - 03.31.2014(8)(9)	03.14.2013 - 03.31.2015(8)(9)	03.13.2014 - 03.31.2016(8)(9)
Performance conditions	performance condition for certain recipients(7)	yes(6)	yes(6)	yes(6)	yes(6)
Resignation from the Group	forfeited	forfeited	forfeited	forfeited	forfeited
Redundancy	forfeited	forfeited	forfeited	forfeited	forfeited
Retirement	maintained	maintained	maintained	maintained	maintained
Death	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months
Share price at grant date (in euros)(5)	43.64	46.55	25.39	30.50	44.99
Shares delivered as at 31 December 2014	3,006,290	1,534,259	2,207,345	969	-
Shares forfeited as at 31 December 2014	1,193,710	532,842	143,695	52,741	7,616
Shares outstanding as at 31 December 2014	-	284,504	624,723	1,792,603	1,003,159
Number of shares reserved as at 31 December 2014	-	284,504	624,723	1,792,603	1,003,159
Share price of shares reserved (In euros)	47.71	45.67	29.75	18.94	15.48
Total value of shares reserved (In millions of euros)	-	12.99	18.59	33.95	15.53
First authorised date for selling the shares	Sub-plan n°1: 03.31.2015 Sub-plan n°2: 03.31.2014 03.31.2015	03.31.2015	04.01.2016	04.01.2017	04.01.2017
Delay for selling after vesting period	2 years	2 years(9)	2 years(9)	2 years(9)	2 years(9)
Fair value (% of share price at grant date)	vesting period 2 years: 86% vesting period 3 years: 82%	86%	86%	86% for French tax residents 89% for non-French tax residents	84% for French tax residents 85% for non-French tax residents
Valuation method used to determine fair value	Arbitrage	Arbitrage	Arbitrage	Arbitrage	Arbitrage

(5) In accordance with IAS 33, as a result of the detachment of Societe Generale share preferential subscription right, the historical share data have been adjusted for the coefficients given by Euronext which reflect the portion attributable to the share after detachment following the capital increase which took place in the fourth quarter of 2009.

(6) The performance conditions are described in the "corporate governance" section of the registration document.

(7) For non-French tax residents, the vesting period is increased by one year and there is no mandatory holding period.

(8) In accordance with the provision of the Ministerial Order issued in France on 3 November 2009 and related to the remuneration of employees whose activities may have consequences on the risk exposure of banks and investment companies, the expense related to share-based payments granted to employees in financial markets is recorded in the income statement over the vesting period beginning on 1 January of the preceding year.

(9) For non-French tax residents, the vesting period is increased by two years and there is no mandatory holding period.

2.2. STATISTICS CONCERNING SOCIETE GENERALE STOCK-OPTION PLANS

Main figures concerning Societe Generale stock-option plans, for the year ended 31 December 2014:

	Options outstanding as at 1 January 2014	Options granted in 2014	Options forfeited in 2014	Options exercised in 2014	Options expired in 2014	Outstanding options as at 31 December 2014	Exercisable options as at 31 December 2014
Options granted in 2009	356,587	-	1,516	70,799	-	284,272	284,272
Options granted in 2010	350,238	-	7,630	445	-	342,163	342,163
Weighted average remaining contractual life						10 months	
Weighted average fair value at grant date (in euros)						12.7	
Weighted average share price at exercise date (in euros)				42.79			
Range of exercise prices (in euros)				34.55-47.95			

Notes

- The main assumptions used to value Societe Generale stock-option plans are as follows:

	2009	2010
Risk-free interest rate	3.0%	2.9%
Implied share volatility	55%	29%
Forfeited rights rate	0%	0%
Expected dividend (yield) (% of the exercise price)	3.5%	1.3%
Expected life (after grant date)	5 years	5 years

Future volatility was estimated using the Group's implied volatility on 5-year options traded OTC (TOTEM parameters), which was about 29% in 2010. This implied volatility more accurately reflects the future volatility of the share.

3. MAIN CHARACTERISTICS OF THE FREE SHARE PLAN GRANTED TO ALL EMPLOYEES OF THE GROUP

In order to involve all employees of the Group in the success of the Ambition SG 2015 program, the Board of Directors decided at a meeting on 2 November 2010 to grant 40 Societe Generale shares to each Group employee (nearly 159,000 employees in 79 countries). The grants are subject to presence and performance conditions. The vesting period and the holding period depend on the location of the entity in which the employee works:

- in France: the vesting period for the first section, i.e 16 shares began on 2 November 2010 and ended on 29 March 2013. For the second section i.e. 24 shares it began on the 2 November 2010 and ended on 31 March 2014. The shares are subject to a 2-year holding period;
- international: the vesting period for the first section i.e. 16 shares, began on 2 November 2010 and ends on 31 March 2015; for the second section i.e. 24 shares, it began on 2 November 2010 and ends on 31 March 2016. There is no holding period.

The performance conditions are described in the "Human Resources" section of the Registration Document.

There were no shares reserved at 31 December 2014 for the plan because it is a subscription plan.

The share price at the grant date is equal to EUR 42.1. The valuation method used to determine the fair values is the arbitrage model. These fair values (expressed as a % of the share price at the grant date) amount to:

- for France: 85% for the first section and 82% for the second section;
- international: 82% for the first section and 79% for the second section.

In countries where the granting of free shares is not possible or too complex, Societe Generale share cash equivalents are granted under the same presence and performance conditions applicable to free shares granted.

An assumption on annual withdrawal rate is applied for the determination of the plan expense; it amounts to 3.5% per year on average for employees eligible for the plan in France and to 10% per year on average for employees eligible for the plan outside France.

4. INFORMATION ON OTHER PLANS

ALLOCATION OF SG SHARES WITH A DISCOUNT RATE - GLOBAL EMPLOYEE SHARE OWNERSHIP PLAN

As part of the Group employee shareholding policy, on 17 April 2014 Societe Generale offered its employees the opportunity to subscribe for a reserved capital increase at a share price of EUR 35.85, with a discount of 20% compared to the average of the 20 Societe Generale share prices before this date.

Number of shares subscribed was 5,195,429. There is no expense for this plan. Indeed, the valuation model used, which complies with the recommendation of the National Accounting Council on the accounting treatment of company savings plans, compares the gain the employee would have obtained if he had been able to sell the shares immediately and the notional cost that the 5-year holding period represents to the employee. This model leads to a unit value equal to 0 because the average of the closing trading prices for the SG shares during the subscription period (from 16 May to 30 May) was below the subscription price offered to the employees.

SHARES GRANTED TO EACH CHIEF EXECUTIVE DIRECTOR

In 2014, these shares are granted as payment of part of the deferred annual variable pay, as required by the CRD IV European Directive. These plans are described in the "corporate governance" section of the Registration Document.

Note 40

COST OF RISK

(In millions of euros)	2014	2013*
Counterparty risk		
Net allocation to impairment losses	(2,496)	(3,345)
Losses not covered	(266)	(289)
on bad loans	*(229)*	*(227)*
on other risks	*(37)*	*(62)*
Amounts recovered	167	151
on bad loans	*163*	*147*
on other risks	*4*	*4*
Other risks		
Net allocation to other provisions[(1)]	(372)	(567)
Total	**(2,967)**	**(4,050)**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) To take into account the developments in a number of legal risks, including in particular the ongoing judicial investigations and proceedings with the US and European authorities, as well as the French *"Conseil d'État"* ruling on the "precompte", the Group has recognised a provision for disputes among its liabilities that has been adjusted in 2014 by an additional allowance of EUR 400 million to raise it to EUR 1,100 million.

Note 41

INCOME TAX

(In millions of euros)	2014	2013*
Current taxes	(1,192)	(1,190)
Deferred taxes	(192)	662
Total taxes[(1)]	**(1,384)**	**(528)**

(1) RECONCILIATION OF THE DIFFERENCE BETWEEN THE GROUP'S STANDARD TAX RATE AND ITS EFFECTIVE TAX RATE:

	2014	2013*
Income before tax excluding net income from companies accounted for by the equity method and impairment losses on goodwill (in millions of euros)	4,687	2,911
Normal tax rate applicable to French companies (including 3.3% tax contributions)	34.43%	34.43%
Permanent differences	5.26%	4.30%
Differential on securities tax exempt or taxed at reduced rate	-0.55%	-4.41%
Tax rate differential on profits taxed outside France	-7.62%	-10.83%
Impact of non-deductible losses and use of tax losses carried forward	-2.00%	-5.33%
Group effective tax rate	**29.52%**	**18.16%**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

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

Long-term capital gains on equity investments are exempt, subject to taxation of a portion of fees and expenses at the full statutory tax rate. Since 31 December 2012, in accordance with the 2013 Finance Law, this portion of fees and expenses has been 12% of gross capital gains, versus 10% of net capital gains previously.

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

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

Note 42

EARNINGS PER SHARE

(In millions of euros)	2014	2013*
Net income, Group share	2,692	2,044
Net attributable income to deeply subordinated notes	(399)	(254)
Net attributable income to perpetual subordinated notes	(7)	(49)
Issuance fees relating to subordinated notes	(14)	(13)
Net result related to the redemption of the perpetual subordinated notes	6	(19)
Net attributable income to ordinary shareholders	**2,278**	**1,709**
Weighted average number of ordinary shares outstanding(1)	781,283,039	766,489,330
Earnings per ordinary share (in euros)	**2.92**	**2.23**
Average number of ordinary shares used in the dilution calculation(2)	173,659	339,295
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	781,456,698	766,828,625
Diluted earnings per ordinary share (in euros)	**2.91**	**2.23**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) Excluding treasury shares.

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

Stock-option plans' dilutive effect depends on the average stock-market price of Societe Generale which is, at 31 December 2014, EUR 40.90. In this context, as at 31 December 2014, only free shares without performance condition of 2009 plans are considered as dilutive.

Note 43

TRANSACTIONS WITH RELATED PARTIES

1. DEFINITION

In accordance with the definitions provided under IAS 24, the Group's related parties include the following: members of the Board of Directors, corporate officers (the Chairman and Chief Executive Officers and the three Deputy Chief Executive Officers), their respective spouses and any children residing in the family home, and the subsidiaries which are either controlled exclusively or jointly by the Group, i.e. companies over which Societe Generale exercises significant influence.

1.1. REMUNERATION OF THE GROUP'S MANAGERS

This includes amounts effectively paid by the Group to Directors, Chief Executive Officer and his deputies as remuneration (including employer contributions), and other benefits under IAS 24 - paragraph 17 - as indicated below.

(In millions of euros)	31 December 2014	31 December 2013
Short-term benefits	12.0	9.1
Post-employment benefits	0.4	0.4
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	3.1	2.5
Total	**15.5**	**12.0**

The Registration Document contains a detailed description of the remuneration and benefits of the Group's senior managers.

1.2. RELATED PARTY TRANSACTIONS

The transactions with members of the Board of Directors, corporate officers and members of their families included in this note only comprise loans and guarantees outstanding as at 31 December 2014 for a total amount of EUR 10 million. All other transactions with these individuals were insignificant.

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

The total amount provisioned or booked by the Societe Generale Group at 31 December 2014 under IAS 19 restated for the payment of pensions and other benefits to Societe Generale's Deputy Chief Executive Officers (Mr Cabannes, Mr Sammarcelli and Mr Sanchez Incera and the two staff-elected Directors) was EUR 12.1 million.

2. JOINT VENTURES AND ASSOCIATES

OUTSTANDING ASSETS WITH RELATED PARTIES

(In millions of euros)	31 December 2014	31 December 2013*
Financial assets at fair value through profit or loss	26	112
Other assets	199	2,638
Total outstanding assets	**225**	**2,750**

OUTSTANDING LIABILITIES WITH RELATED PARTIES

(In millions of euros)	31 December 2014	31 December 2013*
Liabilities at fair value through profit or loss	199	417
Customer deposits	6	1,384
Other liabilities	526	2,210
Total outstanding liabilities	**731**	**4,011**

NET BANKING INCOME FROM RELATED PARTIES

(In millions of euros)	2014	2013*
Interest and similar income	(3)	(4)
Fees	173	175
Net income from financial transactions	(30)	35
Net income from other activities	(5)	(4)
Net banking income	**135**	**203**

COMMITMENTS TO RELATED PARTIES

(In millions of euros)	31 December 2014	31 December 2013*
Loan commitments granted	-	-
Guarantee commitments granted	30	1,509
Forward financial instrument commitments	1,761	8,123

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

As at 31 December 2013, joint ventures included Newedge, controlled by the Group since 2014.

Note 44

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

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

The following disclosures concern consolidated structured entities, non-controlling interests, associates and joint ventures (See paragraph 1 "Consolidation principles" of Note 1).

1. CONSOLIDATED STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity (See paragraph 1 "Consolidation principles" of Note 1).

Consolidated structured entities include:

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

As of 31 December 2014, the Group has not provided any financial support to these structured entities outside of normal market conditions.

2. NON-CONTROLLING INTERESTS

Non-controlling interests amounted to EUR 3,645 million at 31 December 2014 (vs. EUR 3,093 million at 31 December 2013) and accounted for 6% of Group shareholders' equity at 31 December 2014 (vs. 6% at 31 December 2013). The Group's main non-controlling interests amounted to EUR 2,851 million at 31 December 2014 (vs. EUR 1,944 million at 31 December 2013), related to:

- listed subsidiaries Komercni Banka, BRD - Groupe Societe Generale SA and SG Marocaine de Banques;
- perpetual subordinated notes issued in December 2014 by Sogecap (See Note 26).

Group ownership interests and Group voting interests in these entities are disclosed in Note 46.

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

Entities accounted for using the equity method are:

- joint ventures, i.e. joint arrangements whereby the parties that have joint control of the arrangement have rights to the net asset of the arrangement;
- associates, i.e entities over which the Group has significant influence.

GROUP COMMITMENTS GRANTED TO OR FOR JOINT VENTURES

Loan and guarantee commitments granted by the Group to or for joint ventures were not material as at 31 December 2014.

SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES AND ASSOCIATES

(In millions of euros)	Joint ventures		Associates		Total investments accounted for using the equity method	
Group share:	2014	2013	2014	2013	2014	2013
Net income	42	(84)	171	146	213	61
Unrealised or deferred gains and losses (net of tax)	22	36	85	(5)	106	31
Net income and unrealised or deferred gains and losses	**64**	**(48)**	**256**	**141**	**319**	**92**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

The main associate is Amundi Group.

As at 31 December 2014, the activities of joint ventures mainly comprised real estate development and insurance (sub-consolidated entities).

As at 31 December 2013, joint ventures included Newedge which became controlled by the Group in 2014. This explains the main changes between the two periods.

Note 45

UNCONSOLIDATED STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity (See paragraph 1 "Consolidation principles" of Note 1).

The information provided hereafter concerns entities structured by the Group. They are grouped by main types of similar activities, such as Financing activities, Asset management and Others (including Securitisation and Issuing vehicules).

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

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

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

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

1. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

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

Such interests can be evidenced by:

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

(In millions of euros)	Asset financing	Asset management	Others
Total Balance sheet of the entity(1)	**9,062**	**60,206**	**16,919**
Net carrying amounts of Group's interests in unconsolidated structured entities:			
Assets :	**4,691**	**9,822**	**3,363**
Financial assets at fair value through profit or loss	573	6,109	639
Available for sale financial assets	125	357	80
Banks and customers loans and receivables	3,984	173	2,618
Others	9	3 183	26
Liabilities :	**2,000**	**10,065**	**1,323**
Financial liabilities at fair value through profit or loss	173	5,369	664
Due to banks and customer deposits	1,819	1,259	654
Others	8	3,437	5

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

As of 31 December 2014, the Group has not provided any financial support to unconsolidated structured entities outside of normal market conditions.

The maximum exposure to loss related to interests in unconsolidated structured entities is measured as:

- the amortised cost or fair value[(2)] for non-derivative financial assets entered into with the structured entity depending on their measurement basis on the balance sheet;
- the fair value[(2)] of derivative financial assets recognised in the balance sheet;
- the notional amount of written Credit Default Swaps (maximum amount to pay);
- the notional amount of loan commitments or guarantee commitments granted.

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

The amount of maximum exposure to loss can be mitigated by:

- the notional amount of guarantee commitments received;
- the fair value[(2)] of collateral received;
- the carrying amount of surety deposits received.

These mitigating amounts must be capped in case of legal or contractual limitation of their realisable or recoverable amounts. They amount to EUR 3.3 billion and mainly concern Financing activities.

2. INFORMATION ON UNCONSOLIDATED STRUCTURED ENTITIES SPONSORED BY THE GROUP

The Group may have no interest in a structured entity, but be considered as a sponsor of this structured entity if it acts or has acted as:

- structurer;
- originator for potential investors;
- asset manager;
- implicit or explicit guarantor of the entity's performance (in particular via guarantees of capital or returns granted to mutual fund unit holders).

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

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

The total amount of the balance sheet of these unconsolidated structured entities, sponsored by the Group, and in which the Group does not have any interest, is EUR 495 million (including EUR 248 million for Asset financing).

The amount of income from these structured entities (mainly Asset financing) is EUR 10 million (including EUR 9 million concerning the gains on derecognition of interests in structured entities).

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

Note 46

COMPANIES INCLUDED IN THE CONSOLIDATION SCOPE

	Country	Method*	Group ownership interest		Group voting interest	
			31 December 2014	31 December 2013	31 December 2014	31 December 2013
FRANCE						
BANKS						
. SOCIETE ANONYME DE CREDIT A L'INDUSTRIE FRANCAISE (CALIF)	France	FULL	100.00	100.00	100.00	100.00
. BANQUE FRANCAISE COMMERCIALE OCEAN INDIEN	France	FULL	49.99	49.99	49.99	49.99
. CREDIT DU NORD(1)	France	FULL	100.00	100.00	100.00	100.00
. GENEBANQUE	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE DE BANQUE AUX ANTILLES	France	FULL	100.00	100.00	100.00	100.00
FINANCIAL COMPANIES						
. SOCIETE GENERALE SECURITIES SERVICES FRANCE	France	FULL	100.00	100.00	100.00	100.00
. INTER EUROPE CONSEIL	France	FULL	100.00	100.00	100.00	100.00
. LYXOR ASSET MANAGEMENT	France	FULL	100.00	100.00	100.00	100.00
. LYXOR INTERNATIONAL ASSET MANAGEMENT	France	FULL	100.00	100.00	100.00	100.00
. SG EUROPEAN MORTGAGE INVESTMENTS	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE SCF	France	FULL	100.00	100.00	100.00	100.00
. AMUNDI GROUP(1)	France	ESI	20.00	25.00	20.00	25.00
. FCT CODA	France	FULL	100.00	100.00	100.00	100.00
. FCT BLANCO	France	FULL	100.00	100.00	100.00	100.00
. FCT WATER DRAGON	France	FULL	100.00	100.00	100.00	100.00
. FQA FUND	France	FULL	100.00	100.00	100.00	100.00
. FCT MALZIEU(2)	France	FULL	100.00	-	100.00	-
. FPS(2)	France	FULL	100.00	-	100.00	-
. ESNI - COMPARTIMENT SG-CREDIT CLAIMS -1(2)	France	FULL	100.00	-	100.00	-
. ANTALIS SA(1)**	France	FULL	100.00	100.00	100.00	100.00
SPECIALIST FINANCING						
. AIR BAIL	France	FULL	100.00	100.00	100.00	100.00
. TEMSYS(1)	France	FULL	100.00	100.00	100.00	100.00
. ALD INTERNATIONAL(1)	France	FULL	100.00	100.00	100.00	100.00
. COMPAGNIE FINANCIERE DE BOURBON	France	FULL	99.99	99.99	100.00	100.00
. COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS(1)	France	FULL	99.88	99.88	99.88	99.88
. DISPONIS	France	FULL	99.94	99.94	100.00	100.00
. EVALPARTS(9)	France	-	-	100.00	-	100.00
. FENWICK LEASE	France	FULL	99.99	99.99	100.00	100.00
. FRANFINANCE	France	FULL	99.99	99.99	99.99	99.99
. FRANFINANCE LOCATION	France	FULL	99.99	99.99	100.00	100.00
. GENECAL FRANCE	France	FULL	100.00	100.00	100.00	100.00
. GENECOMI	France	FULL	99.64	99.70	99.64	99.70
. ORPAVIMOB	France	FULL	100.00	100.00	100.00	100.00
. RUSFINANCE SAS(4)	France	-	-	100.00	-	100.00
. SAGEMCOM LEASE	France	FULL	99.99	99.99	100.00	100.00
. SOCIETE GENERALE EQUIPMENT FINANCE S.A.	France	FULL	99.99	99.99	99.99	99.99
. SG SERVICES	France	FULL	100.00	100.00	100.00	100.00
. SOGEFIMUR(1)	France	FULL	100.00	100.00	100.00	100.00
. SOGEFINANCEMENT(1)	France	FULL	100.00	100.00	100.00	100.00
. SOGEFINERG SG POUR LE FINANCEMENT DES INVESTISSEMENTS ECONOMISANT L'ENERGIE	France	FULL	100.00	100.00	100.00	100.00
. SOGELEASE FRANCE	France	FULL	100.00	100.00	100.00	100.00
. SOLOCVI(4)	France	-	-	99.99	-	100.00
. FCT RED & BLACK FRENCH SMALL BUSINESS	France	FULL	100.00	100.00	100.00	100.00
. LA BANQUE POSTALE FINANCEMENT	France	ESI	35.00	35.00	35.00	35.00
. SOCIETE GENERALE SFH	France	FULL	100.00	100.00	100.00	100.00
. PHILIPS MEDICAL CAPITAL FRANCE	France	FULL	60.00	59.99	60.00	60.00

	Country	Method*	Group ownership interest		Group voting interest	
			31 December 2014	31 December 2013	31 December 2014	31 December 2013
PORTFOLIO MANAGEMENT						
. FCT R&B BDDF PPI	France	FULL	100.00	100.00	100.00	100.00
. FCC ALBATROS	France	FULL	100.00	100.00	51.00	51.00
. FINAREG	France	FULL	100.00	100.00	100.00	100.00
. GENE ACT 1	France	FULL	100.00	100.00	100.00	100.00
. GENEFINANCE	France	FULL	100.00	100.00	100.00	100.00
. GENEVAL(1)	France	FULL	100.00	100.00	100.00	100.00
. GENINFO	France	FULL	100.00	100.00	100.00	100.00
. LIBECAP	France	FULL	100.00	100.00	100.00	100.00
. LA FONCIERE DE LA DEFENSE	France	FULL	99.99	99.99	100.00	100.00
. SG CAPITAL DEVELOPPEMENT	France	FULL	100.00	100.00	100.00	100.00
. SG CONSUMER FINANCE	France	FULL	100.00	100.00	100.00	100.00
. SG FINANCIAL SERVICES HOLDING	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE SECURITIES SERVICES HOLDING(1)	France	FULL	100.00	100.00	100.00	100.00
. SOGEFIM HOLDING	France	FULL	100.00	100.00	100.00	100.00
. SOGENAL PARTICIPATIONS(4)	France	-	-	100.00	-	100.00
. SOCIETE GENERALE DE PARTICIPATIONS(4)	France	-	-	100.00	-	100.00
. SOGEPARTICIPATIONS(1)	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE CAPITAL PARTENAIRES	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE DE LA RUE EDOUARD VII	France	FULL	99.91	99.91	99.91	99.91
. VOURIC	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE PARTICIPATIONS INDUSTRIELLES	France	FULL	100.00	100.00	100.00	100.00
BROKERS						
. BOURSORAMA SA(1)	France	FULL	79.51	57.24	79.51	57.24
. SOCIETE GENERALE ENERGIE	France	FULL	99.99	100.00	99.99	100.00
. SG EURO CT	France	FULL	100.00	100.00	100.00	100.00
. SG OPTION EUROPE	France	FULL	100.00	100.00	100.00	100.00
. SG SECURITIES (PARIS) SAS	France	FULL	100.00	100.00	100.00	100.00
. NEWEDGE GROUP(1)(7)	France	FULL	100.00	50.00	100.00	50.00
REAL ESTATE AND REAL ESTATE FINANCING						
. GALYBET	France	FULL	100.00	100.00	100.00	100.00
. GENEFIM(1)	France	FULL	100.00	100.00	100.00	100.00
. GENEFIMMO HOLDING(1)	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE POUR LE DEVELOPPEMENT DES OPERATIONS DE CREDIT-BAIL IMMOBILIER "SOGEBAIL"	France	FULL	100.00	100.00	100.00	100.00
. SOGEPROM(1)	France	FULL	100.00	100.00	100.00	100.00
. SOPHIA-BAIL	France	FULL	51.00	51.00	51.00	51.00
SERVICES						
. COMPAGNIE GENERALE D'AFFACTURAGE	France	FULL	100.00	100.00	100.00	100.00
. PAREL	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE SECURITIES SERVICES NET ASSET VALUE	France	FULL	100.00	99.88	100.00	99.88
GROUP REAL ESTATE MANAGEMENT COMPANIES						
. COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)(1)	France	FULL	100.00	100.00	100.00	100.00
. ELEAPARTS(5)	France	-	-	100.00	-	100.00
. GENEGIS I	France	FULL	100.00	100.00	100.00	100.00
. GENEGIS II	France	FULL	100.00	100.00	100.00	100.00
. GENEVALMY	France	FULL	100.00	100.00	100.00	100.00
. SOGEMARCHE	France	FULL	100.00	100.00	100.00	100.00
. SOGECAMPUS	France	FULL	100.00	100.00	100.00	100.00
. SC ALICANTE 2000	France	FULL	100.00	100.00	100.00	100.00
. SC CHASSAGNE 2000	France	FULL	100.00	100.00	100.00	100.00
. OPERA 72	France	FULL	99.99	99.99	100.00	100.00
. SOCIETE IMMOBILIERE DU 29 BOULEVARD HAUSSMANN	France	FULL	100.00	100.00	100.00	100.00
. SOGE PERIVAL I	France	FULL	100.00	100.00	100.00	100.00
. SOGE PERIVAL II	France	FULL	100.00	100.00	100.00	100.00

	Country	Method*	Group ownership interest		Group voting interest	
			31 December 2014	31 December 2013	31 December 2014	31 December 2013
. SOGE PERIVAL III	France	FULL	100.00	100.00	100.00	100.00
. SOGE PERIVAL IV	France	FULL	100.00	100.00	100.00	100.00
. SOGEFONTENAY	France	FULL	100.00	100.00	100.00	100.00
. SOGINFO - SOCIETE DE GESTION ET D'INVESTISSEMENTS FONCIERS	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE DES TERRAINS ET IMMEUBLES PARISIENS (STIP)	France	FULL	99.98	99.99	100.00	100.00
. VALMINVEST	France	FULL	100.00	100.00	100.00	100.00
INSURANCE						
. GENECAR - SOCIETE GENERALE DE COURTAGE D'ASSURANCE ET DE REASSURANCE	France	FULL	100.00	100.00	100.00	100.00
. ORADEA VIE	France	FULL	100.00	100.00	100.00	100.00
. SOGECAP(1)	France	FULL	100.00	100.00	100.00	100.00
. SOGESSUR	France	FULL	100.00	100.00	100.00	100.00
. SOGECAP RISQUES DIVERS(10)	France	-	-	100.00	-	100.00
EUROPE						
BANKS						
. OHRIDSKA BANKA AD SKOPJE	Macedonia	FULL	70.02	70.02	72.31	72.68
. COMMERCIAL BANK DELTACREDIT(1)	Russia, federation	FULL	99.49	92.40	100.00	100.00
. BRD - GROUPE SOCIETE GENERALE SA(1)	Romania	FULL	60.17	60.17	60.17	60.17
. BANKA SOCIETE GENERALE ALBANIA SH.A.	Albania	FULL	88.64	88.64	88.64	88.64
. BANK REPUBLIC(1)	Georgia	FULL	93.64	93.64	93.64	93.64
. KOMERCNI BANKA A.S(1)	Czech Republic	FULL	60.73	60.73	60.73	60.73
. SOCIETE GENERALE BANK NEDERLAND N.V.(11)	Netherlands	-	-	100.00	-	100.00
. SG EXPRESS BANK(1)	Bulgaria	FULL	99.74	99.74	99.74	99.74
. SG HAMBROS LIMITED (HOLDING)(1)	United Kingdom	FULL	100.00	100.00	100.00	100.00
. SG PRIVATE BANKING SUISSE SA(1)	Switzerland	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE BANKA SRBIJA	Serbia	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE BANK AND TRUST LUXEMBOURG(1)	Luxembourg	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE PRIVATE BANKING (MONACO)	Monaco	FULL	100.00	100.00	100.00	100.00
. SKB BANKA(1)	Slovenia	FULL	99.73	99.72	99.73	99.72
. SOCIETE GENERALE PRIVATE BANKING NV/SA	Belgium	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE-SPLITSKA BANKA D.D.(1)	Croatia	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE SECURITIES SERVICES S.P.A.	Italy	FULL	100.00	100.00	100.00	100.00
. ROSBANK(1)	Russia, federation	FULL	99.49	92.40	99.49	92.40
. MOBIASBANCA GROUPE SOCIETE GENERALE	Moldova, Republic of	FULL	79.93	79.93	87.90	87.90
. SOCIETE GENERALE BANKA MONTENEGRO A.D.	Montenegro	FULL	90.56	90.56	90.56	90.56
FINANCIAL COMPANIES						
. SGSS (IRELAND) LIMITED	Ireland	FULL	100.00	100.00	100.00	100.00
. SOLENTIS INVESTMENT SOLUTIONS PCC	Jersey	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE HEDGING LIMITED	Ireland	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE LDG	Luxembourg	FULL	100.00	100.00	100.00	100.00
. BRD FINANCE IFN S.A.	Romania	FULL	80.48	80.48	100.00	100.00
. BRIGANTIA INVESTMENTS B.V.(8)	Netherlands	-	-	100.00	-	100.00
. CLARIS IV LTD	Jersey	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE BANK & TRUST CREDIT INTERNATIONAL	Luxembourg	FULL	100.00	100.00	100.00	100.00
. HALYSA S.A.(4)	Luxembourg	-	-	100.00	-	100.00
. IRIS II SPV LIMITED	Ireland	FULL	100.00	100.00	100.00	100.00
. IVEFI SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
. LYXOR MASTER FUND	Jersey	FULL	100.00	100.00	100.00	100.00
. LYXOR ASSET MANAGEMENT (IRELAND) LIMITED(4)	Ireland	-	-	100.00	-	100.00
. SG ISSUER	Luxembourg	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE CONSUMER FINANCE HOLDING HELLAS S.A.(4)	Greece	-	-	100.00	-	100.00
. SG EFFEKTEN	Germany	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE IMMOBEL	Belgium	FULL	100.00	100.00	100.00	100.00

	Country	Method*	Group ownership interest		Group voting interest	
			31 December 2014	31 December 2013	31 December 2014	31 December 2013
. SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED[1]	United Kingdom	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE CAPITAL MARKET FINANCE[2]	Luxembourg	FULL	100.00	-	100.00	-
. CODEIS SECURITIES S.A.	Luxembourg	FULL	100.00	100.00	100.00	100.00
. ALEF II[3]	Luxembourg	FULL	100.00	-	100.00	-
. EUROPEAN FUND SERVICES SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
. CONDORCET GLOBAL OPPORTUNITY UNIT TRUST - CONDORCET GLOBAL OPPORTUNITY FUND	Ireland	FULL	99.60	100.00	99.60	100.00
. CONDORCET VOLATILITY ARBITRAGE LIMITED[4]	Ireland	-	-	100.00	-	100.00
. ARAMIS CORP. LIMITED	Guernsey	FULL	100.00	100.00	100.00	100.00
. CONDORCET UNIT TRUST - CONDORCET CAPITAL STRUCTURE ARBITRAGE FUND[4]	Ireland	-	-	100.00	-	100.00
. SOCIETE GENERALE FINANCING AND DISTRIBUTION	Luxembourg	FULL	100.00	100.00	100.00	100.00
. ARAMIS II SECURITIES CO, LTD	Guernsey	FULL	100.00	100.00	100.00	100.00
. COMPTOIR DE VALEURS DE BANQUE[1]	Luxembourg	FULL	100.00	100.00	100.00	100.00
SPECIALIST FINANCING						
. ALD AUTOMOTIVE SRL	Romania	FULL	92.03	92.03	100.00	100.00
. SG EQUIPMENT FINANCE IBERIA, E.F.C, S.A.	Spain	FULL	100.00	100.00	100.00	100.00
. LLC RUSFINANCE[8]	Russia, federation	-	-	92.40	-	100.00
. LLC RUSFINANCE BANK	Russia, federation	FULL	99.49	92.40	100.00	100.00
. SG EQUIPMENT FINANCE ITALY S.P.A.	Italy	FULL	100.00	100.00	100.00	100.00
. AXUS SA/NV	Belgium	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE A/S[1]	Denmark	FULL	100.00	100.00	100.00	100.00
. AXUS FINLAND OY[1]	Finland	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE ITALIA S.R.L	Italy	FULL	100.00	100.00	100.00	100.00
. AXUS NEDERLAND BV[1]	Netherlands	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE AS[1]	Norway	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE AB[1]	Sweden	FULL	100.00	100.00	100.00	100.00
. ALD AUTOLEASING D GMBH[1]	Germany	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE GROUP PLC[1]	United Kingdom	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE SRO	Czech Republic	FULL	100.00	100.00	100.00	100.00
. ALD INTERNATIONAL SAS & CO. KG[1]	Germany	FULL	100.00	100.00	100.00	100.00
. ALD LEASE FINANZ GMBH[1]	Germany	FULL	100.00	100.00	100.00	100.00
. SGALD AUTOMOTIVE SOCIEDADE GERAL DE COMERCIO E ALUGUER DE BENZ SA	Portugal	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE S.A.U	Spain	FULL	100.00	100.00	100.00	100.00
. AXUS LUXEMBOURG SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
. THE EIFFEL LIMITED PARTNERSHIP	United Kingdom	FULL	100.00	100.00	100.00	100.00
. ESSOX SRO	Czech Republic	FULL	80.00	80.00	100.00	100.00
. EURO BANK S.A.	Poland	FULL	99.52	99.52	99.52	99.52
. FIDITALIA S.P.A	Italy	FULL	100.00	100.00	100.00	100.00
. FRAER LEASING SPA	Italy	FULL	73.85	73.85	73.85	73.85
. SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O.	Czech Republic	FULL	80.33	80.33	100.00	100.00
. SG LEASING SPA	Italy	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT LEASING POLSKA SP Z.O.O.	Poland	FULL	100.00	100.00	100.00	100.00
. GEFA GESELLSCHAFT FUR ABSATZFINANZIERUNG MBH[1]	Germany	FULL	100.00	100.00	100.00	100.00
. GEFA LEASING GMBH	Germany	FULL	100.00	100.00	100.00	100.00
. HANSEATIC BANK GMBH & CO KG[1]	Germany	FULL	75.00	75.00	75.00	75.00
. MONTALIS INVESTMENT BV	Netherlands	FULL	100.00	100.00	100.00	100.00
. SGBT FINANCE IRELAND LIMITED	Ireland	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE BENELUX BV	Netherlands	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE INTERNATIONAL GMBH[1]	Germany	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE SCHWEIZ AG	Switzerland	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE SA & CO KG	Germany	FULL	100.00	100.00	100.00	100.00
. SG FACTORING SPA	Italy	FULL	100.00	100.00	100.00	100.00
. SG FINANS AS	Norway	FULL	100.00	100.00	100.00	100.00
. SG HOLDING DE VALORES Y PARTICIPATIONES S.L.[4]	Spain	-	-	100.00	-	100.00

	Country	Method*	Group ownership interest		Group voting interest	
			31 December 2014	31 December 2013	31 December 2014	31 December 2013
. SG LEASING XII[8]	United Kingdom	-	-	100.00	-	100.00
. SOCIETE GENERALE ITALIA HOLDING S.P.A	Italy	FULL	100.00	100.00	100.00	100.00
. SOGELEASE B.V.[1]	Netherlands	FULL	100.00	100.00	100.00	100.00
. PEMA GMBH[1]	Germany	FULL	100.00	100.00	100.00	100.00
. MILFORD	Belgium	FULL	100.00	100.00	100.00	100.00
. SGSS DEUTSCHLAND KAPITALANLAGEGESELLSCHAFT MBH	Germany	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE EQUIPMENT FINANCE LIMITED[1]	United Kingdom	FULL	100.00	100.00	100.00	100.00
BROKERS						
. SOCIETE GENERALE SECURITIES SERVICES UK LIMITED	United Kingdom	FULL	100.00	100.00	100.00	100.00
. SOCGEN INVERSIONES FINANCIERAS SA	Spain	FULL	100.00	100.00	100.00	100.00
SERVICES						
. SOCIETE GENERALE EUROPEAN BUSINESS SERVICES S.A.[2]	Romania	FULL	99.99	-	100.00	-
INSURANCE						
. GENERAS SA[4]	Luxembourg	-	-	100.00	-	100.00
. INORA LIFE LTD	Ireland	FULL	100.00	100.00	100.00	100.00
. KOMERCNI POJISTOVNA A.S	Czech Republic	FULL	80.76	80.76	100.00	100.00
. SOGELIFE	Luxembourg	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE STRAKHOVANIE ZHIZNI LLC	Russia, federation	FULL	99.90	98.56	100.00	100.00
. SOCIETE GENERALE RE SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
. SG STRAKHOVANIE LLC	Russia, federation	FULL	99.90	98.56	100.00	100.00
AFRICA AND MIDDLE-EAST						
BANKS						
. SOCIETE GENERALE TCHAD	Chad	FULL	55.19	55.19	66.16	66.16
. BANKY FAMPANDROSOANA VAROTRA SG	Madagascar	FULL	70.00	70.00	70.00	70.00
. SOCIETE GENERALE BURKINA FASO	Burkina Faso	FULL	51.27	51.27	52.61	52.61
. SG DE BANQUES EN GUINEE EQUATORIALE	Equatorial Guinea	FULL	52.44	52.44	57.23	57.24
. SOCIETE GENERALE ALGERIE	Algeria	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE CAMEROUN	Cameroon	FULL	58.08	58.08	58.08	58.08
. SG DE BANQUES EN COTE D'IVOIRE[1]	Ivory Coast	FULL	73.25	73.25	73.25	73.25
. SG DE BANQUES EN GUINEE	Guinea	FULL	57.94	57.94	57.94	57.94
. SG DE BANQUE AU LIBAN[1]	Lebanon	ESI	16.80	16.80	16.80	16.80
. SG DE BANQUES AU SENEGAL	Senegal	FULL	64.45	64.45	64.87	64.87
. SG MAROCAINE DE BANQUES[1]	Morocco	FULL	57.01	57.01	57.01	57.01
. SOCIETE GENERALE GHANA LIMITED	Ghana	FULL	52.24	52.24	52.24	52.24
. UNION INTERNATIONALE DE BANQUES	Tunisia	FULL	55.10	57.20	52.34	52.34
. SOCIETE GENERALE-BENIN	Benin	FULL	83.19	79.33	83.85	80.00
SPECIALIST FINANCING						
. ALD AUTOMOTIVE SA MAROC	Morocco	FULL	43.55	43.55	50.00	50.00
. SOCIETE D'EQUIPEMENT DOMESTIQUE ET MENAGER "EQDOM"	Morocco	FULL	45.65	45.65	53.72	53.72
INSURANCE						
. LA MAROCAINE VIE	Morocco	FULL	88.88	88.88	99.98	99.98
THE AMERICAS						
BANKS						
. BANCO SOCIETE GENERALE BRASIL S.A.[1]	Brazil	FULL	100.00	100.00	100.00	100.00
. BANCO PECUNIA S.A.[1]	Brazil	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE (CANADA)	Canada	FULL	100.00	100.00	100.00	100.00
. BANCO CACIQUE S.A.[1]	Brazil	FULL	100.00	100.00	100.00	100.00
. SG AMERICAS SECURITIES HOLDINGS, LLC[1]	United States	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE S.A. ARRENDAMENTO MERCANTIL	Brazil	FULL	100.00	100.00	100.00	100.00
FINANCIAL COMPANIES						
. SGFP MEXICO, S. DE R.L. DE C.V.	Mexico	FULL	100.00	100.00	100.00	100.00
. SGE HOLDINGS INC.[4]	Canada	-	-	100.00	-	100.00
. SGA SOCIETE GENERALE ACCEPTANCE N.V. ("SGA")	Curaçao	FULL	100.00	100.00	100.00	100.00

	Country	Method*	Group ownership interest		Group voting interest	
			31 December 2014	31 December 2013	31 December 2014	31 December 2013
. SG AMERICAS, INC.(1)	United States	FULL	100.00	100.00	100.00	100.00
. BARTON CAPITAL LLC**	United States	FULL	100.00	100.00	100.00	100.00
BROKERS						
. NEWEDGE USA, LLC(3)	United States	FULL	100.00	-	100.00	-
SPECIALIST FINANCING						
. SG CONSTELLATION CANADA LTD.	Canada	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE USA CORP.	United States	FULL	100.00	100.00	100.00	100.00
. BENNINGTON STARK CAPITAL COMPANY, LLC(4)	United States	-		100.00	-	100.00
PORTFOLIO MANAGEMENT						
. LYXOR ASSET MANAGEMENT HOLDING CORP.(1)	United States	FULL	100.00	100.00	100.00	100.00
INSURANCE						
. CATALYST RE INTERNATIONAL LTD.	Bermuda	FULL	100.00	100.00	100.00	100.00
ASIA AND OCEANIA						
BANKS						
. SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD	Japan	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE (CHINA) LIMITED	China	FULL	100.00	100.00	100.00	100.00
. BANQUE DE POLYNESIE(1)	French Polynesia	FULL	72.10	72.10	72.10	72.10
. SOCIETE GENERALE CALEDONIENNE DE BANQUE(1)	New Caledonia	FULL	90.10	90.10	90.10	90.10
FINANCIAL COMPANIES						
. FORTUNE SG FUND MANAGEMENT CO., LTD.**(7)	China	EJV	49.00	49.00	49.00	49.00
. SOCIETE GENERALE ASIA LTD	Hong-Kong	FULL	100.00	100.00	100.00	100.00
. TH INVESTMENTS (HONG KONG) 1 LIMITED(1)	Hong-Kong	FULL	100.00	100.00	100.00	100.00
. TH INVESTMENTS (HONG KONG) 3 LIMITED(1)	Hong-Kong	FULL	100.00	100.00	100.00	100.00
BROKERS						
. SG SECURITIES ASIA INTERNATIONAL HOLDINGS LTD (HONG-KONG)(1)	Hong-Kong	FULL	100.00	100.00	100.00	100.00
. SG SECURITIES KOREA CO, LTD.	South Korea	FULL	100.00	100.00	100.00	100.00
SERVICES						
. SOCIETE GENERALE GLOBAL SOLUTION CENTRE PRIVATE	India	FULL	100.00	100.00	100.00	100.00
SPECIALIST FINANCING						
. SOCIETE GENERALE LEASING AND RENTING CO. LTD	China	FULL	100.00	100.00	100.00	100.00
PORTFOLIO MANAGEMENT						
. LYXOR ASSET MANAGEMENT JAPAN CO LTD	Japan	FULL	100.00	100.00	100.00	100.00

* FULL: Full consolidation - EJV: Equity (Joint Venture) - ESI: Equity (significant influence)

** Changes in consolidation scope due to the retrospective application of IFRS 10 “Consolidated financial statements” and IFRS 11 “Joint arrangements”.

