

# BUILDING TOMORROW



**INTEGRATED REPORT  
2017-2018**





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< The Dunes, the 126,000m<sup>2</sup> technology hub located at Val-de-Fontenay, just outside Paris, where 5,000 Societe Generale members of staff work in technology and innovation.



# COMMITTED TO POSITIVE TRANSFORMATIONS

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Lorenzo Bini Smaghi

**“We want  
to seize the  
opportunities  
open to us and  
make a positive  
contribution  
to building  
the world of  
tomorrow.”**

In the changing European banking sector, the Group has entered a new stage in its development and transformation. We are reaffirming our fundamental role as a bank: a trusted partner committed to helping our clients realise their goals and driving positive change in the economies and societies in which we are an essential player, and so help to build and secure the future. We want to seize the opportunities open to us and make a positive contribution to building the world of tomorrow. In November 2017, we presented our Transform to Grow strategic plan, which set out both our long-term vision and a three-year roadmap for meeting our strategic, financial and extra-financial goals. Its purpose is to keep us on a cycle of profitable and sustainable growth. Societe Generale established five priorities for implementing this plan: to grow, accelerate the transformation of our businesses (especially in terms of digital technology), maintain strict cost discipline, complete the refocusing of our Group, and instil a culture of responsibility at all levels of

the company while strengthening our governance and control systems. Our goal is to set the highest standards in the banking industry and develop our businesses while fulfilling our corporate social responsibility.

Accordingly, we consulted extensively with our stakeholders – clients, staff members, shareholders and partners – to learn more about their expectations, which cover six main areas that are principally linked to client satisfaction and protection, our role as a responsible employer and the need for integrity in the way we conduct our business. They include three themes in particular that represent the positive transformations that we aim to support: fighting climate change (already, in 2017, we reinforced our commitments by deciding to contribute up to €100 billion to finance the energy transition between now and 2020), driving social and societal innovation and contributing to sustainable growth in Africa by leveraging on our considerable presence on the continent. We remain steadfast in our efforts to take action in these areas.

With this in mind, we are publishing our very first Integrated Report, which presents Societe

**“Our goal is to set the highest standards in the banking industry and develop our businesses while fulfilling our corporate social responsibility.”**

Generale group's achievements in 2017, and its ambition and strategy in a world undergoing profound change. Aside from sharing the Group's financial and operational results, this report presents extra-financial information that demonstrates our commitment to Corporate Social Responsibility.

Our intention is to provide explicit information on the Group's performance in terms of its value creation model, working for the benefit of all its stakeholders. Societe Generale is about more than performance and results: at its heart is the commitment of its 147,000 members of staff, the men and women who work each day to build the world of tomorrow.



Frédéric Oudéa

**Lorenzo Bini Smaghi**  
Chairman of the Board of Directors

**Frédéric Oudéa**  
Chief Executive Officer

# SOCIETE GENERALE TODAY

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth.



## THREE COMPLEMENTARY CORE BUSINESSES

The Group develops its businesses based on an integrated model in which diversity and complementary strengths guarantee robust performance.

**FRENCH RETAIL BANKING**, encompasses the Societe Generale, Crédit du Nord and Boursorama brands, each offering a full range of financial services with omnichannel products at the cutting edge of digital innovation.

- No. 3 retail bank in France
- No. 1 online bank in France

### INTERNATIONAL RETAIL BANKING, INSURANCE AND FINANCIAL SERVICES TO CORPORATES,

with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets.

- Western Europe: No. 1 privately owned retail banking network in Romania, No. 3 retail bank in the Czech Republic
- Russia: No. 2 foreign-owned banking group
- Africa: among the three international banks with the largest presence on the continent
- Financial Services: No. 1 in Europe and No. 2 worldwide in fleet management services, No. 2 worldwide in equipment financing

### GLOBAL BANKING & INVESTOR SOLUTIONS,

with recognised expertise, key international positions and integrated solutions.

- Global Markets: No. 2 worldwide in equity derivatives
- Financing & Advisory: leadership positions in structured finance, No. 3 in international euro-denominated corporate bond issue
- Investor Services: No. 2 in custody services in Europe
- Asset management: Lyxor is No. 3 in exchange-traded funds (ETFs) in Europe



#### FIND OUT MORE

Registration document, Chapter 1  
Profile of Societe Generale  
<https://www.societegenerale.com/en/about-us>

#### FINANCIAL RATINGS

at 30 April 2018

DBRS	A (high)
Fitch Ratings	A+
Moody's	A1
R&I	A
Standard & Poor's	A

#### EXTRA-FINANCIAL PERFORMANCE

Societe Generale is included in the leading sustainable investment indices:

- DJSI (World and Europe)
- FTSE4Good (Global and Europe)
- Euronext Vigeo (World, Europe and Eurozone)
- 4 of the STOXX ESG Leaders indices
- MSCI Low Carbon Leaders Index

## A SOLID AND PERFORMING GROUP

€25.1bn

Underlying net banking income\*

€374bn

Customer loan outstandings

€394bn

Customer outstanding deposits

11,4%

Common Equity Tier 1 ratio

+10%

Increase in net tangible assets over three years

\*Book net banking income of €24.0bn, adjusted for the revaluation of the Group's own financial liabilities and the DVA, the settlement of legal and tax disputes, and the adjustment of French Retail Banking's transformation costs.

## A RESPONSIBLE BANK

€39bn

already allocated to financing the energy transition

Target 2020: €100bn for the 2016-2020 period

= €30bn + €9bn

in green bond issues (lead managed or co-lead managed)

in renewable energy financing and advisory

€5bn

in Positive Impact Finance since 2016



## FOUR VALUES SHARED BY ALL

### TEAM SPIRIT

In our fast-changing world, clients want a bank that is a responsible, trustworthy and flexible partner. We can meet their requirements by working as a team, thanks to our spirit of service, enhanced by the diversity of each person's skills and knowledge. We want to become the benchmark in relationship banking and work with our clients in the same way as we work with one another, through listening, co-construction, transparency, encouraging contributions and showing solidarity in both successes and problems.

### RESPONSIBILITY

As bankers, we contribute to the economic, social and sustainable environmental development of the regions where we work. We want to help our clients to complete their projects, while remaining attentive to all types of risk. Our responsibility and our ethical standards consist of meeting our clients' requirements quickly, and in protecting the long-term interests of all of our stakeholders, while strictly complying with all the rules governing our businesses. Our responsibility is also reflected in our courage to take responsibility for our actions and decisions, and to express our opinions in a transparent manner. Lastly, responsibility means attaching as much importance to the manner in which results are achieved as to the results themselves.

### INNOVATION

We want to continually improve our clients' experience by taking action together, so we can adjust our solutions, practices and relationships to the needs of the future, in particular by taking advantage of technological innovations. In keeping with our entrepreneurial spirit, we are changing our working methods while fostering a spirit of sharing, experimentation and thinking outside the box. We learn from our successes as well as from our failures.

### COMMITMENT

Our commitment is driven by the long-term satisfaction of our clients, and by the pride that we take in our businesses and in our Group. We seek to make a difference on a daily basis, in order to contribute to our clients' success as well as that of our own projects. We encourage the involvement and professional fulfilment of all our staff. We maintain relationships based on trust and mutual respect externally and internally.



# CONNECTING EUROPE TO THE WORLD

**A**s one of Europe's leading financial services groups, Societe Generale draws on its origins to develop its business internationally. Its ambition is to connect Europe with the rest of the world: the neighbouring regions of Central and Eastern Europe, Russia, Africa and the world's major financial centres in America and Asia. This international perspective has been part of the Group's DNA since its very beginnings over 150 years ago and continues today thanks to the 147,000 members of staff coming from 138 nations around the world.



**FIND OUT MORE**  
Registration document, Chapter 1  
Profile of Societe Generale  
[www.societegenerale.com/en/about-us](http://www.societegenerale.com/en/about-us)



## AMERICAS

**3,077**  
MEMBERS OF STAFF  
2%

**147,125**  
members of staff

**138**  
nationalities

**WESTERN EUROPE**

**73,177**  
MEMBERS OF STAFF  
50% (40% in France)

**RUSSIA AND CENTRAL  
AND EASTERN EUROPE**

**48,549**  
MEMBERS OF STAFF  
33%

**ASIA AND OCEANIA**

**9,408**  
MEMBERS OF STAFF  
6%

**AFRICA AND  
THE MIDDLE-EAST**

**12,914**  
MEMBERS OF STAFF  
9%

**67**

countries

**31 million**

individual clients, businesses, NPOs,  
institutional investors and local authorities

**“OUR BANK IS  
READY FOR ACTION  
AND ITS DYNAMIC  
FOR GROWTH HAS  
BEEN RELEASED.”**



**Frédéric Oudéa**, Chief Executive Officer



**Your Group has begun a new strategic stage.  
What challenges does it face?**

We presented our Transform to Grow strategic plan, which is grounded in the strengths and values of a Group that has already undergone a profound transformation. Over the 10 years since the 2007 financial crisis began, we have worked to adapt our activities to the new environment, proving our resilience and considerable ability to anticipate our clients' changing needs. Our Group is leaner and stronger, with a robust level of capital, a lower risk profile and less volatile revenue streams. It is also more responsible, with a proactive approach to Corporate Social Responsibility and the roll out of the Culture & Conduct programme that reinforces our focus on controls, compliance and a shared culture. At the end of the year, we also put in place a more agile organisation. Overall, 2017 was a year of transition dedicated to preparing for the future. Our Bank is ready for action and its dynamic for growth has been released. Our goal now is to make a difference in a sector facing 10 challenging years of transformation due to the industrial revolution currently underway.

**What is driving this new industrial revolution?**

Over the next 10 years, our societies and economies will experience profound change. All sectors of activity will be involved, especially the banking sector. The new technologies and practices that are emerging are obviously at the centre of this revolution. The fight against climate change and the need for energy transition, the new relationship we have with mobility, the ageing of our populations, along with the greater need to save, and the changes in society (the new ways of working and forms that businesses take) will also deeply transform our industry. Furthermore, the implementation of new regulatory requirements, notably with respect to data, will also be game changing. These transformations could be seen as threats by those who don't act. Personally, I see them as opportunities that will spur us on to rethink our businesses, innovate and invest in the future.

### **How do you see the role of Societe Generale in this world of tomorrow?**

In line with our original mission to finance the economy and our DNA as pioneers, our long-term vision can be summed up in a single sentence: we are fully committed to contributing to the positive transformations of our economies and societies. We want to provide innovative, responsible solutions with a positive impact. The prosperity of Europe, sustainable development in Africa, the fight against climate change, the security of savings or, for instance, sustainable transport are key challenges to which we will actively contribute. First of all by being a trusted partner for our clients. Digital technology is driving the creation of new services, but it also generates new risks against which we must protect our customers. Next, we will seek out ways to provide useful services as openly as possible, working with the right partners to build truly open platforms.