(1) Companies carrying out sub-consolidation. Sub-consolidated entities are not mentioned in this note.
(2) Consolidated for the first time in 2014.
(3) Companies now consolidated directly.
(4) Entities deconsolidated during 2014.
(5) Entities wound up in 2014.
(6) Entities sold in 2014.
(7) Change of consolidation method.
(8) Entities now sub-consolidated.
(9) Dissolution by transfer of assets with GENEFINANCE.
(10) Merger with SOGESSUR.
(11) Disssolution by transfer of assets with Societe Generale Capital Market Finance.

Note 47

SEGMENT INFORMATION

SEGMENT INFORMATION BY BUSINESS LINES

Amounts by business lines include the new organisation of Group activities.

	Societe Generale Group		French Retail Banking		Corporate Centre[2]	
(In millions of euros)	2014	2013*	2014	2013*	2014	2013*
Net banking income	23,561	22,433	8,275	8,437	(896)	(2,147)
Operating Expenses[1]	(16,016)	(16,046)	(5,356)	(5,358)	(96)	(249)
Gross operating income	**7,545**	**6,387**	**2,919**	**3,079**	**(992)**	**(2,396)**
Cost of risk	(2,967)	(4,050)	(1,041)	(1,258)	(403)	(411)
Operating income	**4,578**	**2,337**	**1,878**	**1,821**	**(1,395)**	**(2,807)**
Net income from companies accounted for by the equity method	213	61	45	37	20	26
Net income/expense from other assets	109	574	(21)	1	333	563
Impairment of goodwill	(525)	(50)	-	-	-	-
Earnings before tax	**4,375**	**2,922**	**1,902**	**1,859**	**(1,042)**	**(2,218)**
Income tax	(1,384)	(528)	(704)	(656)	306	1,028
Net income before non-controlling interests	**2,991**	**2,394**	**1,198**	**1,203**	**(736)**	**(1,190)**
Non-controlling interests	299	350	(7)	7	76	150
Net income, Group share	**2,692**	**2,044**	**1,205**	**1,196**	**(812)**	**(1,340)**

	International retail Banking & Financial Services					
	International Retail Banking[3]		Financial Services to Corporates		Insurance	
(In millions of euros)	2014	2013*	2014	2013*	2014	2013*
Net banking income	5,293	5,720	1,377	1,292	786	750
Operating Expenses[1]	(3,262)	(3,411)	(716)	(675)	(301)	(280)
Gross operating income	**2,031**	**2,309**	**661**	**617**	**485**	**470**
Cost of risk	(1,354)	(1,732)	(88)	(103)	-	-
Operating income	**677**	**577**	**573**	**514**	**485**	**470**
Net income from companies accounted for by the equity method	13	6	37	25	-	-
Net income/expense from other assets[3]	(198)	7	-	(1)	-	-
Impairment of goodwill	(525)	-	-	-	-	-
Earnings before tax	**(33)**	**590**	**610**	**538**	**485**	**470**
Income tax	(131)	(126)	(181)	(162)	(155)	(150)
Net income before non-controlling interests	**(164)**	**464**	**429**	**376**	**330**	**320**
Non-controlling interests	208	170	5	5	1	2
Net income, Group share	**(372)**	**294**	**424**	**371**	**329**	**318**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(1) Including depreciation and amortisation.

(2) Income and expense not directly related to the business line activities are recorded in the Corporate Centre's profit and loss. Thus the debt revaluation differences linked to own credit risk (EUR -139 million at 31 December 2014), are allocated to the Corporate Centre.

(3) O/w EUR -200 million for the discontinued consumer finance activity in Brazil.

	Global Banking and Investor Solutions					
	Asset and Wealth Management		Securities Services and Brokerage		Corporate and Investment Banking[4]	
(In millions of euros)	2014	2013*	2014	2013*	2014	2013*
Net banking income[4]	1,038	1,072	1,047	644	6,641	6,665
Operating Expenses[1]	(869)	(842)	(1,087)	(641)	(4,329)	(4,590)
Gross operating income	**169**	**230**	**(40)**	**3**	**2,312**	**2,075**
Cost of risk	(6)	(27)	4	-	(79)	(519)
Operating income	**163**	**203**	**(36)**	**3**	**2,233**	**1,556**
Net income from companies accounted for by the equity method	98	114	-	(148)	-	1
Net income/expense from other assets	3	-	2	1	(10)	3
Impairment of goodwill	-	-	-	(50)	-	-
Earnings before tax	**264**	**317**	**(34)**	**(194)**	**2,223**	**1,560**
Income tax	(46)	(47)	13	-	(486)	(415)
Net income before non-controlling interests	**218**	**270**	**(21)**	**(194)**	**1,737**	**1,145**
Non-controlling interests	2	-	2	1	12	15
Net income, Group share	**216**	**270**	**(23)**	**(195)**	**1,725**	**1,130**

(1) Including depreciation and amortisation.

(4) Breakdown of Net banking income by business for "Corporate and Investment Banking":

(In millions of euros)	2014	2013*
Global Markets	4,621	4,868
Financing and Advisory	2,020	1,797
Total Net banking income	**6,641**	**6,665**

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

(In millions of euros)	Societe Generale Group		French Retail Banking		Corporate Centre[6]	
	31 December 2014	31 December 2013*	31 December 2014	31 December 2013*	31 December 2014	31 December 2013*
Segment assets	1,308,170	1,214,193	201,803	200,277	107,275	116,556
Segment liabilities[5]	1,249,357	1,160,223	196,073	185,248	91,070	100,731

(In millions of euros)	International retail Banking & Financial Services					
	International Retail Banking		Financial Services to Corporates		Insurance	
	31 December 2014	31 December 2013*	31 December 2014	31 December 2013*	31 December 2014	31 December 2013*
Segment assets	112,038	113,010	29,104	32,077	113,897	100,422
Segment liabilities[5]	85,035	81,838	9,524	10,604	107,698	94,571

(In millions of euros)	Global Banking and Investor Solutions					
	Asset and Wealth Management		Securities Services and Brokerage		Corporate and Investment Banking	
	31 December 2014	31 December 2013*	31 December 2014	31 December 2013*	31 December 2014	31 December 2013*
Segment assets	32,559	30,911	76,683	46,756	634,811	574,184
Segment liabilities[5]	28,570	29,838	96,213	63,874	635,174	593,519

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).

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

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

SEGMENT INFORMATION BY GEOGRAPHICAL REGION

GEOGRAPHICAL BREAKDOWN OF NET BANKING INCOME

	France		Europe		Americas	
(In millions of euros)	2014	2013*	2014	2013*	2014	2013*
Net interest and similar income	4,531	4,718	4,500	4,281	263	501
Net fee income	4,188	3,864	1,673	1,695	139	211
Net income / expense from financial transactions	1,372	1,061	2,347	1,462	884	543
Other net operating income	576	406	1,293	1,237	1	(6)
Net banking income	**10,667**	**10,049**	**9,813**	**8,675**	**1,287**	**1,249**

	Asia		Africa		Oceania		Total	
(In millions of euros)	2014	2013*	2014	2013*	2014	2013*	2014	2013*
Net interest and similar income	296	154	768	763	73	72	10,431	10,489
Net fee income	101	102	326	317	48	51	6,475	6,240
Net income/expense from financial transactions	138	928	40	35	6	7	4,787	4,036
Other net operating income	(2)	18	(4)	7	4	6	1,868	1,668
Net banking income	**533**	**1,202**	**1,130**	**1,122**	**131**	**136**	**23,561**	**22,433**

GEOGRAPHICAL BREAKDOWN OF BALANCE SHEET ITEMS

	France		Europe		Americas	
(In millions of euros)	31.12.2014	31.12.2013*	31.12.2014	31.12.2013*	31.12.2014	31.12.2013*
Segment assets	943,255	913,774	178,848	156,452	124,468	103,285
Segment liabilities(7)	929,157	865,377	164,879	151,410	114,212	105,040

	Asia		Africa		Oceania		Total	
(In millions of euros)	31.12.2014	31.12.2013*	31.12.2014	31.12.2013*	31.12.2014	31.12.2013*	31.12.2014	31.12.2013*
Segment assets	38,753	20,615	20,245	17,448	2,601	2,619	1,308,170	1,214,193
Segment liabilities(7)	20,791	19,721	17,875	16,221	2,443	2,454	1,249,357	1,160,223

* Amounts restated relative to the financial statements published at 31 December 2013 according to the retrospective application of IFRS 10 and IFRS 11 (See Note 2).
(7) Segment liabilities correspond to debts (i.e. total liabilities excluding equity).

Note 48

FEES TO STATUTORY AUDITORS

Fees to statutory auditors recorded in the income statement are:

(In millions of euros)	2014	2013
Fees related to statutory audit, certification, examination of parent company and consolidated statements	34	30
Fees related to audit services and related assignments	8	4
Total	**42**	**34**

3. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

DELOITTE & ASSOCIÉS

185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 1.723.040

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG et Autres

1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

SOCIÉTÉ GÉNÉRALE
YEAR ENDED DECEMBER 31, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of Société Générale;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to note 1 «Significant accounting principles - Introduction» and to note 2 "Changes in consolidation scope - Normative changes" which set out the consequences of the initial application of IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements".

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- For the purpose of preparing the consolidated financial statements, your group records depreciation to cover the credit risks inherent to its activities and performs significant accounting estimates, as described in note 1 to the consolidated financial statements, related in particular to the valuation of goodwill and the assessment of the deferred tax assets, to the valuation of provisions other than those for credit risk as well as the assessment of provisions for employee benefits. We have reviewed and tested the processes implemented by management, the underlying assumptions and the valuation parameters, and we have assessed whether these accounting estimates are based on documented procedures consistent with the accounting policies disclosed in note 1 to the consolidated financial statements.
- As detailed in note 3 to the consolidated financial statements, your group uses internal models to measure financial instruments that are not based on observable market data. Our procedures consisted in reviewing the control procedures for the models used, assessing the underlying data and assumptions as well as their observability, and verifying that the risks generally expected from the markets were taken into account in the valuations.

- As stated in notes 3 and 6 to the consolidated financial statements, your group assessed the impact of changes in its own credit risk with respect to the valuation of certain financial liabilities measured at fair value through profit or loss. We have verified the appropriateness of the data used for this purpose.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, March 4, 2015
The statutory auditors

French original signed by

DELOITTE & ASSOCIÉS	**ERNST & YOUNG et Autres**
Jean-Marc Mickeler	*Isabelle Santenac*

Contents of Societe Generale management report

4. SOCIETE GENERALE MANAGEMENT REPORT

Summary balance sheet of Societe Generale 464
Summary income statement of Societe Generale 465
Trade payables payment schedule 466
Five-year financial summary of Societe Generale 467
Main changes in the investment portfolio in 2014 467
Information required pursuant to article L. 511-4-2 of the French Monetary and Financial Code related to Societe Generale SA 468

5. PARENT COMPANY FINANCIAL STATEMENTS

Parent company balance sheet 469
Income statement 471

6. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 1 Significant accounting principles 472
Note 2 Due from banks 479
Note 3 Customer loans 480
Note 4 Treasury notes, bonds and other debt securities, shares and other equity securities 481
Additional information on securities 481
Note 5 Affiliates and other long term securities 482
Note 6 Investments in subsidiaries 482
Note 7 Tangible and intangible fixed assets 483
Note 8 Treasury stock 483
Note 9 Accruals, other accounts receivable and other assets 484
Note 10 Due to banks 484
Note 11 Customer deposits 485
Note 12 Debt securities issued 485
Note 13 Accruals, other accounts payable and other liabilities 486
Note 14 Provisions and depreciations 487
Note 15 Mortgage savings agreements (PEL/CEL) 488
Note 16 Subordinated debt 489
Note 17 Changes in shareholders' equity 491
Note 18 Commitments 492
Note 19 Forward financial instruments commitments 493
Fair-value of the transactions qualified as hedging 493
Note 20 Interest income and expenses 494
Note 21 Dividend income 495
Note 22 Net fee income 495
Note 23 Net income from financial transactions 496
Note 24 Personnel expenses 496
Note 25 Employee benefits 497
Note 26 Subscription or purchase stock-option plans and free share plans 502
Note 27 Cost of risk 503
Note 28 Net income from long-term investments 504
Note 29 Income tax 505
Note 30 Breakdown of assets and liabilities by term to maturity 505
Note 31 Transactions in foreign currencies 506
Note 32 Geographical breakdown of net banking income 506
Note 33 Operations in uncooperative states or territories 507
Note 34 Table of subsidiaries and affiliates 508

4. SOCIETE GENERALE MANAGEMENT REPORT

SUMMARY BALANCE SHEET OF SOCIETE GENERALE

ASSETS

(in billions of euros at December 31)	31.12.2014	31.12.2013	Change
Interbank and money market assets	129	152	(23)
Customer loans	234	239	(5)
Securities	488	426	62
of which securities purchased under resale agreements	*155*	*134*	*21*
Other assets	194	181	13
of which option premiums	*99*	*87*	*12*
Tangible and intangible fixed assets	2	2	(0)
Total assets	**1,047**	**1,000**	**47**

LIABILITIES

(in billions of euros at December 31)	31.12.2014	31.12.2013	Change
Interbank and money liabilities(1)	201	216	(15)
Customer deposits	291	316	(25)
Bonds and subordinated debt(2)	26	22	4
Securities	294	224	70
of which securities sold under repurchase agreements	*165*	*135*	*30*
Other liabilities and provisions	202	189	13
of which option premiums	*106*	*93*	*13*
Equity	33	33	0
Total liabilities and shareholders' equity	**1,047**	**1,000**	**47**

(1) Including negotiable debt instruments.
(2) Including undated subordinated capital notes.

Societe Generale's balance sheet totalled EUR 1,047 billion, up by EUR 47 billion compared to 31 December 2013.

In the persistently uncertain economic environment of 2014, subject to major fluctuations in certain currencies (including the RUB) and commodity prices, and to disappointing growth in the euro zone, Societe Generale consolidated the solidity of its balance sheet. The quality of its balance sheet assets was, in fact, confirmed by the results of the ECB's Asset Quality Review.

The decrease of EUR 23 billion in "Interbank and money market assets" (of which EUR 14 billion on the cash balances deposited with central banks) must be considered relative to the comparable decrease of EUR 15 billion in "Interbank and money market liabilities". Both items illustrate the Group's determination to reduce its dependence on short-term market funding, in line with its commitment to investors, and to optimise the cash surpluses previously deposited with central banks.

Given the challenging macroeconomic conditions prevailing in France, outstanding loans dipped slightly in 2014 compared to 2013. Outstanding loans to individual customers (particularly home loans) fell by EUR 1.1 billion. Meanwhile, demand for investment loans (mainly MLT loans granted to local authorities) was sluggish (EUR -2 billion) over the period. EUR 9 billion of the decline in outstanding loans can be attributed to transactions with SG Option Europe (SGOE) and SG Acceptance (SGA). It was also partially due to the exemption on the Stamp Duty Reserve Tax granted by the UK tax authority in February 2013, as Societe Generale no longer needed to turn to SGOE as a service provider on the UK market, which is also the reason for the decrease In customer deposits on the liabilities side of the balance sheet (EUR -25 billion, of which EUR -19 billion with SGOE and SGA). Outstanding credit facilities granted by the branches rose by EUR 7.2 billion.

Amid continuously falling interest rates and lacklustre economic prospects, outstanding balance sheet deposits in the French networks picked up slightly by EUR 1.4 billion.

Trends in developed country equity markets were irregular in 2014, upset as they were in June by geopolitical tensions (Ukrainian crisis) and fears of a slowdown in global growth. Despite low volatility levels and volumes caused by risk aversion in an adverse environment, the Group consolidated its positions in cash equity, with outstanding positions climbing by EUR 14 billion. On the liabilities side, the increase in corporate actions is attributable to the rise in outstanding amounts payable on borrowed securities (EUR +39 billion), collateralised bank deposits (EUR +15 billion) and collateralised financial customer deposits (EUR +15 billion).

Changes in the other financial accounts, which are volatile by nature on both sides of the balance sheet, are linked to the valuation of derivatives and the decrease in security deposits paid and received in respect of market transactions.

Societe Generale boasts a diversified range of funding sources and channels:

- stable resources consisting of equity and subordinated debt (EUR 59 billion);
- customer deposits, which make up a significant share (28%) of total balance sheet resources;
- resources in the form of interbank deposits and borrowings (EUR 120 billion);
- capital raised on the market through a proactive diversification policy, making use of various types of debt (secured and unsecured bonds, etc.), issuance vehicles (EMTNs, Certificates of Deposit), currencies and investor pools (EUR 81 billion).

The Group's financing structure is based on substantial deposit inflows across all of its business lines and on the extension of its funding sources, which reflects Societe Generale's efforts to strengthen the structure of its balance sheet in recent years.

SUMMARY INCOME STATEMENT OF SOCIETE GENERALE

	2014						2013		
		14/13		***14/13***		***14/13***			
(in millions of euros)	**France**	*(%)*	**International**	*(%)*	**Societe Generale**	*(%)*	**France**	**International**	**Societe Generale**
Net Banking Income	**8,184**	**(3)**	**2,587**	**10**	**10,771**	**(1)**	**8,473**	**2,361**	**10,834**
Operating expenses and allocations to depreciation and amortisation	(6,334)	(7)	(1,698)	6	(8,032)	(4)	(6,805)	(1,596)	(8,401)
Gross operating income	**1,850**	**11**	**889**	**16**	**2,739**	**13**	**1,668**	**765**	**2,433**
Cost of risk	(241)	(78)	(49)	(62)	(290)	(77)	(1,151)	(130)	(1,281)
Operating income	**1,609**	**211**	**840**	**32**	**2,449**	**113**	**517**	**635**	**1,152**
Net income from long-term investments	(1,350)	(200)	(4)	(75)	(1,354)	(202)	1,347	(16)	1,331
Operating income before tax	**259**	**(86)**	**836**	**35**	**1,095**	**(56)**	**1,864**	**620**	**2,484**
Income tax	257	(31)	(356)	137	(99)	(145)	371	(150)	221
Net allocation to regulatory provisions	-	N/A	-	N/A	-	N/A	9	-	9
Net income	**516**	**(77)**	**480**	**2**	**996**	**(63)**	**2,244**	**470**	**2,714**

In 2014, Societe Generale generated gross operating income of EUR 2.7 billion, representing an increase of EUR 0.3 billion on 2013 due in part to the stabilisation of NBI and in part to a drop in operating expenses of EUR 0.4 billion.

- The following non-recurring events took place in 2014:
  - in order to take into account the developments in a number of legal risks, including in particular ongoing judicial investigations and proceedings with the US and European authorities, as well as the ruling by the French Conseil d'Etat on the précompte (equalisation tax), Societe Generale recorded a provision for disputes under liabilities that was increased by EUR 0.4 billion in 2014 to EUR 1.1 billion,
  - the provision for country risks was reversed and reallocated to provisions for equity investments of foreign subsidiaries. This reversal had an impact of EUR +0.8 billion on cost of risk. Provisions for equity investments are recognised under Net income from long-term investments;
- net banking income was stable at EUR 10.8 billion:
  - even in such a trying macroeconomic environment, Societe Generale's French Retail Banking arm delivered a resilient sales performance and continued its strategy of innovating for its customers. The French Networks also demonstrated the solidity of their customer base with an increase in the number of net current account openings for individual customers. French Retail Banking revenues were also resilient; the rise in outstanding deposits and in the margin on loans offset the drop in deposit reinvestment rates and in outstanding loans. Fee income fell over the same period, due in large part to the new limit imposed on bank processing fees;
  - Global Banking and Investor Solutions saw a slight dip in activity compared to 2013. Global Markets struggled with unstable markets, additional interest rate cuts and renewed risk aversion, resulting in low volatility levels and volumes. 2014 was a good year for all of the Financing and Advisory businesses.

- operating expenses, restated for the 2013 transaction (EUR 0.5 billion) with the European Commission after the Euribor investigations, were stable between 2013 and 2014.
- the employment competitiveness tax amounted to EUR 38 million in 2014 (vs. EUR 26 million in 2013) and was used in accordance with the regulation;
- cost of risk was EUR 0.3 billion at end-2014, down by EUR 1.0 billion year-on-year. This item included an additional provision of EUR 0.4 billion for disputes (vs. EUR 0.4 billion in 2013). The change between 2013 and 2014 was due in part to the decline in the cost of risk on retail banking and Global Banking and Investor Solutions activities and in part to the EUR 0.8 billion reversal of the provision for country risks, which was reallocated to the provision for equity investments of foreign subsidiaries;
- the combination of all these items boosted operating income by EUR 1.3 billion;
- in 2013, net income from long-term investments was substantially impacted by the sale of Societe Generale's entire stake in NSGB (77.17%) to Qatar National Bank Group. This disposal generated a capital gain of EUR 1.3 billion. In 2014, this margin was predominantly affected by the provision for equity investments of foreign subsidiaries, and particularly those of Rosbank (EUR -0.6 billion), Splitska Banka (EUR -0.5 billion) and SG Banco Brasil (EUR -0.5 billion);
- net income after tax came to EUR 1.0 billion at end-2014 versus EUR 2.7 billion at end-2013.

TRADE PAYABLES PAYMENT SCHEDULE

	31.12.2014					31.12.2013				
	Payables not yet due					Payables not yet due				
(In millions of euros)	1 to 30 days	31 to 60 days	More than 60 days	Payables due	Total	1 to 30 days	31 to 60 days	More than 60 days	Payables due	Total
Trade payables	54	41	1	21	117	71	51	9	25	156

Due dates are based on the condition that invoices must be paid within 60 days of receipt.

The processing of Societe Generale France's supplier invoices is largely centralised. The department responsible for this processing books and settles invoices for services requested by all of Societe Generale France's corporate and business divisions. The branches of the French network, however, have dedicated teams to process and pay their own invoices.

In accordance with the Group's internal control procedures, invoices are only paid after they have been validated by the departments that signed for the services. The average time for the payment of invoices after validation is between 3 and 7 days.

FIVE-YEAR FINANCIAL SUMMARY OF SOCIETE GENERALE

	2014	2013	2012	2011	2010
Financial position at year-end					
Capital stock (in millions of euros)(1)	1,007	998	975	970	933
Number of outstanding shares(2)	805,207,646	798,716,162	780,273,227	776,079,991	746,421,631
Results of operations (in millions of euros)					
Revenue excluding tax(3)	25,119	25,887	27,982	31,197	26,714
Earnings before tax, depreciation, amortization, provisions, employee profit sharing and general reserve for banking risks	2,823	3,901	1,210	4,980	4,057
Employee profit sharing	12	10	9	31	15
Income tax	99	(221)	(257)	(205)	817
Net income	996	2,714	1,283	1,019	1,362
Total dividends paid	966(4)	799	351	-	1,306
Earnings per share (in euros)					
Earnings after tax but before depreciation, amortization and provisions	3.37	5.15	1.87	6.64	4.32
Net income	1.24	3.40	1.64	1.31	1.82
Dividend paid per share	1.20(4)	1.00	0.45	-	1.75
Personnel					
Average headcount	45,450	45,606	46,114	47,540	46,316
Total payroll (in millions of euros)	3,472	3,459	3,862	3,298	3,340
Employee benefits (Social Security and other) (in millions of euros)	1,423	1,407	1,404	1,349	1,443

(1) In 2014, Societe Generale carried out the following capital increases for a total of EUR 8.11 million, with additional paid-in capital of EUR 178.6 million:
- EUR 6.39 million capital increase reserved for employees, with additional paid-in capital of EUR 177 million;
- EUR 1.63 million in free and conditional Societe Generale shares to employees taken from reserves;
- EUR 0.09 million resulting from the exercise of stock options granted by the Board of Directors, with additional paid-in capital of EUR 1.6 million.

(2) At 31 December 2014, Societe Generale's common stock consisted of 805,207,646 shares with a nominal value of EUR 1.25 per share.
(3) Revenue consists of interest income, dividend income, fee income, income from financial transactions and other operating income.
(4) Subject to approval by the General Meeting.

MAIN CHANGES IN THE INVESTMENT PORTFOLIO IN 2014

In 2014, the following transactions affected Societe Generale's investment portfolio:

Outside France	In France
Creation of	**Creation of**
Acquisition of interest in	**Acquisition of interest in**
Acquisition Euronext N.V – Newedge USA	**Acquisition** Amundi Group – Newedge Group
Increase of interest in Rosbank	**Increase of interest in** Boursorama
Subscription to capital increase	**Subscription to capital increase**
Disposal of total interest in	**Disposal of total interest in**
Reduction of interest in(1)	**Reduction of interest in(1)** Amundi Group – Etoile Gestion Holding – European Mortgage Investment - Généfinance

(1) Including capital reductions, dissolution by transfer of assets and liquidations.

The table below summarises the significant changes in Societe Generale's investment portfolio in 2014:

Increase[1]				Decrease[1]			
Declaration threshold	Company	% of capital 31 Dec. 2014	% of capital 31 Dec. 2013	Declaration threshold	Company	% of capital 31 Dec. 2014	% of capital 31 Dec. 2013
5%				5%			
10%				10%			
20%				20%			
33.33%				33.33%			
50%				50%			
66.66%	Boursorama	79.512%	55.62%	66.66%	Etoile Gestion Holding[2]	-	100%
	Newedge Group	100%	50%				
	Newedge USA	100%	-				

(1) Threshold crossings by percentage of direct ownership by Societe Generale SA.
(2) Stakes held in accordance with article L. 233.6 of the French Commercial Code (Code de commerce).

INFORMATION REQUIRED PURSUANT TO ARTICLE L. 511-4-2 OF THE FRENCH MONETARY AND FINANCIAL CODE RELATED TO SOCIETE GENERALE SA

As part of its longstanding presence in the commodity markets, Societe Generale proposes agricultural commodity derivatives to meet the various needs of its customers, including the risk management needs of business customers (producers, consumers) and exposure to the commodity markets for investors (asset managers, funds, insurance companies). Societe Generale's offer includes soft commodity derivatives (sugar, cocoa, coffee, cotton, orange juice) and field crops (corn, wheat, soybean, rapeseed, oats) and other agricultural listed commodities (lean hogs, live cattle, feeder cattle, dairy milk, rough rice). Societe Generale makes markets in vanilla products (e.g. forward contracts), options and option strategies, and structured products with additional complexity. Exposure to agricultural commodities can be provided through a single-commodity product or through multi-commodity products, which are mostly used by investors.

Societe Generale will manage risks associated with the related positions either on the OTC market by executing transactions with commodity dealers, commodity traders, banks, brokers, or on organised markets:

- NYSE LIFFE for cocoa, wheat, corn, rapeseed and sugar;
- ICE FUTURES US for cocoa, coffee, cotton, orange juice, sugar and wheat;
- ICE FUTURES Canada for canola;
- CME Group for corn, soybean, wheat, oats, live cattle, lean hogs, feeder cattle, milk and rice;
- Minneapolis Grain Exchange for wheat.

The list above is not fixed and may evolve in the future.

A number of measures are in place to prevent or detect any material impact on the price of agricultural commodities as a result of Societe Generale activities described above on the derivatives markets:

- the trading activity is governed by limits approved and monitored by risk monitoring teams that are independent of the operators;
- more specifically, Societe Generale's trading activity in exchange contracts follows limits set up by the Societe Generale clearing broker;
- to prevent behaviour that could be considered disruptive, Societe Generale traders are provided with trading rules and mandates, and receive regular training on business standards and market conduct;
- daily controls are run in order to detect any inappropriate trading. These controls include the monitoring of the CFTC (*U.S. Commodity Futures Trading Commission*) and exchange requirements on position limits;
- all of these measures contribute to the supervision of trading activity by underlying, product type and maturity and impose reporting obligations for large positions.

5. PARENT COMPANY FINANCIAL STATEMENTS

Societe Generale financial statement

PARENT COMPANY BALANCE SHEET

ASSETS

(In millions of euros)		31 December 2014	31 December 2013
Cash, due from central banks and post office accounts		41,634	55,190
Due from banks	(note 2)	175,894	166,006
Customer loans	(note 3)	301,022	303,305
Lease financing and similar agreements		8	10
Treasury notes and similar securities	(note 4)	84,861	59,132
Bonds and other debt securities	(note 4)	107,809	105,343
Shares and other equity securities	(note 4)	110,746	96,838
Affiliates and other long term securities	(note 5)	507	431
Investments in subsidiaries	(note 6)	27,686	29,653
Tangible and intangible fixed assets	(note 7)	2,127	2,142
Treasury stock	(note 8)	356	437
Accruals, other accounts receivable and other assets	(note 9)	194,335	181,102
Total		**1,046,985**	**999,589**

OFF-BALANCE SHEET ITEMS

(In millions of euros)		31 December 2014	31 December 2013
Loan commitments granted	(note 18)	133,960	111,985
Guarantee commitments granted	(note 18)	257,865	199,327
Commitments made on securities		15,354	15,468
Foreign exchange transactions	(note 31)	1,062,378	964,355
Forward financial instrument commitments	(note 19)	19,196,587	19,408,812

(The accompanying notes are an integral part of the Parent Company financial statements.)

LIABILITIES AND SHAREHOLDERS' EQUITY

(In millions of euros)		31 December 2014	31 December 2013
Due to central banks and post office accounts		4,048	3,512
Due to banks	(note 10)	222,272	201,468
Customer deposits	(note 11)	353,538	363,773
Liabilities in the form of securities issued	(note 12)	88,167	108,673
Accruals, other accounts payable and other liabilities	(note 13)	305,310	247,910
Provisions	(note 14)	21,346	26,416
Long-term subordinated debt and notes	(note 16)	18,858	14,784
Shareholders' equity			
Common stock	(note 17)	1,006	998
Additional paid-in capital	(note 17)	20,417	20,238
Retained earnings	(note 17)	11,027	9,103
Net income	(note 17)	996	2,714
Sub-total		**33,446**	**33,053**
Total		**1,046,985**	**999,589**

OFF-BALANCE SHEET ITEMS

(In millions of euros)		31 December 2014	31 December 2013
Loan commitments received	(note 18)	56,275	62,821
Guarantee commitments received	(note 18)	48,019	47,518
Commitments received on securities		18,740	19,101
Foreign exchange transactions	(note 31)	1,066,772	965,596

(The accompanying notes are an integral part of the Parent Company financial statements.)

INCOME STATEMENT

(In millions of euros)		2014	2013
Interest and similar income		*16,774*	*18,804*
Interest and similar expenses		*(15,805)*	*(16,470)*
Net interest income	(note 20)	969	2,334
Net income from lease financing and similar agreements		-	1
Dividend income	(note 21)	2,475	2,221
Fee income		*3,842*	*3,822*
Fee expense		*(1,088)*	*(1,148)*
Net fee income	(note 22)	2,754	2,674
Net income from the trading portfolio	(note 23)	3,725	3,501
Net income from short-term investment securities	(note 23)	815	433
Income from other activities		*30,233*	*39,375*
Expenses from other activities		*(30,200)*	*(39,705)*
Net gains or losses on other activities		33	(330)
Net banking income		**10,771**	**10,834**
Personnel expenses	(note 24)	(4,798)	(4,788)
Other operating expenses		(2,876)	(3,283)
Depreciation and amortization		(358)	(330)
Total operating expenses		**(8,032)**	**(8,401)**
Gross operating income		**2,739**	**2,433**
Cost of risk	(note 27)	(290)	(1,281)
Operating income		**2,449**	**1,152**
Net income from long-term investments	(note 28)	(1,354)	1,332
Operating income before tax		**1,095**	**2,484**
Exceptional items		-	-
Income tax	(note 29)	(99)	221
Net allocation to regulatory provisions		-	9
Net income		**996**	**2,714**

Information about fees paid to statutory auditors are disclosed in the notes to the consolidated financial statements of Societe Generale Group; consequently, this information is not provided in the notes to the parent company financial statements of Societe Generale.

(The accompanying notes are an integral part of the Parent Company financial statements.)

6. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note 1

SIGNIFICANT ACCOUNTING PRINCIPLES

The preparation and presentation of the parent company financial statements for Societe Generale comply with the provisions of Regulation 2014-07 of the French Accounting Standards Board, the ANC, related to the annual accounts for the banking sector. As the financial statements of foreign branches were prepared using accounting principles generally accepted in their respective countries, they were subsequently adjusted to comply with the accounting principles applicable in France.

ACCOUNTING POLICIES AND VALUATION METHODS

In accordance with the accounting principles applicable to French banks, the majority of transactions are recorded using valuation methods that take into account the purpose for which they were made.

In financial intermediation transactions, assets and liabilities are generally carried at historical cost and depreciation is recognised where counterparty risk arises. Revenues and expenses arising from these transactions are recorded over the life of the transaction in accordance with the time period concept. Transactions on forward financial instruments carried out for hedging purposes or to manage the bank's overall interest rate risk are accounted for using the same principles.

Trading transactions are generally marked to market at year-end, except for loans, borrowings and short-term investment securities which are recorded at nominal value (see below). When financial instruments are not quoted in an active market, the market value used is reduced for reasons of prudence. Moreover, a reserve is recorded to cover valuations established on the basis of in-house models (Reserve Policy), which is determined according to the complexity of the model used and the life of the financial instrument.

TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENT

The on- and off-balance sheet items of branches reporting in foreign currencies are translated at the official exchange rate prevailing at year-end. Income statement items of these branches are translated at the average month-end exchange rates. Gains and losses arising from the translation of reserves, retained earnings and net income are included in shareholders' equity under *Translation differences*. Gains and losses arising from the translation of the capital contribution of foreign branches are also included in changes in shareholders' equity under the same heading.