### **What role does Societe Generale want to play in the European banking sector?**

We want to be one of the leaders of the European banking sector, which is still being built. By connecting Europe to its neighbouring regions in the East, to Africa and to major international financial centres, we want to play a leading role in the European project. Guided by this long-term vision, we have the ability and the ambition to deliver superior, profitable and sustainable growth. We believe that our integrated, solid and balanced business model is the right one for the job. It brings together high value-added businesses working in full synergy and focused mainly on business-to-business sectors, which account for two thirds of our revenues. In particular, we have identified nine growth initiatives that will deliver 90% of the expected increase in our revenues. These different projects are currently underway and we are already engaged in rolling out our strategic plan.

### **How does CSR fit into your strategic plan?**

We take great care to carry out and develop all our activities ethically, generating a positive impact and creating value for all our stakeholders. CSR is at the heart of our businesses in many ways. For example, we announced our goal of raising €100 billion to finance the energy transition

by 2020. We are also working to advance sustainable development in Africa with mobile solutions such as YUP, which simplify access to banking services, our support for infrastructure financing or the strengthening of our corporate foundation's activities on the continent.

### **Is the digital transformation still one of your priorities?**

It's a driving theme in all our businesses. We're investing massively in digitalising our services and internal processes, and we're continuing our policy of open innovation to spark disruptive innovation. The Internal Startup Call programme we launched within the Group illustrates our desire for all members of staff to adopt this approach. And the high number of participants shows the force of their creative spirit and entrepreneurial energy.

**“Our teams’ commitment to serving our clients has been and remains truly exceptional, and that is the best guarantee of our success.”**

### **On what is your confidence in the future based?**

Firstly, our growth model stems from our high value-added areas of expertise. Secondly, we have the human and technological resources to provide our clients with the best possible support and maintain their trust. We have demonstrated our ability to commit to new business models, using innovation and our capacity for transformation to stay ahead of the curve. Most importantly, we have teams whose commitment to serving our clients has been and remains truly exceptional, and that is the best guarantee of our success.



# ANTICIPATING AND CONTRIBUTING TO WORLDWIDE TRANSFORMATIONS



**W**e carry out our business in a highly regulated environment, undergoing constant change due to numerous economic, financial, social or environmental factors. Playing a vital role in the real economy, we have identified three major areas where we can make a difference, and, working alongside our partners, contribute to positive transformations in the world.

## **THE TECHNOLOGICAL REVOLUTION**

The technological revolution has reverberated across the lives of our customers and our staff as well as opening up new horizons for players in the financial industry. Our customers expect greater proximity, reactivity, availability and flexibility. They want to co-construct customised and modular products, have access to banking services at any time through a variety of channels, receive expert advice quickly, mix and match solutions and interact with us at a distance. Meanwhile, businesses are inventing new ways of working for their staff: home working options, collaborative tools to develop solutions for their



customers, distance learning, web conferencing, and much more. New technologies – such as blockchain, artificial intelligence for detecting fraud, cybersecurity and combined offers – and more powerful IT infrastructure help us strengthen security, offer a personalised customer experience and cut costs while enhancing quality of life in the workplace and developing the expertise of our staff.

### **REGULATORY REQUIREMENTS**

Prudential regulations ensure banks are well-balanced and have solid balance sheets, they provide rules on transparency and disclosure, rules specific to financial markets and the savings industry to protect savers, rules on tax transparency and the fight against money laundering. They form a professional framework to guarantee financial security, reinforced by new principles for protecting personal data and assets. Banks act as trusted third parties for governments and for their customers, who rely on their operational expertise as well as their knowledge of economic fundamentals and the regulations in force to guarantee the overall stability of the system.

### **ECONOMIC, SOCIAL AND ENVIRONMENTAL SHIFTS**

Demographic balances are changing rapidly: the ageing of Europe’s population requires a rethink of the savings market. At the same time, populations in emerging countries are growing and migration towards urban centres is occurring everywhere. The fight against climate change and financing the energy transition have become global priorities and require new infrastructure. Local, circular economies are developing alongside new ways of consumption such as the transition from an ownership economy to an access economy, which is reshaping expectations in the mobility sector.

### **EUROPEAN TRENDS**

**In Europe, the Group’s core market, the stronger Banking Union has opened up opportunities, creating solid and well-managed key players in a vast domestic market where economies of scale and expertise can make all the difference. At the same time, a more promising economic climate is helping the economy to return to normal following the financial crisis. Positive signs suggest economic growth is recovering on a more solid basis, which should promote a renewed demand for credit.**



**FIND OUT MORE**  
Registration Document,  
Chapter 1.3 A strategy  
of growth



# LISTENING TO OUR STAKEHOLDERS



In 2017, when we were preparing our new strategic plan, Societe Generale's stakeholders were invited to an unprecedented consultation process seeking to precisely identify their expectations regarding all aspects of Corporate Social Responsibility (CSR). A total of 1,500 interviews and questionnaires gathered information from our individual, institutional and large corporate customers, as well as staff, investors and representatives from civil society across 15 countries. This information helped us develop the Group's materiality matrix, which

ranks sustainable development concerns according to the priorities expressed by our stakeholders and their impact on our activity. At the end of this consultation process, the Group reinforced the six key pillars of its CSR policy (see above), which have been integrated into the 2017-2020 strategic plan.



**FIND OUT MORE**  
Registration document, Chapter 5  
Corporate Social Responsibility

# A LONG-TERM VISION

In keeping with our original mission defined over 150 years ago to “support the development of trade and industry” and true to our forward-focused, optimistic culture, we are fully committed to the positive transformations of society and the economy. Our role is to assist people, businesses, investors, local authorities and Non-Profit Organisations to develop, manage their savings and build their futures. We support our customers every day over the long term, helping them achieve their projects, advising them, structuring their financing and investments, assisting them with risk management and protection, sharing these risks by committing our own capital or connecting them with the right partners.

Thanks to our staff, customers and partners, we provide innovative and responsible solutions that have a positive impact on a multitude of economic, technological, environmental and societal challenges. Some of the key issues we actively contribute to include: the prosperity of Europe, development in Africa, the fight against climate change, the security of savings and sustainable transport. We want to drive projects that open up opportunities for everyone and positively transform the world in which we live.

Our long-term vision is based on four key pillars: being a trusted partner, adopting an open banking platform and open architecture, providing a better customer experience through the use of digital technologies and playing a leading role in the European banking industry. This long-term vision will help us meet our goal of superior, profitable and sustainable growth that creates value for all our stakeholders.

## OUR VISION

**COMMITTED TO THE POSITIVE TRANSFORMATIONS OF THE WORLD**

**A TRUSTED PARTNER**

**AN OPEN BANKING PLATFORM AND ARCHITECTURE**

**A FULLY DIGITAL BANK FOR A BETTER CUSTOMER EXPERIENCE**

**A WINNER IN THE RACE FOR LEADERSHIP IN EUROPE**

## OUR AMBITION

**GENERATE SUPERIOR, PROFITABLE AND SUSTAINABLE GROWTH**



### FIND OUT MORE

Registration document, Chapter 1.3

A strategy of growth

[www.societegenerale.com/en/investors/investor-day](http://www.societegenerale.com/en/investors/investor-day)

# TRANSFORM TO GROW

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In November 2017, Societe Generale presented its new 2017-2020 strategic plan Transform to Grow, which forms part of its long-term vision.

The Group is determined to capitalise on its diversified and integrated business model to positively contribute to transforming our world in a more promising economic environment, notably in Europe. Our model consists of three complementary core businesses that are high value-added industry leaders working together in synergy. Our ability to innovate has helped us enhance the customer experience in a changing world. Transform to Grow sets five strategic and operational priorities for the next three years, which will allow us to generate superior, profitable and sustainable growth.

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## FOSTER A CULTURE OF RESPONSIBILITY

Bring the whole Group in line with the highest control and compliance standards in the banking sector, fully roll out the Culture & Conduct programme – sponsored by the Chief Executive Officer under the supervision of the Board of Directors – across all levels of the Bank and integrate our Corporate Social Responsibility commitments into our business development goals.

### Target 2020

Maintain our top quartile position in extra-financial ratings over the long-term

## COMPLETE OUR REFOCUSING

Optimise the allocation of our capital by selling or closing business lines that have not reached critical mass and/or do not generate synergies. This refocusing is expected to impact the equivalent of 5% of the Group's Risk-Weighted Assets and has not been included in our financial projections. The capital provided by this initiative will either be allocated to the businesses or redistributed to shareholders.

### Target 2020

Up to 5% of Risk-Weighted Assets

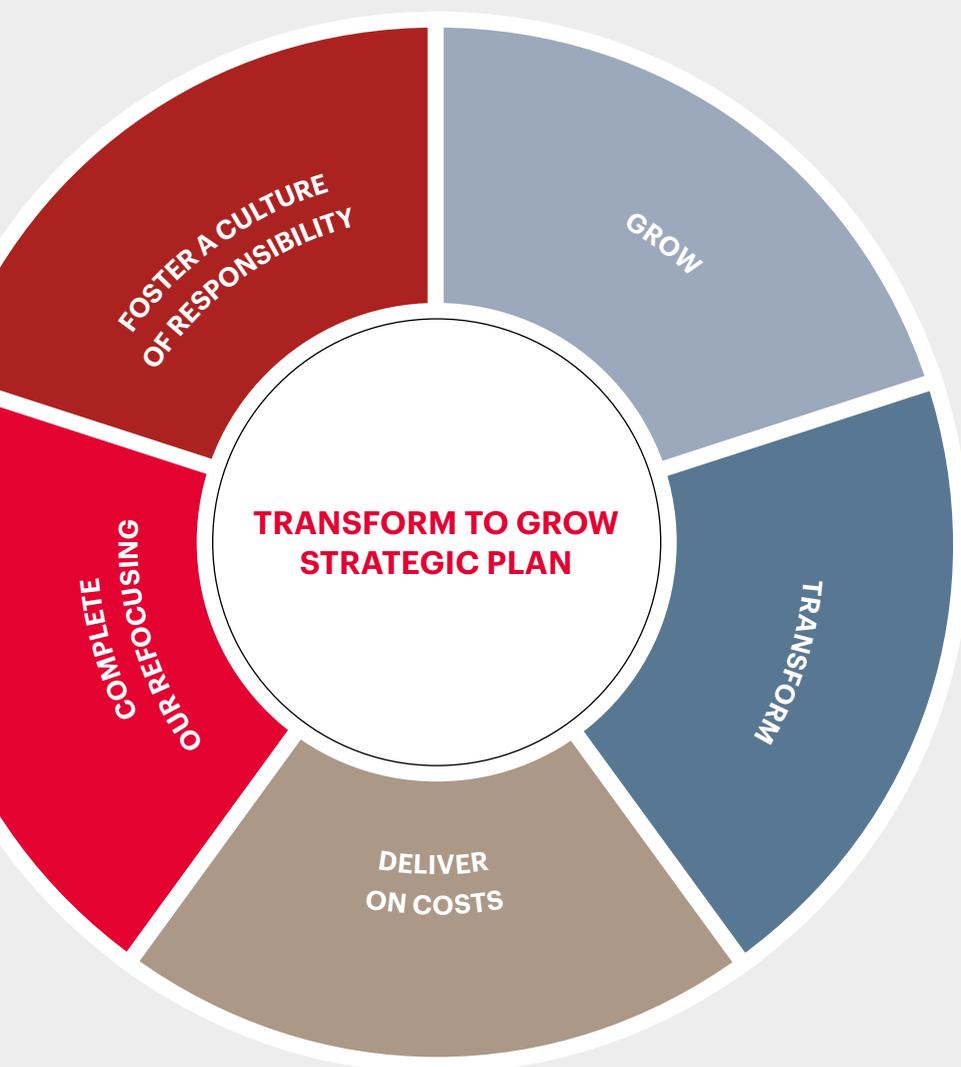
## DELIVER ON COSTS

Pursue rigorous, disciplined cost management aiming to keep costs below or at €17.8 billion in 2020, primarily by automating processes and implementing a new €1.1 billion efficiency programme by 2020, while continuing to make the necessary investments to grow our businesses. The Group's Cost/Income ratio will be brought down to less than 63% in 2020.

### Target 2020

Cost/Income ratio of less than 63%

## FIVE STRATEGIC PRIORITIES



**GENERATE SUPERIOR, PROFITABLE  
AND SUSTAINABLE GROWTH**

### GROW

The Group's first priority is to keep growing and expanding its business by building on client satisfaction, quality of service, added value and innovation. The Group's target is average annual revenue growth of more than 3% between 2016 and 2020. This growth, which will be achieved while maintaining strict discipline in risk management, will be generated by a series of ambitious initiatives for the whole spectrum of our high potential clients through the development of services adapted to their changing needs.

#### Target 2020



Annual revenue growth of more than 3% over the period

### TRANSFORM

Accelerate the transformation, notably in terms of digital technology, of all businesses and functions, particularly French Retail Banking, to improve the customer experience, increase operational efficiency and enhance security.

#### Target 2020



Automate 25 processes covering 80% of French Retail Banking operations



#### FIND OUT MORE

[www.societegenerale.com/en/investors/investor-day](http://www.societegenerale.com/en/investors/investor-day)

# CONTINUING THE SUSTAINABLE GROWTH OF OUR BUSINESSES

**T**he Group's first priority is to continue to grow its businesses. To do so, it is reinforcing synergies and building on the growth opportunities specific to each market. These key initiatives should generate approximately 90% of projected revenue growth by 2020.

## Transforming French Retail Banking

- Develop our activities for business and professionals, notably by providing strategic advisory services and tailored solutions
- Develop Boursorama's proven growth model
- Put our Private Banking expertise to work for High Net Worth clients
- Capture the full potential of the integrated bank insurance business model by anticipating evolutions in the life insurance market and capitalising on the high potential for clients to sign up for more products



### FIND OUT MORE

[www.societegenerale.com/en/digital-and-innovation](http://www.societegenerale.com/en/digital-and-innovation)  
[www.societegenerale.com/en/measuring-our-performance/csr](http://www.societegenerale.com/en/measuring-our-performance/csr)  
[www.societegenerale.com/en/investors/investor-day](http://www.societegenerale.com/en/investors/investor-day)

## Seizing growth opportunities in International Retail Banking and Financial Services

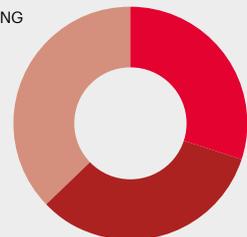
- Pursue profitable growth in the African banking market through the Group's distinctive presence on the continent
- Become Russia's leading foreign-owned bank in a more open economic environment
- Capitalise on growth in the long-term vehicle leasing to individuals sector and turn ALD into the undisputed world leader in mobility solutions

## Strengthening the leading position of Global Banking and Investor Solutions

- Global Markets: take advantage of our leading position in derivatives and securities services
- Financing & Advisory: expand our existing customer base and enhance our presence in Advisory services
- Global Transaction Banking: maintain our leadership in France and expand our presence in Western Europe
- Asset Management and Private Banking: offer open architecture solutions to create added value for High Net Worth clients

### TARGETED CONTRIBUTIONS TO NET BANKING INCOME BY GROUP CORE BUSINESS IN 2020

- 30% ■ FRENCH RETAIL BANKING
- 33% ■ INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES
- 37% ■ GLOBAL BANKING AND INVESTOR SOLUTIONS



### Target 2020

#### Annual growth targets 2016-2020

- French Retail Banking: **+1.0%**
- International Banking and Financial Services: **+5.5%**
- Global Banking and Investor Solutions: **+2.5%**

**STIMULATE INNOVATION**

Digital technologies fuel and amplify innovation within the Group. They transform our businesses without altering our primary objectives: protecting our customers' interests, offering them value-added services and simplifying their day-to-day lives.

**Changing working methods**

- New working methods to promote close collaboration between internal project teams and international Tech ecosystems
- Open and flexible IT infrastructure with open source working
- Investment funds for innovation: up to €150 million allocated to the Group's Internal Startup Call 'intrapreneurship' programme and investment in external startups between 2018 and 2020

**Active participation in the innovation ecosystem**

- Investment, exchange and cooperation with actors in the worlds of startups and FinTechs
- Creation of 'innovation labs', both internally and externally

**A wider range of products and services**

- New banking solutions to better suit changing consumer practices
- Recognised multichannel relationship model and an active social media presence
- Network of 150 advisors specifically dedicated to supporting startups in France

**INTEGRATE OUR CORPORATE SOCIAL RESPONSIBILITY GOALS IN OUR BUSINESS DEVELOPMENT**

Because responsibility is one of our key values, our strategic plan fully integrates our Corporate Social Responsibility commitments into our business development.

Through the Group's geographic footprint in all the countries where it operates, the diversity of its businesses and its commitments to responsible banking, Societe Generale contributes to meeting the United Nations' Sustainable Development Goals (SDGs).

**In the development goals of our businesses**

- Committing to the fight against climate change
- Developing business with a positive impact, in line with new social trends, encouraging inclusion and with a positive impact on local communities
- Contributing to sustainable development in Africa

**In the way we do business**

- Client satisfaction and protection: providing our customers with the right service at the right time, ensuring their interests are secure and protected
- Culture, conduct and governance: promoting governance and a corporate culture built on ethics and integrity
- Responsible employer: including, developing and engaging our teams using collaborative methods

**STRATEGIC CSR PRIORITIES ACCORDING TO THE SDGS**

CUSTOMER SATISFACTION



RESPONSIBLE EMPLOYER



ETHICS & GOVERNANCE



SUSTAINABLE DEVELOPMENT OF AFRICA



CLIMATE CHANGE



SOCIAL TRENDS & INNOVATION



OUR RESOURCES

OUR BUSINESSES

# CREATING VALUE FOR OUR STAKEHOLDERS

A TRUSTED PARTNER COMMITTED TO POSITIVE TRANSFORMATIONS

OUR VALUES  
**TEAM SPIRIT**  
**INNOVATION**  
**RESPONSIBILITY**  
**COMMITMENT**



■ **147,000 men and women**, professional, committed and responsible



■ **Leading-edge expertise** and technology



■ **A solid CET 1 ratio: 11.4%**



■ **A strong and innovative culture**



■ **A local presence in 67 countries**



■ **31 million clients** (individuals, professionals, corporates and institutions) who put their trust in us



■ **A responsible Sourcing policy for suppliers and the environment.**  
 Total Group purchases: **€6.6bn**

Retail Banking

Corporate and Investment Banking

Financial Services

**W**e built our banking model on our vision and values, using the strength of our resources and our capacity for innovation to offer our clients services with added value. As a trusted partner, we are committed in all our business activities to contributing to the positive transformations of the world.

**OUR PRODUCTS AND SERVICES**

**OUR ADDED VALUE FOR CLIENTS**

**OUR VALUE SHARING MODEL**

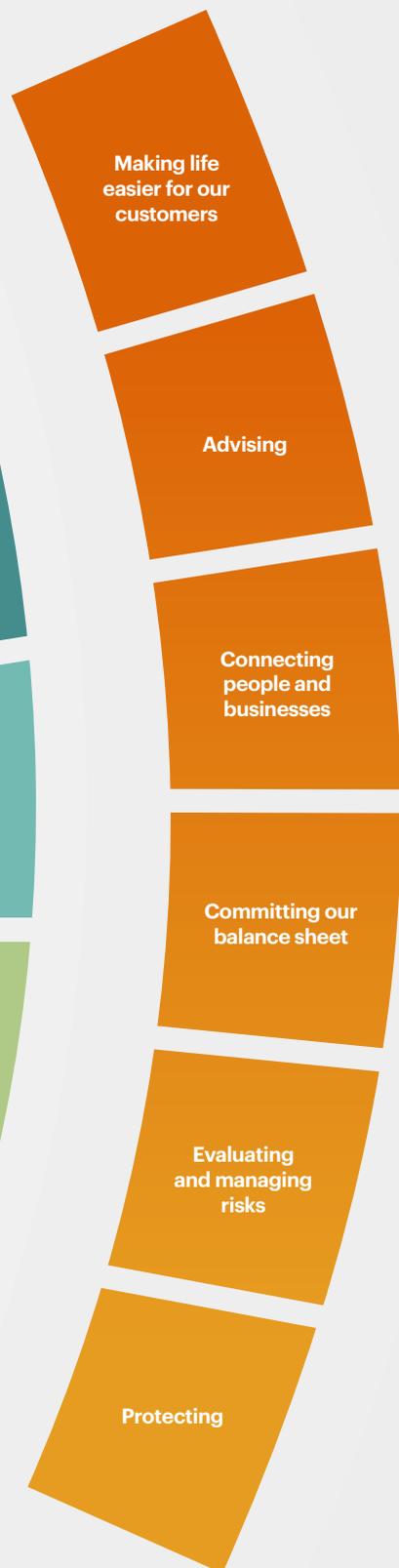
OFFERING TECHNOLOGICAL SERVICES AND SOLUTIONS  
**1.5 million** vehicles managed by ALD.  
 Investor Services  
 Prime Services:  
**€640m NBI**

PROTECTING OUR CLIENTS IN THEIR DAY-TO-DAY LIFE AND THEIR PROFESSIONAL ACTIVITIES  
**22 million** insurance policies managed.  
 Global leader in derivatives