Gains and losses arising from the translation of the capital contribution of foreign branches are included under *Other accounts payable* or *Other accounts receivable*.

Translation differences relating to branches in the euro zone are retained in shareholders' equity and are only recognised in the income statement when these entities are sold.

AMOUNTS DUE FROM BANKS, CUSTOMER LOANS, GUARANTEES AND ENDORSEMENTS

Amounts due from banks and customer loans are classified according to their initial duration and type: demand deposits (current accounts and overnight transactions) and term deposits in the case of banks, and commercial loans, overdrafts and other loans to customers. They also include securities purchased from banks and customers under resale agreements, and loans secured by notes and securities.

Only amounts due and customer loans which meet the following criteria are offset on the balance sheet: those with the same counterparty, maturity, currency and accounting entity, and those for which an agreement exists with the counterparty allowing the company to combine the accounts and exercise the right of offset.

Interest accrued on these receivables is recorded as *Related receivables* and recognised in the income statement.

Fees received and incremental transaction costs related to the granting of a loan are comparable to interest and spread over the effective life of the loan.

Guarantees and endorsements recorded off-balance sheet represent transactions which have not yet given rise to cash movements, such as irrevocable commitments for the undrawn portion of facilities made available to banks and customers or guarantees given on their behalf.

If a commitment carries an incurred credit risk which makes it probable that Societe Generale will not recover all or part of the amounts due under the counterparty's commitment in accordance with the original terms of the contract, despite the existence of a guarantee, the corresponding outstanding loan is classified as a doubtful loan. Moreover, any loan will be classified as doubtful if one or more repayments are more than three months overdue (six months for mortgage loans and nine months for loans to local authorities), or, regardless of whether any payments have been missed, if it can be assumed that there is an identified risk, or if legal proceedings have been started.

If a loan to a given borrower is classified as doubtful, all outstanding loans or commitments to that borrower are reclassified as doubtful, regardless of whether or not they are backed by a guarantee.

Depreciation for unrealised losses and for doubtful loans is recorded in the amount of the probable loss. Depreciation for unrealised losses is equal to the difference between the carrying amount of the asset and the present value of estimated future recoverable cash flows, taking into account any guarantees, discounted at the financial assets' original effective interest rate. Furthermore, this depreciation may not be less than the full amount of the accrued interest on the doubtful loan. Depreciation, reversals of depreciation, losses on bad debts and recovery of impaired debts are recognised under *Cost of risk*, along with write-backs of depreciation linked to the passage of time.

In a homogenous portfolio, as soon as a credit risk is incurred on a group of financial instruments, a depreciation is recognised without waiting for the risk to individually affect one or more receivables. The amount of depreciation is notably determined on the basis of historical data on default rates and incurred losses on assets with credit risk characteristics that are similar to those in the portfolio, adjusted to reflect any relevant current economic conditions and, where necessary, the opinion of an expert. Changes in depreciation calculated as such are recognised under *Cost of risk*.

Doubtful loans can be reclassified as performing loans when the credit risk has been definitively eliminated and regular repayments have resumed according to the original terms of the contract. Similarly, doubtful loans which have been restructured can be reclassified as performing loans. When a loan is restructured, a discount is applied to any differences between the cash flows expected to be received under the initial terms of the contract and the present value of the future flows of capital and interest expected to be received under the new terms, discounted at the original effective interest rate.

The amount deducted is recognised under *Cost of risk*. If the restructured loan is subsequently reclassified as a performing loan, it is reincorporated into net interest income over the remaining term of the loan.

When a borrower's solvency is such that after the loan has been classified as doubtful for a reasonable period, it is not foreseeable that it will be reclassified as a performing loan, the loan is identified as a non-performing loan. A loan is classified as non-performing once the bank asks for an early termination, when the contract is terminated and in any case one year after it was classified as doubtful, except where the original terms of the contract have been respected or where the loan is covered by guarantees which ensure its recovery. Loans which have been restructured and for which the borrower has not respected the new conditions are also classified as non-performing.

SECURITIES PORTFOLIO

Securities are classified according to:

- their type: public notes (Treasury notes and similar securities), bonds and other debt securities (negotiable debt instruments, interbank securities), shares and other equity securities;
- the purpose for which they were acquired: trading, short-term and long-term investment, shares intended for portfolio activity, investments in non-consolidated subsidiaries and affiliates, and other long-term equity investments.

Purchases and sales of securities are recorded in the balance sheet at the date of settlement-delivery.

The classification and valuation rules applied for each portfolio category are as follows:

Trading securities

Trading securities are securities acquired or incurred principally for the purpose of selling or repurchasing them in the near-term, or held for the purpose of market-making activities. These securities are traded in active markets, and the available market price reflects frequent buying and selling under normal conditions of competition. Trading securities also include securities linked to a sale commitment in the context of an arbitrage operation done on an organised or assimilated market and securities purchased or sold in the specialised management of a trading portfolio containing forward financial instruments, securities or other financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

Trading securities are recognised in the balance sheet at cost, excluding acquisition expenses.

They are marked to market at the end of the financial period.

Net unrealised gains or losses, together with net gains or losses on disposals, are recognised in the income statement under *Net income from financial transactions*. Coupon payments received on fixed-income securities in the trading portfolio are recorded in the income statement under *Net interest income from bonds and other debt securities*.

Trading securities that are no longer held for the purpose of selling them in the near-term, or no longer held for the purpose of market-making activities, or held in the specialised management of a trading portfolio for which there is no longer evidence of a recent pattern of short-term profit-taking, may be reclassified into the *Short-term investment securities* category or into the *Long-term investment securities* category if:

- exceptional market situations generate a change of holding strategy, or
- if after their acquisition debt securities become no longer negotiable in an active market and Societe Generale has the intention and the ability to hold them for the foreseeable future or until maturity.

Securities which are then reclassified are recorded in their new category at their fair market value on the date of reclassification.

Short-term investment securities

Short-term investment securities are all those that are not classified as trading securities, long-term investment securities, or investments in consolidated subsidiaries and affiliates.

Shares and other equity securities

Equity securities are carried on the balance sheet at cost excluding acquisition expenses, or at contribution value. At year-end, cost is compared to realisable value. For listed securities, realisable value is defined as the most recent market price. Unrealised capital gains are not recognised in the accounts but a depreciation of portfolio securities is recorded to cover unrealised capital losses, without the said depreciation being offset against any unrealised capital gains. Income from these securities is recorded in *Dividend income*.

Bonds and other debt securities

These securities are carried at cost excluding acquisition expenses and, in the case of bonds, excluding interest accrued and not yet due at the date of purchase. The positive or negative difference between cost and redemption value is amortised to income over the life of the relevant securities and using the actuarial method. Accrued interest on bonds and other short-term investment securities is recorded as *Related receivables* and under *Net interest income from bonds and other debt securities* in the income statement.

At year-end, cost is compared to realisable value or, in the case of listed securities, to their most recent market price. Unrealised capital gains are not recognised in the accounts but a depreciation of portfolio securities is recorded to cover unrealised capital losses, after consideration of any gains made on any related hedging transactions.

Allocations to and reversals of depreciation for losses on short-term investment securities together with gains and losses on sales of these securities are recorded under *Net income from financial transactions* in the income statement.

Short-term investment securities may be reclassified into the *Long-term investment securities* category provided that:

- exceptional market situations generate a change of holding strategy, or;
- if after their acquisition debt securities become no longer negotiable in an active market and Societe Generale has the intention and the ability to hold them for the foreseeable future or until maturity.

Long-term investment securities

Long-term investment securities are acquired debt securities or reclassified short-term investment securities which Societe Generale intends to hold until maturity, where it has the financial capacity to do so and is not subject to any legal or other form of constraint that might call into question its intention to do so. Long-term investment securities also include trading and short-term investment securities which have been reclassified by Societe Generale following the particular conditions described here before (facing exceptional market situations or when debt securities are no longer negotiable in an active market).

These instruments may be designated as hedged items in hedging transactions using forward financial instruments used to hedge the interest rate risk on identifiable items or groups of similar items.

Long-term investments are recorded according to the same principles as short-term investment securities, except that no depreciation is made for unrealised losses, unless there is a strong probability that the securities will be sold in the short term, or unless there is a risk that the issuer will be unable to redeem them.

Allocations to and reversals of depreciation for losses on long-term investment securities, together with gains and losses on sales of these securities, are recorded in the income statement under *Net income from long-term investments*.

Investments in consolidated subsidiaries and affiliates, and other long-term equity investments

This category of securities covers shares held in consolidated subsidiaries and affiliates, when it is deemed useful to Societe Generale's business to hold the said shares in the long term. This notably covers investments that meet the following criteria:

- shares in companies that share Directors or senior managers with Societe Generale and where influence can be exercised over the company in which the shares are held;
- shares in companies that belong to the same group controlled by individuals or legal entities, where the said persons or entities exercise control over the group and ensure that decisions are taken in unison;
- shares representing more than 10% of the voting rights in the capital issued by a bank or a company whose business is directly linked to that of Societe Generale.

This category also includes *Other long-term equity investments*. These are equity investments made by Societe Generale with the aim of developing special professional relations with a company over the long term but without exercising any influence on its management due to the low proportion of attached voting rights.

Investments in consolidated subsidiaries and affiliates, and other long-term equity investments are recorded at their purchase price net of acquisition costs. Dividend income earned on these securities is recognised in the income statement under *Dividend income*.

At year-end, investments in consolidated subsidiaries and affiliates are valued at their value in use, namely the price the company would accept to pay to obtain the said securities if it had to acquire them in view of its investment objective. This value is estimated on the basis of various criteria, such as shareholders' equity, profitability, and the average share price over the last three months. Unrealised capital gains are not recognised in the accounts but a depreciation on portfolio securities is recorded to cover unrealised capital losses. Allocations to and reversals of depreciation as well as any capital gains or losses realised on the disposal of these securities, including any profit or loss generated when tendering these securities to public share exchange offers, are recognised under *Net income from long-term investments*.

TANGIBLE AND INTANGIBLE FIXED ASSETS

Premises, equipment and other fixed assets are carried at their purchase price on the assets side of the balance sheet. Borrowing expenses incurred to fund a lengthy construction period for fixed assets are included in the acquisition cost, along with other directly attributable expenses. Investment subsidies received are deducted from the cost of the relevant assets.

Software developed internally is recorded on the asset side of the balance sheet in the amount of the direct cost of development, which includes external expenditure on hardware and services and personnel expenses which can be attributed directly to its production and preparation for use.

As soon as they are fit for use, fixed assets are depreciated over their useful life. Any residual value of the asset is deducted from its depreciable amount.

Where one or several components of a fixed asset are used for different purposes or to generate economic benefits over a different time period from the asset considered as a whole, these components are depreciated over their own useful life, through the income statement under *Depreciation and amortisation*. Societe Generale has applied this approach to its operating property, breaking down its assets into the following minimum components with their corresponding depreciation periods:

Infrastructure	Major structures	50 years
	Doors and windows, roofing	20 years
	Façades	30 years
Technical installations	Elevators	10-30 years
	Electrical installations	
	Electricity generators	
	Air conditioning, extractors	
	Technical wiring	
	Security and surveillance installations	
	Plumbing	
	Fire safety equipment	
Fixtures and fittings	Finishings, surroundings	10 years

Depreciation periods for fixed assets other than buildings depend on their useful life, usually estimated in the following ranges:

Plant and equipment	5 years
Transport	4 years
Furniture	10-20 years
Office equipment	5-10 years
IT equipment	3-5 years
Software, developed or acquired	3-5 years
Concessions, patents, licenses, etc.	5-20 years

AMOUNTS DUE TO BANKS, CUSTOMER DEPOSITS

Amounts due to banks and customer deposits are classified according to their initial duration and type: demand (demand deposits and current accounts) and time deposits and borrowings in the case of banks, and regulated savings accounts and other deposits in the case of customers. They also include securities sold to banks and customers under repurchase agreements.

Interest accrued on these deposits is recorded as *Related payables* and as an expense in the income statement.

SECURITISED DEBT PAYABLES

These liabilities are classified by type of security: loan notes, interbank market certificates, negotiable debt instruments, bonds and other debt securities, but exclude subordinated notes which are classified under *Subordinated debt*.

Interest accrued is recorded as *Related payables* and as an expense in the income statement. Bond issuance and redemption premiums are amortised using the straight-line or actuarial method over the life of the related borrowings. The resulting expense is recorded in the income statement under *Net income from bonds and other debt securities*.

Bond issuance costs accrued over the period are recorded as expenses for the period, under *Net income from bonds and other debt securities* in the income statement.

SUBORDINATED DEBT

This item includes all dated or undated borrowings, whether or not in the form of securitised debt, which in the event of the liquidation of the borrowing company may only be redeemed after all other creditors have been paid.

Interest accrued and payable in respect of long-term subordinated debt, if any, is recorded as *Related payables* and as an expense in the income statement.

PROVISIONS

Provisions include:

- provisions for country risks considered as a reserve, which are calculated on a lump-sum basis based on estimates by Societe Generale of its risks on the related countries and on debtors located in these countries at the balance sheet date, using criteria such as estimates of the country's economic, financial and socio-political situation, or the discount rate on the secondary market;
- provisions for commitments;
- provisions for contingencies and disputes.

A description of contingencies and disputes is provided in the Risk Management report.

Provisions for contingencies and disputes are defined as liabilities with no precisely defined amount or due date. They are only recorded if the company has an obligation to a third party that will probably or necessarily lead to a transfer of funds to the third party, without compensation for at least an equivalent amount being expected from this third party.

The provisions are presented in the note 14. Information on the nature and the amount of the risks is not disclosed when the Group estimates that such disclosure could seriously prejudice its position in a dispute with other parties on the subject matter of the provision.

Net allocations to provisions are classified by type of risk in the corresponding accounts in the income statement.

CRB regulation 99-06 defines the funds necessary for the deposit guarantee fund. These resources comprise certificates of association acquired by each entity, together with annual subscription fees. CRB regulation 99-08 sets the total amount of these subscription fees which were payable over the period 1999 through 2002 in order to endow the fund. Half of said fees were paid in the form of guarantee deposits. Certificates of association and guarantee deposits are recorded in the balance sheet under *Other sundry debtors*. A provision was recognised at the end of 1999 under *Exceptional items* for all subscription fees to be paid by Societe Generale over the 2000-2002 period for the initial endowment of the guarantee fund. Subsequent fees were recorded under *Other operating expenses*.

In the case of share purchase options and free shares plans granted to employees, a provision must be recorded for the loss that the entity will incur when it will deliver treasury shares to the employees.

This provision is recorded under *Personnel expenses* for an amount equal to the difference:

- between the quoted price of the treasury shares at the balance sheet closing date and the exercise price (zero in the case of free shares) if the entity has not already purchased its treasury shares in order to give them to the employees,
- between the acquisition price of treasury shares held and the exercise price (zero in case of free shares) if the entity has already purchased its treasury shares in order to deliver them to the employees.

If vesting conditions such as service or performance conditions must be satisfied for the employees to become entitled to receive shares, the provision expense shall be accounted for the services as they are rendered by the employees during the vesting period.

In the case of share subscription plans, no expense shall be recorded concerning treasury shares that have to be issued.

COMMITMENTS UNDER CONTRATS *EPARGNE-LOGEMENT* (MORTGAGE SAVINGS AGREEMENTS)

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

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

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

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

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

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

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

TREASURY SHARES

Societe Generale shares acquired for allocation to employees are recorded as *Short-term investment securities – Treasury shares* on the assets side of the balance sheet.

Societe Generale shares held with a view to underpinning the share price or as part of arbitrage transactions on the CAC 40 index are recorded under *Trading securities*.

TRANSACTIONS DENOMINATED IN FOREIGN CURRENCIES

Gains and losses arising from ordinary activities in foreign currencies are recognised in the income statement. Outright forward foreign exchange transactions and those used to hedge other forward foreign exchange transactions are valued on the basis of the forward foreign exchange rate of the relevant currency for the remaining maturity. Spot and other forward foreign exchange positions are revalued on a monthly basis using official month-end spot rates. Unrealised gains and losses are recognised in the income statement. Premiums and discounts resulting from hedged forward foreign exchange transactions, are amortised to income on a straight-line basis over the remaining term to maturity of these transactions.

FORWARD FINANCIAL INSTRUMENTS

Forward financial instruments relating to interest rates, foreign exchange or equities are used for trading or hedging purposes. Nominal commitments on forward financial instruments are recorded as a separate off-balance sheet item. This amount represents the volume of outstanding transactions and does not represent the potential gain or loss associated with the market or counterparty risk on these transactions. Credit derivatives purchased to hedge credit risks on financial assets which are not valued at market value are classified and treated as guarantee commitments received.

The accounting treatment of income or expenses on these forward financial instruments depends on the purpose for which the transaction was concluded, as follows:

Hedging transactions

Income and expenses on forward financial instruments used as a hedge and assigned from the beginning to an identifiable item or group of similar items, are recognised in the income statement in the same manner as income and expenses on the hedged items. Income and expenses on interest rate instruments are recorded as net interest income in the same interest income or expense account as the items hedged. Income and expenses on other instruments such as equity instruments, stock market indexes or currencies are recognised as *Net income from financial transactions*, under *Net income from forward financial instruments*.

Income and expenses on forward financial instruments used to hedge or manage an overall interest rate risk are recognised in the income statement over the life of the instrument under Net income from financial transactions, in the caption *Net income from forward financial instruments*.

Trading transactions

Trading transactions include instruments traded on organised or similar markets and other instruments, such as credit derivatives and composite option products, which are included in the trading portfolio although they are traded over-the-counter on less liquid markets, together with debt securities with a forward financial instrument component for which this classification in the accounts most appropriately reflects the results and associated risks. These transactions are measured at their market value at the balance sheet date. When financial instruments are not quoted in an active market, this value is generally determined on the basis of in-house models. Where necessary, these valuations are adjusted for reasons of prudence by applying a discount (Reserve Policy). This discount is determined on the basis of the instruments concerned and the associated risks, and takes into account:

- a conservative valuation of all the instruments, regardless of the liquidity of the corresponding market;
- a reserve calculated according to the size of the position and intended to cover the risk that Societe Generale will be unable to liquidate the investment in one go due to the size of the holding;
- an adjustment for the reduced liquidity of instruments and modeling risks in the case of complex products as well as transactions on less liquid markets (less liquid since they have been developed recently or are more specialised).

Furthermore, for over-the-counter transactions on forward interest rate instruments, the market value takes into account counterparty risks and the discounted value of future management costs.

The corresponding gains or losses are directly recognised as income for the period, regardless of whether they are realised or unrealised. They are recognised in the income statement as *Net income from financial transactions*.

Gains or losses corresponding to contracts concluded within the scope of cash management activities managed by the trading room, in order to benefit from any interest rate fluctuations, are recorded when liquidated or over the life of the contract, depending on the type of instrument. Unrealised losses are provisioned at year-end and the corresponding amount is recorded under *Net income from financial transactions*.

NET FEES FOR SERVICES

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

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

In syndication deals, the effective interest rate for the share of the issue retained on Societe Generale's balance sheet is comparable to that applying to the other members of the syndicate including, when needed, a share of the underwriting fees and participation fees; the balance of these fees is recorded in the income statement at the end of the syndication period. Arrangement fees are recorded in income when the placement is legally complete.

PERSONNEL EXPENSES

The *Personnel expenses* account includes all expenses related to personnel, notably the cost of the legal employee profit-sharing, income related to CICE (tax Credit for Competiveness and Employment) and incentive plans for the year, as well as the cost of internal restructuring operations.

EMPLOYEE BENEFITS

Societe Generale in France, and its branches in foreign countries, may award their employees:

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

Post-employment benefits

Pension plans may be defined contribution or defined benefit plans.

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

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

Provisions are recognised on the liabilities side of the balance sheet under *Provisions*, to cover the whole of these retirement obligations. This is assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

When these plans are financed from external funds classed as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) or differences between actuarial assumptions and real performance (return on plan assets) are recognised as actuarial gains or losses. They are amortised in the income statement according to the "corridor" method: i.e. over the expected average remaining working lives of the employees participating in the plan, as soon as they exceed the greater of:

- 10% of the present value of the defined benefit obligation;
- 10% of the fair value of the assets at the end of the previous financial year.

Where a new or amended plan comes into force the cost of past services is spread over the remaining period until vesting.

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

- the additional entitlements vested by each employee (current service cost);
- the financial expense resulting from the discount rate;
- the expected return on plan assets (gross return);
- the amortisation of actuarial gains and losses and past service cost;
- the settlement or curtailment of plans.

Long-term benefits

These are benefits paid to employees more than 12 months after the end of the period in which they provided the related services. Long-term benefits are measured in the same way as post-employment benefits, except for the treatment of actuarial gains and losses and past service costs, which are recorded immediately in income.

COST OF RISK

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

NET INCOME FROM LONG-TERM INVESTMENTS

This item covers capital gains or losses realised on disposals, as well as the net allocation to depreciation for investments in consolidated subsidiaries and affiliates, long-term investment securities and offices and other premises. Income from real-estate holdings excluding offices is recorded under *net banking income*.

INCOME TAX

Current taxes

In the 1989 financial year, Societe Generale opted to apply a tax consolidation regime. At December 31, 2014, 296 subsidiaries had signed a tax consolidation agreement with the company, under which they are required to record in their accounts the tax expense they would have paid if they had not been consolidated with Societe Generale for tax purposes.

In France, the normal corporate income tax rate is 33.3%. As from January 1, 2007, long-term capital gains on equity investments are exempted but taxed a share of expenses of 12% of gross gains on sales in the case of a long-term net gain on sale, i.e. an effective rate of 4.13%.

Additionally, *a Contribution sociale* (national contribution payment based on pre-tax earnings) was introduced in 2000 equal to 3.3% (based on corporate income tax after a deduction of EUR 0.76 million from basic taxable income). Another exceptional contribution equal to 10.7% was introduced in 2011 and based on corporate income tax up to 30 December 2015.

Dividends from companies in which Societe Generale's interest is at least 5% are tax exempt up to 95%.

Deferred tax

Societe Generale has opted to apply the option allowing it to recognise deferred taxes in its parent company accounts.

Deferred taxes are recorded when there is a timing difference between the book value and tax value of balance sheet assets and liabilities that will affect future tax payments. Deferred tax assets and liabilities are measured based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realised or the liability settled. The impact of changes to tax rates is recorded in the income statement under *Deferred taxes*. Net deferred tax assets are not recorded unless it is probable that the subsidiary that owns the assets is likely to be able to apply them within a set timeframe.

In 2014 and thereafter, the normal tax rate applicable to French companies to determine their deferred tax is 34.43%.

Deferred taxes are determined separately for each taxable entity and are never discounted to present value.

EXCEPTIONAL ITEMS

This caption includes income earned and expenses incurred by Societe Generale that are considered to be exceptional in view of either the amount or the manner in which they were generated. In most cases, said income or expenses are the result of events that fall outside Societe Generale's activity.

Note 2

DUE FROM BANKS

(In millions of euros)	31 December 2014	31 December 2013
Deposits and loans		
Demand		
Current accounts	15,429	20,892
Overnight deposits and loans	508	860
Loans secured by notes-overnight	-	-
Term		
Term deposits and loans	66,492	69,806
Subordinated and participating loans	4,912	5,021
Loans secured by notes and securities	-	-
Related receivables	223	312
Gross amount	**87,564**	**96,891**
Depreciations	(37)	(44)
Net amount	**87,527**	**96,847**
Securities purchased under resale agreements	88,367	69,159
Total(1)(2)	**175,894**	**166,006**

(1) At 31 December 2014 doubtful loans amounted to EUR 75 million (of which EUR 25 million were non-performing loans) against EUR 150 million (of which EUR 24 million were non-performing loans) at 31 December 2013.

(2) Including amounts receivable from subsidiaries: EUR 70,863 million at 31 December 2014 (EUR 67,628 million at 31 December 2013).

Note 3

CUSTOMER LOANS

(In millions of euros)	31 December 2014	31 December 2013
Discount of trade notes[1]	2,204	2,317
Other loans:		
Short-term loans	51,985	43,942
Export loans	9,758	10,126
Equipment loans	38,723	40,280
Mortgage loans	63,713	64,813
Other loans	58,566	67,766
Sub-total[2][3]	**222,745**	**226,927**
Overdrafts	10,884	11,534
Related receivables	1,155	1,135
Gross amount	**236,988**	**241,913**
Depreciations	(3,856)	(3,706)
Net amount	**233,132**	**238,207**
Loans secured by notes and securities	851	476
Securities purchased under resale agreements	67,039	64,622
Total[4]	**301,022**	**303,305**

(1) Including pledged loan: EUR 67,737 million of which amounts eligible for refinancing with Bank of France: EUR 9,240 million at 31 December 2014 (EUR 13,304 million at 31 December 2013).

(2) Of which participating loans: EUR 1,679 million at 31 December 2014 (EUR 1,716 million at 31 December 2013).

(3) At 31 December 2014 doubtful loans amounted to EUR 8,180 million (of which EUR 3,371 million were non-performing loans) against EUR 8,339 million (of which EUR 3,173 million were non-performing loans) at 31 December 2013.

(4) Of which amounts receivable from subsidiaries: EUR 51,923 million at 31 December 2014 (EUR 63,762 million at 31 December 2013).

Note 4

TREASURY NOTES, BONDS AND OTHER DEBT SECURITIES, SHARES AND OTHER EQUITY SECURITIES

	31 December 2014				31 December 2013			
(In millions of euros)	**Treasury notes and similar securities**	**Shares and other equity securities**	**Bonds and other debt securities**	**Total**	**Treasury notes and similar securities**	**Shares and other equity securities**	**Bonds and other debt securities**	**Total**
Trading securities	58,514	110,126	77,050	245,690	35,947	96,206	71,763	203,916
Short-term investment securities(1):								
Gross book value	26,059	547	11,652	38,258	22,841	574	13,395	36,810
Depreciations	(13)	(22)	(56)	(91)	(23)	(35)	(84)	(142)
Net book value	26,046	525	11,596	38,167	22,818	539	13,311	36,668
Long-term investment securities:								
Gross book value	129	-	19,036	19,165	157	-	20,127	20,284
Depreciations	-	-	(19)	(19)	-	-	(37)	(37)
Net book value	129	-	19,017	19,146	157	-	20,090	20,247
Related receivables	172	95	146	413	210	93	179	482
Total	**84,861**	**110,746**	**107,809**	**303,416**	**59,132**	**96,838**	**105,343**	**261,313**

(1) Of which securities eligible for Bank of France refinancing: EUR 25,617 million.

ADDITIONAL INFORMATION ON SECURITIES

(In millions of euros)	31 December 2014	31 December 2013
Estimated market value of short-term investment securities:		
Unrealised capital gains*	1,608	1,121
Estimated value of long-term investment securites:	4	6
Premiums and discounts relating to short-term and long-term investment securities	127	16
Investments in mutual funds:		
- French mutual funds	3,257	2,931
- Foreign mutual funds	5,083	5,213
Of which mutual funds which reinvest all their income	190	207
Listed securities**	209,892	210,376
Transfer of securities from the short-term to the long-term portfolios	18,980	17,427
Subordinated securities	338	149
Securities lent	**50,517**	**33,491**

* Not including unrealized gains or losses on forward financial instruments, if any, used to hedge short-term investment securities.

** The listed trading securities amounted to EUR 152,797 million at 31 December 2014 against EUR 142,801 million at 31 December 2013.

Note 5

AFFILIATES AND OTHER LONG TERM SECURITIES

(In millions of euros)	31 December 2014	31 December 2013
Banks	409	369
Others	219	180
Gross book value[(1)]	**628**	**549**
Depreciations	(121)	(118)
Net book value	**507**	**431**

(1) The main changes involve:
- the acquisition of Euronext shares: EUR +40 million;
- the subscription to the capital increase and the acquisition of *Caisse de Refinancement de l'Habitat* (CRH) shares: EUR +35 million.

Note 6

INVESTMENTS IN SUBSIDIARIES

(In millions of euros)	31 December 2014	31 December 2013
Banks	**25,882**	**25,756**
Listed	5,460	6,172
Unlisted	20,422	19,584
Others	**8,086**	**9,015**
Listed		
Unlisted	8,086	9,015
Gross book value[(1)]	**33,968**	**34,771**
Depreciation[(2)]	(6,282)	(5,118)
Net book value	**27,686**	**29,653**

(1) The main changes for 2014 involve:
- the acquisition of Newedge USA from Newedge group: EUR +597 million;
- the acquisition of 50% of Newedge group from Crédit Agricole SA and its capital increase: EUR +372 million;
- the acquisition of Boursorama shares under the takeover bid: EUR +261 million;
- the acquisition of Rosbank shares from minority shareholders: EUR +237 million;
- the merger-takeover of Etoile Gestion Holding: EUR -226 million.
- the transfer of Amundi shares following the merger by takeover of Etoile Gestion Holding: EUR +155 million;
- the sale of Amundi shares to Crédit Agricole SA: EUR -349 million;
- the capital reduction of Genefinance: EUR -660 million;
- the capital reduction of European Mortgage Investment: EUR -543 million;

(2) The main changes in the provisions are as follows:
- the allocation for Rosbank: EUR -647 million;
- the allocation for Splitska Banka: EUR -452 million;
- the allocation for Banco SG Brasil: EUR -452 million;
- the write-back following the sale of SG leasing XII: EUR +202 million;
- the write-back in respect of of SG Consumer Finance: EUR +108 million.

All transactions with the related parties were concluded under normal market conditions.

Note 7

TANGIBLE AND INTANGIBLE FIXED ASSETS

(In millions of euros)	Gross book value 31 December 2013	Acquisitions	Disposals	Scope variation and other movements	Gross book value 31 December 2014	Accumulated depreciation and amortisation 31 Dec. 2014	Net book value 31 December 2014
OPERATING ASSETS							
Intangible assets							
Start-up costs	-	-	-	-	-	-	-
Software, EDP development costs	1,640	42		48	1,730	(1,370)	360
Other	859	209	(29)	(183)	856	(6)	850
Sub-total	**2,499**	**251**	**(29)**	**(135)**	**2,586**	**(1,376)**	**1,210**
Tangible assets							
Land and buildings	600	13	(10)	34	637	(230)	407
Other	2,278	158	(71)	(36)	2,329	(1,822)	507
Sub-total	**2,878**	**171**	**(81)**	**(2)**	**2,966**	**(2,052)**	**914**
NON-OPERATING ASSETS							
Tangible assets							
Land and buildings	5	-	-	-	5	(3)	2
Other	7	-	-	-	7	(6)	1
Sub-total	**12**	**-**	**-**	**-**	**12**	**(9)**	**3**
Total	**5,389**	**422**	**(110)**	**(137)**	**5,564**	**(3,437)**	**2,127**

Note 8

TREASURY STOCK

	31 December 2014			31 December 2013		
(In millions of euros)	Quantity	Book value[2]	Market value	Quantity	Book value[2]	Market value
Trading securities[1]	400,000	14	14	-	-	-
Short-term investment securities	11,054,906	342	401	13,522,688	437	551
Long-term equity investments	-	-	-			
Total	**11,454,906**	**356**	**415**	**13,522,688**	**437**	**551**

Nominal value: EUR 1.25.

Market value per share: EUR 34.99 at 31 December 2014.

(1) The Group set up on 22 August 2011 a liquidity contract which was endowed with EUR 170 million for carrying out transactions on the Societe Generale share.

(2) The accounting value is assessed according to the new notice of the CNC No. 2008-17 approved on 6 November 2008 concerning stock-options and bonus issues of shares.

Note 9

ACCRUALS, OTHER ACCOUNTS RECEIVABLE AND OTHER ASSETS

(In millions of euros)	31 December 2014	31 December 2013
Other assets		
Miscellaneous receivables[(1)]	44,731	37,067
Premiums on options purchased	99,009	86,827
Settlement accounts on securities transactions	2,262	2,140
Other	822	1,463
Sub-total	**146,824**	**127,497**
Accruals and similar		
Prepaid expenses	307	293
Deferred taxes	4,884	5,071
Accrued income	2,190	1,912
Other[(2)]	40,207	46,429
Sub-total	**47,588**	**53,705**
Gross amount	**194,412**	**181,202**
Depreciations	(77)	(100)
Net amount	**194,335**	**181,102**

(1) Mainly concerns guarantee deposits paid on financial instruments.
(2) Including derivative instruments valuation for EUR 34,383 million (EUR 42,214 million at 31 December 2013).

Deferred taxes

Losses of lease finance partnerships	(28)	(42)
Gain on sales of assets to companies included in the tax consolidation	(171)	(174)
Other (principally relating to other reserves)	5,083	5,287
Total	**4,884**	**5,071**

Note 10

DUE TO BANKS

(In millions of euros)	31 December 2014	31 December 2013
Demand deposits		
Demand deposits and current accounts	16,576	17,753
Borrowings secured by notes - overnight	-	4
Sub-total	**16,576**	**17,757**
Term deposits		
Term deposits and borrowings	102,969	96,084
Borrowings secured by notes and securities	-	-
Sub-total	**102,969**	**96,084**
Related payables	267	269
Total deposits	**119,812**	**114,110**
Securities sold under repurchase agreements	102,460	87,358
Total[(1)]	**222,272**	**201,468**

(1) Including amounts due to subsidiaries: EUR 72,578 million at 31 December 2014 (EUR 69,025 million at 31 December 2013).

Note 11

CUSTOMER DEPOSITS

(In millions of euros)	31 December 2014	31 December 2013
Regulated savings accounts		
Demand	37,492	38,799
Term	15,574	14,422
Sub-total	**53,066**	**53,221**
Other demand deposits		
Businesses and sole proprietors	30,886	27,585
Individual customers	23,828	22,372
Financial customers	12,878	18,944
Others	5,171	9,383
Sub-total	**72,763**	**78,284**
Other term deposits		
Businesses and sole proprietors	43,147	39,590
Individual customers	964	1,121
Financial customers	110,246	135,264
Others	10,308	7,986
Sub-total	**164,665**	**183,961**
Related payables	973	922
Total customer deposits	**291,467**	**316,388**
Borrowings secured by notes and securities	89	209
Securities sold to customers under repurchase agreements	61,982	47,176
Total(1)	**353,538**	**363,773**

(1) Including deposits of subsidiaries: EUR 115,601 million at 31 December 2014 (EUR 135,170 million at 31 December 2013).

Note 12

DEBT SECURITIES ISSUED

(In millions of euros)	31 December 2014	31 December 2013
Term savings certificates	1	1
Bond borrowings	26	37
Related payables	26	27
Sub-total	**53**	**65**
Interbank certificates and negotiable debt instruments	87,077	107,552
Related payables	1,037	1,056
Total	**88,167**	**108,673**

Note 13

ACCRUALS, OTHER ACCOUNTS PAYABLE AND OTHER LIABILITIES

(In millions of euros)	31 December 2014	31 December 2013
Transactions on securities		
Amounts payable for securities borrowed	83,246	44,514
Other amounts due for securities	45,649	44,757
Sub-total	**128,895**	**89,271**
Other liabilities		
Miscellaneous payables(1)	39,230	31,926
Premiums on options sold	106,023	93,009
Settlement accounts on securities transactions	4,983	5,024
Other securities transactions	-	1
Related payables	119	104
Sub-total	**150,355**	**130,064**
Accruals and similar		
Accrued expenses	3,721	3,751
Deferred taxes	3	-
Deferred income	3,629	5,073
Other(2)	18,707	19,751
Sub-total	**26,060**	**28,575**
Total	**305,310**	**247,910**

(1) Mainly concerns guarantee deposits paid on financial instruments.
(2) Including derivative instruments valuation for EUR 14,195 million (EUR 16,558 million at 31 December 2013).

Note 14

PROVISIONS AND DEPRECIATIONS

(In millions of euros)	31 December 2014	31 December 2013
Assets depreciations:		
Banks	37	44
Customer loans	3,856	3,706
Lease financing agreements	-	-
Other	77	100
Sub-total(1)	**3,970**	**3,850**
Provisions:		
Prudential general country risk reserve(2)	-	782
Off-balance sheet commitments made to banks	9	7
Off-balance sheet commitments made to customers	194	208
Sectoral provisions and other	792	742
Provisions for other risks and commitments	20,351	24,677
Sub-total	**21,346**	**26,416**
Total provisions and depreciations (excluding securities)(4)	**25,316**	**30,266**
Depreciation on securities(3)	6,513	5,415
Total provisions and depreciations	**31,829**	**35,681**

(1) Of which depreciation for non-performing loans: EUR 2,762 million.
(2) The country risk reserve was used and allocated to reserves on equity securities of foreign subsidiaries (Cf. Note 6).
(3) Except Treasury stock.

(4) The change of provisions and depreciations breaks down as follows:

(In millions of euros)	Amount at 31 December 2013	Net allowances		Used provisions	Currency and reclassifying	Amount at 31 December 2014
		Net cost of risk	Other income statement			
Prudential country risk reserve	782	(775)			(7)	0
Assets' depreciations	3,850	504		(442)	58	3,970
Provisions(5)	25,634	425	(5,371)	(58)	716	21,346
Total	**30,266**	**154**	**(5,371)**	**(500)**	**767**	**25,316**

(5) Analysis of provisions:

(In millions of euros)	Amount at 31 December 2013	Net allowances		Used provisions	Currency and reclassifying	Amount at 31 December 2014
		Net cost of risk	Other income statement			
Provisions for off-balance sheet commitments to banks	7	2				9
Provisions for off-balance sheet commitments to customers	208	(14)				194
Sectoral provisions and other	742	37			13	792
Provisions for employee benefits	1,070		(65)		8	1,013
Provisions for restructuring costs and litigations expenses	59		(42)		1	18
Provisions for tax adjustments	96		61	(24)	4	137
Provisions for forward financial instruments	22,427		(5,434)		693	17,686
Other provisions(6)	1,025	400	109	(34)	(3)	1,497
Total	**25,634**	**425**	**(5,371)**	**(58)**	**716**	**21,346**

(6) To take into account the development in a number of legal risks, including in particular the ongoing judicial investigations and proceedings with the US and European authorities, as well as the French *"Conseil d'État"* ruling on the *"précompte"*, Societe Generale has recognised a provision for disputes among its liabilities that was adjusted in 2014 by an additional allowance of EUR 400 million, taking it to EUR 1,100 million.