HELPING OUR CLIENTS FINANCE THEIR PROJECTS  
**€374bn** in outstanding consumer loans

PROTECTING AND MANAGING OUR CLIENTS' SAVINGS  
**€394bn** in deposits  
**€3.904tn** in assets under custody  
**€118bn** in assets under management for Private Banking

SECURING TRANSACTIONS  
**15 million** payments and **€430bn** in transactions every day



Assisting our **clients** to provide them with the right service at the right time, in their best interest, while securing and protecting their assets and data



Including, developing and engaging our **staff**  
 > **Commitment rate: 68% in 2017**



Ensuring the company's growth and longevity while providing precise, comprehensive and transparent information to **investors and shareholders**  
 > **Tangible net asset value per share: +10% in 3 years**



Contributing to economic and social development in the **countries where we operate**  
 > **Taxes and charges: €2.8bn in 2017**



Ensuring the fair treatment of our **suppliers**  
 > **100% of Sourcing staff trained on responsible purchasing, covering 70% of the Group's purchases at end-2018**



Respecting **cultures and the environment**



A responsible approach recognised in the Group's extra-financial ratings  
 > **€100bn between 2016-2020 for the energy transition, with €39bn already financed**

# SUPPORTING OUR CLIENTS



**N**ew technologies combined with demographic and societal changes have profoundly altered our clients' behaviour and heightened their expectations. As a trusted partner of our clients, we need to guarantee the security of their assets and data, provide them with the appropriate service at the right time, help them finance their projects and advise them on managing their financial assets. We put our relationship with our clients at the centre of our approach. We are committed to combining the best human resources with the latest technological innovations to deliver more convenient, responsive, modular and made-to-measure services that are always available and always offer the highest possible level of security. Our expertise and advisory skills are key to providing our clients with a personalised service built on trust.

#### PROTECTING OUR CLIENTS' ASSETS AND DATA

The Group is committed to maintaining the highest level of banking secrecy, having published its Client Data Charter ahead of European regulations on the protection of personal data came into effect. As a trusted third party, the Group continues to invest in cybersecurity and Societe Generale was the first French bank to

introduce a *Computer Emergency Response Team*. The fight against fraud uses the latest technological advances, including expertise in artificial intelligence and the detection of cyberattacks in real time.

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**€650<sub>m</sub>**

allocated to IT security  
between 2017-2020

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**300,000** clients

in France have a bank card with a dynamic security  
code to secure their online payments



#### FIND OUT MORE

[www.societegenerale.com/en/  
digital-and-innovation/new-technology/  
data-gdpr/banking-data](http://www.societegenerale.com/en/digital-and-innovation/new-technology/data-gdpr/banking-data)

## IMPROVING THE CLIENT EXPERIENCE

### SERVING OUR CLIENTS 24 HOURS A DAY

- In investment banking, our transcontinental presence allows us to ensure service continuity 24 hours a day in numerous areas. In retail banking, we're continuing to transform our branch networks into "omni-channel" banks, giving our clients non-stop access to the banking services they need, whether online, by telephone or at a branch. Between now and 2020, our goal is to offer digital access in France to all fundamental retail banking services.

### MADE-TO-MEASURE PRODUCTS FOR OUR CORPORATE CLIENTS

- Thanks to new technologies, our clients have access to applications that allow them to create the coverage packages they need along with access to advice from specialists.

### INNOVATIVE AND PERSONALISED SERVICES

- Implementation of Vision 360°, a tool for understanding the retail banking client experience through omni-channel features in real time and adapting and personalising advice.
- Launch of 100% digital loan applications.
- Crédit du Nord, the first French bank to use voice recognition identification.
- Societe Generale, the first French bank to use facial recognition biometric technology to open bank accounts online.



### FOCUSED ON CLIENT SATISFACTION

At a time when technology allows us to personalise products, services and the client experience with the greatest of detail, the quality of the client relationship is the most important factor of differentiation. As a trusted partner of our clients, Societe Generale is committed to continuously improving their satisfaction. We measure client satisfaction in all our businesses using the Net Promoter Score, which reflects the willingness of clients to recommend the company to others. These indicators are part of the Management Committee's shared goals. Within each division, results are monitored and continuous improvement efforts are undertaken across the Group's principal markets, under the supervision of General Management.

# SUCCESSING TOGETHER THROUGH THE TALENTS OF ALL



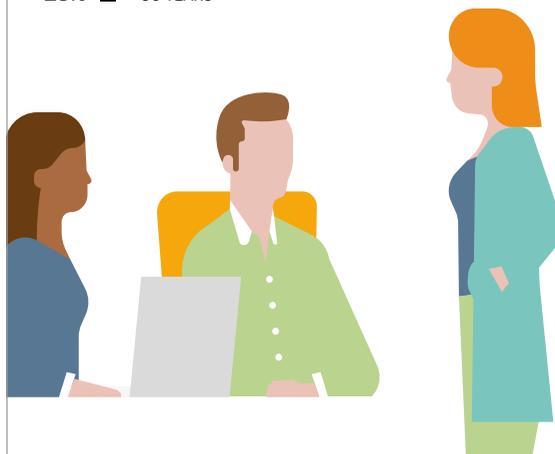
**T**he men and women who make up Societe Generale are key stakeholders in the company. Every day, their commitment drives the Bank forward. That's why we are dedicated to being a responsible employer that offers our staff an inclusive work environment and promotes the well-being and development of all. In line with our values, we strive to ensure that everyone - regardless of country of origin, gender or culture - finds their place within the organisation with equality and consideration. As practices shift toward more agile organisational methods, the Bank is helping its staff upgrade their skills and adapt to the changing nature of work. Our pool of expertise is growing, especially in areas related to digital technology.

## REINFORCING POSITIVE BEHAVIOURS

Achieving sustainable performance for the future requires not only expertise but also the right attitude. To transform values into behaviours, the Group established a Leadership Model, applied according to managerial level. These values are shared by all Group staff and are applied throughout the organisation in Human Resources processes.

## TOTAL WORKFORCE 147,000 STAFF MEMBERS

- 59% ■ WOMEN
- 41% ■ MEN
- 138 ■ NATIONALITIES
- 57% ■ NON-FRENCH
- 17% ■ > 50 YEARS
- 23% ■ < 30 YEARS



**FIND OUT MORE**  
Registration Document, Chapter 5  
Corporate Social Responsibility  
[www.careers.societegenerale.com](http://www.careers.societegenerale.com)

## DEVELOPING SKILLS AND EMPLOYABILITY

To adapt to changes in its environment, the Group anticipates the skills its professionals will need in the medium- and long-term while empowering its staff to develop their employability. Training, apprenticeships and personalised development plans are key to upgrading both individual and collective skill.

- 80% of the Group's entities have introduced skills development plans
- 25,000 new recruits in 2017, including 13,000 interns, apprentices and VIE\* programme participants
- 23,000 internal mobility transfers

*\*Volontariat International en Entreprise: introduced in French law in 2000, it allows French businesses to recruit young people under 28 years old on an overseas work placement for a 6 to 24 month period.*

### Target 2020

Promoting the employer brand to attract young professionals and target talent

Accelerating the deployment of distance learning

## PROVIDING FULFILLING WORK CONDITIONS

Respecting human rights, promoting dialogue with staff members and ensuring health, safety, well-being and quality of life at work are all assets that contribute to the Group's long-term performance.

- Signatory of a worldwide agreement with UNI Global Union
- 215 employer-staff agreements signed in 2017, 21 concerning health and safety
- Publication of the Human Rights Vigilance Plan
- Continuation of the Life at Work programme, the Group's comprehensive approach to the quality of life at work
- 15,000 homeworkers across the Group

### Target 2020

Make homeworking available to more staff in all relevant Group businesses

## PROMOTING DIVERSITY WITHIN THE COMPANY

In an effort to ensure that skills are fairly recognised, more women and international professionals have access to being promoted to management and senior positions.

- Signatory to the Women's Empowerment Principles and the ILO Global Business and Disability Network Charter
- A gender-balanced Board of Directors: 7 women and 7 men
- Ranked 14th in the world in gender equality in the workplace according to the Equileap 2017 Gender Equality Global Report

### Target 2020

Increasing the proportion of women in the Group's strategic talent pool

Continuing to implement internal programmes to promote diversity

## PROMOTING TEAM ENGAGEMENT

Societe Generale invests every day in promoting the engagement and development of its teams, both key indicators of the Group's performance.

- 68% of staff members feel committed at work\*
- 84% of staff members are proud to work at the Group\*
- 5.93% of the Group's equity is held by staff members, as of end-December 2017
- 16,000 staff members are involved in community initiatives

*\*Ipsos staff survey for Societe Generale, 2017.*

### Target 2020

Maintain high staff commitment scores

Promote staff engagement in cultural and community initiatives



# FIGHTING CLIMATE CHANGE



**E**nvironmental challenges, especially the fight against global warming and the preservation of biodiversity, are driving a profound shift toward a low-carbon global economy that embraces the sustainable management of natural and biological resources for the benefit for future generations. At the 2015 Paris Agreement on climate change, Societe Generale took the commitment to keeping its activities in line with the goal of limiting global warming to 2°C. At the centre of relations between economic stakeholders, we have defined a comprehensive climate strategy to support our clients through this transformation by offering adapted products and services and keeping our own emissions under control.

## A COMPREHENSIVE CLIMATE STRATEGY

### ■ Financing the energy transition

We set the objective of mobilising €100bn between 2016 to 2020, consisting of €15bn for renewable energy financing and consultancy, and €85bn for green bond issues arranged or jointly-arranged by Societe Generale.

### ■ Scaling back carbon-heavy investments

We've stopped financing the development of coal mines, coal-fired plants and associated infrastructure around the world. We also decided to end the financing of oil sands production and oil drilling in the Arctic.

### ■ Reducing the environmental impact of energy activities financed by the Bank

We are conscious of the fact that the projects we finance can have negative impacts on the environment, and we have defined rules to limit these impacts. In the oil and gas sector, we require our clients to apply the best practices in order to limit greenhouse gas emissions (methane and carbon dioxide) and other environmental impacts associated with production activities. We've established publicly-available sector policies and eligibility criteria for doing business with certain clients as well as financing for sensitive industries.

## MANAGING THE RISKS ASSOCIATED WITH CLIMATE CHANGE AND SUPPORTING OUR CLIENTS

We're putting in place a risk management process for the risks associated with climate change so as to evaluate and control them. Beyond the measurable impacts for the Bank, this approach involves providing expertise and advice to our clients by anticipating the changes associated with a low-carbon economy and assisting them with their transition.