Note 15

MORTGAGE SAVINGS AGREEMENTS (PEL / CEL)

1. OUTSTANDING DEPOSITS IN MORTGAGE SAVINGS AGREEMENTS (PEL / CEL)

(In millions of euros)	31 December 2014	31 December 2013
Mortgage savings plans (PEL)		
• less than 4 years old	6,008	4,955
• between 4 and 10 years old	3,782	2,768
• more than 10 years old	4,547	5,114
Sub-total	**14,337**	**12,838**
Mortgage savings accounts (CEL)	1,226	1,361
Total	**15,563**	**14,199**

2. OUTSTANDING HOUSING LOANS GRANTED WITH RESPECT TO MORTGAGE SAVINGS AGREEMENTS (PEL / CEL)

(In millions of euros)	31 December 2014	31 December 2013
• less than 4 years old	54	85
• between 4 and 10 years old	89	107
• more than 10 years old	11	14
Total	**154**	**205**

3. PROVISIONS FOR COMMITMENTS LINKED TO MORTGAGE SAVINGS AGREEMENTS (PEL / CEL)

(In millions of euros)	31 December 2013	Allocations	Reversals	31 December 2014
Mortgage savings plans (PEL)				
• less than 4 years old	6		(6)	-
• between 4 and 10 years old	10		(7)	3
• more than 10 years old	89	101		190
Sub-total	**105**	**101**	**(13)**	**193**
Mortgage savings accounts (CEL)	5		(5)	-
Total	**110**	**101**	**(18)**	**193**

The *"Plans d'Epargne-Logement"* (PEL or housing savings plans) entail two types of commitments that have the negative effects of generating a PEL/CEL provision for the Group: a commitment to lend at an interest rate that had been fixed at the inception of the plan and a commitment to remunerate the savings at an interest rate also fixed at the inception of the plan.

The level of provisions is sensitive to the long-term interest rates. Since the long-term rates were low during 2014, the provisions for PEL and CEL mortgage saving accounts are linked to the risks attached to the commitment to remunerate the deposits. Provisioning for PEL/CEL savings amounted to 1.24% of total outstandings as at 31 December 2014.

4. METHODS USED TO ESTABLISH THE PARAMETERS FOR VALUING PROVISIONS

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

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

Note 16

SUBORDINATED DEBT

(In millions of euros)

Issuance date	Currency	Amount issued	Maturity date	31 December 2014	31 December 2013
Undated subordinated capital notes					
1 July 1985	EUR	348	Undated	62	62
24 November 1986	USD	500	Undated	204	180
30 June 1994	JPY	15,000	Undated	-	104
30 December 1996	JPY	10,000	Undated	69	69
26 January 2005	EUR	1,000	Undated	728	728
5 April 2007	USD	1,100	Undated	665	586
5 April 2007	USD	200	Undated	52	46
19 December 2007	EUR	600	Undated	468	468
16 June 2008	GBP	700	Undated	649	606
7 July 2008	EUR	100	Undated	100	100
27 February 2009	USD	450	Undated	371	326
4 September 2009	EUR	1,000	Undated	1,000	1,000
7 October 2009	USD	1,000	Undated	824	725
6 September 2013	USD	1,250	Undated	1,030	906
18 December 2013	USD	1,750	Undated	1,441	1,269
7 April 2014	EUR	1,000	Undated	1,000	-
25 June 2014	USD	1,500	Undated	1,235	-
Sub-total[(1)]				**9,898**	**7,175**
Subordinated long-term debt and notes					
29 June 1999	EUR	30	30 June 2014	-	30
27 April 2000	EUR	500	27 April 2015	366	366
23 June 2000	EUR	125	27 April 2015	125	125
21 July 2000	EUR	78	31 July 2030	22	25
21 December 2001	EUR	300	21 December 2016	194	194
3 July 2002	EUR	180	3 July 2014	-	175
16 October 2002	EUR	170	16 October 2014	-	164
30 January 2003	GBP	450	30 January 2018	162	151
28 April 2003	EUR	100	28 April 2015	94	94
2 June 2003	EUR	110	21 December 2016	110	110
13 October 2003	EUR	120	13 October 2015	113	113
29 December 2003	GBP	150	30 January 2018	193	180
4 February 2004	EUR	120	4 February 2016	114	114
12 March 2004	EUR	300	12 March 2019	-	249
6 May 2004	EUR	120	6 May 2016	113	113
29 October 2004	EUR	100	29 October 2016	94	94
3 February 2005	EUR	120	3 February 2017	112	112
13 May 2005	EUR	100	13 May 2017	90	90
16 August 2005	EUR	226	18 August 2025	216	216
30 September 2005	USD	75	30 September 2015	62	54
20 April 2006	USD	1,000	20 April 2016	427	376

(In millions of euros)

Issuance date	Currency	Amount issued	Maturity date	31 December 2014	31 December 2013
15 May 2006	EUR	135	15 May 2018	125	125
26 October 2006	EUR	120	26 October 2018	111	111
9 February 2007	EUR	124	11 February 2019	116	116
16 July 2007	EUR	135	16 July 2019	130	130
30 October 2007	EUR	134	30 October 2019	129	129
14 February 2008	EUR	225	14 February 2018	225	225
26 March 2008	EUR	550	26 March 2018	331	331
7 April 2008	EUR	250	6 April 2023	155	155
15 April 2008	EUR	321	15 April 2023	321	321
28 April 2008	EUR	50	6 April 2023	50	50
14 May 2008	EUR	150	6 April 2023	150	150
14 May 2008	EUR	50	6 April 2023	50	50
14 May 2008	EUR	90	6 April 2023	90	90
30 May 2008	EUR	79	15 April 2023	79	79
10 June 2008	EUR	300	12 June 2023	260	260
30 June 2008	EUR	40	30 June 2023	40	40
20 August 2008	EUR	1,000	20 August 2018	777	777
7 June 2013	EUR	1,000	7 June 2023	1,000	1,000
17 January 2014	USD	1,000	17 January 2024	823	-
16 September 2014	EUR	1,000	16 September 2026	1,000	-
Sub-total(1)				**8,569**	**7,284**
Related payables				**391**	**325**
Total(2)				**18,858**	**14,784**

(1) The Board of Directors may decide to defer payouts on undated subordinated notes (TSDI) in full or in part where the Ordinary General Meeting called to approve the parent company financial statements has decided not to pay any dividends. Societe Generale has issued EUR 348 million in undated subordinated notes with warrants for the acquisition of preferential investment certificates attached, all of which are eligible for dividends on income earned from 1 July 1985. These certificates shall only be redeemed in the event of the liquidation of the company and once all unsubordinated debt has been reimbursed in full.

The other securities and borrowings have an early redemption clause as of their tenth year which may only be exercised by Societe Generale.

(2) The bank's global subordinated debt expense, net of tax and of the repurchase impact, amounted to EUR 1,172 million in 2014 (compared with EUR 905 million in 2013).

Note 17

CHANGES IN SHAREHOLDERS' EQUITY

(In millions of euros)	Capital Stock	Additional paid-in-capital	Reserves, unappropriated retained earnings	Shareholders' equity
At 31 December 2012	**975**	**19,847**	**9,458**	**30,280**
Increase in capital stock[(1)(2)]	23	391	(1)	413
Net income for the period			2,714	2,714
Dividends paid[(3)]			(345)	(345)
Other movements[(4)]			(9)	(9)
At 31 December 2013	**998**	**20,238**	**11,817**	**33,053**
Increase in capital stock[(5)(6)]	8	179	(2)	185
Net income for the period			996	996
Dividends paid[(7)]			(788)	(788)
Other movements				-
At 31 December 2014	**1,006**	**20,417**	**12,023**	**33,446**

(1) At 31 December 2013, Societe Generale's fully paid-up capital amounted to EUR 998,395,202.50 and comprised 798,716,162 shares with a nominal value of EUR 1.25.
In 2013 Societe Generale proceeded with the following capital increases, representing a total of EUR 23 million, with an issue premium of EUR 390.6 million:
- EUR 11.0 million resulting from dividend distribution, with a EUR 215.3 million issue premium;
- EUR 10.8 million for the capital increase reserved for the employees, with a EUR 173.6 million issue premium;
- EUR 1.1 million in free and conditional SG shares to employees taken from the reserves;
- EUR 0.094 million resulting from stock options granted by the Board of Directors, together with EUR 1.6 million of issue premiums.

(2) At 31 December 2013, the Societe Generale reserve totalled EUR 3,634,267,243.34 with EUR 97,534,153.38 for legal reserve, EUR 2,097,253,512.08 for long-term capital gain reserve and EUR 1,439,479,577.88 for other reserves.

(3) The dividend distribution in 2013 by Societe Generale amounts to EUR 345 million and breaks down as follows after elimination of treasury stock dividends for EUR 6.1 million:
- EUR 118.7 million in cash;
- EUR 226.3 million by attribution of shares of which EUR 11.0 million of capital increase and EUR 215.3 million of issue premium.

(4) Including a provision for investments released for EUR 9 million at 31 December 2013.

(5) At 31 December 2014, Societe Generale's fully paid-up capital amounted to EUR 1,006,509,557.50 and comprised 805,207,646 shares with a nominal value of EUR 1.25.
Societe Generale proceeded with the following capital increases in 2014, representing a total of EUR 8.11 million, with an issue premium of EUR 178.6 million:
- EUR 6.39 million for the capital increase reserved for employees, with a EUR 177 million issue premium;
- EUR 1.63 million in free and conditional Societe Generale shares to employees taken from the reserves;
- EUR 0.09 million resulting from stock options granted by the Board of Directors, together with a EUR 1.6 million issue premium.

(6) At 31 December 2014, the Societe Generale reserve totalled EUR 3,634,943,520.21 with EUR 99,839,520.25 for legal reserve, EUR 2,097,253,512.08 for long-term capital gain reserve and EUR 1,437,850,487.88 for other reserves.

(7) The dividends distribution in 2014 by Societe Generale amounts to EUR 787.7 million after elimination of treasury stock dividends for EUR 11.1 million.

Note 18

COMMITMENTS

(In millions of euros)	31 December 2014	31 December 2013
Commitments granted[(1)]		
Loan commitments		
- To banks	22,949	15,468
- To customers	111,011	96,517
Total	**133,960**	**111,985**
Guarantee commitments		
- On behalf of banks	135,707	123,465
- On behalf of customers	122,158	75,862
Total	**257,865**	**199,327**
Commitments received[(2)]		
Loan commitments received from banks	56,275	62,821
Guarantee commitments received from banks	48,019	47,518
Total	**104,294**	**110,339**

(1) Of which commitments granted to subsidiaries: EUR 35,425 million at 31 December 2014 (EUR 28,482 million at 31 December 2013).
(2) Of which commitments received from subsidiaries: EUR 4,606 million at 31 December 2014 (EUR 4,482 million at 31 December 2013).

Note 19

FORWARD FINANCIAL INSTRUMENTS COMMITMENTS

(In millions of euros)	Fair Value Trading transactions	Hedging transactions	Total at 31 December 2014	Total at 31 December 2013
Firm transactions				
Transactions on organised markets				
- Interest rate futures	503,672	-	503,672	510,116
- Foreign exchange futures	74,219	-	74,219	62,226
- Other futures contracts	1,123,206	324	1,123,530	1,100,675
OTC agreements				
- Interest rate swaps	10,719,939	72,679	10,792,618	11,228,571
- Currency financing swaps	967,355	1,534	968,889	941,580
- Forward Rate Agreements (FRA)	1,846,090	-	1,846,090	1,653,220
- Other	16,278	33	16,311	16,659
Optional transactions				
- Interest rate options	2,138,001	-	2,138,001	2,284,965
- Foreign exchange options	256,710	-	256,710	258,046
- Options on stock exchange indexes and equities	1,366,955	84	1,367,039	1,236,210
- Other options	109,508	-	109,508	116,544
Total	**19,121,933**	**74,654**	**19,196,587**	**19,408,812**

FAIR-VALUE OF THE TRANSACTIONS QUALIFIED AS HEDGING

(In millions of euros)	31 December 2014
Firm transactions	
Transactions on organised markets	
- Interest rate futures	-
- Foreign exchange futures	-
- Other forward contracts	37
OTC agreements	
- Interest rate swaps	2,859
- Currency financing swaps	(532)
- Forward Rate Agreements (FRA)	-
- Other	-
Optional transactions	
- Interest rate options	-
- Foreign exchange options	-
- Other options	-
Total	**2,364**

Note 20

INTEREST INCOME AND EXPENSES

(In millions of euros)	2014	2013
Interest and related income:		
Interest income from transactions with banks:		
Transactions with central banks, post office accounts and banks	1,615	2,929
Net premiums and discounts	-	3
Securities sold under repurchase agreements and borrowings secured by notes and securities	150	323
Sub-total	**1,765**	**3,255**
Interest income from transactions with customers:		
Trade notes	94	95
Other customer loans:		
- Short-term loans	1,028	1,021
- Export loans	228	215
- Equipment loans	1,223	1,322
- Mortgage loans	2,364	2,550
- Other loans	3,628	4,591
Sub-total	**8,471**	**9,699**
Overdrafts	327	254
Net premiums and discounts	-	-
Securities sold under repurchase agreements and borrowings secured by notes and securities	327	292
Sub-total	**9,219**	**10,340**
Bonds and other debt securities	***4,691***	***4,713***
Other interest and related income	***1,099***	***496***
Sub-total	**16,774**	**18,804**
Interest and related expenses:		
Interest expense from transactions with banks:		
Transactions with central banks, post office accounts and banks	(1,560)	(1,660)
Securities sold under repurchase agreements and borrowings secured by notes and securities	(349)	(387)
Sub-total	**(1,909)**	**(2,047)**
Interest expense from transactions with customers:		
Special savings accounts	(852)	(877)
Other deposits	(4,872)	(5,833)
Securities sold under repurchase agreements and borrowings secured by notes and securities	(264)	(283)
Sub-total	**(5,988)**	**(6,993)**
Bonds and other debt securities	***(6,681)***	***(6,636)***
Other interest and related expenses	***(1,227)***	***(794)***
Sub-total	**(15,805)**	**(16,470)**
Net total	**969**	**2,334**

Note 21

DIVIDEND INCOME

(In millions of euros)	2014	2013
Dividends from shares and other equity securities	10	7
Dividends from investments in non-consolidated subsidiaries and affiliates and other long-term securities	2,465	2,214
Total[(1)]	**2,475**	**2,221**

(1) Dividends received from investments in the trading portfolio have been classified under Net income from financial transactions.

Note 22

NET FEE INCOME

(In millions of euros)	2014	2013
Fee income from:		
Transactions with banks	75	106
Transactions with customers	1,040	1,037
Securities transactions	428	364
Primary market transactions	156	97
Foreign exchange transactions and forward financial instruments	25	25
Loan and guarantee commitments	635	675
Services and other	1,483	1,518
Sub-total	**3,842**	**3,822**
Fee expense on:		
Transactions with banks	(52)	(75)
Transactions with customers	-	-
Securities transactions	(551)	(467)
Foreign exchange transactions and forward financial instruments	(272)	(320)
Loan and guarantee commitments	(53)	(136)
Other	(160)	(150)
Sub-total	**(1,088)**	**(1,148)**
Net total	**2,754**	**2,674**

Note 23

NET INCOME FROM FINANCIAL TRANSACTIONS

(In millions of euros)	2014	2013
Net income from the trading portfolio:		
Net income from operations on trading securities	1,947	12,130
Net income from forward financial instruments	2,109	(7,821)
Net income from foreign exchange transactions	(331)	(808)
Sub-total	**3,725**	**3,501**
Net income from short-term investment securities:		
Gains on sale	879	596
Losses on sale	(98)	(284)
Allocation of depreciations	(89)	(177)
Reversal of depreciations	123	298
Sub-total	**815**	**433**
Net total	**4,540**	**3,934**

Note 24

PERSONNEL EXPENSES

(In millions of euros)	2014	2013
Employee compensation	3,187	3,136
Social security benefits and payroll taxes	1,463	1,539
Employer contribution, profit sharing and incentives(1)	148	113
Total	**4,798**	**4,788**
Average staff	**45,450**	**45,606**
In France	40,347	40,234
Outside France	5,103	5,372

(1) Analysis of personnel expenses for the last five years:

(In millions of euros)	2014	2013	2012	2011	2010
Societe Generale					
Profit sharing	12	10	9	31	15
Incentives	90	58	55	75	85
Employer contribution	44	44	41	67	61
Sub-total	**146**	**112**	**105**	**173**	**161**
Subsidiaries	**2**	**1**	**2**	**4**	**3**
Total	**148**	**113**	**107**	**177**	**164**

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICERS

Total attendance fees paid in 2014 to the company's directors amounted to EUR 1.25 million. The remuneration paid in 2014 to Chief Executive Officers (to the Chairman and Chief Executive Officer and to the three Deputy Chief Executive Officers) amounted to EUR 7.6 million (including EUR 0.2 million of additional remuneration awarded to the Chairman when he had to terminate his employment contract, and EUR 4.2 million of variable pay paid in cash or in shares for 2010 to 2012 fiscal years).

Note 25

EMPLOYEE BENEFITS

1. DEFINED CONTRIBUTION PLANS

Defined contribution plans limit Societe Generale's liability to the contributions paid to the plan but do not commit the company to a specific level of future benefits.

Main defined contribution plans provided to employees of the Group are located in France. They include state pension plans and other national pension plans such as ARRCO and AGIRC, as well as pension schemes put in place by some branches of Societe Generale for which the only commitment is to pay annual contributions (PERCO).

2. POST-EMPLOYMENT BENEFIT PLANS (DEFINED BENEFIT PLANS)

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

(In millions of euros)	31 December 2014	31 December 2013
Net liabilities recorded in the balance sheet	307	288
Assets recorded in the balance sheet	(135)	(124)
Net balance	**172**	**164**
Breakdown of the net balance		
Present value of funded defined benefit obligations	2,379	1,982
Fair value of plan assets	(1,883)	(1,591)
A - Actuarial deficit (net balance)	496	391
B - Present value of unfunded defined benefit obligations	115	100
Unrecognised items		
Unrecognised past service costs	2	24
Unrecognised net actuarial (Gains) / Losses	587	373
Separate assets	(150)	(70)
Plan assets impacted by change in asset ceiling	-	-
C - Total unrecognised items	439	327
A + B - C = Net balance	**172**	**164**

Notes:

(1) For pensions and other post-employment plans, actuarial gains and losses that exceed 10% of the greater of the defined benefit obligations or funding assets are amortised over the estimated average remaining working life of the employees participating in the plan in accordance with the corridor approach.

(2) Pension plans include pension benefit as annuities and end of career payments. Pension benefit annuities are paid in addition to pensions state plans.

(3) The present values of defined benefit obligations have been valued by independent qualified actuaries.

2.2. EXPENSES RECOGNISED IN THE INCOME STATEMENT

(In millions of euros)	2014	2013
Current service cost including social security contributions	58	48
Employee contributions	(1)	(1)
Amortisation of past service cost	14	51
Settlement, curtailment	(4)	-
Interest cost	76	71
Expected return on plan assets	(76)	(73)
Expected return on separate assets	(2)	-
Amortisation of losses (gains)	34	60
Change in asset ceiling	-	-
Transfer from non recognised assets	2	-
Total Expenses	**101**	**156**

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

2.3.1. Changes in the present value of defined benefit obligations

(In millions of euros)	2014	2013
At January 1	**2,082**	**2,179**
Current service cost including social security contributions	58	48
Employee contributions	-	-
Past service cost	(5)	46
Interest cost	76	71
Actuarial (gain)/loss	395	(128)
Foreign exchange adjustment	72	(22)
Benefit payments	(147)	(117)
Acquisition/(Sale) of subsidiaries	-	-
Transfers, reductions and others	(36)	5
At December 31	**2,495**	**2,082**

2.3.2. Changes in fair value of plan assets and separate assets

(In millions of euros)	2014	2013
At January 1	**1,591**	**1,529**
Expected return on plan assets	75	73
Expected return on separate assets	2	-
Actuarial gain/(loss)	154	(5)
Foreign exchange adjustment	68	(20)
Employee contributions	1	1
Employer contributions to plan assets	127	90
Benefit payments	(108)	(97)
Acquisition/(Sales) of subsidiaries	-	-
Transfers, liquidation and others	(27)	20
At December 31	**1,883**	**1,591**

2.4. INFORMATION REGARDING PLAN ASSETS

2.4.1. General information regarding plan assets

(for all benefits and future contributions)

The breakdown of the fair value of plan assets is as follows: 47% bonds, 42% equities, 1% money market instruments and 10% others. Societe Generale’s own financial instruments directly held are not significant.

For pension plans with a fair value of plan assets in excess of defined benefit obligations, the aggregate of plan assets is EUR 135 million.

Employer contributions to be paid to post-employment defined benefit plans for 2015 are estimated at EUR 5 million.

2.4.2. Actual returns on plan assets

The actual returns on plan and separate assets were:

(In millions of euros)	31 December 2014	31 December 2013
Plan assets	229	68
Separate assets	2	-

The assumptions on return on assets are presented in section 2.5.

2.5. MAIN ASSUMPTIONS DETAILED BY GEOGRAPHICAL AREA

	31 December 2014	31 December 2013
Discount rate		
Europe	2.36%	3.56%
Americas	4.40%	5.05%
Asia-Oceania-Africa	2.79%	3.33%
Long-term inflation rate		
Europe	2.39%	2.22%
Americas	2.00%	2.00%
Asia-Oceania-Africa	1.78%	1.82%
Expected return on plan assets		
Europe	3.95%	4.82%
Americas	6.50%	6.50%
Asia-Oceania-Africa	2.76%	2.76%
Future salary increase net of inflation		
Europe	0.59%	0.61%
Americas	2.00%	2.00%
Asia-Oceania-Africa	2.46%	2.68%
Average remaining working lifetime of employees (in years)		
Europe	8.70	8.97
Americas	9.10	8.97
Asia-Oceania-Africa	11.08	11.80
Duration (in years)		
Europe	16.32	14.41
Americas	23.44	18.28
Asia-Oceania-Africa	9.65	9.84

Notes:

(1) The assumptions by geographical area are averages weighted by the present value of the Defined Benefit Obligations (DBO) with the exception of the expected returns on plan assets, which are averages weighted by the fair value of assets.

(2) The range of expected rates of return on plan assets rate is related to the composition of the assets.
Generally, expected return rates of plan assets are calculated by weighting expected anticipated returns on each category of assets with their respected weights in the asset fair value.

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

(4) The average remaining working lifetime of employees is calculated taking into account turn over assumptions.

(5) The assumptions described above have been applied on post employment benefit plans.

2.6. OBLIGATIONS SENSITIVITIES TO MAIN ASSUMPTIONS RANGES

(Measured element percentage)	2014	2013
Variation from +1% in discount rate		
Impact on the present value of defined benefit obligations at December 31 N	-15%	-13%
Variation from +1% in long-term inflation rate		
Impact on the present value of defined benefit obligations at December 31 N	13%	12%
Variation from +1% in expected return on plan assets		
Impact on fair value of plan assets at December 31 N	1%	1%
Variation from +1% in future salary increases		
Impact on the present value of defined benefit obligations at December 31 N	4%	3%

Note:

1. The disclosed sensitivities are averages of the variations weighted by the present value of Defined Benefit Obligations (DBO) at December 31, 2014 or weighted by the fair value of plan assets.

3. OTHER LONG-TERM BENEFITS

Societe Generale may award its employees other long-term benefits, like long-term deferred variable remunerations, time saving accounts (French Term) *(Comptes Épargne Temps)* or long service awards. They are different from post-employment benefits and termination benefits, which are not fully due within twelve months following the financial year during which the services are rendered by the employees.

The amount of net balance of other long-term benefits stands at EUR 662 million.

The total amount of charges for other long-term benefits is EUR 213 million.

Note 26

SUBSCRIPTION OR PURCHASE STOCK-OPTION PLANS AND FREE SHARE PLANS

1. MAIN CHARACTERISTICS OF SUBSCRIPTION OR PURCHASE STOCK-OPTION PLANS AND FREE SHARE PLANS

Plans for employees for the year ended 31 December 2014 are briefly described below:

Issuer	Societe Generale
Year of grant	**2014**
Type of plan	**performance shares**
Number of free shares granted	633,211
Shares delivered	-
Shares forfeited as at 31 December 2014	4,756
Shares outstanding as at 31 December 2014	628,455
Number of shares reserved as at 31 December 2014	628,455
Performance conditions	yes(1)
Resignation from the Group	forfeited
Redundancy	forfeited
Retirement	maintained
Death	maintained for 6 months
Share value, used as basis for social contributions	EUR 20 million

(1) Conditions of performance are described in the “Corporate Governance” section of the present document.

2. AMOUNT OF THE DEBT RECORDED IN THE BALANCE SHEET FOR 2014 PLAN

The amount of the debt recorded in the balance sheet for the 2014 plan is EUR 4 million.

3. INFORMATION RELATIVE TO TREASURY SHARES FOR 2014 PLAN

The number of treasury shares linked to the 2014 plan is 628,455 for EUR 10 million.

4. INFORMATION RELATIVE TO SHARES GRANTED TO EACH CHIEF EXECUTIVE DIRECTOR

In 2014, these shares are granted as payment of part of the deferred annual variable pay, as required by the CRD IV European Directive. These plans are described in the “Corporate Governance” section of this document.

Note 27

COST OF RISK

(In millions of euros)	2014	2013
Net allocation to depreciations and provisions for identified risks		
Identified risks[1]	(529)	(689)
Losses not covered by depreciations and amounts recovered on write-offs	(136)	(182)
Other risks and commitments[2]	(400)	(392)
Sub-total	**(1,065)**	**(1,263)**
Net allocation to general country risk reserves[1][3]	775	(18)
Net allocation to depreciations and provisions for receivables and off-balance commitments	**(290)**	**(1,281)**
(1) Including gain (loss) on revaluation of currency hedge of provisions:		
- Counterparty risk	*(85)*	*161*
- Net allocation to general country risk reserves		

(2) To take into account the developments in a number of legal risks, including in particular the ongoing judicial investigations and proceedings with the US and European authorities, as well as the French *"Conseil d'État"* ruling on the *"précompte"*, Societe Generale has recognised a provision for disputes among its liabilities that was adjusted in 2014 by an additional allowance of EUR 400 million, taking it to EUR 1,100 million.

(3) The country risk reserve was used and allocated to reserves on equity securities of foreign subsidiaries (Cf. Note 6).

Note 28

NET INCOME FROM LONG-TERM INVESTMENTS

(In millions of euros)	2014	2013
Long-term investment securities:		
Net capital gains (or losses) on sale	(1)	(3)
Net allocation to depreciations	18	-
Sub-total	**17**	**(3)**
Investments in subsidiaries and affiliates:		
Gains on sale(1)	9	1,336
Losses on sale(2)	(213)	(15)
Allocation to depreciations(3)	(1,577)	(191)
Reversal of depreciations(3)	411	197
Subsidies granted to affiliates (subsidiaries)	-	-
Sub-total	**(1,370)**	**1,327**
Operating fixed assets:		
Gains on sale	1	16
Losses on sale	(2)	(8)
Sub-total	**(1)**	**8**
Total	**(1,354)**	**1,332**

(1) Societe Generale sold its stake in National Societe Generale Bank in 2013. This sale generated a capital gain of EUR 1,262 million.
(2) Of which EUR 202 million concerning the sale of SG Leasing XII.
(3) Of which EUR 1,573 million of allocations and EUR 409 million of write-backs in 2014 for subsidiaries (Cf. Note 6 - Investments in subsidiaries).

Note 29

INCOME TAX

(In millions of euros)	2014	2013
Current taxes	203	516
Deferred taxes	(302)	(295)
Total[1]	**(99)**	**221**

(1) 2014 income tax includes a gain of EUR 114.4 million (against a gain of EUR 80 million for 2013) as a consequence of the tax consolidation (296 subsidiaries were consolidated in 2014 against 300 in 2013).

Note 30

BREAKDOWN OF ASSETS AND LIABILITIES BY TERM TO MATURITY

	Outstanding at 31 December 2014					
(In millions of euros)	**Less than 3 months**	**3 months to one year**	**1 to 5 years**	**More than 5 years**	**Intercompany eliminations: Societe Generale Paris/branches**	**Total**
ASSETS						
Due from banks	**209,757**	**46,480**	**41,476**	**13,354**	**(135,173)**	**175,894**
Customer loans	**81,345**	**39,469**	**103,717**	**76,505**	**(6)**	**301,030**
Bonds and other debt securities:						
Trading securities	29,818	46,661	350	284	(63)	77,050
Short-term investment securities	2,201	7,801	524	1,174		11,700
Long-term investment securities	-	1,875	1,070	16,114		19,059
Total	**323,121**	**142,286**	**147,137**	**107,431**	**(135,242)**	**584,733**
LIABILITIES						
Due to banks	238,621	30,035	55,627	32,955	(134,966)	222,272
Customer deposits	219,091	29,814	59,319	47,244	(1,930)	353,538
Liabilities in the form of securities issued	27,733	18,538	21,896	20,003	(3)	88,167
Total	**485,445**	**78,387**	**136,842**	**100,202**	**(136,899)**	**663,977**

Note 31

TRANSACTIONS IN FOREIGN CURRENCIES

	31 December 2014				31 December 2013			
(In millions of euros)	Assets	Liabilities	Foreign exchange bought, not yet received	Foreign exchange sold, not yet delivered	Assets	Liabilities	Foreign exchange bought, not yet received	Foreign exchange sold, not yet delivered
EUR	613,465	666,794	271,302	256,743	623,387	671,001	264,644	241,449
USD	243,780	233,809	466,333	471,733	226,153	211,514	415,526	422,503
GBP	54,875	51,855	75,325	67,569	42,518	44,057	74,988	70,809
JPY	60,690	53,329	67,581	80,015	45,540	38,764	64,627	72,652
Other currencies	74,175	41,198	181,837	190,712	61,991	34,253	144,570	158,183
Total	**1,046,985**	**1,046,985**	**1,062,378**	**1,066,772**	**999,589**	**999,589**	**964,355**	**965,596**

Note 32

GEOGRAPHICAL BREAKDOWN OF NET BANKING INCOME(1)

	France		Europe		Americas	
(In millions of euros)	2014	2013	2014	2013	2014	2013
Net interest and similar income	4,250	3,852	326	321	211	247
Net fee income	2,230	2,227	344	309	111	105
Net income from financial transactions	1,699	2,790	1,031	1,012	124	10
Other net operating income	5	(396)	27	52		(5)
Net banking income	**8,184**	**8,473**	**1,728**	**1,694**	**446**	**357**

	Asia		Africa		Oceania	
(In millions of euros)	2014	2013	2014	2013	2014	2013
Net interest and similar income	203	127	-	7		2
Net fee income	60	31	9	2		
Net income from financial transactions	138	122	2	1		(1)
Other net operating income	1	16				3
Net banking income	**402**	**296**	**11**	**10**	**-**	**4**

	Total	
(In millions of euros)	2014	2013
Net interest and similar income	4,990	4,556
Net fee income	2,754	2,674
Net income from financial transactions	2,994	3,934
Other net operating income	33	(330)
Net banking income	**10,771**	**10,834**

(1) Geographical regions in which companies recording income is located.

Note 33

OPERATIONS IN UNCOOPERATIVE STATES OR TERRITORIES

Since 2003, Societe Generale has defined strict internal rules to prevent the development of operations in countries qualified as uncooperative tax havens by the OECD. Any operation, or development of activities as part of existing operations, may only be authorised by decision of the General Management after approval by the Corporate Secretariat and the Risk Division.

Since 2010, Societe Generale decided to close, and therefore took the necessary steps to close, all the Group's operations in Countries and Territories deemed non-cooperative by France, the list of which was updated by the Ministerial act of 17 January 2014 (published on 19 January 2014).

In 2014, Societe Generale no longer directly or indirectly held any operation in the states and territories in question. Societe Generale holds an unused license to operate in Brunei and an inactive Entity in the process of liquidation in The British Virgin Islands.

Note 34

TABLE OF SUBSIDIARIES AND AFFILIATES

(In thousands of euros or local currency) Company/Head Office	Activity/Division		2014 Registered capital (local currency)(1)	2014 Shareholders' equity other than capital (local currency)(1)	2014 Share of capital held %	2014 Book value of shares held Gross (EUR)	2014 Book value of shares held Net (EUR)
I - INFORMATION ON INVESTMENTS WITH A BOOK VALUE IN EXCESS OF 1% OF SOCIETE GENERALE'S SHARE CAPITAL							
A) Subsidiaries (more than 50% owned by Societe Generale)							
INTER EUROPE CONSEIL	**Credit institution**						
29, boulevard Haussmann - 75009 Paris - France	Global Banking and Investor Solutions	EUR	1,161,158	2,972,377	100.00	3,852,866	3,852,866
SG AMERICAS SECURITIES HOLDINGS, LLC	**Brokerage**						
1221 avenue of the Americas - New York 10020 - USA	Global Banking and Investor Solutions	USD	1,430,976	689,049	100.00	1,438,671	1,438,671
SG FINANCIAL SERVICES HOLDING	**Portfolio management**						
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	862,976	611,781	100.00	1,357,285	1,357,285
GENEFINANCE	**Portfolio management**						
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	1,000,000	236,672	100.00	1,076,025	1,076,025
SOCIETE GENERALE SECURITIES SERVICES SPA	**Credit institution**						
Via Benigno Crespi, 19 A - 20159 Milano - Italy	Global Banking and Investor Solutions	EUR	111,309	214,944	100.00	745,062	745,062
GENEFIMMO	**Real estate and real estate financing**						
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	357,340	25,233	100.00	616,732	616,732
SOCIETE GENERALE SPLITSKA BANKA	**International retail banking**						
Rudera Boskovica 16 - 21000 Split - Croatia	International retail Banking and Financial Services	HRK	991,426	2,656,382	100.00	1,053,708	601,935
NEWEDGE GROUP	**Brokerage and derivatives**						
52/60, Avenue des Champs Elysées - 75008 Paris - France	Global Banking and Investor Solutions	EUR	495,131	32,283	100.00	598,874	598,874
NEWEDGE USA	**Brokerage and derivatives**						
630 Fifth avenue Rockefeller Center Suite 500 - NewYork 10111 - USA	Global Banking and Investor Solutions	USD	1,066,451	1,153,258	100.00	597,150	597,150
SOGEMARCHE	**Real estate**						
17, cours Valmy - 92800 Puteaux - France	Corporate Centre	EUR	500,000	(22,953)	100.00	500,000	500,000
BANCO SOCIETE GENERALE BRASIL S/A	**Investment banking**						
Avenida Paulista, 2300 - Cerqueira Cesar - Sâo Paulo - SPCEP 01310-300 - Brazil	Global Banking and Investor Solutions	BRL	2,374,923	(4,198)	100.00	894,087	434,852
SOCIETE GENERALE (CHINA) LIMITED	**International retail banking**						
2, Wudinghou Street, Xicheng District - 100140 Beijing - China	Global Banking and Investor Solutions	CNY	4,000,000	(246,190)	100.00	417,859	404,270
SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD	**Brokerage of marketable securities**						
Ark Mori Building - 13-32 Akasaka 1 - Chome, Minato-Ku - 107-6015 Tokyo - Japan	Global Banking and Investor Solutions	JPY	31,703,000	10,312,000	100.00	321,306	321,306
VALMINVEST	**Office space**						
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	248,877	8,074	100.00	249,427	249,427

2014	2014	2014	2014	2014	2014
Unreimbursed loans and advances made by the Company (in EUR)	Guarantees given by the Company (in EUR)	Revenue excluding tax for the last financial year (local currency)(1)(2)(3)	Net income (profits and losses) for the last financial year (local currency)(1)(3)	Dividends received by the Company during the year (in EUR)	Remarks Revaluation difference
10,376,710	-	1,094,650	481,445	-	
527,139	-	669,012	(82,142)	-	1 EUR = 1.2141 USD
1,957,120	-	604,984	476,649	74,618	
2,159,663	-	113,069	434,419	749,000	
-	-	171,309	30,205	-	
84,038	1,888	40,623	34,570	9,262	
11,624	223,429	1,055,449	185,756	-	1 EUR = 7.658 HRK
1,936,513	3,665,000	(59,399)	(339,903)	-	
745,408	-	-	(80,064)		1 EUR = 1.2141 USD
80,000	-	23,814	(988)	-	
-	494,193	152,443	79,568	-	1 EUR = 3.2207 BRL
-	168,018	655,072	28,399	-	1 EUR = 7.5358 CNY
-	2,754,353	37,641,000	18,293,000	131,281	1 EUR = 145.23 JPY
-	-	641,333	7,203	-	

(In thousands of euros or local currency) Company/Head Office	Activity/Division		2014 Registered capital (local currency)(1)	2014 Shareholders' equity other than capital (local currency)(1)	2014 Share of capital held %	2014 Book value of shares held Gross (EUR)	2014 Net (EUR)
SG AMERICAS, INC.	**Investment banking**						
1221 avenue of the Americas - New York 10020 - USA	Global Banking and Investor Solutions	USD	-	282,551	100.00	1,685,355	220,543
LYXOR ASSET MANAGEMENT	**Alternative asset management**						
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	161,106	28,806	100.00	217,348	217,348
GENEGIS I	**Office space**						
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	192,900	19,481	100.00	196,061	196,061
SG SECURITIES KOREA	**Business consulting**						
(1-ga, Shinmun-ro),14F 82, Saemunan-ro, Jongno-gu - Seoul - South Korea	Global Banking and Investor Solutions	KRW	205,500,000	(11,686,449)	100.00	155,065	155,065
COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	**Office space**						
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	76,627	2,003	100.00	155,837	150,488
ORPAVIMOB	**Real estate and real estate financing**						
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	130,253	9,502	100.00	130,253	130,253
SOCIETE GENERALE ALGERIE	**International retail banking**						
75, chemin Cheikh Bachir Ibrahimi, El-Biar - 16010 Algiers - Algeria	International retail Banking and Financial Services	DZD	10,000,000	13,874,433	100.00	110,524	110,524
SOGECAMPUS	**Real estate**						
17, cours Valmy - 92800 Puteaux - France	Corporate Centre	EUR	96,284	(6,353)	100.00	96,284	96,284
SI DU 29 BOULEVARD HAUSSMANN	**Office space**						
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	90,030	22,459	100.00	89,992	89,992
SOCIÉTÉ GÉNÉRALE ITALIA HOLDING SPA	**Portfolio management**						
Via Olona 2 - 20123 Milano - Italy	Global Banking and Investor Solutions	EUR	78,327	-	100.00	566,396	77,493
SOGELEASE B.V.	**Leasing and finance**						
Amstelplein 1 1096 HA Amsterdam 94066 1090 GB - Amsterdam - Netherlands	Global Banking and Investor Solutions	EUR	2,269	54,652	100.00	62,000	62,000
SG FACTORING SPA	**Factoring**						
Via Trivulzio n°7 - 20146 Milan - Italy	Global Banking and Investor Solutions	EUR	11,801	29,918	100.00	46,100	46,100
SG ASIA (HONG-KONG) LTD	**Merchant banking**						
42/F Edinburgh Tower - 15 Queen's Road Central - Hong Kong	Global Banking and Investor Solutions	HKD	400,000	(51,900)	100.00	42,247	42,247
ELEAPARTS	**Office space**						
29, boulevard Haussmann - 75009 Paris - France	French retail Banking	EUR	37,967	6,078	100.00	37,978	37,978
SG HOLDING DE VALORES Y PARTICIPATIONES S.N.	**Portfolio management**						
1 Plaza Pablo Ruiz Picasso (Tore Picasso) - 28020 Madrid - Spain	Global Banking and Investor Solutions	EUR	3,000	25,984	100.00	28,984	28,984
INORA LIFE LTD	**Life insurance**						
6, Exchange Place, International Financial Services Center - Dublin 1 - Ireland	Global Banking and Investor Solutions	EUR	40,000	(15,657)	100.00	40,000	25,855
GENINFO	**Portfolio management**						
Les Miroirs, Bt. C, 18, avenue d'Alsace - 92400 Courbevoie - France	Corporate Centre	EUR	18,524	61,270	100.00	20,477	20,477
SG AUSTRALIA HOLDINGS LTD	**Portfolio management**						
Level 25, 1-7 bligh street - Sydney, NSW 2000 - Australia	Global Banking and Investor Solutions	AUD	19,500	(81,703)	100.00	12,892	12,892

2014	2014	2014	2014	2014	2014
Unreimbursed loans and advances made by the Company (in EUR)	**Guarantees given by the Company (in EUR)**	**Revenue excluding tax for the last financial year (local currency)[(1)(2)(3)]**	**Net income (profits and losses) for the last financial year (local currency)[(1)(3)]**	**Dividends received by the Company during the year (in EUR)**	**Remarks Revaluation difference**
					capital = 1 USD
-	346,473	7,118	(14,593)	-	1 EUR = 1.2141 USD
-	-	98,643	24,538	17,376	
17,000	-	222,878	(3,705)	-	
-	578,865	82,373,613	26,898,797	-	1 EUR = 1,324.80 KRW
-	-	837	2,873	1,196	
-	-	17,476	2,989	-	
3,634	402,846	13,578,946	4,679,746	23,174	1 EUR = 107.0466 DZD
141,500	-	-	(14)	-	
-	-	7,442	3,133	3,076	
-	-	-	(140)	-	
-	-	(26)	(136)	-	
-	265,000	12,110	4,349	-	
42,241	-	128,708	20,663	-	1 EUR = 9.417 HKD
-	-	2,703	786	972	
28,269	-	1,256	(483)	-	
-	-	3,662	14	-	
-	-	3,470	1,668	5,997	
-	-	82,366	82,357	36,598	1 EUR = 1.4829 AUD

(In thousands of euros or local currency)			2014	2014	2014	2014	2014
						Book value of shares held	
Company/Head Office	**Activity/Division**		**Registered capital (local currency)(1)**	**Shareholders' equity other than capital (local currency)(1)**	**Share of capital held %**	**Gross (EUR)**	**Net (EUR)**
SG SECURITIES ASIA INTERNATIONAL HOLDINGS LTD (HONG-KONG)	**Investment banking**						
41/F Edinburgh Tower - 15 Queen's Road Central - Hong Kong	Global Banking and Investor Solutions	USD	154,990	124,490	100.00	143,087	143,087
SOCIETE GENERALE IMMOBEL	**Real estate**						
5, place du Champs de Mars - 1050 Brussels - Belgium	Global Banking and Investor Solutions	EUR	1,000,062	43,972	100.00	1,000,061	1,000,061
SG HAMBROS LIMITED (HOLDING)	**Asset management**						
Exchange House - Primrose st. - London EC2A 2HT - United Kingdom	Global Banking and Investor Solutions	GBP	282,185	121,146	100.00	385,883	385,883
GENEVAL	**Portfolio management**						
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	538,630	132,062	100.00	1,910,368	681,873
SOCIETE GENERALE SFH	**Credit institution**						
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	375,000	80,456	100.00	375,000	375,000
ALD INTERNATIONAL SA	**Automobile leasing and financing**						
15, allée de l'Europe - 92110 Clichy sur Seine - France	International retail Banking and Financial Services	EUR	550,038	22,605	100.00	804,000	804,000
CREDIT DU NORD	**French retail banking**						
28, place Rihour - 59800 Lille - France	French retail Banking	EUR	890,263	877,828	100.00	1,410,255	1,410,255
SOCIETE GENERALE BANKA SRBIJA	**International retail banking**						
Vladimira Popovica 6 - 11070 Novi Beograd - Serbia	International retail Banking and Financial Services	RSD	23,724,274	10,808,902	100.00	254,836	254,836
SOCIETE GENERALE SECURITIES SERVICES HOLDING	**Portfolio management**						
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	237,555	(162,587)	100.00	237,555	167,162
SOCIETE GENERALE SCF	**Mortgages**						
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	150,000	57,170	100.00	150,000	150,000
SG EUROPEAN MORTGAGE INVESTMENTS	**Portfolio management**						
17, cours Valmy - 92800 Puteaux - France	Global Banking and Investor Solutions	EUR	47,237	(25,496)	99.99	47,200	47,200
SOCIETE DE LA RUE EDOUARD VII	**Office space**						
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	11,396	12,284	99.91	59,612	21,387
SG EXPRESS BANK	**International retail banking**						
92, Bld Vl Varnentchik - 9000 Varna - Bulgaria	International retail Banking and Financial Services	BGN	33,674	453,194	99.74	62,354	62,354
ROSBANK	**International retail banking**						
11 , Masha Poryvaeva St - PO Box 208 - Moscow - Russia	International retail Banking and Financial Services	RUB	16,090,914	99,945,478	99.49	3,735,741	2,364,579
SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED	**Investment banking**						
SG House, 41 Tower Hill, EC3N 4SG - London - United Kingdom	Global Banking and Investor Solutions	GBP	157,820	125,537	98.96	215,592	215,592
SKB BANKA	**International retail banking**						
Adjovscina,4 - 1513 Ljubljana - Slovenia	International retail Banking and Financial Services	EUR	52,784	254,731	97.58	220,218	220,218
BANK REPUBLIC	**International retail banking**						
2 Gr, Abashidze St-Tbilisi - Georgia	International retail Banking and Financial Services	GEL	76,031	91,110	93.64	110,275	68,367

2014	2014	2014	2014	2014	2014
Unreimbursed loans and advances made by the Company (in EUR)	**Guarantees given by the Company (in EUR)**	**Revenue excluding tax for the last financial year (local currency)[(1)(2)(3)]**	**Net income (profits and losses) for the last financial year (local currency)[(1)(3)]**	**Dividends received by the Company during the year (in EUR)**	**Remarks Revaluation difference**
57,656	-	662,148	325,396	390,045	1 EUR = 1.2141 USD
-	-	52,312	27,693	-	
53,447	-	104,754	18,593	6,358	1 EUR = 0.7789 GBP
-	-	9,007	6,078	18,515	
109,517	-	2,078,610	20,385	-	
1,415,000	16	60,979	134,090	-	
1,237,449	203,834	1,117,108	361,508	411,746	
127,946	23,611	11,108,732	1,124,641	-	1 EUR = 121.048 RSD
-	-	-	(82,858)	-	
-	-	530,196	6,989	-	
-	-	-	872	-	
-	-	78	(7)	13	difference = 16,509
122,566	291,059	181,054	61,044	-	1 EUR = 1.9558 BGN
920,727	621,766	43,350,407	455,268	-	1 EUR = 72.337 RUB
1,041,119	34,493	40,441	20,915	14,440	1 EUR = 0.7789 GBP
146,293	220,718	104,880	34,995	-	
10,812	159,542	95,991	27,988	-	1 EUR = 2.2884 GEL

(In thousands of euros or local currency) Company/Head Office	Activity/Division		2014 Registered capital (local currency)[1]	2014 Shareholders' equity other than capital (local currency)[1]	2014 Share of capital held %	2014 Book value of shares held Gross (EUR)	2014 Net (EUR)
SOGINFO - SOCIETE DE GESTION ET D'INVESTISSEMENTS FONCIERS	**Office space**						
29, boulevard Haussmann - 75009 Paris - France	French retail Banking	EUR	133,292	200,653	92.59	148,720	148,720
SOCIETE GENERALE MAURITANIE	**International retail banking**						
Ilot A, n°652 Nouakchott - Mauritania	International retail Banking and Financial Services	MRO	6,000,000	2,476,872	91.00	18,455	18,455
SOCIETE GENERALE BANKA MONTENEGRO A.D.	**International retail banking**						
Bulevar Revolucije 17 - 81000 Podgorica - Montenegro	International retail Banking and Financial Services	EUR	24,731	24,080	90.56	28,819	28,819
BANKA SOCIETE GENERALE ALBANIA SH.A	**International retail banking**						
BLV Deshmoret e Kombit Twin Tower -Tirana - Albania	International retail Banking and Financial Services	ALL	6,740,900	1,123,798	88.64	70,024	58,727
BOURSORAMA SA	**Online brokerage**						
18, Quai du Point du Jour - 92100 Boulogne-Billancourt - France	French retail Banking	EUR	35,548	490,997	79.51	565,347	565,347
OHRIDSKA BANKA	**International retail banking**						
Makedonski Prosvetiteli 19 6000 - Macedonia	International retail Banking and Financial Services	MKD	1,162,253	998,723	72.31	30,371	26,489
BANQUE DE POLYNESIE	**Retail banking**						
Bd Pomare, BP 530, Papeete - Tahiti - French Polynesia	International retail Banking and Financial Services	XPF	1,380,000	7,806,629	72.10	12,397	12,397
SG DE BANQUES EN COTE D'IVOIRE	**International retail banking**						
5 & 7, avenue J. Anoma, 01 BP 1355 - Abidjan 01 - Ivory Coast	International retail Banking and Financial Services	XAF	15,555,555	70,413,070	71.84	30,504	30,504
MOBIASBANCA GROUPE SOCIETE GENERALE	**International retail banking**						
Bd. Stefan cel Mare 81A, MD-2012 mun.- Chisinau - Republic of Moldavia	International retail Banking and Financial Services	MDL	99,944	794,628	67.85	24,960	24,960
KOMERCNI BANKA A.S	**International retail banking**						
Centrala Na Prokope 33 - Postovni Prihradka 839 - 114 07 Prague 1 - Czech Republic	International retail Banking and Financial Services	CZK	19,004,926	57,444,511	60.35	1,256,980	1,256,980
BRD - GROUPE SOCIETE GENERALE	**International retail banking**						
A, Doamnei street, 70016 Bucharest 3 - Romania	International retail Banking and Financial Services	RON	696,902	4,890,099	60.17	228,725	228,725
SOCIETE GENERALE CAMEROUN	**International retail banking**						
78 Rue Joss, BP 4042 - Douala - Cameroon	International retail Banking and Financial Services	XAF	12,500,000	35,858,806	58.08	16,940	16,940
GENEFIM	**Real estate lease finance**						
29, boulevard Haussmann - 75009 Paris - France	French retail Banking	EUR	72,779	29,136	57.62	89,846	89,846
SG MAROCAINE DE BANQUES	**International retail banking**						
55, boulevard Abdelmoumen - Casablanca - Morocco	International retail Banking and Financial Services	MAD	2,050,000	6,686,962	57.01	136,503	136,503
UNION INTERNATIONALE DE BANQUES	**International retail banking**						
65, avenue Habib Bourguiba - 1000A Tunis - Tunisia	International retail Banking and Financial Services	TND	172,800	59,243	52.34	153,211	136,747

2014 Unreimbursed loans and advances made by the Company (in EUR)	2014 Guarantees given by the Company (in EUR)	2014 Revenue excluding tax for the last financial year (local currency)(1)(2)(3)	2014 Net income (profits and losses) for the last financial year (local currency)(1)(3)	2014 Dividends received by the Company during the year (in EUR)	2014 Remarks Revaluation difference
-	2,000	32,555	4,938	11,760	
-	-	6,606,060	1,490,270	-	1 EUR = 355.8701 MRO
8,000	92,454	21,486	5,769	-	
-	70,512	2,981,469	751,637	-	1 EUR = 140.135 ALL
424,033	460,000	178,720	10,599	-	
18,500	123,585	1,192,703	243,481	-	1 EUR = 61.4724 MKD
49,254	166,756	6,153,151	275,786	-	1 EUR = 119.33174 XPF
-	23,778	72,639,363	26,282,975	11,135	difference = 5,166 1 EUR = 655.957 XAF
-	69,450	407,679	94,804	745	1 EUR = 19.08735 MDL
671,179	102,000	28,680,281	12,668,786	191,989	1 EUR = 27.735 CZK
572,967	323,300	2,548,011	67,774	-	1 EUR = 4.4828 RON
-	25,611	48,256,285	7,082,876	5,695	difference = 1,675 1 EUR = 655.957 XAF
2,039,558	-	39,027	14,787	11,009	
-	373,114	4,125,214	754,878	11,504	difference = 1,142 1 EUR = 10.98795 MAD
104,912	4,977	203,722	42,949	-	1 EUR = 2.2629 TND

(In thousands of euros or local currency)			2014	2014	2014	2014	2014
						Book value of shares held	
Company/Head Office	**Activity/Division**		**Registered capital (local currency)[1]**	**Shareholders' equity other than capital (local currency)[1]**	**Share of capital held %**	**Gross (EUR)**	**Net (EUR)**
B) Affiliates (10% to 50% owned by Societe Generale)							
FIDITALIA SPA	**Consumer finance**						
Via G. Ciardi, 9 - 20148 Milan - Italy	International retail Banking and Financial Services	EUR	130,000	60,001	48.68	224,318	103,255
SG CONSUMER FINANCE	**Portfolio management**						
59, Avenue de Chatou - 92853 Rueil Malmaison - France	International retail Banking and Financial Services	EUR	56,336	104,843	25.37	480,037	218,000
SOGEPARTICIPATIONS	**Portfolio management**						
29, boulevard Haussmann - 75009 Paris - France	Corporate Centre	EUR	411,267	383,585	24.58	234,000	234,000
SG CALEDONIENNE DE BANQUE	**Retail banking**						
56, rue de la Victoire - Nouméa - New Caledonia	International retail Banking and Financial Services	XPF	1,068,375	13,715,706	20.60	16,266	16,266
AMUNDI GROUP	**Credit institution**						
90, boulevard Pasteur - 75015 Paris - France	Global Banking and Investor Solutions	EUR	416,979	2,767,891	20.00	1,028,870	1,028,870
CAISSE DE REFINANCEMENT DE L'HABITAT	**Refinancing loans in the accommodation**						
35, rue de la Boetie - 75008 Paris - France	Corporate Centre	EUR	539,995	24,445	14.87	72,835	72,835
CREDIT LOGEMENT	**Credit institution**						
50, boulevard Sébastopol - 75003 Paris - France	Corporate Centre	EUR	1,259,850	979,790	13.50	171,037	171,037

(1) For foreign subsidiaries and affiliates, shareholders' equity is booked in the Group consolidated financial statements in their consolidated reporting currency.

(2) For banking and finance subsidiaries, revenue refers to net banking income.

(3) Financial statements not yet audited for French companies.

TABLE OF SUBSIDIARIES AND AFFILIATES (CONTINUED)

	Book value of shares held					
(In thousands of euros)	**Gross**	**Net**	**Unreimbursed loans and advances made by the Company**	**Guarantees given by the Company**	**Dividends received during the year**	**Remarks**
II - INFORMATION CONCERNING OTHER SUBSIDIARIES AND AFFILIATES						
A) Subsidiaries not included in paragraph 1:						
1°) French subsidiaries	109,232	55,061	13,115,041	490,423	77,955	Revaluation difference: 389
2°) Foreign subsidiaries	366,592	96,222	1,089,385	54,050,192	16,349	Revaluation difference: 1,447
B) Affiliates not included in paragraph 1:						
1°) French companies	6,199	4,626	-	-	1,772	Revaluation difference: -
2°) Foreign companies	9,794	9,794	-	50,669	2,588	Revaluation difference: -
	491,817	165,703	14,204,426	54,591,284	98,664	

2014 Unreimbursed loans and advances made by the Company (in EUR)	2014 Guarantees given by the Company (in EUR)	2014 Revenue excluding tax for the last financial year (local currency)[(1)(2)(3)]	2014 Net income (profits and losses) for the last financial year (local currency)[(1)(3)]	2014 Dividends received by the Company during the year (in EUR)	2014 Remarks Revaluation difference
2,997,450	322	149,043	(32,397)	-	
840,599	-	1,381	30,966	-	
865,112	-	1,662	290,785	116,242	
27,554	49,076	9,449,261	3,146,816	3,802	1 EUR = 119.33174 XPF
-	-	278,983	216,111	45,034	
-	-	1,927,447	545	-	
307,193	-	288,804	70,140	9,476	

7. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

DELOITTE & ASSOCIÉS

185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de € 1.723.040

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG et Autres

1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

SOCIÉTÉ GÉNÉRALE
YEAR ENDED DECEMBER 31, 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of Société Générale;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- For the purpose of preparing the financial statements, your company records depreciation and provisions to cover the credit risks inherent to its activities and performs significant accounting estimates, as described in note 1 to the financial statements, related in particular to the valuation of investments in subsidiaries and of its securities portfolio, to the assessment of the deferred tax assets, to the valuation of provisions other than those for credit risk as well as the assessment of provisions for employee benefits. We have reviewed and tested the processes implemented by management, the underlying assumptions and the valuation parameters, and we have assessed whether these accounting estimates are based on documented procedures consistent with the accounting policies disclosed in note 1 to the financial statements.
- As detailed in note 1 to the financial statements, your company uses internal models to measure financial instruments that are not listed on active markets. Our procedures consisted in reviewing the control procedures for the models used, assessing the underlying data and assumptions as well as their observability, and verifying that the risks generally expected from the markets were taken into account in the valuations.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders or holders of the voting rights and mutual shareholders has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 4, 2015
The statutory auditors

French original signed by

DELOITTE & ASSOCIÉS
Jean-Marc Mickeler

ERNST & YOUNG et Autres
Isabelle Santenac

8. STATUTORY AUDITORS

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

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

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

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

Moreover, in order to prevent the development of excessively close ties between auditors and Management, and to gain a new perspective on the accounts of the Group's entities, a new distribution of audit sections has been launched through several phases. This initiative led to a rotation between the firms in charge of the different audit sections. Over two-thirds of the audited scope (subsidiaries and activities) have been subject to a change of auditors since 2009.

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

FEES PAID TO STATUTORY AUDITORS - 2014

	Ernst & Young et Autres				Deloitte & Associés			
	Amount (excluding taxes)		%		Amount (excluding taxes)		%	
In thousands of euros	2014	2013	2014	2013	2014	2013	2014	2013
Audit								
Statutory audit, certification, examination of parent company and consolidated accounts								
Issuer	4,446	5,486			5,032	3,838		
Fully consolidated subsidiaries	13,637	9,575			11,170	10,940		
Related assignments								
Issuer	2,691	424			2,837	479		
Fully consolidated subsidiaries	1,161	873			1,310	2,398		
Sub-total	*21,935*	*16,358*	*99.94%*	*99.77%*	*20,349*	*17,655*	*100.00%*	*99.95%*
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax, social	2	0			0	0		
Other (specify if > 10% of audit fees)	11	38			0	9		
Sub-total	*13*	*38*	*0.06%*	*0.23%*	*0*	*9*	*0.00%*	*0.05%*
TOTAL	**21,948**	**16,396**			**20,349**	**17,664**		

7

SHARE, SHARE CAPITAL AND LEGAL INFORMATION

1. The Societe Generale share 522
   - Stock market performance 522
   - Stock exchange listing 522
   - Stock market indices 522
   - Total return for shareholders 522
   - Dividend history 523
   - 2014 dividend 524
2. Information on share capital 526
   - Changes in share capital 526
   - Share capital 527
   - Share buybacks and treasury shares 527
   - Share buybacks 527
   - Shareholder agreements 529
   - Information required by article L. 225-100-3 of the French Commercial Code 529
   - List of outstanding delegations and their use in 2014 and early 2015 (up to 11 february 2014) 530
3. Additional information 534
   - General information 534
4. By-Laws 536
   - Type of Company – Name – Registered Office – Purpose 536
   - Capital – Shares 536
   - Board of Directors 537
   - General management 539
   - Shareholders' meeting 539
   - Special meetings 540
   - Statutory Auditors 540
   - Annual financial statements 540
   - Forum selection clause 540
   - Dissolution 540
5. Internal rules of the Board of Directors 541
6. List of regulated information published in the last 12 months 548

1. THE SOCIETE GENERALE SHARE

STOCK MARKET PERFORMANCE

Societe Generale's share price decreased by 17.1% in 2014, closing at EUR 34.99 at 31 December. This performance can be compared over the same period to a decrease of 4.9% for the euro zone bank index (DJ EURO STOXX BANK) and 0.5% for the CAC 40.

At 31 December 2014, the Societe Generale Group's market capitalisation stood at EUR 28.2 billion, ranking it 14th among CAC 40 stocks (11th at 31 December 2013), 13th in terms of free float (10th at 31 December 2013) and 7th among euro zone banks (5th at 31 December 2013).

The market for the Group's shares remained highly liquid in 2014, with an average daily trading volume of EUR 196 million, representing a daily capital rotation ratio of 0.60% (versus 0.63% in 2013). In value terms, Societe Generale's shares were the 9th most actively traded on the CAC 40 index.

STOCK EXCHANGE LISTING

Societe Generale's shares are listed on the Paris Stock Exchange (deferred settlement market, continuous trading group A, ISIN code FR0000130809) and are also traded in the United States under an American Depository Receipt (ADR) programme.

STOCK MARKET INDICES

The Societe Generale share is a component stock of the CAC 40, STOXX All Europe 100, EURO STOXX 50, Euronext 100, MSCI PAN EURO, FTSE4Good Global and ASPI Eurozone indices.

TOTAL RETURN* FOR SHAREHOLDERS

The following table shows the cumulative and annualised average total return on investment for Societe Generale shareholders over different time periods ending 31 December 2014.

Duration of shareholding	Date	Cumulative total return*	Annualised average total return*
Since privatisation	8 July 1987	+560.6%	+7.1%
15 years	31 December 1999	+11.4%	+0.7%
10 years	31 December 2004	-32.0%	-3.8%
5 years	31 December 2009	-22.1%	-4.9%
4 years	31 December 2010	-5.8%	-1.5%
3 years	31 December 2011	+111.2%	+28.3%
2 years	31 December 2012	+28.2%	+13.2%
1 year	31 December 2013	-15.2%	-15.2%

Source: Datastream.

* Total return = capital gain + net dividend reinvested in shares.

DIVIDEND HISTORY

	2014*	2013	2012	2011	2010
Net dividend (in euros)	1.20	1.00	0.45(1)	0	1.75(1)
Payout ratio (%)(2)	41.2	41.7	70.0	0	35.3
Net yield (%)(3)	3.4	2.4	1.6	0	4.4

* Dividend proposed by the Board of Directors to the Annual General Meeting to be held on 19 May 2015.

(1) Dividend with option of payment in new shares.

(2) Net dividend/Diluted earnings per ordinary share (see Chapter 6, p. 447, note 42 to the Consolidated financial statements). In 2014, the dividend payout ratio was 40% of net income excluding revaluation of own financial liabilities and DVA (Debit Value Adjustment).

(3) Net dividend/closing price at end-December.

Stock market data		31.12.2014	31.12.2013	31.12.2012	31.12.2011	31.12.2010
Share capital (number of outstanding shares)		805,207,646	798,716,162	780,273,227	776,079,991	746,421,631
Market capitalisation (in billions of euros)		28.2	33.7	22.1	13.3	30.0
Earnings per share (in euros)		2.92	2.23(2)	0.66(1)	3.20	4.96
Book value per share at year-end (in euros)		58.0	56.5(2)	56.2(1)	54.6	54.0
Share price (in euros)	high	48.4	42.5	29.8	52.0	52.2
	low	33.9	24.3	15.0	15.1	30.3
	closing	35.0	42.2	28.3	17.2	40.2

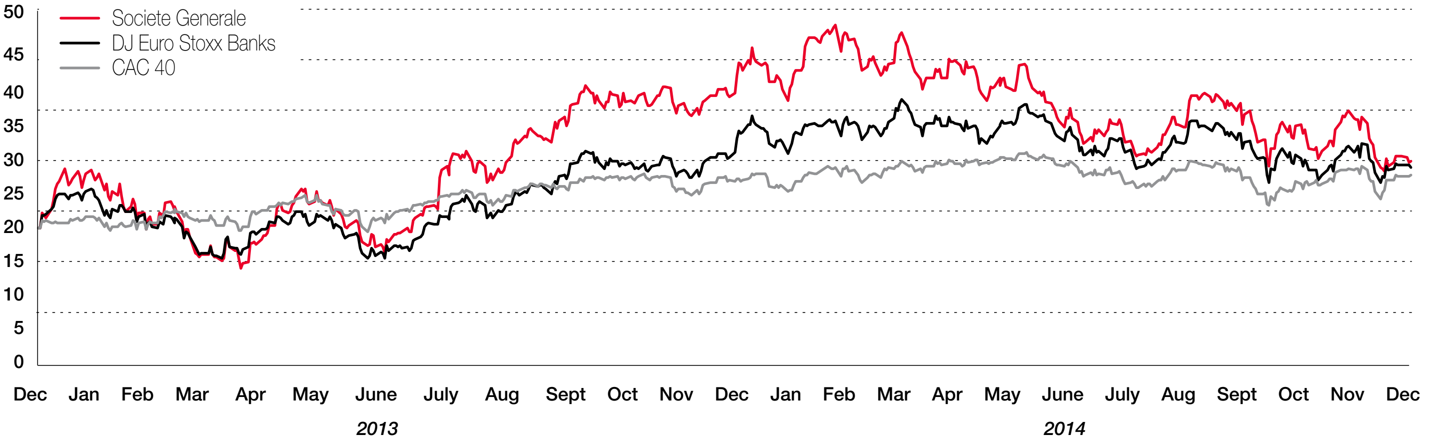
(1) Amount for the 2012 financial year has been restated due to the implementation of the revised IAS 19, resulting in the publication of adjusted data for the previous financial year.

(2) Amount for the 2013 financial year has been restated due to the implementation of IFRS 11, resulting in the publication of adjusted data for the previous financial year.

2014 DIVIDEND

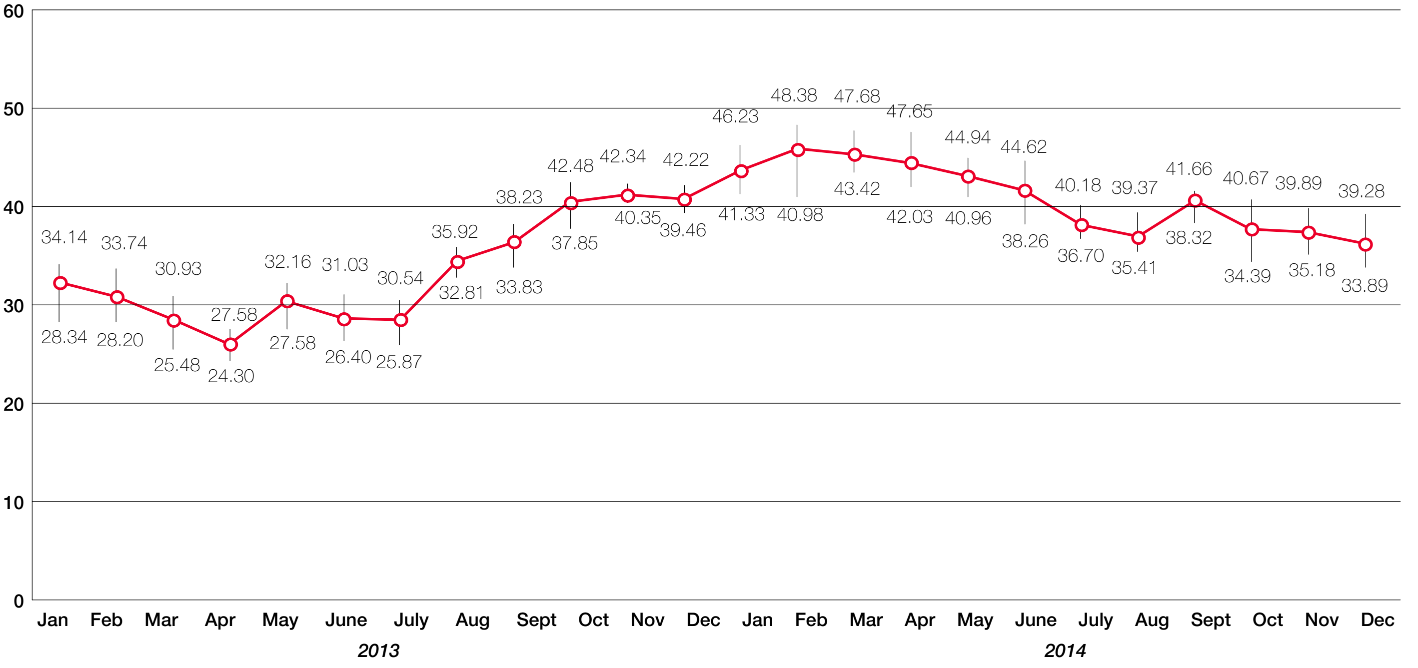
- The Board of Directors of Societe Generale, which met on 11 February 2015, decided to propose the distribution of a dividend of EUR 1.20 per share to the Annual General Meeting of 19 May 2015:
  - dividend detachment will take place on 26 May 2015,
  - the dividend will be paid as from 28 May 2015.

SHARE PERFORMANCE (BASE: SOCIETE GENERALE SHARE PRICE IN EUROS AS OF 31 DECEMBER 2012)



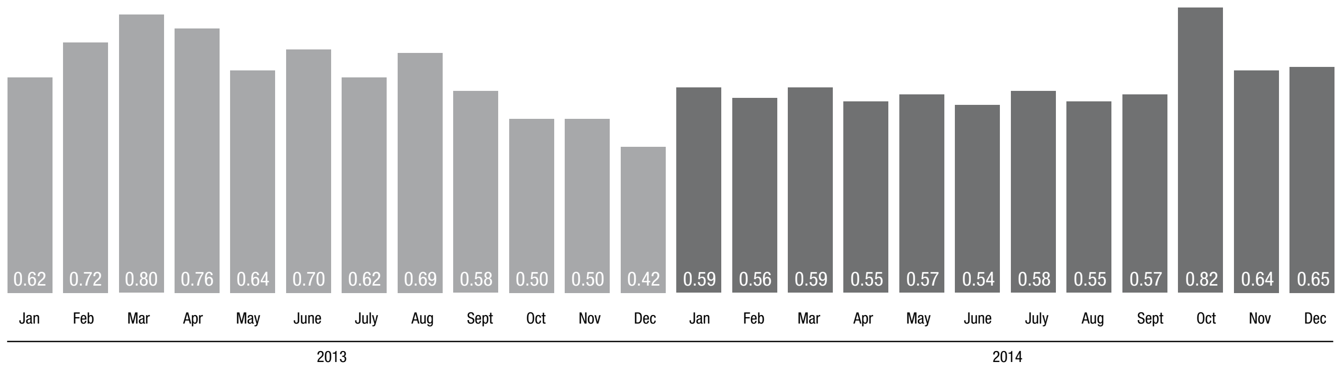
Source: Datastream.

MONTHLY CHANGE IN SHARE PRICE (AVERAGE MONTHLY PRICE IN EUROS)



Source: Datastream.

TRADING VOLUMES (AVERAGE DAILY TRADING VOLUME AS PERCENTAGE OF CAPITAL)



Source: Datastream.

2. INFORMATION ON SHARE CAPITAL

CHANGES IN SHARE CAPITAL

Operation	Date of record or completion	Change	Number of shares	Share capital (in EUR)	Change in share capital resulting from operation (%)
Issue of preference shares (B shares)	recorded on 28 May 2009	+45,045,045 B shares	625,772,289 divided into 580,727,244 A shares and 45,045,045 B shares	782,215,361.25	+7.76
Increase through the exercise of the option for the payment of dividends in shares	recorded on 17 June 2009	+13,810,504 A shares	639,582,793 divided into 594,537,748 A shares and 45,045,045 B shares	799,478,491.25	+2.21
Increase through 2009 Company Savings Plan	recorded on 10 July 2009	+10,757,876 A shares	650,340,669 divided into 605,295,624 A shares and 45,045,045 B shares	812,925,836.25	+1.68
Exercise of stock options in 2009	recorded on 15 Oct. 2009	+411 A shares	650,341,080 divided into 605,296,035 A shares and 45,045,045 B shares	812,926,350.00	
Capital increase with pre-emptive subscription rights decided on 5 October 2009	recorded on 2 Nov. 2009	+134,510,230 A shares	784,851,310 divided into 739,806,265 A shares and 45,045,045 B shares	981,064,137.50	+20.68
Cancellation of preference shares (B shares) decided on 3 November 2009	recorded on 23 Dec. 2009	-45,045,045 B shares	739,806,265 A shares	924,757,831.25	-5.74
Increase through the exercise of the option for the payment of dividends in shares	recorded on 21 June 2010	+2,323,887	742,130,152	927,662,690.00	+0.31
Increase through 2010 Company Savings Plan	recorded on 16 July 2010	+4,291,479	746,421,631	933,027,038.75	+0.58
Increase through the exercise of the option for the payment of dividends in shares	recorded on 21 June 2011	+23,901,432	770,323,063	962,903,828.75	+3.2
Increase through 2011 Company Savings Plan	recorded on 13 July 2011	+5,756,928	776,079,991	970,099,988.75	+0.75
Increase through 2012 Company Savings Plan	recorded on 26 June 2012	+4,191,357	780,271,348	975,339,185.00	+0.54
Exercise of stock options in 2012	recorded on 8 January 2013	+1,879	780,273,227	975,341,533.75	
Free grant of shares for employees	recorded on 2 April 2013	+884,912	781,158,139	976,447,673.75	+0.11
Increase through the exercise of the option for the payment of dividends in shares	recorded on 19 June 2013	+8,835,256	789,993,395	987,491,743.75	+1.13
Increase through 2013 Company Savings Plan and exercise of stock options until 10 July 2013	recorded on 12 July 2013	+8,662,904(1)	798,656,299	998,320,373.75	+1.10
Exercise of stock options from 11 July 2013 to 31 December 2013	recorded on 8 January 2014	+59,863	798,716,162	998,395,202.50	
Free grant of shares for employees	recorded on 31 March 2014	+1,303,272	800,019,434	1,000,024,292.50	+0.16
Increase through 2014 Company Savings Plan and exercise of stock options until 30 June 2014	recorded on 11 July 2014	+ 5,172,260(2)	805,191,694	1,006,489,617.50	+0.65
Exercise of stock options from 1 July 2014 to 31 December 2014	recorded on 8 January 2015	+15,952	805,207,646	1,006,509,557.50	

(1) Including 15,137 shares from exercise of stock options in 2013.

(2) Including 55,292 shares from exercise of stock options in 2014.

SHARE CAPITAL

At 31 December 2014, Societe Generale's paid-up share capital amounted to EUR 1,006,509,557.50 and comprised 805,207,646 shares with a nominal value of EUR 1.25 per share, all eligible for dividends paid out of income earned from 1 January 2014.

As part of the Group's capital market activities, transactions may be carried out involving indices or underlying assets with a Societe Generale share component. These transactions do not have an impact on the Group's future capital.

The increase by 6,491,484 shares in 2014 included:

- the issue of 1,303,272 shares following the vesting, in March 2014, of the second section of the "Free Shares Plan granted to employees";
- the issue of 5,116,968 shares subscribed for by the Group's employees in July under the Global employee share ownership plan;
- the creation of 70,799 new shares further to the exercise between 1 January and 31 December 2014 of stock options granted in March 2009;
- the creation of 445 new shares further to the exercise between 1 January and 31 December 2014 of stock options granted in March 2010.

SHARE BUYBACKS AND TREASURY SHARES

At 31 December 2014, the Societe Generale Group held 11,454,906 shares under its share buyback program (of which 400,000 shares under its liquidity contract and 11,054,906 shares with a book value of EUR 374,670,751 allocated to cover stock options and free shares granted to employees), representing 1.42% of its capital, and 8,987,016 treasury shares, representing 1.12% of its capital. In total, the Group holds 20,441,922 of its own shares either directly or indirectly (excluding shares held for trading purposes), with a book value of EUR 511,245,751 and a nominal value of EUR 25,552,403.

SHARE BUYBACKS

The Joint General Meeting of 20 May 2014 authorised the Company to buy or sell its own shares with a view to cancelling bought-back shares, granting, honoring or covering stock options, otherwise allocating shares or making any other form of allocation to employees and Chief Executive Officers of the Group, granting shares when rights attached to convertible securities are exercised, holding and subsequently using shares in exchange or as payment for acquisitions and executing a liquidity contract.

Societe Generale did not buy back any of its own shares in 2014, liquidity contract notwithstanding. Under the liquidity contract implemented on 22 August 2011, in 2014 Societe Generale acquired 21,746,942 shares with a value of EUR 900,385,925 and sold 21,346,942 shares with a value of EUR 883,433,968.

At 31 December 2014, the liquidity contract held 400,000 shares.

From 1 January 2015 to 11 February 2015, notwithstanding liquidity contract, Societe Generale did not buy back any of its own shares on the market. At 11 February 2015, no share appeared on the account of the liquidity contract.

From 1 January 2014 to 31 December 2014

	Purchases			Transfers/Disposals				
	Number		Purchase price	Number	Purchase price		Disposal/ transfer price	
Cancellation	0	-	0.00					
Acquisitions	0	-	0.00					
Allocation to employees	0	-	0.00	2,467,782	31.08	76,691,882	0.00	0.00
Liquidity contract	21,746,942	41.40	900,385,925	21,346,942	41.48	885,516,187	41.39	883,433,968
Total	**21,746,942**	**41.40**	**900,385,925**	**23,814,724**	**40.40**	**962,208,069**	**37.10**	**883,433,968**

VALUE OF TREASURY SHARES AND BUYBACKS AT 31 DECEMBER 2014

Percentage of capital held directly or indirectly	2.54%
Number of shares cancelled over the last 24 months	0
Number of shares held directly	11,454,906
Book value of shares held directly	EUR 374,670,751
Market value of shares held directly[(1)]	EUR 415,156,429

(1) The current value is equal to the average share price of the last month for availabe-for-sale listed securities.