### LIMITING OUR CARBON FOOTPRINT

Like any company, Societe Generale generates an environmental impact in the course of its activities. Conscious of our responsibility, we've made two major commitments:

- reduce the Group's internal carbon footprint per occupant by 25% from 2014 levels by 2020;
- improve the energy efficiency of the Group's buildings by 20% between 2014 and 2020.

The innovative Internal Carbon Tax Programme we launched in 2012 has led to tangible results, with the money collected being redistributed to finance internal environmental efficiency initiatives. Carbon footprint per occupant has been reduced by 13% and the energy efficiency of our buildings has improved by 16% from 2014 levels. Over a five-year period, €95 billion in economies was generated and the emission of 38,000 tonnes of carbon dioxide equivalents was avoided.

**€100bn**

in contributions to financing the energy transition between 2016 and 2040

**> 40%**

of the Group's financing of the electricity sector's energy mix is renewable energy at end-2017

**38,000t**

of CO<sub>2</sub> equivalents saved over five years thanks to the Internal Carbon Tax



**FIND OUT MORE**  
[www.societegenerale.com/en/energy-transition-climate-commitments](http://www.societegenerale.com/en/energy-transition-climate-commitments)

### A LEADING ENVIRONMENTAL POLICY RECOGNISED BY NON-FINANCIAL RATING AGENCIES

#### ROBECOSAM (2017)

**ENVIRONMENTAL DIMENSION: 93/100**

- 1<sup>st</sup> quartile (88<sup>th</sup> percentile)
- No. 1 bank in France
- No. 5 bank in Europe (out of 41)
- No. 18 bank in the world (out of 142)

#### SUSTAINALYTICS (2018)

**ENVIRONMENT SCORE: 86/100**

- 1<sup>st</sup> decile (95<sup>th</sup> percentile): Outperformer
- No. 18 bank in the world (out of 344)

#### CDP (2017)

**RATING: A- (LEADER)**



#### SINCE 2016

- €8.3bn in renewable energy financing
- €30.4bn in green bonds
- €6bn in green financing



# GOVERNANCE MEETING THE HIGHEST STANDARDS

**O**verseeing the choice of strategic directions, supervising the company's activities and monitoring its achievements are central to delivering quality and respecting our commitments. Societe Generale's Board of Directors brings together the best expertise and experience to accomplish this task while listening to our stakeholders and respecting the highest international standards, in particular the Afep-Medef Corporate Governance Code for Listed Companies.

## THE BOARD OF DIRECTORS' DUTIES

The Board of Directors approves the Group's strategic directions. These directions are the reflection of our values and the key pillars of our Corporate Social Responsibility policy. The Board ensures that Societe Generale has a solid governance structure, including a clear organisational framework with a well-defined, transparent and coherent sharing of responsibilities, effective risk detection, management, monitoring and reporting procedures, an appropriate internal control system, sound administrative and accounting procedures and remuneration policies and practices that foster effective risk management.

## INDEPENDENT, EXPERIENCED AND DILIGENT DIRECTORS

The Board is chaired by Lorenzo Bini Smaghi and is entirely composed of independent Directors, with the exception of Frédéric Oudéa and two Directors who are also members of staff.

The Nomination and Corporate Governance Committee regularly reviews the independence of Board members. Directors are selected according to their expertise in a wide variety of areas that are important to the Group, including governance and shareholder relations, strategy, management, finance, regulations, risks, IT and internal controls, in both the banking sector and other industries. Their varied profiles and international experience ensure they serve the Group's strategic interests as comprehensively as possible.

▪ **GENDER BALANCE:** 7 women, 7 men

▪ **AREAS OF EXPERTISE:**



▪ **6 NATIONALITIES REPRESENTED**

▪ **TYPES OF MANDATE:** 12 Directors appointed by shareholders; 2 staff representatives

▪ **13 MEETINGS IN 2017**

# DEDICATED COMMITTEES ASSISTING THE BOARD OF DIRECTORS IN ITS DUTIES

## ■ RISK COMMITTEE

**Anticipates new risks and ensures the quality of the risk management system**

The committee assists the Board with its overall strategy and appetite for all types of current and future risks as well as with the supervision of the overall implementation of the strategy.

**Nathalie Rachou**, Chair of the Risk Committee

 Independence **100%**  Meetings **11**  Attendance **96%**

## ■ AUDIT AND INTERNAL CONTROL COMMITTEE

**Verifies the quality of accounting and financial information**

The committee addresses issues relating to the preparation and control of accounting and financial information as well as monitoring the effectiveness of internal control systems and risk assessment, monitoring and management processes.

**Alexandra Schaapveld**, Chair of the Audit and Internal Control Committee

 Independence **100%**  Meetings **11**  Attendance **93%**

## ■ COMPENSATION COMMITTEE

**Ensures fair compensation taking into account objectives, risks and the requirements of the Code of Conduct**

The committee reviews the principles of the company's compensation policy each year and prepares Board decisions on the compensation of executive officers and staff members who have an impact on risk and risk management within the Bank.

**Jean-Bernard Lévy**, Chair of the Compensation Committee

 Independence **75%**  Meetings **7**  Attendance **96%**

## ■ NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

**Identifies the best talent for the company's supervision and management**

The committee recommends candidates to become Directors and committee members as well as succession planning for the Group's senior officers, in particular for the Risk, Compliance, Audit and Finance functions. It also prepares the Board's work in the area of corporate culture.

**Gérard Mestrallet**, Chair of the Nomination and Corporate Governance Committee

 Independence **100%**  Meetings **7**  Attendance **86%**



**FIND OUT MORE**  
Registration document, Chapter 3  
Corporate Governance

[www.societegenerale.com/en/about-us/governance](http://www.societegenerale.com/en/about-us/governance)

# ORGANISING THE COMPANY TO BEST SERVE OUR CLIENTS

**T**he Group adopted a new, more horizontal organisational structure in 2017, with a greater regional focus, to increase its agility and be better positioned to apply the strategic plan. The new organisation is simpler, more responsive and places the Bank closer to its customers. It also enhances cooperation between business lines while ensuring the independence of the control functions.

## A NEW AGILE STRUCTURE

The core businesses and regions are organised into 17 Business Units, while the corporate functions, and in particular the control functions, form 10 Service Units. Each Business Unit and Service Unit has greater autonomy and reports directly to General Management. The new structure aims to facilitate collaborative working methods and rapid decision-making while meeting client needs more effectively.

## COLLEGIAL OVERSIGHT

General Management applies the Group's strategy with the assistance of supervisory committees. With shared strategic objectives, they closely oversee the business lines in order to deliver sustainable performance and be more responsive.

## SHARED OBJECTIVES FOR GROUP MANAGEMENT COMMITTEE MEMBERS

The Group Management Committee discusses strategy and general matters of interest. It has around sixty members who reflect the Group's diversity. A significant portion of their variable compensation depends on shared performance criteria covering financial and extra-financial metrics calculated at Group level:

- the Group's financial performance;
- client satisfaction and protection;
- staff commitments;
- responsibility.



### FIND OUT MORE

Registration document, Chapter 3  
Corporate Governance  
[www.societegenerale.com/en/about-us/governance](http://www.societegenerale.com/en/about-us/governance)

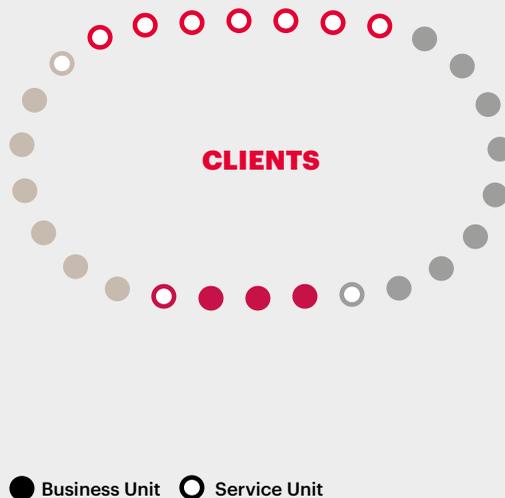
**THE GROUP IS ORGANISED INTO 17 BUSINESS UNITS AND 10 SERVICE UNITS, REPORTING DIRECTLY TO GENERAL MANAGEMENT**

**Corporate functions**

- Inspection & Audit
- General Secretary
- Human Resources & Communication
- Risks
- Compliance
- Finance
- Corporate Resources & Innovation

**International Retail Banking and Financial Services**

- International Retail Banking, Africa, Mediterranean Basin and French Overseas Departments
- International Retail Banking, Europe
- International Retail Banking, Russia
- Insurance
- ALD, Fleet Management
- Equipment Finance
- Resources (International Retail Banking)



**Global Banking and Investor Solutions**

- Coverage and Investment Banking
- Global Finance
- Global Markets
- Securities Services
- Wealth & Asset Management
- Global Transaction & Payment Services
- Americas
- Asia-Pacific
- Resources (Global Banking and Investor Solutions)

**French Retail Banking**

- Societe Generale Retail Banking in France
- Boursorama
- Crédit du Nord
- Innovation, Technology & IT (French Retail Banking)

● Business Unit ○ Service Unit

**GENERAL MANAGEMENT**

Prepares and supervises the strategy approved by the Board of Directors

**GENERAL MANAGEMENT COMMITTEES**

**GROUP CROSS-FUNCTIONAL SUPERVISION**

**CLIENT COMMITTEES**

Large Exposure Committee, French Corporate Accounts Committee, European Corporate Accounts Committee, Mid-Sized Accounts Committee

**STEERING COMMITTEES**

Monthly Results Committee, Group Risks Committee, Group Internal Control Coordination Committee, Regulatory Monitoring Committee, Compliance Committee, Finance Committee, Group Provisions Committee, Strategic Oversight Committee, Corporate Strategic Architecture Committee

**HEADS OF BUSINESS AND SERVICE UNITS**

**GROUP MANAGEMENT COMMITTEE**

**GROUP STRATEGIC COMMITTEE**

**Implementation of the strategy**

- Group activities portfolio
- Group risk appetite
- Countries
- Culture and Conduct
- CSR

**STRATEGIC STEERING COMMITTEE BUSINESS AND SERVICE UNITS**

**Strategic and operational supervision**

- Markets and clients
- Transformation and innovation projects
- Human Resources
- Mid-term financial trajectory and targets

# PROMOTING THE HIGHEST ETHICAL STANDARDS

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**“For a bank, whose role is at the centre of human economic activity, the value “Responsibility” is of particular importance. As bankers, our presence in a region is never neutral. We have a direct impact on its development and the well-being of the people who live there. For Societe Generale, being responsible means taking responsibility for our actions as well as behaving properly, to the best of our ability, and in a positive manner. Our role as a trusted partner and our responsibility go hand in hand and they engage all our members of staff.”**

**SÉVERIN CABANNES**  
Deputy Chief Executive Officer

**S**olid values and responsible behaviour are two fundamental components of trust. Which is why the Group placed responsibility at the centre of its strategic plan Transform to Grow and why it has been rolling out an ambitious cultural transformation programme since 2016: the Culture & Conduct programme. This programme is under the direct responsibility of General Management and is supervised by the Board of Directors. It aims to enhance our stakeholders’ trust in us by instilling a culture of integrity and ethics at all levels of the company. This culture stands Societe Generale apart, it enhances performance and makes the Group more attractive.