At 31 December 2014	Number of shares	Nominal value (in euros)	Book value (in euros)
Societe Generale*	11,454,906	14,318,633	374,670,751
Subsidiaries	8,987,016	11,233,770	136,575,000
Finareg	4,944,720	6,180,900	82,431,000
Gene-act1	2,210,112	2,762,640	21,447,000
Vouric	1,832,184	2,290,230	32,697,000
Total	**20,441,922**	**25,552,403**	**511,245,751**

* Of which liquidity contract (400,000 shares).

BREAKDOWN OF CAPITAL AND VOTING RIGHTS[(1)] OVER 3 YEARS

	At 31 December 2014[(3)]				At 31 December 2013[(2)]			At 31 December 2012		
	Number of shares	% of capital	% of voting rights[(4)]	% of voting rights exercisable at AGM[(4)]	Number of shares	% of capital	% of voting rights[(4)]	Number of shares	% of capital	% of voting rights[(4)]
Group Employee Share Ownership Plan	59,714,957	7.42%	12.07%	12.36%	59,517,813	7.45%	12.64%	59,344,358	7.61%	12.47%
Major shareholders with more than 1.5% of the capital or voting rights[(5)]	31,914,497	3.96%	5.55%	5.68%	39,555,035	4.95%	6.55%	57,860,893	7.42%	10.76%
Groupama	-	-	-	-	*237,215*	*0.03%*	*0.03%*	*19,455,211*	*2.49%*	*4.27%*
CDC	*20,845,185*	*2.59%*	*3.03%*	*3.10%*	*20,111,390*	*2.52%*	*2.95%*	*19,567,063*	*2.51%*	*2.90%*
Meiji Yasuda Life Insurance Cy	*11,069,312*	*1.37%*	*2.52%*	*2.58%*	*11,069,312*	*1.39%*	*2.53%*	*11,069,312*	*1.42%*	*2.54%*
CNP	-	-	-	-	*8,137,118*	*1.02%*	*1.04%*	*7,769,307*	*1.00%*	*1.05%*
Free float	693,136,270	86.08%	80.05%	81.96%	677,133,610	84.78%	78.23%	636,462,020	81.57%	73.72%
Share buybacks	11,454,906	1.42%	1.31%	0.00%	13,522,688	1.69%	1.55%	17,618,940	2.26%	2.02%
Treasury stock	8,987,016	1.12%	1.02%	0.00%	8,987,016	1.13%	1.03%	8,987,016	1.15%	1.03%
Total		**100.00%**	**100.00%**	**100.00%**		**100.00%**	**100.00%**		**100.00%**	**100.00%**
Number of outstanding shares		805,207,646	877,054,745	856,612,823		798,716,162	873,578,419		780,273,227	871,175,967

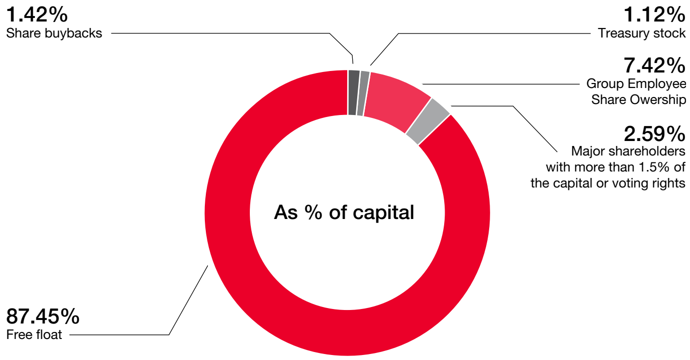
(1) Including double voting rights (article 14 of Societe Generale's by-laws).

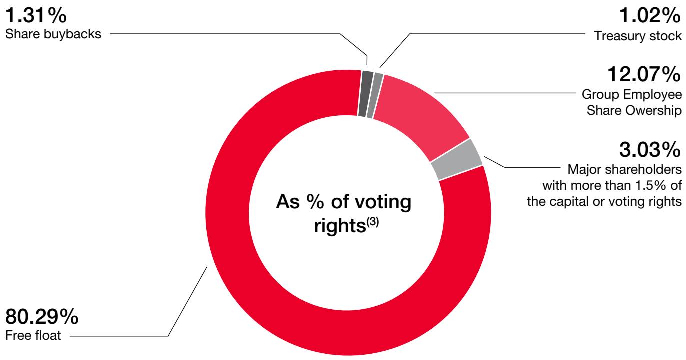
(2) At 31 December 2013, the share of European Economic Area shareholders in the capital is estimated at 44.10%.

(3) At 31 December 2014, the share of European Economic Area shareholders in the capital is estimated at 43.59%.

(4) As of 2006 and in accordance with article L. 223-11 of the AMF's General Regulations, the calculation of the total voting rights includes voting rights associated with share buybacks and treasury shares, but these shares do not give the right to vote at Annual General Meetings.

(5) In 2012 and 2013, major shareholders with more than 1% of the capital or voting rights.





(3) As of 2006 and in accordance with article 223-11 of the AMF's General Regulations, the calculation of the total voting rights includes voting rights associated with share buybacks and treasury shares; however, these shares do not give the right to vote at General Meetings.

NB: the Group's By-laws stipulate that shareholders are obliged to notify the company whenever their holding of capital or voting rights exceeds an additional 0.5%, and as soon as the threshold of holding 1.5% of capital or voting rights is exceeded. At end-December 2013, no other shareholder claimed to have over 1.5% of the capital or voting rights, with the exception of mutual funds and trading activities at financial institutions.

SHAREHOLDER AGREEMENTS

On 24 July 2000, Societe Generale signed an agreement with Santander Central Hispano (become "Banco Santander") concerning the management of the two parties' cross-holdings. Under the terms of this agreement, Societe Generale and Santander Central Hispano each grant the other party a pre-emptive right to the shares held directly or via a subsidiary by each of the parties in the capital of the other, although this right does not apply in the event of a public offer made by a third-party for the shares of one or other of the parties.

The agreement was signed initially for a period of three years and is subsequently renewable for two-year periods.

This pre-emptive clause was published by the French Financial Markets Board (CMF) in Decision No. 201C1417 dated 30 November 2001. This agreement was still in place on 31 December 2014. However, at 31 December 2014, Banco Santander no longer held any Societe Generale shares and Societe Generale no longer held any Banco Santander shares.

INFORMATION REQUIRED BY ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

Under article L. 225-100-3 of the French Commercial Code, Societe Generale must disclose and, where applicable, explain information about the following factors liable to affect the outcome of a public offer.

To the best of its knowledge, Societe Generale does not have any specific arrangements likely to affect the outcome of a public offer. The information required by article L. 225-100-3 of the French Commercial Code is listed below, however, as it has been included in the Registration Document to meet other obligations.

1. Capital structure: this information appears in chapter 7 under the heading "Breakdown of capital and voting rights over 3 years".
2. Statutory restrictions on the exercise of voting rights: this information appears in chapter 7 under the heading "By-laws" and more particularly in articles 6 and 14.
3. Direct or indirect stakes in Societe Generale's capital of which it is aware by virtue of articles L. 233-7 and L. 233-12 of the French Commercial Code: this information appears in chapter 7 under the heading "Breakdown of capital and voting rights over 3 years".
4. The list of holders of any shares bearing special control rights: not applicable since the cancellation of the preference shares on 23 December 2009.
5. Control mechanisms provided for under any employee share ownership plans, if the control rights are not exercised by employees: this information appears in chapter 5 "Corporate Social Responsability", section 3 "Responsible employer" under the heading "Profit-sharing and employee share ownership".
6. Shareholder agreements of which Societe Generale is aware and that may restrict the transfer of shares and the exercise of voting rights: not applicable.
7. Rules applicable to the appointment and replacement of members of the Board of Directors and amendments to the Company's By-laws. This information appears in chapter 7 under the heading "By-laws" and more specifically in articles 7 and 14.
8. Powers of the Board of Directors to issue or buy back shares: the delegations of authority granted by the General Meeting to the Board of Directors to this end appear in chapter 7 under the heading "List of outstanding delegations and their use in 2014 and early 2015" and the information about share buybacks in chapter 7 under the heading "Share buybacks".
9. Agreements concluded by Societe Generale that are amended or terminated if there is a change of control of Societe Generale, unless this disclosure would seriously harm its interests and except in cases where disclosure is a legal obligation: not applicable.
10. Agreements granting compensation to members of the Board of Directors or employees if they resign or are laid off without a genuine and serious cause, or if their employment comes to an end because of a public offer: this information appears in chapter 3 under the heading "Remuneration of group senior management" for the Directors.

LIST OF OUTSTANDING DELEGATIONS AND THEIR USE IN 2014 AND EARLY

Type of authorisation	Purpose of authorisation granted to the Board of Directors	Period of validity
Share buybacks	Authorisation to buy Societe Generale shares	**Granted by:** AGM of 22 May 2013, under its 8th resolution **For a period of:** 18 months **Start date:** 23 May 2013 **Early termination:** 20 May 2014
		Granted by: AGM of 20 May 2014, under its 11th resolution **For a period of:** 18 months **Start date:** 21 May 2014 **Expiry date:** 20 November 2015
Capital increase through the issue of ordinary shares	Authorisation to increase share capital with pre-emptive subscription rights through the issue of ordinary shares or securities convertible into shares	**Granted by:** AGM of 22 May 2012, under its 14th resolution **For a period of:** 26 months **Early termination:** 20 May 2014
		Granted by: AGM of 20 May 2014, under its 12th resolution **For a period of:** 26 months **Expiry date:** 20 July 2016
	Authorisation to increase share capital through the incorporation of reserves, retained earnings, or additional paid-in capital	**Granted by:** AGM of 22 May 2012, under its 14th resolution **For a period of:** 26 months **Early termination:** 20 May 2014
		Granted by: AGM of 20 May 2014, under its 12th resolution **For a period of:** 26 months **Expiry date:** 20 July 2016
	Authorisation to increase share capital with no pre-emptive subscription rights through the issue of ordinary shares or securities convertible into shares	**Granted by:** AGM of 22 May 2012, under its 15th resolution **For a period of:** 26 months **Early termination:** 20 May 2014
		Granted by: AGM of 20 May 2014, under its 13th resolution **For a period of:** 26 months **Expiry date:** 20 July 2016

2015 (UP TO 11 FEBRUARY 2014)

Limit	Use in 2014	Use in 2015 (up to 11 February)
5% of capital at the date of the purchase	Excluding the liquidity contract: none. On 20 May 2014, 2,130,000 shares were recorded in the liquidity contract account (see details on p. 527 of the 2015 Registration Document)	NA
5% of capital at the date of the purchase	Excluding the liquidity contract: none. On 31 December 2014, 400,000 shares were recorded in the liquidity contract account (see details on p. 527 of the 2015 Registration Document)	Excluding the liquidity contract: none On 11 February 2015, no share was recorded in the liquidity contract account.
Nominal EUR 485 million for shares, *i.e. 49.99% of capital on the date the authorisation was granted* Nominal EUR 6 billion for securities convertible into shares *Note: these limits are included in those set under resolutions 15 to 17 and 19 to 20 of the AGM of 22 May 2012*	None	NA
Nominal EUR 399 million for shares, *i.e. 39.97% of capital on the date the authorisation was granted* Nominal EUR 6 billion for securities convertible into shares *Note: these limits are included in those set under resolutions 13 to 18 of the AGM of 20 May 2014*	None	None
Nominal EUR 550 million, *i.e. 56.6% of capital on the date the authorisation was granted*	None	NA
Nominal EUR 550 million	None	None
Nominal EUR 145 million for shares, *i.e. 14.95% of capital on the date the authorisation was granted* Nominal EUR 6 billion for securities convertible into shares *Note: these limits are included in those of resolution 14, and include those set in resolutions 16 and 17 of the AGM of 22 May 2012*	None	NA
Nominal EUR 99.839 million for shares, i*.e. 10% of capital on the date the authorisation was granted* Nominal EUR 6 billion for securities convertible into shares *Note: these limits are included in those of resolution 12, and include those set in resolutions 14 to 16 of the AGM of 20 May 2014*	None	None

Type of authorisation	Purpose of authorisation granted to the Board of Directors	Period of validity
	Option to oversubscribe in the event of surplus demand for capital increases with or without pre-emptive subscription rights approved by the Board	**Granted by:** AGM of 22 May 2012, under its 16th resolution **For a period of:** 26 months **Early termination:** 20 May 2014
		Granted by: AGM of 20 May 2014, under its 14th resolution **For a period of:** 26 months **Expiry date:** 20 July 2016
	Authorisation to increase capital in order to pay for share contributions	**Granted by:** AGM of 22 May 2012, under its 17th resolution **For a period of:** 26 months **Early termination:** 20 May 2014
		Granted by: AGM of 20 May 2014, under its 15th resolution **For a period of:** 26 months **Expiry date:** 20 July 2016
Issue of subordinated bonds	Issue of contingent convertible bonds without pre-emptive subscription rights	**Granted by:** AGM of 20 May 2014, under its 16th resolution **For a period of:** 26 months **Expiry date:** 20 July 2016
Issue of securities	Issue of securities giving access to debt securities without giving rise to an increase of the share capital	**Granted by:** AGM of 22 May 2012, under its 18th resolution **For a period of:** 26 months **Expiry date:** 22 July 2014
Transactions for employees	Authorisation to increase capital through the issue of ordinary shares or securities convertible into shares reserved for employees subscribing to a Societe Generale Company or Group Savings Plan	**Granted by:** AGM of 22 May 2012, under its 19th resolution **For a period of:** 26 months **Early termination:** 20 May 2014
		Granted by: AGM of 20 May 2014, under its 17th resolution **For a period of:** 26 months **Expiry date:** 20 July 2016
	Authorisation to grant free existing or new shares to employees and Chief Executive Officers	**Granted by:** AGM of 22 May 2012, under its 20th resolution **For a period of:** 26 months **Early termination:** 20 May 2014
		Granted by: AGM of 20 May 2014, under its 18th resolution **For a period of:** 26 months **Expiry date:** 20 July 2016
Cancellation of shares	Authorisation to cancel shares as part of a share buyback programme	**Granted by:** AGM of 22 May 2012, under its 22nd resolution **For a period of:** 26 months **Early termination:** 20 May 2014
		Granted by: AGM of 20 May 2014, under its 19th resolution **For a period of:** 26 months **Expiry date:** 20 July 2016

Limit	Use in 2014	Use in 2015 (up to 11 February)
15% of the initial issue *Note: such operations are carried out at the same prices as the initial issue and within the same limits as those set out in resolutions 14 and 15 of the AGM of 22 May 2012*	None	NA
15% of the initial issue *Note: such operations are carried out at the same prices as the initial issue and within the same limits as those set out in resolutions 12 and 13 of the AGM of 20 May 2014*	None	None
10% of capital *Note: this limit is included in those set under resolutions 14 and 15 of the AGM of 22 May 2012*	None	NA
10% of capital *Note: this limit is included in those set under resolutions 12 and 13 of the AGM of 20 May 2014*	None	None
10% of capital *Note: this limit is included in those set under resolutions 12 and 13 of the AGM of 20 May 2014*	None	None
Nominal EUR 2 billion	None	NA
3% of capital on the date the authorisation was granted *Note: this limit is included in the limit set under resolution 14 of the AGM of 22 May 2012*	5,116,968 shares allocated, i.e. 0.64% of capital on the date of allocation	NA
2% of capital on the date the authorisation was granted *Note: this limit is included in the limit set under resolution 12 of the AGM of 20 May 2014*	None	None
2% of capital at the date on which the authorisation was granted. *Note: this limit is included in the limit set under resolution 14 of the AGM of 22 May 2012* 0.10% of capital for Chief Executive Officers *Note: this limit is included in the 2% limit set under resolution 20 of the AGM of 22 May 2012*	1,020,000 shares allocated, i.e. 0.13% of capital on the date of allocation	NA
2% of capital at the date on which the authorisation was granted. *Note: this limit is included in the limit set under resolution 12 of the AGM of 20 May 2014* 0.50% of capital for regulated persons *Note: this limit is included in the 2% limit set under resolution 18 of the AGM of 20 May 2014*	None	None
5% of the total number of shares per 24-month period	None	NA
5% of the total number of shares per 24-month period	None	None

3. ADDITIONAL INFORMATION

GENERAL INFORMATION

Name

Societe Generale

Registered office

29, boulevard Haussmann, 75009 Paris

Administrative office

17, Cours Valmy, 92972 Paris-La Defense

Postal address:
Societe Generale, Tours Societe Generale, 75886 Paris cedex 18

Telephone number: +33 (0)1 42 14 20 00

Website: www.societegenerale.com

Legal form

Societe Generale is a public limited company (*société anonyme*) established under French law and having the status of a bank.

Governing law

Subject to the legislative and regulatory provisions relating to credit institutions, notably the articles of the French Monetary and Financial Code (*Code monétaire et financier*) that apply to them, the Company is governed by the commercial laws of France, in particular articles L. 210-1 et seq. of the French commercial code, as well as its current By-laws.

Societe Generale is a credit institution authorised to act as a bank. As such, it can carry out all banking transactions. It can also carry out all investment-related services or allied services, as listed by articles L. 321-1 and L. 321-2 of the French Monetary and Financial code, except for operating a multilateral trading facility. In its capacity as an investment services provider, Societe Generale is subject to the regulations applicable to the same. It must notably comply with a number of prudential rules and is subject to the controls carried out by the French Prudential Supervision and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution*). Its management and all employees are bound by rules governing professional secrecy, violation of which is punishable by law. Societe Generale also acts as an insurance broker.

Date of formation and duration

Societe Generale was incorporated by deed approved by the Decree of 4 May 1864. The duration of Societe Generale will expire on 31 December 2047, unless the Company is wound up before that date or its duration extended.

Corporate purpose

Article 3 of the Company By-laws describes its corporate purpose. The purpose of Societe Generale is, under the conditions determined by the laws and regulations applicable to credit institutions, to carry out with individuals and corporate entities, in France and abroad:

- all banking transactions;
- all transactions related to banking operations, including in particular investment services or allied services as listed by articles L. 321-1 and L. 321-2 of the French Monetary and Financial code;
- all acquisitions of interests in other companies.

Societe Generale may also, on a regular basis, as defined in the conditions set by the French Banking and Financial Regulation Committee, engage in all transactions other than those mentioned above, including in particular insurance brokerage.

Generally, Societe Generale may carry out, on its own behalf, on behalf of a third-party or jointly, all financial, commercial, industrial, agricultural, personal property or real property transactions, directly or indirectly related to the above-mentioned activities or likely to facilitate the accomplishment of such activities.

Registration number

552 120 222 RCS PARIS
ISIN code (International Securities Identification Number): FR 0000130809
NAF (trade sector) code: 6419Z

Company reports and documents

All Societe Generale reports and documents, including in particular its By-laws, financial statements and the reports submitted to General Meetings by the Board of Directors and the Statutory Auditors, may be consulted at the Company's administrative offices at Tours Societe Generale, 17, cours Valmy, 92972 Paris- La Défense cedex, France.

The current version of the By-laws has been registered with public notaries "Thibierge, Pône, Fremeaux, Palud, Sarrazin, Sagaut et Chaput" in Paris, France.

Fiscal year

The fiscal year starts on 1 January and ends on 31 December.

Categories of shares and attached rights

Under the terms of article 4 of the Company's By-laws, the share capital is divided into 805,207,646 fully paid-up shares with a nominal value of EUR 1.25 per share.

Double voting rights

In accordance with article 14 of the Company's By-laws, double voting rights, in relation to the share of capital stock they represent, are allocated to all those shares which are fully paid-up and which have been registered in the name of the same shareholder for at least two years as from 1 January 1993. Double voting rights are also allocated to new registered shares that may be allocated free of charge to a shareholder in respect of the shares with double voting rights already held by him, in the case of a capital increase by incorporation of reserves, earnings, or additional paid-in capital.

According to the law, these double voting rights are rendered null and void if the shares are converted into bearer form or if ownership of the shares is transferred. Nevertheless, transfers through inheritance, the liquidation of marital assets, or transfers to a spouse or direct relative, do not result in the loss of rights and do not affect the minimum two-year vesting period. The same applies, unless otherwise stated in the Company's By-laws, following a merger or split-off relating to a shareholder company.

Limitation of voting rights

Under the terms of article 14 of the Company's By-laws, the number of votes at General Meetings to be used by one shareholder, either personally or by a proxy, may not exceed 15% of total voting rights at the date of the Meeting. This 15% limit does not apply to the Chairman or any other proxy with respect to the total number of voting rights they hold on a personal basis and in their capacity as proxy, provided each shareholder for which they act as proxy complies with the 15% rule. For the purposes of applying this 15% limit, shares held by a single shareholder include shares held indirectly or jointly in accordance with the conditions described in articles L. 233-7 et seq. of the French Commercial Code. This limit ceases to apply when a shareholder acquires – either directly or indirectly or jointly with another shareholder – more than 50.01% of the Company's voting rights following a public offer.

Declaration of shareholdings exceeding statutory limits

In accordance with article 6.2 of the Company's By-laws, any shareholder acting on his own or jointly, who comes to hold directly or indirectly at least 1.5% of the capital or voting rights of the Company, must inform the latter within 15 days of the time at which he exceeds this threshold, and must also indicate in his declaration the number of shares he held in the share capital. Mutual fund management companies must provide this information based on the total number of shares held in the Company by the funds they manage. Beyond the initial 1.5%, shareholders are obliged to notify the Company, under the conditions set in article 6.2 of the Company's By-laws, whenever their holding of capital or voting rights exceeds an additional 0.5%.

Failure to comply with this requirement will be penalised in accordance with legal provisions on this matter, at the request of one or more shareholders with at least a 5% holding in the Company's capital or voting rights. The said request will be duly recorded in the minutes of the General Meeting.

Any shareholder acting on his own or jointly, is also required to inform the Company within 15 days if the percentage of his capital hold or voting rights falls below each of the thresholds described in article 6.2 of the Company's By-laws.

Convening and rules for attending General Meetings of Shareholders

Under the terms of article 14 of the Company's By-laws, General Meetings are called and deliberate as provided for by the legal and regulatory provisions in force. They meet at the head office or in any other place in metropolitan France indicated in the Notice of Meeting. Such meetings are chaired by the Chairman of the Board or, in his absence, by a Director appointed for this purpose by the Chairman of the Board.

Regardless of the number of shares held, all shareholders whose shares are registered under the terms and at a date set forth by decree have the right, upon proof of their identity and status as a shareholder, to participate in the General Meetings. They may, as provided for by the legal and regulatory provisions in force, personally attend the General Meetings, vote remotely or appoint a proxy. The intermediary registered on behalf of shareholders may participate in the General Meetings, as provided for by the legal and regulatory provisions in force.

In order for the ballots to be counted, they must be received by the Company at least two days before the General Meeting is held, unless a shorter period is specified in the Notice of Meeting or required by the regulations in force.

Shareholders may participate in General Meetings by videoconference or any other means of telecommunication, when provided for in the Notice of Meeting and subject to the conditions defined therein.

The General Meeting may be publicly broadcast by means of electronic communication subject to the approval and under the terms set by the Board of Directors. Notice will be given in the preliminary Notice of Meeting and/or Notice to attend the Meeting.

In all General Meetings, the voting right attached to shares that include a usufructuary right, is exercised by the usufructuary.

Identification of holders of bearer shares

Article 6.3 of the Company's By-laws provides that Societe Generale can at any time, in accordance with current legislative and regulatory provisions, request that the organisation responsible for securities clearing provide information relating to the shares granting the right to vote in its General Meetings, either immediately or in the future, as well as information about the holders of these shares.

Documents

Societe Generale's By-laws are included in the present Registration Document. All reports, letters and other documents, historical financial data, assessments and declarations established by external experts at the request of the issuer and included in part or referred to in the present document, as well as all financial data on Societe Generale and its subsidiaries for each of the two fiscal periods preceding the publication of this document, can be consulted on the Societe Generale Group website or at its administrative office.

4. BY-LAWS

(Updated on 8 January 2015)

TYPE OF COMPANY – NAME – REGISTERED OFFICE – PURPOSE

Article 1

The Company, named Societe Generale, is a public limited company (*société anonyme*) incorporated by deed approved by the Decree of 4 May 1864, and is approved as a bank.

The duration of Societe Generale, previously fixed at 50 years with effect from 1 January 1899, was then extended by 99 years with effect from 1 January 1949.

Under the legislative and regulatory provisions relating to credit institutions, notably the articles of the French Monetary and Financial Code that apply to them, the Company is subject to the commercial laws, in particular articles L. 210-1 and following of the French Commercial Code, as well as by the current By-laws.

Article 2

Societe Generale's registered office is at 29, boulevard Haussmann, Paris (9e).

In accordance with current legal and regulatory provisions it may be transferred to any other location.

Article 3

The purpose of Societe Generale is, under the conditions determined by the laws and regulations applicable to credit institutions, to carry out with individuals and corporate entities, in France or abroad:

- all banking transactions;
- all transactions related to banking operations, including in particular investment services or allied services as listed by articles L. 321-1 and L. 321-2 of the French Monetary and Financial Code;
- all acquisitions of interests in other companies.

Societe Generale may also, on a regular basis, as defined in the conditions set by the French Financial and Banking Regulation Committee, engage in all transactions other than those mentioned above, including in particular insurance brokerage.

Generally, Societe Generale may carry out, on its own behalf, on behalf of a third-party or jointly, all financial, commercial, industrial, agricultural, movable property or real property transactions, directly or indirectly related to the abovementioned activities or likely to facilitate the accomplishment of such activities.

CAPITAL – SHARES

Article 4

4.1. SHARE CAPITAL

The share capital amounts to EUR 1,006,509,557.50. This is divided into 805,207,646 shares each having a nominal value of EUR 1.25 and fully paid up.

4.2. CAPITAL INCREASE AND REDUCTION

The capital may be increased or reduced on the decision of the competent General Meeting or Meetings.

Any capital reduction motivated by losses shall be shared between shareholders in proportion to their share of the capital.

Article 5

Unless otherwise provided by legal and regulatory provisions, all shares have the same rights.

All shares which make up or which will make up the share capital will be given equal rank as regards taxes. Consequently, all taxes which, for whatever reason, may become payable on certain shares following capital reimbursement, either during the life of the Company or during its liquidation, shall be divided between all the shares making up the capital on such reimbursement(s) so that, while allowing for the nominal and non-amortised value of the shares and for their respective rights, all present or future shares shall entitle their owners to the same effective advantages and to the right to receive the same net sum.

Whenever it is necessary to possess a certain number of shares in order to exercise a right, it is incumbent on shareholders who own fewer shares than the total number required to assemble the necessary number of shares.

Article 6

6.1. FORM AND TRANSFER OF SHARES

Shares may, in accordance with the holder's wishes, be registered or bearer shares and shall be freely negotiable, unless otherwise stipulated by law.

6.2. STATUTORY THRESHOLDS

Any shareholder acting on his own or jointly, who comes to hold directly or indirectly at least 1.5% of the capital or voting rights, must inform the Company within fifteen days of the time at which he exceeds this threshold, and must also indicate in his declaration the number of shares he holds in the share capital. Mutual fund management companies must provide this information based on the total number of shares held in the Company by the funds they manage. Beyond the initial 1.5%, shareholders are obliged to notify the Company, under the aforementioned conditions, whenever their holding of capital or voting rights exceeds an additional 0.50%.

Failure to comply with this requirement will be penalised in accordance with legal provisions on this matter, at the request of one or more shareholders with at least a 5% holding in the Company's capital or voting rights. The said request will be duly recorded in the minutes of the General Meeting.

Any shareholder acting on his own or jointly, is also required to inform the Company within fifteen days if the percentage of his capital or voting rights falls below each of the thresholds described in this article.

6.3. IDENTIFICATION OF SHAREHOLDERS

The Company can at any time, in accordance with current legal and regulatory provisions, request that the organisation responsible for securities clearing provide information relating to the shares granting the right to vote in its General Meetings, either immediately or in the future, as well as information about the holders of these shares.

6.4. SHAREHOLDERS' RIGHTS

The rights of shareholders shall comply with applicable legal and regulatory provisions, subject to the specific provisions of the current By-laws.

BOARD OF DIRECTORS

Article 7

I – DIRECTORS

The Company is administered by a Board of Directors made up of two categories of Directors:

1. DIRECTORS APPOINTED BY THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

There are at least nine of these Directors, and thirteen at the most.

The mandate of Directors appointed by the Ordinary General Meeting shall expire four years after the approval of the current article. This provision does not apply to Directors in office at the time of this approval.

When, in application of current legislative and regulatory provisions, a Director is appointed to replace another, then his mandate shall not exceed the mandate remaining to be served by his predecessor.

Each Director must hold at least six hundred shares.

2. DIRECTORS ELECTED BY EMPLOYEES

The status and the methods of electing these Directors are laid down by Articles L. 225-27 to L. 225-34 of the French Commercial Code, as well as by these By-laws.

There are two such Directors, one to represent the executives and one to represent all other Company employees.

In any event, their number may not exceed one-third of the Directors appointed by the General Meeting.

Their mandate is three years.

Regardless of the appointment procedure, the duties of a Director cease at the end of the Ordinary General Meeting called to approve the financial statements of the previous fiscal year and held during the year in which his mandate expires.

Directors may be re-elected, as long as they meet the legal provisions, particularly with regard to age.

II – METHODS OF ELECTING DIRECTORS ELECTED BY EMPLOYEES

For each seat to be filled, the voting procedure is that set forth by law.

The first Directors elected by employees will begin their mandate during the Board of Directors' Meeting held after publication of the full results of the first elections.

Subsequent Directors shall take up office upon expiry of the outgoing Directors' terms of office.

If, under any circumstances and for any reason whatsoever, there shall remain in office less than the statutory number of Directors before the normal end of the mandate of such Directors, vacant seats shall remain vacant until the end of the mandate and the Board shall continue to meet and take decisions validly until that date. Elections shall be organised every three years so that a second vote may take place at the latest fifteen days before the normal end of the mandate of outgoing Directors.

For both the first and second ballot, the following deadlines should be adhered to:

- posting of the date of the election at least eight weeks before the polling date;
- posting of the lists of the electors at least six weeks before the polling date;
- registration of candidates at least five weeks before the polling date;
- posting of lists of candidates at least four weeks before the polling date;
- sending of documents required for postal voting at least three weeks before the polling date.

The candidatures or lists of candidates other than those entered by a representative trade union should be accompanied by a document including the names and signatures of the one hundred employees presenting the candidates.

Polling takes place the same day, at the work place, and during working hours. Nevertheless, the following may vote by post:

- employees not present on the day of polling;
- employees working abroad;
- employees of a department or office, or seconded to a subsidiary in France, not having a polling station, or who cannot vote in another office.

Each polling station consists of three elective members, the Chairman being the oldest one among them. The Chairman is responsible for seeing that voting operations proceed correctly.

Votes are counted in each polling station, and immediately after the closing of the polls; the report is drawn up as soon as the counting has been completed.

Results are immediately sent to the Head Office of Societe Generale, where a centralised results station will be set up with a view to drafting the summary report and announcing the results.

Methods of polling not specified by Articles L. 225-27 to L. 225-34 of the French Commercial Code or these By-laws are settled up by the General Management after consulting with the representative trade unions.

These methods may include electronic voting, whose organisation may deviate, where necessary, from the practical organisation and polling methods described herein.

III – NON-VOTING DIRECTORS

On the proposal of the Chairman, the Board of Directors may appoint one or two Non-Voting Directors.

Non-Voting Directors are convened and attend Board of Directors' meetings in a consultative capacity.

They are appointed for a period not exceeding four years and the Board can renew their terms of office or terminate them at any time.

They may be selected from among shareholders or non-shareholders, and receive an annual remuneration determined by the Board of Directors.

Article 8

The Board of Directors determines the Company's strategy and ensures its implementation. Subject to the powers expressly attributed to the General Meeting and within the scope of the corporate purpose, it considers all matters that affect the Company's operations and settles by its decisions matters that concern it.

It carries out all the controls and verifications it deems appropriate. The Chairman or Chief Executive Officer is required to furnish each director with any documents or information required to carry out their function.

Article 9

The Board of Directors elects a Chairman from among its natural person members, determines his remuneration and sets the duration of his mandate, which may not exceed that of his mandate as Director.

No member of 70 years of age or more shall be appointed Chairman. If the Chairman in office reaches the age of 70, his duties shall cease after the next Ordinary General Meeting called to approve the financial statements of the preceding fiscal year.

The Chairman organises and manages the work of the Board of Directors and reports on its activities to the General Meeting. He ensures that the Company's bodies operate correctly and in particular ensures that the Directors are able to fulfil their functions.

Article 10

The Board of Directors meets as often as is required by the interests of the Company, upon convocation by the Chairman, either at the registered office or in any other place indicated in the Notice of Meeting. The Board examines the items placed on the agenda.

It shall also meet when at least one-third of Board members or the Chief Executive Officer submits a request for a meeting with a specific agenda to the Chairman.

If the Chairman is unable to attend, the Board of Directors can be convened either by at least one-third of its members, or by the Chief Executive Officer or a Deputy Chief Executive Officer, provided they are members of the Board.

Unless specifically provided for, Directors are called to meetings by letter or by any other means. In any event, the Board may always deliberate validly if all its members are present or represented.

Article 11

Board meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Director designated for this purpose at the beginning of the meeting.

Each Director may give his proxy to another Director, but a Director may act as proxy for only one other Director and a proxy can only be given for one specific meeting of the Board.

In all cases, deliberations of the Board are valid only if at least half the members are present.

The Chief Executive Officer attends meetings of the Board.

One or several delegates of the Central Works Council attend Board meetings, under the conditions laid down by the legislation in force.

At the request of the Chairman of the Board of Directors, members of the General Management, the Statutory Auditors or other persons outside the Company with specific expertise relating to the items on the agenda may attend all or part of a Board meeting.

Resolutions are adopted by a majority vote of the Directors present or represented. In the event of a tie, the Chairman holds a casting vote.

A member of the Management appointed by the Chairman serves as Secretary of the Board.

Minutes are prepared and copies or extracts certified and delivered in accordance with the law.

Article 12

Members of the Board may receive Director's fees in the form of a global sum set by the General Meeting distributed by the Board among its members as it sees fit.

GENERAL MANAGEMENT

Article 13

The General Management of the Company is the responsibility of either the Chairman of the Board of Directors, or any other individual appointed by the Board of Directors to act as Chief Executive Officer.

The Board of Directors may choose between the two general management structures, and its decision is only valid if:

- the agenda with respect to this choice is sent to members at least 15 days before the date of the Board Meeting;
- at least two-thirds of Directors are present or represented.

Shareholders and third-parties shall be informed of this decision in accordance with the regulations in force.

When the Chairman of the Board of Directors assumes responsibility for the general management of the Company, the following provisions relating to the Chief Executive Officer shall be applicable to him.

The Chief Executive Officer shall be granted exhaustive powers to act on behalf of the Company in all matters. He shall exercise these powers within the scope of the Company's purpose and subject to those powers expressly assigned by law to meetings of shareholders and the Board of Directors. He shall represent the company vis-à-vis third-parties.

The Board of Directors sets the remuneration and the duration of the Chief Executive Officer's term, which may not exceed that of the dissociation of the functions of Chairman and Chief Executive Officer nor, where applicable, that of his term as Director.

No person aged 70 or more may be appointed Chief Executive Officer. If the Chief Executive Officer in office reaches 70 years of age, his functions shall end at the end of the next Ordinary General Meeting called to approve the financial statements of the preceding fiscal year.

On recommendation by the Chief Executive Officer, the Board of Directors can appoint up to five persons to assist the Chief Executive Officer, who shall have the title of Deputy Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors determines the extent and duration of the powers granted to the Deputy Chief Executive Officers. The Board of Directors sets their remuneration. With respect to third-parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

SHAREHOLDERS' MEETING

Article 14

General Meetings are comprised of all shareholders.

The General Meeting is called and deliberates as provided for by the legal and regulatory provisions in force.

It meets at the Company's head office or in any other place in mainland France indicated in the Notice to attend the General Meeting.

Such meetings are chaired by the Chairman of the Board or, in his absence, by a Director appointed for this purpose by the Chairman of the Board.

Regardless of the number of shares held any shareholder whose shares are registered under the terms and at a date set forth by decree, has the right, upon proof of his identity and status as a shareholder, to participate in the General Meetings. He may, as provided for by the legal and regulatory provisions in force, personally attend the General Meetings, vote remotely or appoint a proxy.

The intermediary registered on behalf of shareholders may participate in the General Meetings, as provided for by the legal and regulatory provisions in force.

In order for the ballots to be counted, they must be received by the Company at least two days before the General Meeting is held, unless otherwise specified in the Notice of Meeting or required by the regulations in force.

Shareholders may participate in General Meetings by videoconference or any other means of telecommunication, when stipulated in the Notice of Meeting and subject to the conditions provided therein.

The General Meeting may be publicly broadcast by means of electronic communication subject to the approval and under the terms set by the Board of Directors. Notice will be given in the preliminary Notice of Meeting and/or Notice to attend the Meeting.

Double voting rights, in relation to the share of capital stock they represent, are allocated to all those shares which are fully paid up and which have been registered in the name of the same shareholder for at least two years as from 1 January 1993. Double voting rights are also allocated to new registered shares that may be allocated free of charge to a shareholder in respect of the shares with double voting rights already held by him, in the case of a capital increase by incorporation of reserves, earnings, or additional paid-in capital.

The number of votes at General Meetings to be used by one shareholder, either personally or by a proxy, may not exceed 15% of total voting rights at the date of the Meeting.

This 15% limit does not apply to the Chairman or any other proxy with respect to the total number of voting rights they hold on a personal basis and in their capacity as proxy, provided that each shareholder for which they act as proxy complies with the rule stipulated in the previous paragraph.

For the purposes of applying this limit, shares held by a single shareholder include shares held indirectly or jointly in accordance with the conditions described in Articles L. 233-7 and following of the French Commercial Code.

This limit ceases to apply when a shareholder acquires – either directly or indirectly or jointly with another shareholder – more than 50.01% of the Company's voting rights following a public offering.

In all General Meetings, the voting right attached to shares that include a usufructuary right, is exercised by the usufructuary.

SPECIAL MEETINGS

Article 15

When different categories of shares exist, the Special Meetings of the Shareholders of such categories of shares are convened and deliberate as provided by the applicable legislative and regulatory provisions and Article 14 herein.