## **SHARING A BROAD VISION OF COMPLIANCE**

The Group’s Code of Conduct, translated into 23 languages, is a public document available on the Group’s website. It incorporates regulatory requirements, our values, our principles and our commitments. It serves as a common guide that all members of staff must observe. In particular, it sets out our standards — which are among the highest in the banking sector — in terms of combating corruption and money laundering, preventing conflicts of interest and market abuse. It is our duty to our clients and our stakeholders to uphold these principles, which also enhance trust in the Group and safeguard our reputation.

Societe Generale group also has a Tax Code of Conduct, approved by the Board of Directors in November 2010 and updated in 2017. It follows a strict policy in terms of tax havens. No establishment of the Group is authorised in a state or territory on the official French list of ETNCs (*États et Territoires Non Coopératifs* or Non-cooperative countries and territories) and a specific monitoring is in place on the basis of an extended list of countries and territories. Group entities outside France must observe all local blacklists, where they exist, in addition to the official French blacklist and Societe Generale's extended list.

#### **PRIORITIES OF THE CULTURE & CONDUCT PROGRAMME IN 2018**

- **Ensure that all members of staff fully apply the Group Code of Conduct**, which forms the basis of Societe Generale's professional ethics and promotes responsible conduct in our business.
- **Establish a bespoke conduct risk management policy for Societe Generale**, including the definition and detailed breakdown of the different types of conduct risk and a conduct risk assessment methodology for each business.
- **Measure progress in terms of Culture & Conduct** using specific indicators, enhance visibility on the main conduct risks in our businesses and prepare action plans to improve the management of these risks.
- **Continue to align the key Human Resources management processes** with the Group's ambitions in terms of Culture & Conduct.



**FIND OUT MORE**  
<https://www.societegenerale.com/en/about-us/responsibility>

### **PROTECTING WHISTLE-BLOWERS**

All members of staff can report any incidents they become aware of (either directly or indirectly) that breach the Code of Conduct or the rules that apply within the company. Reports can be made to managers, the Compliance department or the General Secretary. They are handled confidentially and the whistle-blower will be protected. Incidents reported will be analysed independently and further action will be taken if necessary. The whistle-blower's identity will be kept secret within the limits of the applicable laws.



# ANTICIPATING AND MANAGING RISKS



**W**hether by helping customers realise their plans or financing long-term investments, one of the fundamentals of banking is taking risks and managing them effectively. The risk management process is strictly governed by regulations and is stringently applied by Societe Generale, under the supervision of the Board of Directors.

## DEFINING OUR RISK APPETITE

Each year, the Group reviews its “risk appetite” to determine the level of risk it deems acceptable in view of the development goals of its businesses. The review takes into account expected changes in the economic and financial environment and aims to secure sustainable profitability for the Group. The Group’s annual risk appetite is approved by the Board of Directors.

All the risks incurred by the Group are regularly assessed using methods suited to each type of risk. They are strictly controlled via a system of limits and risk policies.

- In terms of credit risk, Societe Generale’s client portfolio is diversified by business sector and region. The Group’s policy is to maintain sufficient diversification in individual, sector and country risks to be able to limit concentration risks and the effects of business cycles.

The Bank also has sector policies and it applies a procedure for analysing its client portfolios to ensure that the activities and the clients meet its CSR criteria.

- For market risk, the Group focuses its activities on meeting its clients’ requirements, in particular to hedge the risks they incur in their activities. The Group’s policy is to limit its capital allocation to market activities to 20% of the total.
- For operational risk, the Group places great importance on limiting these risks.

In its Code of Conduct, Societe Generale sets out the values and behavioural principles that apply to all its members of staff to prevent and identify risks, in particular reputational risk.

The Group is committed to maintain a solid balance sheet with higher capital and liquidity ratios than required under the regulations that apply to it as a “systemically-important” bank.

## THREE LEVELS OF RISK GOVERNANCE

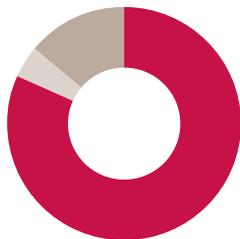
In accordance with the principles required by regulation, risk oversight is based on three “lines of defence”.

In the first line of defence, each member of staff, supervised by their manager, is responsible for ensuring the full application of the Code of Conduct and their business line’s procedures. Under this principle, the Business Units are

**RISK WEIGHTED ASSETS: €353BN**

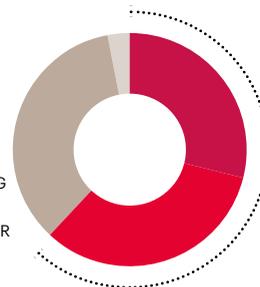
**82%**  
in credit risk

- 82% ■ CREDIT RISK
- 4% ■ MARKET RISK
- 14% ■ OPERATIONAL RISK



**>60%**  
in Retail Banking and Financial Services

- 29% ■ FRENCH RETAIL BANKING
- 33% ■ INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES
- 35% ■ GLOBAL BANKING AND INVESTOR SOLUTIONS
- 3% ■ CORPORATE CENTRE



fully responsible for the risks they incur while performing their activities.

For the second line of defence, independent control functions (Risk, Finance and Compliance) ensure that the risk management system in place under the first line of defence is efficient, keep General Management informed of changes in the Group's risk profile and propose or implement an appropriate risk management system.

Lastly, under the third line of defence, the Inspection and Audit functions follow an audit plan to regularly review the business activities and the internal control system to ensure it remains suitable and effective in terms of the Group's objectives.

The Board of Directors is regularly informed of the work performed by the second and third lines of defence in dashboards and interviews with the Heads of the functions concerned.

The Board of Directors also regularly discusses the Group's situation with the Statutory Auditors. In addition, the Board may ask any member of staff to assist with its analyses.

**AN INTEGRATED APPROACH:  
NEW PRODUCT COMMITTEES**

Each division submits all new products or services to a New Product Committee managed jointly by the Risk division and the business in question, with the participation of the functions responsible for the transaction processing and the controls. Before any product or service is launched, this committee verifies that all the inherent risks have been identified, understood and correctly addressed.

**548 New Product Committees were held in 2017.**

**FIND OUT MORE**  
Registration document, Chapter 4  
Risk factors and capital adequacy  
Risk and Pillar III Report



# ACCELERATING THE TRANSFORMATION OF OUR BUSINESSES

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In 2017, the Group continued its refocusing and the transformation of its business model. It builds on its complementary businesses and the quality of its teams to help clients achieve their goals in France and around the world. The Group's businesses confirmed their strong commercial momentum and the quality of their cost and risk management, generating profitable and sustainable growth and creating value for all stakeholders.

## **OUR BUSINESSES GENERATED STRONG REVENUES**

In an environment of limited growth in Europe, with continued low interest rates and historically low volatility affecting Global Banking and Investor Solutions activities, our teams' strong commercial performance generated stable Net Banking Income for the business lines (€25bn), with the three core businesses making a balanced contribution reflecting the Group's capital allocation.

In 2017, we kept costs under control while investing in the future. Group operating expenses amounted to €17.8bn (€16.8bn in 2016), reflecting growth in activities for International Banking and Financial Services and costs relating to the transformation of French Retail Banking. Cost of Risk continued to decline (€1.3bn in 2017, compared with €2.1bn in 2016), illustrating the quality of our loan book. Thanks to this strong performance by our core businesses, Group Net Income for 2017 totalled €2.8bn, compared with €3.9bn in 2016. This decline was notably due to the cost of settling certain disputes and the recognition of expenses relating

to the transformation of French Retail Banking activities. When restated for these and other exceptional items (collective provision for litigation, rationalisation of the business portfolio), underlying income for 2017 amounted to €4.5bn, up 8.4% on 2016.

## **WE MET OUR COMMITMENTS TO OUR SHAREHOLDERS**

The strength of our business, the quality of our risk management processes and our tight control of costs have produced a significant increase in net tangible assets per share over the past three years as well as in the dividend paid to shareholders.



## **FIND OUT MORE**

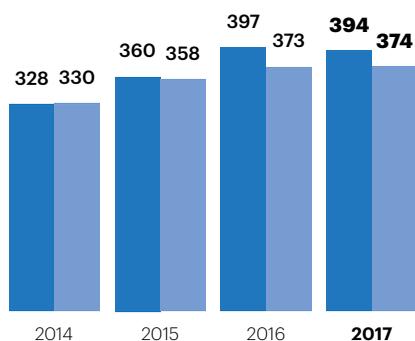
Registration Document,  
Chapter 2 Group Management Report  
<https://www.societegenerale.com/en/measuring-our-performance/information-and-publications/financial-results>

## HELPING OUR CUSTOMERS ACHIEVE THEIR GOALS AND OFFERING PROTECTION AND ADVICE

### CUSTOMER DEPOSITS AND LOANS

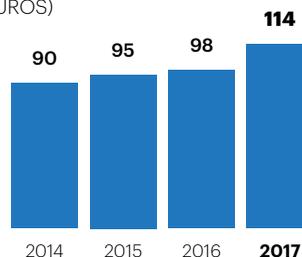
(BILLIONS OF EUROS)

- Customer deposits
- Customer loans



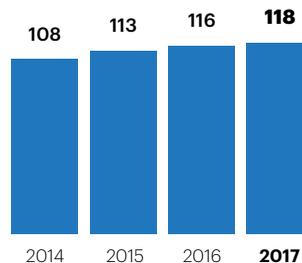
### LIFE INSURANCE OUTSTANDINGS

(BILLIONS OF EUROS)



### ASSETS UNDER MANAGEMENT - PRIVATE BANKING

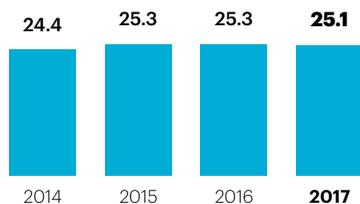
(BILLIONS OF EUROS)



## STRONG, WELL-BALANCED REVENUES

### NET BANKING INCOME FROM CORE BUSINESSES

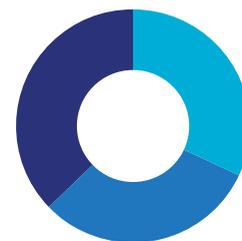
(BILLIONS OF EUROS)



### CONTRIBUTION OF CORE BUSINESSES TO NET BANKING INCOME

€25.1 bn

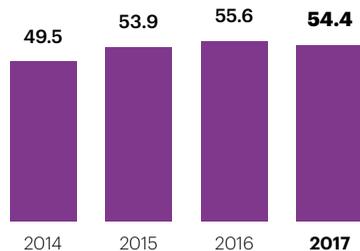
- 32% FRENCH RETAIL BANKING
- 31% INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES
- 37% GLOBAL BANKING AND INVESTOR SOLUTIONS



## COMMITMENTS MET TO OUR SHAREHOLDERS

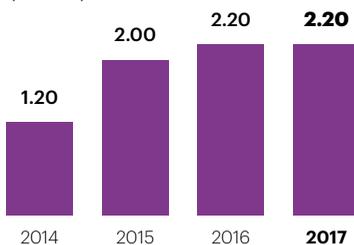
### NET TANGIBLE ASSETS PER SHARE

(EUROS)



### DIVIDEND

(EUROS)



2017 dividend subject to approval by the Annual General Shareholders' Meeting

FRENCH RETAIL BANKING

# BUILDING THE RELATIONSHIP-FOCUSED BANK OF TOMORROW

In a market undergoing an industrial revolution with the onset of new technologies and changing consumer habits, our French Retail Banking activities stepped up their deep transformation in 2017, aimed at inventing the relationship-focused bank of tomorrow by combining the best of human and digital services. The year saw French Retail Banking achieve a strong commercial performance, in particular in the key growth drivers of Private Banking and the Entrepreneur segment.

**INNOVATING TO SERVE OUR CUSTOMERS**

As the third largest retail bank in France, Societe Generale group has a solid market share in a very competitive market in which extremely low interest rates are putting pressure on credit margins. We are drawing on the strengths of our three complementary brands to provide a distinctive offer to all our customers – private individuals, professionals, businesses, local authorities and NPOs - while giving priority to client satisfaction, adjusting our models, innovating and developing synergies with the Group's other businesses, in particular Insurance, Private Banking and Corporate and Investment Banking.

- **The Societe Generale network**, the flagship domestic brand, has ramped up its transformation plan, which aims to upgrade its branch presence, consolidate and specialise its back office centres, and automate processes and the customer experience. The purpose of this plan is to respond to fundamental changes in customer requirements by combining a comprehensive digital offering with expert advice and to process everyday transactions more efficiently.

The range of digital services has also been

extended. With around a billion connections in 2017 (+13% in one year), digital channels are now our customers' main point of contact with the Bank. We are also investing in upgrading our staff's skills to enhance their expertise, with a total training budget of €150 million.

The Societe Generale network is extending its products and services for professional clients, enhancing its Private Banking services for High Net Worth Individuals and improving support for entrepreneurs with the integrated Societe Generale Entrepreneurs offer.

- **Crédit du Nord**, a group of regional banks, is continuing to build on its original business model as a local and digital bank with a particular focus on professional and business customers.
- **Boursorama**, the leading online bank in France, now has 1.3 million customers (+30% on 2016). It will leverage its comprehensive range of services, strong capacity for innovation, competitive pricing and recognised quality of service to reach more than 2 million customers by 2020.



**38,000**

members of staff

**€191 bn**

in loan outstandings

**€1.1 bn**

contribution to Group Net Income  
(€1.5bn in 2016)



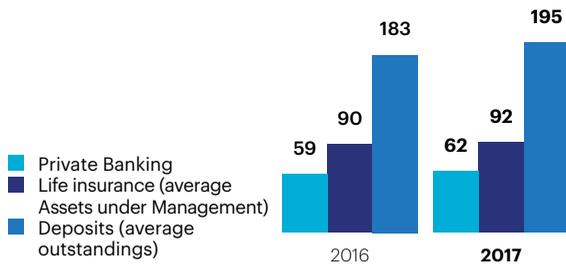
## 1st bank

to offer a fully digital account opening process using facial recognition biometrics



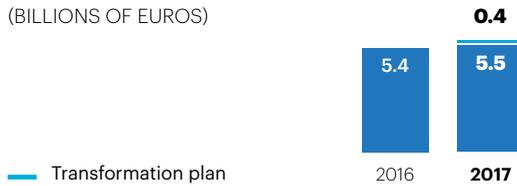
### OUR CLIENTS' DEPOSITS AND SAVINGS

(BILLIONS OF EUROS)



### OPERATING EXPENSES

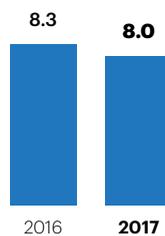
(BILLIONS OF EUROS)



### NET BANKING INCOME

(BILLIONS OF EUROS)

€8.0bn



### A TRUSTED PARTNER

- **SOCIETE GENERALE NETWORK:** 9 out of 10 small business customers describe our teams as "competent and expert", "consistent and united"; Voted Client Service of the Year 2018 for the fifth time by Viséo Customer Insights; the only French company to receive a #TwitterAward for its commitment to reply within 30 minutes on Twitter
- **CRÉDIT DU NORD:** No. 1 in client satisfaction in the individual and business markets; No. 2 for professionals (CSA survey 2017)
- **BOURSORAMA:** the least expensive bank for ten years (*Le Monde Argent*)



#### FIND OUT MORE

Registration document, Chapter 2  
Group Management Report  
[www.societegenerale.com/en/measuring-our-performance/information-and-publications/financial-results](http://www.societegenerale.com/en/measuring-our-performance/information-and-publications/financial-results)

INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

# MAINTAINING PROFITABLE GROWTH

**T**he International Retail Banking and Financial Services business reaffirmed its role as a growth driver in 2017 thanks to its leadership in high-potential markets and the major transformations undertaken in recent years. It aims to serve all its clients – private individuals and businesses – as best as possible in their domestic markets, in line with local economic and social developments, and to support our clients in their international growth by leveraging on its extensive network.

**PROFITABLE GROWTH DRIVERS IN ACTION**

- **International Retail Banking:** a network of local banks in fast-growing regions, as well as the Group’s consumer credit business. International Retail Banking has considerably transformed its business model in recent years, while reducing its risk profile and streamlining its network. This far-reaching transformation has allowed it to build on its medium-term ambitions.
  - In the Czech Republic, Komerční Banka, the country’s third largest bank, intends to become the leading omni-channel bank.
  - In Romania, BRD, the country’s third largest bank and the leading private network, is consolidating its positions and building sustainable profitability.
  - The Group is present in eight other countries in central Europe, where it is an important regional player.
  - In Russia, the second largest foreign-owned banking group, Rosbank, is rolling out a universal banking model and is taking advantage of the economic recovery with an ambitious transformation plan that aims to position it as the country’s leading banking group financed by foreign capital.
  - Societe Generale ranks among the international banks with the largest presence in Africa. It is the

number one bank in Côte d’Ivoire and Cameroon, the leading privately-owned bank in Algeria and the second largest bank in Guinea and Senegal. The Group is capitalising on these positions to stimulate local economic growth and support the potential for increases in banking usage among the local populations.

- **Insurance:** the Group applies its integrated bank insurance model in France and internationally with offers in life insurance, personal protection insurance and property insurance.
- **Financial Services to Corporates,** leaders in their markets:
  - ALD, No. 1 in Europe and No. 2 worldwide in vehicle fleet management and leasing, is developing new innovative services. In the fast-changing mobility sector, ALD is becoming stronger with partnerships and targeted acquisitions. The initial public offering of part of its capital in 2017 will allow ALD to accelerate its growth among businesses and individuals.
  - Societe Generale Equipment Finance, the leader in Europe, develops specialised solutions in vendor and equipment financing.

**73,000**

members of staff

**€115 bn**

in loan outstandings

**€1.9 bn**

contribution to Group Net Income  
(€1.6bn in 2016)



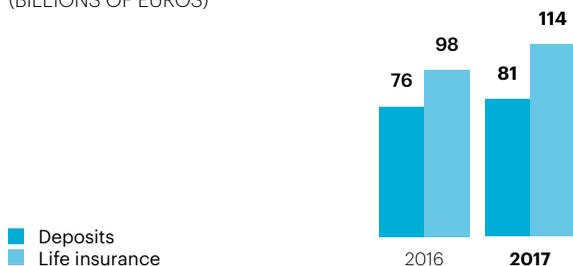
## MyALD

My ALD Assistance is a package of services covering the everyday needs of vehicle fleet managers and users



### OUR CUSTOMERS' DEPOSITS AND SAVINGS

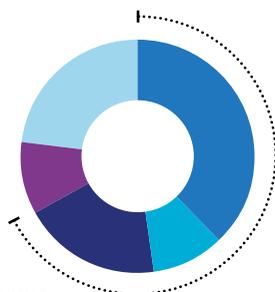
(BILLIONS OF EUROS)



### BREAKDOWN OF NET BANKING INCOME

# €7.9 bn

€7.4bn in 2016



- 67% INTERNATIONAL RETAIL BANKING
- 38% EUROPE
- 10% RUSSIA
- 19% AFRICA AND FRENCH OVERSEAS DEPARTMENTS
- 10% INSURANCE
- 23% FINANCIAL SERVICES TO CORPORATES



### A TRUSTED PARTNER

- Komerční Banka, awarded Best Bank in the Czech Republic (*Fincentrum*)
- BRD, awarded Safest Bank in Romania (*Global Finance*)
- In Africa, awarded Best Bank and Best Investment Bank in Cameroon; Best International Bank, Best Investment Bank among International Banks and Best Asset Manager in Morocco (*EMEA Finance*). Best International Trade Finance Bank in Algeria, Cameroon, Côte d'Ivoire, Senegal and Tunisia (*Global Finance*)
- ALD Automotive France named Client Service of the Year 2018 for the tenth year running (*Inference Operations-Viséo CI*)
- Societe Generale Equipment Finance, awarded SME European Champion of the Year and Financial Partner of the Year (*Leasing Life*)



### FIND OUT MORE

Registration Document, Chapter 2 Group Management Report  
<https://www.societegenerale.com/en/measuring-our-performance/information-and-publications/financial-results>

GLOBAL BANKING AND INVESTOR SOLUTIONS

# OFFERING MADE-TO-MEASURE SOLUTIONS

**G**lobal Banking and Investor Solutions sits at the heart of economic flows, offering integrated and made-to-measure solutions to large corporates, investors and private clients based on a comprehensive range of banking services.

**REINFORCING OUR GLOBAL EXPERTISE TO SERVE OUR CLIENTS AND SOCIETY**

By adapting to the regulatory changes that followed the financial crisis, the Group has further developed its business model focused on client requirements, with strict cost control and stringent risk management, additional synergies and enhanced distribution capabilities. In a specialist market, the Group stands out with the extent of its leading expertise, in particular in derivatives and structured financing, and for its ambitious policy of innovation and digitalisation, with the development of open platforms. We are supporting our clients through the energy transition and changes in society by building a pioneering range of sustainable and positive impact financing solutions.