STATUTORY AUDITORS

Article 16

The Statutory Auditors are appointed and carry out their duties according to the applicable statutory and regulatory provisions.

ANNUAL FINANCIAL STATEMENTS

Article 17

The financial year starts on 1 January and ends on 31 December.

The Board of Directors prepares the financial statements for the year under the conditions fixed by the applicable laws and regulations.

All other documents prescribed by the applicable laws and regulations are also drawn up.

Article 18

The results for the year are determined in accordance with the applicable legal and regulatory provisions.

At least 5% of the profits for the year, less any previous losses, must be set aside to form a reserve fund required by law until the said fund reaches 10% of the capital.

The net income available after this deduction, increased by any net income brought forward, constitutes the profits available for distribution, to be successively allocated to ordinary, extraordinary or special reserves or to be carried forward in those amounts which the General Meeting may deem useful, upon the recommendation of the Board of Directors.

The balance is then allocated to the Shareholders in proportion of their participation in the share capital.

The General Meeting may also resolve to distribute amounts from available reserves.

The General Meeting approving the annual financial statements may, with regard to all or part of the dividend or interim dividend, grant each shareholder the option of choosing between payment of the dividend or interim dividend in cash or in shares in accordance with the conditions fixed by the laws in force. Shareholders who exercise this option must do so for all of the dividends or interim dividends attached to their shares.

Except in cases of a reduction in capital, no distribution may be made to shareholders if the shareholders' equity of the Company is or may subsequently become less than the amount capital plus the reserves that may not be distributed by law or under the Company's By-laws.

FORUM SELECTION CLAUSE

Article 19

Any dispute arising during the life of the Company or during its liquidation, between the Company and its shareholders or among the Shareholders themselves, related to Company matters, shall be brought solely before the courts with jurisdiction over the Company's registered office.

DISSOLUTION

Article 20

In the event that Societe Generale is wound up and unless otherwise provided for by Law, the General Meeting determines the method of liquidation, appoints the liquidators on the proposal of the Board of Directors and continues to exercise its assigned powers during the said liquidation until completion thereof.

The net assets remaining after repayment of the nominal value of the shares are distributed among the shareholders, in proportion to their share of the capital.

5. INTERNAL RULES OF THE BOARD OF DIRECTORS*

(Updated on 1 January 2015)

Preamble:

The Board of Directors represents all shareholders collectively and acts in the Company's interest. Each Director, regardless of the manner in which he was appointed, should act in all circumstances in the Company's corporate interests

Societe Generale applies the AFEP-MEDEF Corporate Governance Code for listed companies. As a credit institution, Societe Generale is subject to the provisions of the French Commercial Code, the French Monetary and Financial Code and more generally the implementing regulations applicable to the banking sector.

The purpose of these Internal Rules is to define the Board's organisation and operating procedures and to set out the rights and obligations of its members.

The Board of Directors ensures that Societe Generale has a solid governance system including, in particular, a clearly defined organisation that ensures well-defined, transparent and coherent responsibilities are shared, there are efficient detection, management, monitoring and declaration procedures for the risks the Company is or could be exposed to, the internal control system is adequate, the administrative and accounting procedures are sound and the compensation policies and practices allow and encourage responsible and efficient risk management.

Article 1: Powers of the Board of Directors

1.1 - The Board of Directors shall deliberate on any issue that falls within the scope of the powers ascribed to it by law or by regulations and shall devote sufficient time to fulfil its missions.

1.2 - The Board of Directors:

a) approves the Group's strategy, ensures it is implemented and reviews it at least once a year;

b) ensures the accuracy and truthfulness of the parent company and consolidated financial statements and the quality of the information communicated to shareholders and the market;

c) approves and regularly reviews the strategies and policies governing the taking, management, monitoring and reduction of the risks the Company is or could be exposed to, including the risks generated by the economic environment; makes sure in particular that the Group's risk management systems are adequate and effective, controls the exposure to risk from its activities and approves the overall risk limits; and ensures that the corrective measures taken in case of a weakness are effective;

d) reviews the governance system, periodically assesses its effectiveness and ensures that corrective measures to remedy potential weaknesses have been taken; and in particular ensures that the banking regulations with respect to internal control are complied with;

e) determines the senior managers'[1] orientations and controls their implementation of the oversight systems to ensure the institution is managed efficiently and prudently and especially to prevent conflicts of interest;

f) approves all strategic investments and transactions, notably acquisitions or disposals, liable to have a material impact on the Group's earnings, its balance sheet structure or its risk profile.

This prior approval process concerns:

- organic growth operations where these represent a unit amount in excess of EUR 250 million and have not already been approved within the framework of the annual budget or the strategic plan,
- acquisitions for a unit amount exceeding 3% of the Group's consolidated shareholders' equity or 1.50% of consolidated shareholders' equity where acquisitions do not comply with the development priorities approved in the strategic plan,
- disposals for a unit amount exceeding 1.50% of the Group's consolidated shareholders' equity,
- partnerships involving a cash payment exceeding 1.50% of the Group's consolidated shareholders' equity,
- transactions that would result in a substantial deterioration of the Group's risk profile.

If, for reasons of urgency, it is impossible to convene a meeting of the Board of Directors to deliberate on a transaction that falls within the aforementioned categories, the Chairman shall do his utmost to obtain the opinion of all the Directors before taking a decision. He shall keep the Vice-Chairman informed thereof.

The Chairman shall assess on a case-by-case basis the appropriateness of convening the Board of Directors to deliberate on a transaction that does not fall within the aforementioned categories.

During each Board of Directors meeting, the Chairman shall report on the transactions concluded since the previous meeting, as well as on the main projects in progress that are liable to be concluded before the next Board of Directors meeting;

g) controls the publication and communication process and the quality and reliability of the information to be published and transmitted;

* This document does not form part of Societe Generale's By-laws. It is not enforceable against third-parties. It may not be cited by third-parties or shareholders as evidence against Societe Generale.

(1) Persons designated as such with the regulator (ACPR). For Societe Generale, these are the Executive Officers.

h) deliberates on modifications to the Group's management structures prior to their implementation and is informed of the principal changes to its organisation;

i) deliberates at least once a year on its operation and that of its Committees, and on the conclusions of their periodic evaluation;

j) establishes the compensation policy rules applicable in the Group, especially those regarding categories of employees whose activities have a significant impact on the Group's risk profile and ensures that the internal control systems effectively verify that the rules comply with the regulations and professional standards and are suitable for meeting the risk management objectives;

k) sets the compensation of the Chairman and the Executive Officers, particularly their base fixed salaries, performance-linked pay and benefits in kind, stock option or performance share allocations, any compensation instruments and post-employment benefits;

l) discusses every year the Group's human resources, information systems and organisation policy as well as its policy with respect to social and environmental responsibilities;

m) deliberates once a year on the Company's policy regarding professional and wage equality between male and female employees;

n) establishes the preventive recovery plan that is sent to the *Autorité de contrôle prudentiel et de résolution* (French Prudential Supervision and Resolution Authority) and deliberates on any similar plan requested by foreign supervision authorities;

o) distributes attendance fees pursuant to Article 15 of these Internal Rules;

p) approves the "Corporate Governance" chapter of the Registration Document, which notably includes the Report of the Chairman on Corporate Governance and Internal Control and Risk Management Procedures, the description of the compensation policy for the Chairman and the Executive Officers and the principles applicable to the compensation of other regulated persons; and

q) makes the decision to dismiss the Chief Risk Officer who cannot be dismissed from his functions without the prior consent of the Board of Directors.

Article 2: Skills/Aptitudes of the members of the Board of Directors

2.1 - The members of the Board of Directors shall at all times be of sufficiently good repute, possess sufficient knowledge, skills and experience to perform their duties and collectively the necessary knowledge, skills and experience to understand the Company's activities, including the main risks it is exposed to.

2.2 - Each Director undertakes to continuously improve his knowledge of the Company and its sector of activity.

Article 3: Availability of the members of the Board of Directors

3.1 - The members of the Board of Directors shall commit sufficient time to perform their functions.

Pursuant to the conditions defined by the laws in force, they can only hold, within any legal entity, one executive directorship with two non-executive directorships or only four non-executive directorships. Nevertheless, the *Autorité de contrôle prudentiel et de résolution* (French Prudential Supervision and Resolution Authority) may authorise a member of the Board of Directors to hold an additional non-executive directorship and the directorships held within the same group shall count as a single directorship.

3.2 - Any Director who holds an executive directorship in the Group must take note of the Board of Directors' opinion before accepting a mandate in a listed company; the Director must comply with the procedure set out in Article 14, "conflicts of interest."

3.3 - Each Director shall inform the Chief Executive Officer promptly of any change in the number of mandates held, including his participation in a Board committee, as well as any change in professional responsibility.

In the event of a significant change in his professional duties or positions held, he undertakes to let the Board of Directors decide whether he should continue to serve as a Director of Societe Generale.

He undertakes to resign from his Directorship when he deems he is no longer able to perform his functions within the Board of Directors and the Committees he is a member of.

3.4 - The Registration Document reports on Directors' regular attendance at meetings of the Board of Directors and the Committees.

3.5 - Each Director shall attend Shareholders' general meetings.

Article 4: Code of ethics of members of the Board of Directors

4.1 - Each Director remains independent in his or her views, judgements, decisions and actions under all circumstances.

Each Director undertakes not to seek, nor to accept, any benefits liable to compromise said independence.

4.2 - Each Director must comply with the provisions set out by the French monetary and financial code and the General Regulations of the French Financial Markets Authority (AMF) relating to the communication and the use of insider information, with regard to the securities of Societe Generale, the securities of its subsidiaries and listed securities. He must also comply with these same regulations for the securities of companies in which he would hold insider information received through his participation in the Board of Directors of Societe Generale.

4.3 - Directors shall abstain from carrying out any operations on Societe Generale shares or assimilated securities(1) during the 30 calendar days prior the publication of Societe Generale's quarterly, half-yearly and annual results as well as on the date of their publication.

(1) Here the term "assimilated securities" is taken to mean, on the one hand, securities giving the buyer the right, however this right may be exercised, to buy or sell Societe Generale shares or to receive a sum calculated based on the current share price upon exercising this right; and on the other hand, assets composed primarily of Societe Generale shares or related securities (e.g., units in the E-Fund).

Directors shall refrain from carrying out speculative or leveraged transactions in the securities and, to this end:

- shall conserve the acquired securities for at least two months from their date of purchase;
- shall refrain from using financial instruments likely to allow them to carry out speculative transactions. This specifically applies to transactions in derivative instruments.

The same rules apply to transactions in the securities of French or foreign listed companies that are controlled directly or indirectly by Societe Generale as defined in Article L. 233-3 of the French commercial code.

Directors shall bring any difficulty they may encounter in enforcing this provision to the attention of the Secretary of the Board of Directors.

4.4 - Pursuant to the regulations in force, Directors and anyone closely related to them must report to the AMF each transaction involving the acquisition, disposal, subscription or exchange of Societe Generale shares or any other type of financial instruments linked to Societe Generale shares.

A copy of this declaration is sent to the Secretary of the Board of Directors. These declarations are kept on record by the Corporate Secretary.

4.5 - Directors must register in their name all Societe Generale securities they hold in compliance with Article 16.

Article 5: Duties of the Chairman and Vice-Chairmen of the Board of Directors

5.1 - The Chairman calls and chairs the Board of Directors' meetings. He sets the timetable and the agenda of Board meetings. He organises and manages the work of the Board of Directors and reports on its activities to the General Meeting. He chairs the Shareholders' General Meetings.

The Chairman ensures that the Company's bodies, including in particular the Board of Directors' Committees, operate correctly and consistently with the best principles of corporate governance. He may request the opinion of the Committees on specific questions. He produces the report on corporate governance, internal control and risk management.

He ensures that the Directors are in a position to fulfil their duties and that they are provided with the appropriate information.

He speaks alone in the name of the Board of Directors, barring exceptional circumstances or specific assignments entrusted to another Director.

As the Chief Executive Officer, he proposes and implements the Company's strategy, within the limits defined by French Law and in compliance with the Company's corporate governance rules and the strategies determined by the Board of Directors.

5.2 - The Board of Directors may appoint a First Vice-Chairman to assist the Chairman in his tasks, especially the organisation and efficient operation of the Board of Directors and its Committees, the management of conflicts of interest and the supervision of corporate governance, internal control and risk control.

Consequently, the First Vice-Chairman chairs the Audit and Internal Control Committee and the Risk Committee and is a member of the Nomination and Corporate Governance Committee and the Compensation Committee. He may question the members of the Group Executive Committee (EXCOM) and the managers responsible for drawing up the financial statements, internal control, risk management, compliance control and periodic internal audits, and more generally the Group's management executives and Statutory Auditors. He is provided with the information and documents he deems necessary to accomplish his assignments.

The First Vice-Chairman holds a meeting at least once a year with the Directors who are not Group employees, from which the Chairman and Chief Executive Officer is excluded, to assess the performance of the Executive Officers and to reflect on the future of General Management. He conducts an annual review with each Director on his participation in the work of the Board of Directors.

With the consent of the Chairman and Chief Executive Officer, he may represent the Company during meetings with third parties concerning corporate governance, internal control and risk control.

5.3 - The Board of Directors may also appoint a Second Vice-Chairman. He is responsible for carrying out specific assignments entrusted to him by the Board of Directors with the consent of the Chairman and Chief Executive Officer. The Second Vice-chairman may attend committee meetings. He can question members of the EXCOM and is provided with the information and documents he deems necessary. With the consent of the Chairman and Chief Executive Officer, he may represent the Company during meetings with third parties in France or abroad.

5.4 - The Vice-Chairmen have, as required, access to the services of the Secretary of the Board of Directors and the necessary material resources to perform their functions.

Article 6: Meetings of the Board of Directors

6.1 - The Board shall meet at least six times a year.

6.2 - The Directors participating in a Board of Directors' meeting via videoconference or any other means of telecommunications that allows their identification and active participation shall be considered present for purposes of calculating the quorum and the majority. To this end, the means chosen must transmit at least the voice of the participating members and comply with specifications that permit continuous and simultaneous transmission of the discussions.

This provision is not valid when the Board of Directors has been convened to establish and approve the parent company and consolidated financial statements and the Management Report.

6.3 - Notices to attend Board of Directors meetings issued by the Secretary of the Board of Directors or the Corporate Secretary may be sent by letter, fax or electronic mail, or by any other means, including verbally.

6.4 - On the decision of the Chairman, the Deputy Executive Officers or other Group management executives or, where relevant, people who are not members of the Board of Directors who are able to make useful contributions to the discussions, may attend all or part of meetings of the Board of Directors.

Article 7: Information provided to the Board of Directors

7.1 - The Chairman and Chief Executive Officer shall provide each Director with all necessary information and documents for him to accomplish his assignment.

7.2 - Effective Senior managers shall inform the Board of Directors of all significant risks, risk management policies and modifications to such policies.

7.3 - If necessary, in the event of changes in the risks that affect or may affect the Company, the Chief Risk Officer may report directly to the Board of Directors.

7.4 - Prior to Board of Directors and Committee meetings, a file containing agenda items requiring special analysis and prior reflection will be made available or posted online in a timely manner whenever confidentiality rules allow.

Moreover, between meetings, Directors shall receive all relevant information, including any critical reviews, about significant events or transactions concerning the Company. In particular, they shall receive copies of press releases issued by the Company.

Article 8: Training of Directors

8.1 - The Company devotes the necessary human and financial resources to train the Directors.

8.2 - Training on the specific characteristics of the banking business are organised every year.

Each Director may take, either at the time of his appointment or throughout his mandate, any training that he deems necessary to perform his mandate.

8.3 - This training shall be organised by the Company which shall bear its cost.

Article 9: Board of Directors' Committees

9.1 - In certain areas, the Board of Directors' deliberations are prepared by specialised Committees composed of Directors appointed by the Board of Directors, which examine the issues within their prerogative and submit their opinions and proposals to the Board of Directors.

9.2 - These Committees are composed of members of the Board of Directors who do not hold any management functions in the Company and who have suitable knowledge to perform their committee's assignments.

9.3 - They shall possess the necessary means to perform their assignments and act under the responsibility of the Board of Directors.

9.4 - They may, in the course of their respective functions, ask to be provided with any relevant information, hear reports from the Group's Chairman, Executive Officers and senior managers and, after informing the Chairman, request that external technical studies be conducted at the Company's expense. They shall report on the information obtained and the opinions collected.

9.5 - There are four permanent Committees:

- the Audit and Internal Control Committee;
- the Risk Committee;
- the Compensation Committee; and
- the Nomination and Corporate Governance Committee.

9.6 - The Board may create one or more *"ad hoc"* Committees.

9.7 - The Risk Committee, the Compensation Committee and the Nomination and Corporate Governance Committee may perform their assignments for Group companies on a consolidated or sub-consolidated basis.

9.8 - The Audit and Internal Control Committee and the Risk Committee shall be chaired by the First Vice-Chairman of the Board of Directors or, in his absence, by a Chairman appointed by the Board of Directors based on a proposal made by the Nomination and Corporate Governance Committee.

The Compensation Committee and the Nomination and Corporate Governance Committee shall be chaired by a Chairman appointed by the Board of Directors based on a proposal made by the Nomination and Corporate Governance Committee.

The Secretarial functions for each Committee is performed by a person appointed by the Chairman of the Committee.

9.9 - The Chairman of each Committee shall report to the Board of Directors on the Committee's work. A written report of the Committee's activities shall be sent regularly to the Board of Directors.

Each Committee shall present the Board of Directors with its annual work program.

9.10 - Each committee shall give the Board of Directors an opinion on the part of the Registration Document dealing with the issues that fall within its scope of activity and prepare an annual report on its activities, subject to the Board of Directors' approval, for insertion in the Registration Document.

Article 10: The Audit and Internal Control Committee

10.1 - The Audit and Internal Control Committee's mission is to monitor issues concerning the production and control of accounting and financial information, and to monitor the efficiency of the internal control and the risk assessment, monitoring and control systems.

10.2 - In particular, it is responsible for:

a) ensuring monitoring of the process for drawing up financial information, particulary examining the quality and reliability of the systems in place, making suggestions for their improvement and verifying that corrective actions have been implemented if faults are found in the procedure;

b) analysing the draft financial statements to be submitted to the Board of Directors in order to verify, in particular, the clarity of the information provided and to offer an assessment of the relevance and consistency of the accounting methods used to draw up parent company and consolidated financial statements;

c) ensuring the independence of the Statutory Auditors, in particular by reviewing the breakdown of the fees paid by the Group to them as well as to the network to which they may belong to, and through prior approval of all assignments that do not fall within the strict framework of a statutory audit of accounts, but which may be the consequence of, or a supplement to, the same, all other assignments being prohibited; implementing the procedure for selecting the Statutory Auditors and submitting an opinion to the Board of Directors concerning their appointment or renewal as well as their remuneration;

d) examining the work program of the Statutory Auditors and more generally ensuring the supervision of account monitoring by the Statutory Auditors;

e) offering an assessment of the quality of internal control, in particular the consistency of risk assessment, monitoring and management systems, and proposing additional actions where appropriate. To this end, the Committee is responsible in particular for:

   – regularly reviewing the internal control and risk control of the business segments, divisions and main subsidiaries;

   – reviewing the Group's internal audit program and the Annual Report on Internal Control drawn up in accordance with banking regulations, as well as formulating an opinion on the organisation and operation of the internal control departments;

   – reviewing the follow-up letters sent by the French Banking Commission (*Commission bancaire*) and issuing an opinion on draft responses to these letters;

10.3 - It may interview, under the conditions it determines, in addition to the people listed in Article 9, the Statutory Auditors and the managers in charge of drawing up financial statements, internal control, risk management, compliance control and internal audits. The Statutory Auditors shall be invited to the meetings of the Audit and Internal Control Committee, unless the Committee decides otherwise.

10.4 - The Audit and Internal Control Committee is composed of at least three Directors appointed by the Board of Directors, who have the appropriate financial, accounting, audit or internal control qualifications. At least two thirds of the Committee members are independent as defined in the AFEP-MEDEF Corporate Governance Code.

Article 11: Risk Committee

11.1 - The Risk Committee advises the Board of Directors on the overall strategy and the appetite to all kinds of risks, both current and future, and helps the Board when it verifies that this strategy is implemented.

11.2 - In particular, it is responsible for:

a) reviewing the risk control procedures and is consulted about setting overall risk limits;

b) reviewing on a regular basis the strategies, policies, procedures and systems used to detect, manage and monitor the liquidity risk and submitting its conclusions to the Board of Directors;

c) formulating an opinion on the Group's global provisioning policy, as well as on specific provisions relating to large sums;

d) reviewing the policies in place and the reports prepared to comply with the banking regulations on internal control;

e) reviewing the policy concerning risk management and the monitoring of off-balance sheet commitments, especially in light of the memoranda drafted to this end by the Finance Division, the Risk Division and the Statutory Auditors;

f) reviewing, as part of its mission, whether the prices for the products and services mentioned in books II and III of the French Monetary and Financial Code and offered to clients are compatible with the Company's risk strategy. When these prices do not correctly reflect the risks, it informs the Board of Directors accordingly and gives its opinion on the action plan to remedy the situation;

g) without prejudice to the Compensation Committee's missions, reviewing whether the incentives provided by the compensation policy and practices are compatible with the Company's situation with regard to the risks it is exposed to, its share capital, its liquidity and the probability and timing of expected benefits.

11.3 - It is provided with all information on the Company's risk situation. It may use the services of the Chief Risk Officer or outside experts.

11.4 - It may interview, under the conditions it determines, in addition to the people listed in Article 9, the Statutory Auditors and the managers in charge of drawing up financial statements, internal control, risk management, compliance control and periodic internal audits.

11.5 - The Risk Committee is composed of at least three Directors appointed by the Board of Directors who have knowledge, skills and expertise concerning risks. At least two thirds of the Committee members are independent as defined in the AFEP-MEDEF Corporate Governance Code.

Article 12: The Compensation Committee

12.1 - The Compensation Committee prepares the decisions that the Board of Directors decides concerning compensation, especially those related to the Chairman and the Executive Officers and those that have an impact on risk and the management of risks in the Company.

12.2 - It conducts an annual review of:

a) the principles of the Company's compensation policy;

b) the compensation, allowances and benefits of any kind granted to the company's Chairman and the Executive Officers as well as the Effective Senior managers, if they are different;

c) the compensation policy for regulated employees as defined in the banking regulations.

12.3 - It controls the compensation of the Chief Risk Officer and the Chief Compliance Officer.

12.4 - It is provided all necessary information to perform its mission and in particular the annual report sent to the *Autorité de contrôle prudentiel et de résolution* (French Prudential Supervision and Resolution Authority).

12.5 - It may be assisted by the internal control services or by outside experts.

12.6 - In particular, the Committee:

a) proposes to the Board, consistent with the regulations applicable to lending institutions, the guidelines given by the AFEP-MEDEF Corporate Governance Code and with professional standards, the policy governing the remuneration of the Chairman and the Executive Officers, and especially the criteria for determining the structure and amount of this remuneration, including allowances and benefits in kind, personal protection insurance or pension benefits, as well as any compensation of any kind received from Group companies, and ensures that the policy is properly applied;

b) prepares the annual performance appraisal of the Chairman and the Executive Officers;

c) submits a proposal to the Board of Directors for the performance share and stock option allocation policy and formulates an opinion on the list of beneficiaries;

d) prepares the decisions of the Board of Directors concerning the employee savings plan;

e) examines each year and gives the Board of Directors its opinion on General Management's proposals for the compensation policy principles applicable in the Group and the compensation policy for regulated persons, and makes sure with General Management that the policy is being implemented and complies with the banking regulations.

12.7 - It is composed of at least three Directors and includes a Director elected by the employees. At least two thirds of the Committee members are independent as defined in the AFEP-MEDEF Code(1). Its composition enables it to exercise competent and independent judgement on the compensation policies and practices with regard to the management of risks, shareholders' equity and the Company's liquidities.

Article 13: The Nomination and Corporate Governance Committee

13.1 - The Nomination and Corporate Governance Committee:

a) identifies and recommends to the Board of Directors the applicants qualified to perform Director functions;

b) without prejudice to the other provisions applicable in this area, proposes to the Board of Directors a target objective concerning the balanced representation of women and men on the Board of Directors. It develops a policy designed to achieve this objective(2);

c) periodically assesses, and at least once a year, the structure, size, composition and effectiveness of the Board of Directors' work regarding the missions entrusted to it and submits any useful recommendations to the Board of Directors;

d) periodically reviews the Board of Directors' policies concerning the selection and nomination of Effective Senior managers, Deputy Executive Officers and the Chief Risk Officer, and formulates recommendations in this area;

13.2 - In particular, the Committee:

a) is responsible for submitting proposals to the Board of Directors on the nomination of Directors as well as on the succession of the Chairman and the Executive Officers, especially where a position becomes vacant unexpectedly, after carrying out any necessary inquiries;

b) provides the Board of Directors with proposals for appointments to the Board's Committees;

c) may propose the appointment of one or two Vice-Chairmen;

d) carries out preparatory work for the Board of Directors' review of corporate governance issues. It assesses the Board of Directors' performance every year;

e) submits a proposal to the Board of Directors concerning its presentation in the Registration Document and notably the list of independent Directors;

f) is informed prior to the appointment of any member of the Group's Executive Committee and any corporate department heads who do not sit on this Committee. It is informed of the list of replacements for these Senior officers.

13.3 - It is comprised of at least three Directors. At least two thirds of the Committee members are independent as defined in the AFEP-MEDEF Corporate Governance Code.

Article 14: Conflicts of Interest

14.1 - The First Vice-Chairman is in charge of managing conflict of interest situations of the Chairman, the Executive Officers and other members of the Board of Directors.

14.2 - Each Director shall inform the Board of Directors of any existing or potential conflict of interest to which he may be directly or indirectly exposed. He shall refrain from participating in any discussion and voting on such matters. The Chairman may request that he does not participate in the deliberating process.

14.3 - Each Director shall inform the Chairman of the Nomination Committee of his intention to accept a new mandate, including his participation in a committee, in a listed company that does not belong to a group in which he is an Executive Officer, so the Board of Directors can decide, if necessary, based on the Nomination Committee's proposal, that such an appointment would be incompatible with the mandate of Director of Societe Generale.

14.4 - Each Director shall inform the Chairman of the Board of Directors of any conviction for involvement in fraud, of any criminal charges and/or public sanction, and of any ban from managing or administering pronounced against him, as well as any bankruptcy, sequestration or liquidation proceeding in which he would have been associated.

14.5 - Each Director shall sign a sworn statement declaring whether or not he has been involved in any of the situations set out in 14.2 and 14.3: i) upon taking up his functions, ii) every year in response to the

(1) The AFEP-MEDEF Code does not take employees into account in the calculation of the proportion of independents on the committees.

(2) The objective and policy of credit institutions, as well as the terms of implementation, are made public pursuant to paragraph 2 (c) of article 435 of EU regulation No. 575/2013 of the European Parliament and Council of 26 June 2013.

request of the Secretary of the Board of Directors when preparing the Registration Document, iii) at any time if the Secretary of the Board of Directors requests it and iv) within 10 working days following any event rendering his previous statement partially or totally inaccurate.

Article 15: Directors' fees

15.1 - The overall amount of attendance fees is set at the General Meeting. The Board of Directors may decide to use only part of this amount.

15.2 - Where the Chairman and Chief Executive Officer is also a Director, he does not receive any attendance fees.

15.3 - As of the 2015 General Meeting, the overall amount of attendance fees is first allocated to the Chairman of the Risk Committee and the Chairman of the Audit and Internal Control Committee, in the amount of EUR 50,000 each, and the balance is divided up into a fixed portion of 40% and a variable portion of 60%, as opposed to one-third and two-thirds previously.

15.4 - The fixed portion is allocated as follows:

15.4.1 - From the 2014 General Meeting to the 2015 General Meeting, the First Vice-Chairman receives pro-rated attendance fees equal to 35% of the fixed portion of the annual overall amount of attendance fees set by the General Meeting.

The balance is pro-rated as follows:

- 1 portion for each Director,
- 1 additional portion for the Chairman of the Nomination Committee and the Chairman of the Compensation Committee,
- 1 additional portion for the members of the Risk Committee and the members of the Audit and Internal Control Committee (from 01/01/2015 to the 2015 General Meeting),
- 1 additional portion for the Chairman of the Audit and Internal Control Committee and the Chairman of the Risk Committee (from 01/01/2015 to the 2015 General Meeting),
- 2 additional portions for the members of the Audit, Internal Control and Risk Committee (before 01/01/2015),
- 3 additional portions for the Chairman of the Audit, Internal Control and Risk Committee (before 01/01/2015).

15.4.2 - As of the 2015 General Meeting, the fixed portion of attendance fees is pro rated as follows:

- 1 portion for each Director,
- 0.5 additional portion for the members of the Nomination Committee and the members of the Compensation Committee,
- 1 additional portion for the Chairman of the Nomination Committee and the Chairman of the Compensation Committee,
- 1 additional portion for the members of the Risk Committee and the members of the Audit and Internal Control Committee,
- 2 additional portions for the Chairman of the Audit and Internal Control Committee and the Chairman of the Risk Committee.

15.5 – The variable portion of attendance fees is divided up at the end of the year, in proportion to the number of Board and Committee meetings attended by each Director. However, meetings of the Compensation Committee and the Nomination and Corporate Governance Committee held on the same day are counted as a single meeting for members sitting on both Committees. The same applies to meetings of the Audit and Internal Control Committee and the Risk Committee.

Article 16: Shares held in a personal capacity

16.1 - Each Director, appointed by the General Meeting (in his own name or as a permanent representative of a legal entity) must hold at least 1,000 shares or the equivalent. Each Director has six months time-frame to hold the 600 shares provided for by the By-laws and an additional six months time-frame to increase his stake to 1,000 shares.

16.2 - Each Director shall refrain from hedging his or her shares.

Article 17: Reimbursement of expenses

17.1 - Directors' travel, accommodation, meals and assignment-related expenses linked to Board of Directors or Committee meetings, the General Meeting or any other meetings associated to the duties of the Board of Directors or Committees, are paid for or reimbursed by Societe Generale, upon submission of receipts.

17.2 - The Company pays for the Vice-Chairmen's office, secretariat and communication expenses required to perform their duties.

17.3 - The Secretary of the Board of Directors receives and checks these receipts and ensures that the Company pays or reimburses the amounts due.

Article 18: Confidentiality

18.1 - Each Director is bound by absolute professional secrecy in his capacity as Director with regard to the confidential information he receives, the discussions he participates in and the decisions taken as long as they have not been made public, and with regard to the opinions expressed by each Director.

18.2 - Each Director assumes an obligation of vigilance and circumspection.

6. LIST OF REGULATED INFORMATION PUBLISHED IN THE LAST 12 MONTHS*

PRESS RELEASES PUBLISHED UNDER REGULATED INFORMATION

- 17/3/2014 – Appointments within the Group's senior management team
- 18/3/2014 – Societe Generale announces its intention to increase its stake in BOURSORAMA
- 21/3/2014 – Addendum to the pillar 3 report included in the Registration Document published on 4 March 2014: credit risks
- 31/3/2014 – 2013 *proforma* quarterly series
- 11/4/2014 – Acquisition of 7% stake in Rosbank
- 17/4/2014 – 2013 Remuneration policies and practices report
- 7/5/2014 – Societe Generale finalises the acquisition of Newedge
- 13/5/2014 – Keeping the pace of transformation to deliver sustainable growth and profitability
- 20/5/2014 – Joint Shareholders' Annual General Meeting and Board of Directors' meeting of 20 May 2014
- 11/7/2014 – New share capital
- 26/10/2014 – Societe Generale successfully passes the comprehensive assessment of European bank balance sheets: confirmation of the Group's financial solidity
- 19/1/2015 – Societe Generale: change in corporate governance
- 3/2/2015 – Societe Generale focuses its activities in Brazil
- 25/2/2015 – Societe Generale accelerates its growth in insurance

REGISTRATION DOCUMENTS AND UPDATES - ANNUAL FINANCIAL REPORT

- 4/3/2014 – 2014 Registration Document
- 4/3/2014 – Availability of the 2014 Registration Document
- 4/3/2014 – Availability of the Annual Financial Report
- 7/5/2014 – First update of the 2014 Registration Document
- 7/5/2014 – Availability of the first update of the 2014 Registration Document
- 4/8/2014 – Second update of the 2014 Registration Document
- 4/8/2014 – Availability of the second update of the 2014 Registration Document
- 7/11/2014 – Third update of the 2014 Registration Document
- 7/11/2014 – Availability of the third update of the 2014 Registration Document

HALF-YEARLY FINANCIAL REPORT

- 4/8/2014 – Half-Yearly Financial Report
- 4/8/2014 – Press release on the availability of the Half-Yearly Financial Report

QUARTERLY FINANCIAL INFORMATION

- 7/5/2014 – 1st quarter 2014 Results
- 1/8/2014 – 2nd quarter 2014 Results
- 6/11/2014 – 3rd quarter 2014 Results
- 12/2/2015 – 4th quarter and full-year 2014 Results

MONTHLY DECLARATIONS ON THE TOTAL NUMBER OF VOTING RIGHTS AND SHARES

- 14 declaration forms

DESCRIPTION OF THE BUYBACK PROGRAMMES AND LIQUIDITY CONTRACT STATEMENT

- 2/7/2014 – Half-year statement of the liquidity contract
- 5/1/2015 – Half-year statement of the liquidity contract

REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

- 4/3/2014 – Publication of the Report on corporate governance, internal control and risk management procedures

STATUTORY AUDITORS' FEES

- 4/3/2014 – Statutory auditors' fees

* More detailed information available on www.societe generale.com in the "Regulated information" section under "Measuring our Performance".

REGULATED INFORMATION RELEASES ON PROVISION OR CONSULTATION OF INFORMATION RELATIVE TO SHAREHOLDERS' GENERAL MEETINGS

- 18/4/2014 – Provision or consultation of information relating to the Joint Shareholders' Meeting to be held on 20 May 2014

REGULATED INFORMATION RELEASES SETTING OUT THE ARRANGEMENTS FOR PROVISION OF PROSPECTUSES

- 19/3/2014 – Tender Offer initiated by Societe Generale on the shares of BOURSORAMA
- 17/4/2014 – SG 2014 Information Document
- 5/5/2014 – AMF information note – Tender Offer initiated by Societe Generale on the shares of BOURSORAMA
- 5/5/2014 – AMF information note – simplified tender offer on the shares of Boursorama – Other Information document
- 27/5/2014 – Following the success of the simplified tender offer on BOURSORAMA's shares, Societe Generale announces the implementation of the squeeze-out procedure on 28 May at a price of 12 euros per share.

8

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

1. Person responsible for the Registration Document 552

2. Statement of the person responsible for the Registration Document and the annual financial report 552

3. Person responsible for the audit of the financial statements 553

Statutory Auditors 553

Substitute Statutory Auditors 553

1. PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr. Frédéric Oudéa

Chairman and Chief Executive Officer of Societe Generale.

2. STATEMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

I hereby declare, after taking all reasonable measures for this purpose and to the best of my knowledge, that the information contained in this Registration Document is in accordance with the facts and that it makes no omission likely to affect its meaning.

I certify, to the best of my knowledge, that the accounts have been prepared in accordance with applicable accounting standards and are a fair reflection of the assets, liabilities, financial position and profit or loss of the Company and all the undertakings included in the consolidation scope, and that the Management Report (the cross-reference table of the annual financial statement in Chapter 9 indicates the contents of said report) presents a fair view of the Company's business, performance and financial position and that of all the undertakings included in the consolidation scope, as well as a description of the main risks and uncertainties to which they are exposed.

I have received a completion letter from the Statutory Auditors stating that they have audited the information contained in this Registration Document about the Company's financial position and accounts and that they have read this document in its entirety.

The historical financial data presented in this Registration Document has been discussed in the Statutory Auditors' reports found on pages 460 to 461 and 518 to 519 herein and those enclosed for reference for the financial years 2012 and 2013, found respectively on pages 385 to 386 and 446 to 447 of the 2013 Registration Document and on pages 376 to 377 and 434 to 435 of the 2014 Registration Document. The Statutory Auditors' reports on the 2014 and 2013 consolidated financial statements and on the 2012 parent company financial statements contain observations.

Paris, 4 March 2015

Chairman and Chief Executive Officer

Frédéric Oudéa

3. PERSON RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

STATUTORY AUDITORS

Name: Société Ernst & Young et Autres represented by Ms. Isabelle Santenac

Address: 1-2, place des Saisons
92400 Courbevoie – Paris-La Défense 1

Date of appointment: 22 May 2012

Term of office: six financial years

End of current term of office: at the close of the Ordinary General Meeting which will approve the financial statements for the year ended 31 December 2017

Name: Société Deloitte et Associés represented by Mr. Jean-Marc Mickeler

Address: 185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine cedex

Date of first appointment: 18 April 2003

Date of renewal: 22 May 2012

Term of office: six financial years

End of current term of office: at the close of the Ordinary General Meeting which will approve the financial statements for the year ended 31 December 2017.

SUBSTITUTE STATUTORY AUDITORS

Name: Société Picarle et Associés

Address: 1-2, place des Saisons
92400 Courbevoie – Paris-La Défense 1

Date of appointment: 22 May 2012

Term of office: six financial years

Name: Société BEAS

Address: 7-9 Villa Houssay
92200 Neuilly-sur-Seine

Date of appointment: 22 May 2012

Term of office: six financial years

Ernst & Young et Autres and Deloitte et Associés are registered as Statutory Auditors with the Compagnie régionale des Commissaires aux comptes de Versailles.

9
CROSS REFERENCE TABLES

Registration Document cross reference table 556

Annual financial report and management report cross reference table 558

Cross reference table of Pillar 3 report 559

Pillar 3 report tables index 560

Cross reference table with the recommendations made by the enhanced disclosure task force 562

CSR concordance table (Article 225 - Grenelle II) 564

REGISTRATION DOCUMENT CROSS REFERENCE TABLE

Subject		Page in the Registration Document
1.	PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT	552
2.	STATUTORY AUDITORS	553
3.	SELECTED FINANCIAL INFORMATION	
3.1.	Selected historical financial information on the issuer for each financial year	key figures p. 5
3.2.	Selected financial information for interim periods	NA
4.	RISK FACTORS	126-139 ; 144-291
5.	INFORMATION ABOUT THE ISSUER	
5.1.	History and development of the Company	4 ; 534
5.2.	Investments	53
6.	BUSINESS OVERVIEW	22-23
6.1.	Principal activities	5 ; 42-45
6.2.	Principal markets	5-23 ; 456-459
6.3.	Exceptional factors	NA
6.4.	Dependence of the issuer on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	NA
6.5.	The basis for statements made by the issuer regarding its competitive position	2
7.	ORGANISATIONAL STRUCTURE	
7.1.	Brief description of the Group	5 ; 22-23
7.2.	List of significant subsidiaries	27-41 ; 450-455 ; 508-517
8.	PROPERTY, PLANT AND EQUIPMENT	
8.1.	Material tangible fixed assets (existing or planned)	54 ; 410
8.2.	Environmental issues that may affect the issuer's utilisation of the tangible fixed assets	294-342
9.	OPERATING AND FINANCIAL REVIEW	
9.1.	Financial condition	46-52
9.2.	Operating results	24-41
10.	CAPITAL RESOURCES	
10.1.	Information on the issuer's capital resources	346-352
10.2.	Sources and amounts of the issuer's cash flow	353
10.3.	Information on the issuer's borrowing requirements and funding structure	49-52
10.4.	Information regarding any restrictions for the use of capital resources that have materially affected, or could materially affect, the issuer's operations	535
10.5.	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.2.3 and 8.1	50-51 ; 54
11.	RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES	NA
12.	TREND INFORMATION	55-56
13.	PROFIT FORECASTS OR ESTIMATES	NA
14.	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND GENERAL MANAGEMENT	
14.1.	Board of Directors and General Management	76-98
14.2.	Administrative bodies' and General Management's conflicts of interests	85
15.	REMUNERATION AND BENEFITS	
15.1.	Amount of remuneration paid and benefits in kind	99-123
15.2.	Total amounts set aside or accrued by the issuer to provide pension, retirement or similar benefits	446
16.	BOARD PRACTICES	
16.1.	Date of expiration of the current term of office	77-82

16.2.	Members of the administrative bodies' service contracts with the issuer	NA
16.3.	Information about the issuer's Audit Committee and Remuneration Committee	94-96
16.4.	Statement as to whether or not the issuer complies with the corporate governance regime	87
17.	EMPLOYEES	
17.1.	Number of employees	313-327
17.2.	Shareholdings and stock options awarded to directors	77-81 ; 99-123
17.3.	Arrangements for involving employees in the capital of the issuer	327
18.	MAJOR SHAREHOLDERS	
18.1.	Shareholders owning more than 5% of capital or voting rights	528-529
18.2.	Different voting rights held by the major shareholders	528-529 ; 535
18.3.	Control of the issuer	528-529
18.4.	Arrangements known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	NA
19.	RELATED PARTY TRANSACTIONS	124-125 ; 446 ; 508-517
20.	FINANCIAL INFORMATION CONCERNING THE ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES OF THE ISSUER	
20.1.	Historical financial information	346-459 ; 464-517; 557
20.2.	Pro forma financial information	NA
20.3.	Financial statements	346-459 ; 464-517
20.4.	Auditing of historical annual financial information	140-141 ; 460-461 ; 518-519
20.5.	Age of latest financial information	346 ; 464
20.6.	Interim financial information	NA
20.7.	Dividend policy	522-525
20.8.	Legal and arbitration proceedings	281-283
20.9.	Significant changes in the issuer's financial or trading position	53
21.	ADDITIONAL INFORMATION	
21.1.	Share capital	526-535
21.2.	Memorandum and by-laws	536-540
22.	MATERIAL CONTRACTS	54
23.	THIRD-PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST	NA
24.	DOCUMENTS ON DISPLAY	535
25.	INFORMATION ON HOLDINGS	22-23 ; 450-455 ; 508-517

In accordance with the requirements of Article 28 of EC regulation No. 809/2004 dated 29 April 2004, the following elements are enclosed for reference purposes:

- the parent company and consolidated financial statements for the year ended 31 December 2013, the related Statutory Auditors' report and the Group Management Report presented respectively on pages 380 to 433, pages 266 to 375, pages 434 to 435 and 376 to 377 and pages 21 to 58 of the Registration Document D. 14-0115 submitted to the AMF on 4 March 2014;
- the parent company and consolidated financial statements for the year ended 31 December 2012, the related Statutory Auditors' report and the Group Management Report presented respectively on pages 387 to 445 and 270 to 384, pages 446 to 447 and 385 to 386 and pages 37 to 74 of the Registration Document D. 13-0101 submitted to the AMF on 4 March 2013;

The chapters of the Registration Documents D. 14-0115 and D. 13-0101 not mentioned above do not apply to investors or are covered in another part of the present document.

ANNUAL FINANCIAL REPORT AND MANAGEMENT REPORT CROSS REFERENCE TABLE

In application of Article 222-3 of the AMF's General Regulations, French Monetary and Financial Code contains the information:

Annual financial report	Page No.
Statement of the person responsible for the Registration Document	**552**
Management report	
■ Analysis of results, financial condition and parent company and consolidated Group risks and list of authorisations to increase the share capital (Article L. 225-100 and L. 225-100-2 of the French Commercial Code)	5-19 ; 24-41 ; 46-48 ; 54-55 ; 144-291 ; 313-315 ; 402 ; 530-533
■ Information required by Article L. 225-100-3 of the French Commercial Code relating to factors likely to affect the outcome of a public offer	529
■ Information about share buybacks (Article L. 225-211, paragraph 2, of the French Commercial Code)	527-528
■ Information about geographic locations and activities (Article L. 511-45 of the French Monetary and Financial Code)	57-73
Financial statements	
■ Annual financial statements	464-517
■ Statutory Auditors' report on the annual financial statements	518-519
■ Consolidated financial statements	346-459
■ Statutory Auditors' report on the consolidated financial statements	460-461

CROSS REFERENCE TABLE OF PILLAR 3 REPORT

CRR article	Theme	Registration document cross reference	Page
90	Return on assets	Key risks indicators	144
435	0. Risk management objectives and policies	3.1 Corporate governance structure and main bodies + 4.2 Governance and risk management organisation	76 155
436 (a)(b)	1. Scope of application	4.3 Capital management and adequacy Tables 1 and 2 + Note 46 to the consolidated financial statement	163 450
436 (c)(d)(e)	1. Scope of application	Information not published for confidentiality reasons	
437	2. Own funds	4.3 Capital management and adequacy	162
438	3. Capital requirements	4.3 Capital management and adequacy	169
439	4. Exposure to counterparty credit risk	4.4 Credit risks	198
440	5. Capital buffers	4.3 Capital management and adequacy	162
441	6. Indicators of global systemic importance	SG website - Informations and publications section/ Pillar 3 and other prudential information (for 2013)	
442	7. Credit risk adjustments	4.4 Credit risks	198
443	8. Unencumbered assets	4.9 Liquidity risk	272
444	9. Use of ECAIs	4.5 Securitisation	233
445	10. Exposure to market risk	4.6 Market risks	247
446	11. Operational risk	4.7 Operational risks	255
447	12. Exposures in equities not included in the trading book	4.11 Equity risk	284
448	13. Exposure to interest rate risk on positions not included in the trading book	4.8 Structural interest rate and exchange rate risks	261
449	14. Exposure to securitisation positions	4.5 Securitisation	233
450	15. Remuneration policy	First update of the Registration Document (planned)	
451	16. Leverage	4.3 Capital management and adequacy	144
452	17. Use of the IRB Approach to credit risk	4.4 Credit risks	203
453	18. Use of credit risk mitigation techniques	4.4 Credit risks	201
454	19. Use of the Advanced Measurement Approaches to operational risk	4.7 Operational risks	255
455	20. Use of Internal Market Risk Models	4.6 Market risks	247

PILLAR 3 REPORT TABLES INDEX

No.	Title	Page
1	Difference between accounting scope and prudential reporting scope	163
2	Reconciliation of the consolidated balance sheet and the accounting balance sheet within the prudential scope	163
3	Subsidiaries outside the prudential reporting scope	165
4	Total amount of debt instruments eligible for Tier 1 equity	166
5	Changes in debt instruments eligible for the solvency capital requirements	167
6	Regulatory capital and CRR/CRD4 solvency ratios - fully loaded	168
6a	Regulatory own funds and CRR/CRD4 solvency ratios (details of table 6)	174 - 175
6b	Transitional own funds disclosure template	176 - 179
6c	Capital instruments main features	180 - 197
7	Regulatory capital flows - fully loaded	169
8	Fully loaded deductions and regulatory adjustments under CRR/CRD4	169
9	Group capital requirements and risk-weighted assets	170
10	CRR/CRD4 risk-weighted assets at end-December 2014	171
11	Key subsidiaries' contribution to the Group's risk-weighted assets	172
12	Summary of the leverage ratio and transition of the accounting balance sheet to the leveraged-exposure prudential scope	173
13	Breakdown of EAD by the Basel method	203
14	Scope of application of the IRB and standard approaches for the Group	203
15	Societe Generale's internal rating scale and corresponding scales of rating agencies	204 - 242
16	Wholesale clients - models and principal characteristics of models	205
17	Comparison of estimated PD values and actual values – wholesale clients	206
18	Comparison of estimated LGD values and actual values – wholesale clients	206
19	Retail clients - models and principal characteristics of models	207
20	Comparison of estimated PD values and actual values – retail clients	208
21	Comparison of estimated LGD values and actual values – retail clients	208
22	Doubtful loans coverage ratio	213
23	Exposure class	214
24	Credit risk exposure, exposure at default (EAD) and risk-weighted assets (RWA) by approach and exposure class	215
25	Retail credit risk exposure, exposure at default (EAD) and risk-weighted assets (RWA) by approach and exposure class	216
26	Credit and counterparty risk exposure by approach and exposure class	217
27	Credit and counterparty exposure at default (EAD) by approach and exposure class	218
28	On and off-balance sheet personal guarantees (including credit derivatives) and collateral by exposure class	218
29	Corporate credit exposure at default (EAD) by industry sector	219
30	Exposure at default (EAD) by geographic region and main countries and by exposure class	220 - 221
31	Retail exposure at default (EAD) by geographic region and main countries	222
32	Under the IRB approach for non-retail customers: credit risk exposure by residual maturity and exposure class	223

No.	Title	Page
33	Under the IRB approach: credit risk exposure by exposure class and internal rating (excluding defaulted exposure)	224 - 225
34	Under the IRB approach for retail customers: credit risk exposure by exposure class and internal rating (excluding defaulted exposure)	226
35	Under the standard approach: credit risk exposure by exposure class and external rating	228
36	Counterparty risk exposure by exposure class	229
37	Counterparty risk exposure at default (EAD) by geographic region and main countries (which exposure is above EUR 1 bn)	229
38	Under the IRB approach: counterparty risk exposure at default (EAD) by internal rating	230
39	Breakdown of unimpaired past due exposures by exposure class	230
40	Impaired on-balance sheet exposures and impairments by exposure class and cost of risk	230
41	Impaired on-balance sheet exposures and impairments by approach and by geographic region and main countries	231
42	Impaired on-balance sheet exposures by industry sector	232
43	Under the IRB approach: expected losses (EL) on a one-year horizon by exposure class (excluding defaulted exposures)	232
44	Aggregate amounts of exposures securitised by the Group at 31 December 2014 and 2013 by exposure class	235
45	Amounts past due or impaired within the exposures securitised by the Group, by exposure type	236
46	Assets awaiting securitisation	237
47	Aggregate amounts of securitised exposures retained or purchased in the banking book	238
48	Aggregate amounts of securitised exposures retained or purchased in the trading book	239
49	Aggregate amounts of securitised exposures retained or purchased by region in the banking and the trading book	239
50	Quality of securitisation positions retained or purchased	240 - 241
51	Aggregate amounts of securitised exposures retained or purchased in the banking book by approach and by weighting at 31 December 2014	243
52	Aggregate amounts of securitised exposures retained or purchased in the banking book by approach and by weighting at 31 December 2013	244
53	Aggregate amounts of securitised exposures retained or purchased in the trading book by risk weight band	245
54	Regulatory capital requirements for securitisations held or acquired in the trading book	246
55	Securitisation exposures deducted from capital by exposure category	246
56	Capital requirements by risk factor	254
57	Capital requirements by type of market risk	254
58	Measurement of the entities' sensitivity to a 1% interest rate shift, at 31 December 2014, indicated by maturity	262
59	Interest rate gaps by maturity at 31.12.2014	263
60	Sensitivity of the Group's interest margin	263
61	Foreign exchange transactions	264
62	Sensitivity of the Common Equity Tier 1 ratio of the Group to a change of 10% of the currency (in basis points)	264
63	Banking Book Equity Investments and Holdings	285
64	Net gains and losses on banking book equities and holdings	285
65	Capital requirements related to banking book equities and holdings	286

CROSS REFERENCE TABLE WITH THE RECOMMENDATIONS MADE BY THE ENHANCED DISCLOSURE TASK FORCE - EDTF

N°	Recommendation	Details	Page
1	Present all related risk information together in any particular report	■ Chapter 1 (description of the Group, strategy, presentation of the businesses)	5 and following
		■ Chapter 2 (management report, balance sheet structure, recent developments and outlook)	21 and following
		■ Chapter 4 (risks, capital adequacy, Pillar 3)	144 and following
2	Definition of the principal terms and metrics used	■ Availability of a glossary of the principal terms used	566
		■ Definitions as necessary in the chapters concerned	
		- credit risks	198
		- market risks	247
		- operational risks	255
3	Definition and classification of risks and risk outlook	■ Key figures	144-145
		■ Types of risks	146
		■ Risk factors	147
		■ Recent developments and outlook	6 ; 55
4	Definition of regulatory changes and new key ratios	■ Fully-loaded Basel 3 capital ratio	144
		■ Phase-in stages	167
		■ Additional GSIB buffer	162
		■ Leverage ratio	144-162
		■ LCR	271
		■ NSFR	271
5	Risk governance	■ Group governance principles (summary diagram)	76
		■ Chairman's report on corporate governance	87
		■ Chairman's report on internal control and risk management	126
		■ Risk management principles (summary diagram)	134-155
		■ Credit risks	198
		■ Market risks	247
		■ Operational risks	255
6	Risk culture	■ Organisation and governance of the risk management system	155
		■ "Enterprise Risk Management" programme	158
7	Key figures for the businesses, risk appetite, risk management	■ Key Group figures	5
		■ Description of the businesses	9
		■ Key risk figures	144-145
		■ Risk appetite	158-159
		■ Governance of risk management	126 and following 156-157
8	Stress test system	■ General description	158-159
		■ Credit stress tests	199
		■ Market risk stress tests	251
9	Capital requirements	■ Exigences de fonds propres par type de risque	170
		■ Coussin complémentaire GSIB	162
10	Information on the composition of regulatory capital Reconciliation of accounting and regulatory data	■ Composition of regulatory capital	168
		■ Details of regulatory capital	174
		■ Reconciliation of the accounting balance sheet and the regulatory balance sheet	163 168
		■ Reconciliation of accounting capital and regulatory capital	
11	Changes in regulatory capital	■ Capital reconciliation chart	50
		■ Regulatory capital flow statement	169
		■ Qualitative comment	172
12	Regulatory capital targets	■ Information on ratio targets and constraints (CET 1)	55, 172
		■ Regulatory information	162, 167
13	Distribution of risk-weighted assets by business	■ Chart	145
		■ Additional information in the analyses by risk type (credit, market, operational, etc.)	170-171
14	Table of RWA by calculation method	■ Group risk-weighted assets	170
		■ Credit risks	198 and following
		■ Market risks	247 and following

N°	Recommendation	Details	Page
15	Table of credit risks by Basel portfolio	■ Details provided in the Credit Risk section of Chapter 4	198 and following
16	Analysis of movements in RWA and capital requirements	■ Credit risk table (summary) ■ Market risk table (summary) ■ Market risk table (VAR by risk type and changes in capital requirements)	170-171 170-171 250-254
17	Back testing	■ Credit risks ■ Market risks	206-208 248
18	Liquidity reserve	■ Qualitative and quantitative comment ■ Liquidity reserve (amount and composition)	271 271
19	Encumbered assets	■ Encumbered assets ■ Market financing (schedule of securitised issues)	266 267
20	Balance sheet by contractual maturities	■ Liabilities and off-balance sheet: Note 30 to the consolidated financial statements ■ Balance sheet	432 272-273
21	Refinancing strategy	■ Group's debt situation, debt policy ■ Refinancing strategy	51 266-267
22	Reconciliation of risk-weighted assets and accounting items for exposures sensitive to market risks	Information not communicated	
23	Structural risk factors (sensitivity of structural positions to market factors)	■ Structural interest rate and exchange rate risks section ■ Note 23 of the consolidated financial statements (employee benefits) ■ VAR analysis	261 419 248-250
24	Market risk modelling principles	■ Organisation and governance ■ Methods for measuring market risk and defining limits ■ Governance	247 248 253
25	Market risk measurement methods	■ Methods for measuring market risk and defining limits ■ VAR and control of VAR ■ Stress tests, scenarios and results	248 248-250 251-252
26	Loan portfolio structure	■ Key figures ■ Portfolio structure ■ Quantitative data	145 209-212 209-232
27	Impairment policy Loan provisions and impairment	■ Note 1 to the consolidated financial statements ■ Credit policy ■ Quantitative data	354-371 198-200 212-213 230 and following
28	Movements in provisions and impairment	■ Consolidated financial statements, Note 22 ■ Doubtful loans coverage ratio	418 213
29	Counterparty risks on market transactions	■ By exposure category and geographic region ■ Note No. 27 "Commitments" of the consolidated financial statements	229 429
30	Information relating to collateral and measures to reduce counterparty risk	■ Hedging of credit risk: guarantees and collateral, credit derivatives, risk mitigation measures, credit insurance	201-203
31	Other risks	■ Description: types of risks ■ Management (summary) ■ Operationalrisks ■ Structural interest rate and exchange rate risks ■ Compliance, reputational and legal risks ■ Equity risk ■ Strategic risks ■ Business risks ■ Risks related to insurance activities ■ Environ mental and social risk	146 155 255 261 274 284 286 286 286 286
32	Analysis of losses related to operational risk, including litigation and compliance	■ Quantitative ■ Risks and litigation	259 281

CSR CONCORDANCE TABLE (ARTICLE 225 - GRENELLE II)

INDICATORS	WHERE TO FIND THEM?
1. Social information	Page
a) Employment	
– Total headcount and breakdown by gender, age and geographic region	313-314 ; 320 ; 321-322
– New hires and dismissals	314-315
– Compensation, changes in compensation	326-327
b) Organisation of work	
– Organisation of working time	326
– Absenteeism	326
c) Labour relations	
– Organisation of labour-management dialogue, especially procedures used to inform, consult and negotiate with staff	323-324
– Summary of collective agreements	324
d) Health and safety	
– Health and safety conditions at work (Stress + Health + Well-being)	324-325
– Agreements signed with trade unions or staff representatives regarding health and safety at work	324
– Work accidents, including frequency and severity, and work-related illnesses	326 Work-related illnesses: not significant in the company's activity.
e) Training (Skills development)	
– Training policies implemented	316-317
– Total of training hours	316
f) Equal treatment	
– Measures taken to promote gender equality	320-321
– Measures taken to promote the employment and the integration of people with disabilities	322
– Non-discrimination policy	319-322 ; 324 ; 335
g) Promotion and respect of the International Labour Organisation's fundamental conventions:	
– On protecting freedom of association and the right to collective bargaining	323-324
– On eliminating discrimination in employment and occupation	319-322 ; 324
– On eliminating forced or compulsory labour	324
– On abolishing child labour	324

INDICATORS	WHERE TO FIND THEM?
2. Environmental information	Page
a) General environmental policy	
– Company policy addressing environmental issues and, where applicable, steps taken to evaluate environmental performance or obtain environmental certification	298 ; 299 ; 328
– Employee training and awareness on environmental protection	295 ; 328
– Amount of provisions and guarantees for environmental risks, provided that such information is not liable to harm the company's interests in any ongoing legal disputes	No provisions
b) Pollution and waste management	
– Measures for preventing, reducing, or offsetting emissions into the air, water, and soil, with a severe impact on the environment	298 ; 299 ; 328 ; 330
– Waste prevention, recycling and disposal measures	329 ; 333
– Sound pollution and any other form of business-specific pollution	Not material in the company's activity
c) Sustainable use of resources	
– Water consumption and water supply based on local constraints	329 ; 333
– Consumption of raw materials and steps taken to improve efficient use of consumables	329 ; 333 As a tertiary sector company, Societe Generale does not have any physical production activity. Its raw material consumption is not significant.
– Energy consumption, steps taken to improve energy efficiency and use of renewable energy sources	329 ; 333 ; 308
– Land use	Not material in the company's activity
d) Climate change	
– Greenhouse gas emissions	328 ; 329 ; 333
– Adapting to the impact of climate change	338 Climate change consequences on our activities are taken into account in our operational risks management framework.
e) Preserving biodiversity	
– Measures taken to preserve or develop biodiversity	298
3. Information on CSR commitments	
a) Regional, economic and social impacts of the company's activities	
– In relation to jobs and regional development	300 ; 311 ; 335
– Upon surrounding and local communities	298 ; 307 ; 308
b) Relations with persons or organisations concerned by the company's activities	
– Conditions for dialogue with these persons or organisations	295 ; 334
– Partnerships and corporate sponsorship	307 ; 334
c) Subcontractors and suppliers	
– Incorporation of CSR criteria in the sourcing policy	331
– Importance of outsourcing and incorporation of CSR criteria in relations with suppliers and subcontractors	331
d) Fair practices	
– Anti-corruption initiatives	276 ; 305
– Measures in favour of consumer health and safety	296 ; 303 ; 308
e) Other human rights initiatives	294 ; 298 ; 324 ; 331

GLOSSARY OF MAIN TECHNICAL TERMS

ACRONYM TABLE

Acronym	Definition	Glossary
ABS	Asset-backed-securities	See: Securitisation
CDS	Credit Default Swap	See: Securitisation
CDO	Collaterallised Debt Obligation	See: Securitisation
CLO	Collateralised Loan Obligation	See: Securitisation
CMBS	Commercial Mortgage Backed Securities	See: Securitisation
CRD	Capital Requirement Directive	CRD
CVaR	Credit Value at Risk	Credit Value at Risk (CVaR)
EAD	Exposure at default	Exposure at default (EAD)
EL	Expected Loss	Expected Loss (EL)
GSIB	Global Systemically Important Banks (see: SIFI)	SIFI
LCR	Liquidity Coverage Ratio	Liquidity Coverage Ratio (LCR)
LGD	Loss Given Defalut	Loss Given Defalut (LGD)
NSFR	Net Stable Funding Ratio	Net Stable Funding Ratio (NSFR)
PD	Probability of default	Probability of default (PD)
RMBS	Residential Mortgage backed securities	RMBS
RWA	Risk Weighted Assets	Risk Weighted Assets (RWA)
SVaR	Stressed Value at Risk	Stressed Value at Risk (SVaR)
VaR	Value at Risk	Value at Risk (VaR)

Risk Weighted Assets (RWA): value of exposure multiplied by its risk-weighted interest rate.

Netting agreement: a contract in which two parties to a forward financial instrument, securities lending or resale contract agree to offset reciprocal claims arising from these contracts, with the settlement of these claims based only on the net balance, especially in the event of default or termination. A master netting agreement enables this mechanism to be extended to different kinds of transactions, subject to various framework agreements under a master agreement.

Share: equity stake issued by a company in the form of shares, representing a share of ownership and granting its holder (shareholder) the right to a proportional share in any distribution of profits or net assets as well as a right to vote in a General Meeting of Shareholders.

Risk appetite: level of risk by type and by business line, which the Group is prepared to take on with regard to its strategic objectives. Risk appetite is derived using both quantitative and qualitative criteria. Exercising risk appetite is one of the strategic steering tools available to the Group's decision-making bodies.

Asset Backed Securities (ABS): see securitisation.

Monoline insurer: insurance company participating in a credit enhancement transaction and which guarantees bond issues (for example, a securitisation transaction), in order to improve the issue's credit rating.

Treasury shares: shares held by a company in its own equity through one or several intermediary companies in which it holds a controlling share either directly or indirectly. Treasury shares are excluded from voting rights and are not included in the calculation of earnings per share.

Own shares: shares held by the company, especially as part of the Share Buyback programme. Own shares are excluded from voting rights and are not included in the calculation of earnings per share, with the exception of shares held as part of a liquidity contract.

Basel 1 (Accords): prudential framework established in 1988 by the Basel Committee to ensure solvency and stability in the international banking system by setting an international minimum and standardised limit on banks' capital bases. It notably establishes a minimum capital ratio—a proportion of the total risks taken on by banks—which must be greater than 8%. (Source: Bank of France Glossary - *Documents et Débats* - No. 4 - May 2012).

Basel 2 (Accords): prudential framework used to better assess and limit banks' risks. It is focused on banks' credit, market and operational risks. (Source: Bank of France Glossary - *Documents et Débats* - No. 4 - May 2012).

Basel 3 (Accords): further changes to prudential standards which included lessons from the 2007-2008 financial crisis. They supplement the Basel 2 accords by improving the quality and quantity of banks' required capital. They also implement minimum requirements in terms of liquidity risk management (quantitative ratios), define measures to limit the financial system's procyclicality (capital buffers that vary according to the economic cycle) and even strengthen requirements related to systemically significant banks. (Source: Bank of France Glossary - *Documents et Débats* - No. 4 - May 2012). The Basel 3 accords are defined in Europe in Directive 2013/36/EU ("CRD4") and Regulation 575/2013 ("CRR") that have been in force since 1 January 2014.

Net earnings per share: net earnings of the company (adjusted for hybrid securities recorded under equity instruments) divided by the weighted average number of shares outstanding.

Cost/income ratio: ratio indicating the share of Net Banking Income (NBI) used to cover the company's operating costs. It is determined by dividing management fees by the NBI.

Collateral: transferable asset or guarantee used as a pledge for the repayment of a loan in the event that the borrower cannot meet its payment obligations. (Source: Bank of France Glossary - *Documents et Débats* - No. 4 - May 2012).

Collateralised Debt Obligation (CDO): see securitisation.

Collateralised Loan Obligation (CLO): see securitisation.

Commercial Mortgage Backed Securities: see securitisation.

Comprehensive Risk Measurement (CRM): capital charge in addition to Incremental Risk Charge (IRC) for the credit activities correlation portfolio which accounts for specific price risks (spread, correlation, collection, etc.) The CRM is a 99.9% risk factor, meaning the highest risk obtained after eliminating the 0.1% most unfavourable incidents.

Cost of risk in basis points: the cost of risk in basis points is calculated using the ratio of the net cost of commercial risk to loan outstandings at the start of the period.

Credit Default Swaps (CDS): insurance mechanism against credit risk in the form of a bilateral financial contract, in which the protection buyer periodically pays the seller in return for a guarantee to compensate the buyer for losses on reference assets (government, bank or corporate bond) if a credit event occurs (bankruptcy, payment default, moratorium, restructuring). (Source: Bank of France Glossary - *Documents et Débats* - No. 4 - May 2012).

CRD3: European Directive on capital requirements, incorporating the provisions known as Basel 2 and 2.5, notably in respect of market risk: improvement in the incorporation of the risk of default or rating migration for assets in the trading book (tranched and untranched assets), and reduction in the procyclicality of Value at Risk (see definition).

CRD4/CRR (Capital Requirement Regulation): The Directive 2013/36/EU ("CRD4") and the Regulation (EU) No. 575/2013 ("CRR") constitute the corpus of the texts transposing Basel 3 in Europe. They therefore define the European regulations relating to the solvency ratio, large exposures, leverage and liquidity ratios, and are supplemented by the European Banking Authority's ("EBA") technical standards.

Haircut: percentage by which the market value of securities is reduced to reflect their value in the context of stress (counterparty or market stress risk). The extent of the reduction reflects the perceived risk.

Impairment: recording of probable loss on an asset. (Source: Bank of France Glossary - *Documents et Débats* - No. 4 - May 2012)

Derivative: a financial asset or financial contract, the value of which changes based on the value of an underlying asset, which may be financial (equities, bonds, currencies, etc.) or non-financial (commodities, agricultural commodities, etc.). Depending on the circumstances, this change may be accompanied by a leverage effect. Derivatives can take the form of securities (warrants, certificates, structured EMTNs, etc.) or in the form of contracts (forwards, options, swaps, etc.).

Structured issue or structured product: a financial instrument combining a bond product and an instrument (an option for example) providing exposure to all types of asset (equities, currencies, interest rates, commodities). Instruments can include a total or partial guarantee in respect of the invested capital. The term "structured product" or "structured issue" also refers to securities resulting from securitisation transactions, where holders are subject to a ranking hierarchy.

Common Equity Tier 1 capital: includes principally share capital, associated share premiums and reserves, less prudential deductions.

Tier-1 capital: comprises Common Equity Tier 1 capital and Additional Tier 1 capital. The latter corresponds to perpetual debt instruments, with no incentive to redeem, less prudential deductions.

Tier-2 capital: supplementary capital consisting mainly of subordinated notes less prudential deductions.

Incremental Risk Charge (IRC): capital cost incurred due to rating migration risk and risk of issuers' default within a one-year horizon for trading book debt instruments (bonds and CDS). The IRC is a 99.9% risk factor, meaning the highest risk obtained after eliminating the 0.1% most unfavourable incidents.

Internal Capital Adequacy Assessment Process (ICAAP): process outlined in Pillar 2 of the Basel Accord, by which the Group verifies its capital adequacy with regard to all risks incurred.

Investment grade: long-term rating provided by an external ratings agency, ranging from AAA/Aaa to BBB-/Baa3 for a counterparty or underlying issue. A rating of BB+/Ba1 or lower indicates a Non-Investment Grade instrument.

Fair value: the amount for which an asset could be exchanged or a liability settled, between informed and consenting parties under normal market conditions.

Liquidity: for a bank, the capacity to cover its short-term maturities. For an asset, this term indicates the potential to purchase or sell it quickly on the market, with a limited discount. (Source: Bank of France Glossary - *Documents et Débats* - No. 4 - May 2012).

Liquidity Coverage Ratio (LCR): this ratio is intended to promote short-term resilience of a bank's liquidity risk profile. The LCR requires banks to hold risk-free assets that may be easily liquidated on markets in order to meet required payments for outflows net of inflows during a thirty-day crisis period without central bank support (source: December 2010 Basel document).

Mezzanine: form of financing between equity and debt. In terms of ranking, mezzanine debt is subordinate to senior debt, but it is still above equity.

Rating: assessment by a ratings agency (Moody's, Fitch Ratings, Standard & Poor's, etc.) of an issuer's financial solvency risk (company, government or other public institution) or of a given transaction (bond loan, securitisation, covered bond). The rating has a direct impact on the cost of raising capital. (Source: Bank of France Glossary - *Documents et Débats* - No. 4 - May 2012).

Net Stable Funding Ratio (NSFR): this ratio aims to promote resilience over a longer time horizon by creating additional incentives for banks to fund their activities with more stable sources of funding. This structural ratio has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities (source: December 2010 Basel document).

Bond: a bond is a fraction of a loan, issued in the form of a security, which is tradable and—in a given issue—grants rights to the issuer according to the issue's nominal value (the issuer being a company, public sector entity or government).

Expected Loss (EL): losses that may occur given the quality of a transaction's structuring and all measures taken to reduce risk, such as collateral.

Loss Given Default (LGD): ratio between the loss incurred from exposure to default by a counterparty and the amount of the exposure at the time of default.

Probability of Default (PD): likelihood that a counterparty of the bank will default within one year.

Total capital ratio: ratio between total (Tier-1 and Tier-2) capital and risk-weighted assets.

Common Equity Tier 1 ratio: ratio between Common Equity Tier 1 capital and risk-weighted assets, according to CRD4/CRR rules. Common Equity Tier 1 capital has a more restrictive definition than in the earlier CRD3 Directive (Basel 2).

Core Tier-1 ratio: ratio between Core Tier-1 capital and risk-weighted assets, according to Basel 2 rules and their changes known as Basel 2.5.

Leverage ratio: The leverage ratio intends to be a simple ratio that aims to limit the size of banks' balance sheets. The leverage ratio compares the Tier One prudential capital with the accounting balance sheet/off-balance sheet, after restatements of certain items. A new definition of the leverage ratio has been implemented in accordance with the application of the CRR regulation.

Tier-1 ratio: ratio between Tier-1 capital and risk-weighted assets.

Residential mortgage backed securities (RMBS): see securitisation.

Resecuritisation: securitisation of an already securitised exposure where the risk associated with underlyings is divided into tranches and, therefore, at least one of the underlying exposures is a securitised exposure.

Return On Equity (ROE): ratio between the net income restated for interest on hybrid securities recorded under equity instruments and restated book equity (especially hybrid securities), which enables return on capital to be measured.

Insurance risk: beyond asset/liability risk management (interest-rate, valuation, counterparty and currency risk), these include underwriting risk, mortality risk and structural risk of life and non-life insurance activities, including pandemics, accidents and catastrophic events (such as earthquakes, hurricanes, industrial disasters, or acts of terrorism or war).

Credit and counterparty risk: risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. Credit risk also includes the counterparty risk linked to market transactions, as well as that stemming from securitisation activities.

Market risk: risk of impairment of financial instruments arising from changing market parameters, as well as their volatility and the correlations between them. In particular, these parameters are foreign exchange rates, interest rates, as well as the prices of securities (equities and bonds), commodities, derivatives and all other assets, such as real estate assets.

Operational risks (including accounting and environmental risks): risk of losses or sanctions, notably due to failures in procedures and internal systems, human error or external events, etc.

Structural interest rate and currency risk: risk of loss or of write-downs in the Group's assets arising from variations in interest or exchange rates. Structural interest rate and exchange rate risks are incurred in commercial activities and proprietary transactions.

Transformation risk: appears as soon as assets are financed through resources with a different maturity. Due to their traditional activity of transforming resources with a short maturity into longer-term maturities, banks are naturally faced with transformation risk which itself leads to liquidity and interest-rate risk. Transformation occurs when assets have a longer maturity than liabilities; anti-transformation occurs when assets are financed through longer-maturity resources.

SIFI (Systemically Important Financial Institution): the Financial Stability Board (FSB) coordinates all of the measures to reduce moral hazard and risks to the global financial system posed by systematically important institutions Globally Systemically Important Financial Institutions (G-SIFI). These banks meet criteria defined in the Basel Committee rules included in the document titled «Global systemically important banks: Assessment methodology and the additional loss absorbency requirement» and published as a list in November 2011. This list is updated by the FSB each November (29 banks to date).

Market stress tests: to assess market risks, alongside the internal VaR and SVaR model, the Group monitors its exposure using market stress test simulations to take into account exceptional market occurrences, based on 26 historical scenarios and eight hypothetical scenarios.

Personal commitment: represented by a deposit, autonomous guarantee or letter of intent. Whoever makes themselves guarantor for an obligation binds themselves to the creditor to honour that obligation, if the debtor does not honour it themselves. An independent guarantee is an undertaking by which the guarantor binds themself, in consideration of a debt subscribed by a third party, to pay a sum either on first demand or subject to terms agreed upon. A letter of intent is an undertaking to do or not to do, the purpose of which is the support provided to a debtor in honouring their obligation

Collateral: guarantees consisting of assets including tangible and intangible property and securities, including commodities, precious metals, cash, financial instruments and insurance contracts.

Risk weight: percentage of weighting of exposures which are applied to a particular exposure in order to determine the related risk-weighted asset.

Securitisation: transaction that transfers a credit risk (loan outstandings) to an organisation that issues, for this purpose, tradable securities to which investors subscribe. This transaction may involve a transfer of outstandings (physical securitisation) or a transfer of risk only (credit derivatives). Securitisation transactions may, if applicable, enable securities subordination (tranches). The following products are considered securitisations:

ABS: Asset Backed Securities;

CDO: Collateralised Debt Obligation, a debt security backed by an asset portfolio (bank loans (residential) or corporate bonds). Interest and principal payment may be subordinated (tranche creation);

CLO: Collateralised Loan Obligation, a CDO backed by an asset portfolio of bank loans;

CMBS: Commercial Mortgage Backed Securities, a debt security backed by an asset portfolio of corporate real estate loans leading to a mortgage;

RMBS: Residential Mortgage Backed Securities, a debt security backed by an asset portfolio of residential mortgage loans.

Value at Risk (VaR): composite indicator used to monitor the Group's daily market risk exposure, notably for its trading activities (99% VaR in accordance with the internal regulatory model). It corresponds to the greatest risk calculated after eliminating the top 1% of most unfavourable occurrences observed over a one-year period. Within the framework described above, it corresponds to the average of the second and third largest losses computed.

Credit Value at Risk (CVaR): the largest loss that would be incurred after eliminating the top 1% of the most adverse occurrences, used to set the risk limits for individual counterparties.

Stressed Value at Risk (SVaR): Identical to the VaR approach, the calculation method consists of a “historical simulation” with “one-day” shocks and a 99% confidence interval. Unlike the VaR, which uses 260 scenarios of daily variation year-on-year, the stressed VaR uses a fixed one-year window that corresponds to a historical period of significant financial tensions.

Exposure at default (EAD): Group exposure to default by a counterparty. The EAD includes both balance sheet and off-balance sheet exposures. Off-balance sheet exposures are converted to their balance sheet equivalent using internal or regulatory conversion factors (drawdown assumption).

WEBSITE: WWW.SOCIETEGENERALE.COM

INVESTOR RELATIONS AND FINANCIAL INFORMATION

Tel: 33 (0) 1 42 14 47 72

investor.relations@socgen.com

PRESS RELATIONS

Tel: 33 (0) 1 42 14 67 02

COMMUNICATION DEPARTMENT

Postal address:

Tours Societe Generale

75886 – Paris Cedex 18

SOCIETE GENERALE

Head office: 29, Bd Haussmann – 75009 Paris

Tel: 33 (0) 1 42 14 20 00

A French limited company founded in 1864

Share capital: EUR 1,006,509,557.50

552 120 222 RCS Paris

Design and production

Societe Generale

SIOP/DSI/PLT/IMP

SG Publishing Services

Translation

CPW Group

Technicis

PEFC

10-31-1421

This document is printed in France on paper sourced from certified sustainable forests

LABEL TRANSPARENCE

labeltransparence.com

This label recognizes the most transparent Registration Documents according to the criteria of the Annual Transparency Ranking.

BUILDING TOGETHER

TEAM SPIRIT

SOCIETE GENERALE

RÉF.: (A) 715963 - Studio Société Générale - 03/15