■ **In Global Markets and Investor Services**, the bank offers global, integrated access to increasingly inter-connected financial markets, with a leading-edge vision and cross-asset solutions, in particular in hedging our clients' risks, and services such as securities clearing or custody solutions.

■ **In Financing and Advisory**, the Bank is developing strategic global relationships with corporate clients and offers integrated solutions ranging from M&A advisory to structured financing, capital-raising operations and risk hedging solutions, drawing on its global expertise and in-depth knowledge of its clients' sectors of activity.

■ **In Asset Management and Private Banking**, the Group builds on its internal expertise and open architecture. Lyxor, the European specialist in passive, active and alternative asset management, creates innovative investment solutions to address the challenges of the future. In Private Banking our business is primarily focused on Europe.

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**21,000** | **€135 bn**  
members of staff | in loan outstandings

---

**€1.6 bn**  
contribution to Group Net Income  
(€1.8bn in 2016)



## Blockchain

Societe Generale has set up several partnerships using blockchain technology and in January 2018 completed the first blockchain transaction on agricultural commodities to simplify administrative tasks for import/export activities

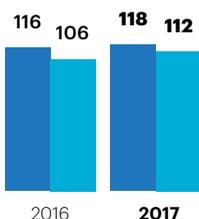
**GLOBAL LEADER IN DERIVATIVES,  
NO. 2 CUSTODIAN IN EUROPE**

**€3,904 bn**

in assets under custody

**ASSETS UNDER MANAGEMENT**  
(BILLIONS OF EUROS)

■ Private Banking  
■ Lyxor



**BREAKDOWN OF NET BANKING  
INCOME IN 2017**

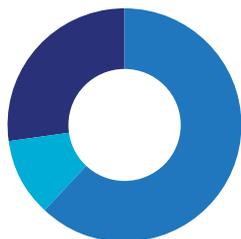
**€9.2 bn**

€9.6bn in 2016

62% ■ GLOBAL MARKETS  
AND INVESTOR SERVICES

27% ■ FINANCING AND ADVISORY

11% ■ ASSET MANAGEMENT  
AND PRIVATE BANKING



### A TRUSTED PARTNER

- Bank of the Year in Equity Derivatives  
(*Risk Magazine*)
- Bank of the Year in Interest Rate Derivatives  
(*Risk Magazine*)
- Bank of the Year in Commodity Financing  
(*EnergyRisk*)
- Bank of the Year - Europe  
(*Project Finance International*)
- Best Private Bank - Western Europe  
(*Global Finance*)



#### FIND OUT MORE

Registration document, Chapter 2  
Group Management Report  
[www.societegenerale.com/en/measuring-our-performance/information-and-publications/financial-results](http://www.societegenerale.com/en/measuring-our-performance/information-and-publications/financial-results)

# CULTIVATING OUR PIONEERING SPIRIT



Le Plateau at The Dunes technology hub in the east of Paris - 1,500m<sup>2</sup> dedicated to projects in startup mode

**T**he digital transformation and the emergence of new technologies provide a tremendous opportunity to invent the bank of tomorrow.

They are fundamentally changing clients' requirements, towards more proximity, instant services, personalisation and a higher level of security. Innovation is extremely important for the Group, it allows us to enhance our clients' relationships with us, making them seamless and more efficient, and setting us apart from our peers. Our ambition is to develop new value-added services, to offer personalised services in real time and on a large scale and to improve the user experience. Innovation builds on the potential of new technologies and involves all our staff around the world.

In France, for example, the Societe Generale banking app *L'Appli* is constantly adding new functionalities. In Corporate and Investment Banking, we are developing enhanced interfaces available through the SG Markets platform. We are also testing the full potential offered by blockchain technologies and artificial intelligence and are experimenting with disruptive technologies.

In Africa, YUP is revolutionising access to banking services by offering a "mobile money" solution. The digitalisation of banking services is also providing us with the opportunity to review our internal processes to make them more effective. Under our strategic plan we will automate 80% of internal processes in our French Retail Banking networks by 2020. The Group is continuing to develop its innovation policy by working with the startup ecosystem in a spirit of open cooperation to find further sources of inspiration, new ways of working and of rolling out new technologies faster. We are also calling on our staff's creativity to imagine the financial services of tomorrow. Our new technology hub in France, The Dunes, encourages new, collaborative and agile working methods, reflecting the dynamic spirit within the Group.



**FIND OUT MORE**  
[www.societegenerale.com/en/digital-and-innovation](http://www.societegenerale.com/en/digital-and-innovation)

## SOCIETE GENERALE, THE DIGITAL BANK

**1st**

French company to receive a #Twitter Award for its client relations

**No. 2**

company in the eCAC40 awards in 2017, and No. 1 bank

**57 million**

connections each month to the Societe Generale app in France

Target 2020 

**€150m**

allocated to the Societe Generale Innovation Fund between 2018 - 2020

# OPEN INNOVATION THE DIGITAL TRANSFORMATION IN MOTION



## INTRAPRENEURSHIP, ACCELERATING IDEAS

■ The Internal Startup Call is Societe Generale group's new worldwide internal innovation programme - a unique 'intrapreneurial' adventure to invent high-potential disruptive banking services. Open to all members of staff, 70 concepts involving 220 intrapreneurs have already been selected and are now being developed in startup mode.



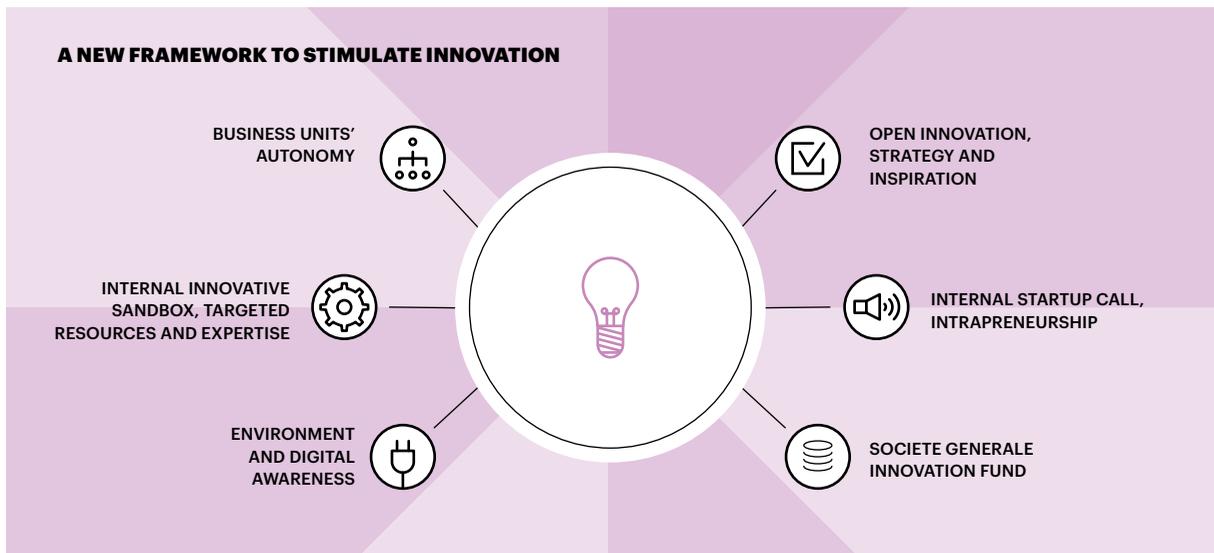
## CO-CONSTRUCTION AND DIGITAL CULTURE

■ New ways of working inspired by startups, known as agile working methods, are spreading across the Group. They encourage initiative and accelerate the emergence of innovative projects. Hackathons for FinTechs and banking services have been successfully held in Africa (The Panafrican Innovation Challenge), India and Asia (the FinHack in Hong Kong). Flagship events bring staff onboard, for example Tech Week at The Dunes, in the east of Paris, and the first Group Innovation Week held in London.



## INNOVATION LABS - THE NEW BREEDING GROUNDS FOR CREATIVITY

■ At The Dunes, the Group's technology hub east of Paris, *Le Plateau* provides working space for startups and staff involved in innovative projects. After its first year of activity, *Le Plateau* has hosted 20 external startups and 61 internal teams. Around the world, "Idea Labs" have opened in six countries, from Bangalore to Dakar, Prague and Berlin, to stimulate a culture of innovation and collective intelligence, shared growth and experimentation.



# SUPPORTING LOCAL GROWTH THROUGH INNOVATION



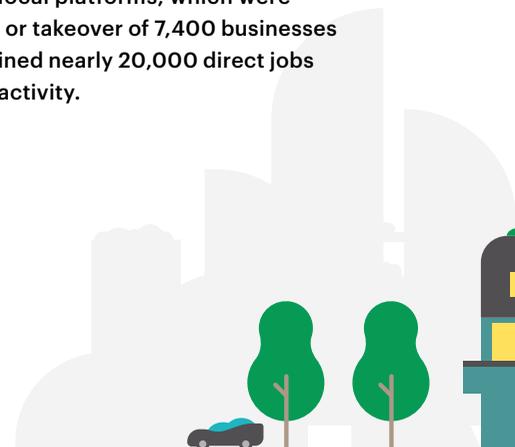
**T**he technological revolution and demographic changes are creating new economic realities in local communities, developing new forms of entrepreneurship and generating new expectations among local populations. With our strong commitment to local communities, the Group contributes to the development of the societies and economies in which we operate. We are developing a range of positive impact services, financing businesses and infrastructure and accompanying societal change to support a more sustainable and more inclusive economy.

## ACCOMPANYING BUSINESSES AND PROFESSIONALS

Societe Generale has been a bank for entrepreneurs since its very creation and we support artisans, entrepreneurs and businesses of all sizes throughout their lifetimes and their business cycles. Businesses, SMEs, mirco-enterprises and professionals account for around half of the Group's Risk Weighted Assets (€165bn at 31 December 2017).

## SUPPORTING THE CREATION OF NEW BUSINESSES

■ In 2017, the Societe Generale retail banking network in France opened accounts with around 20,000 businesses under one year old. Overall, it supports over 57,000 "young businesses" set up within the past three years. The Bank is a member of the national association, Initiative France, and a partner of 92 of its local platforms, which were behind the creation or takeover of 7,400 businesses that created or retained nearly 20,000 direct jobs in their first year of activity.





### **MICROFINANCE: COMMITTED TO LOCAL DEVELOPMENT**

■ The Group provides refinancing for microfinance organisations in their local currency, principally in Europe and Africa. By doing so, it supports local social entrepreneurs and answers their need for financing in local currency in order to fund their growth without exposing them to foreign exchange risk. At the end of 2017, the Group's commitments to 35 microfinance organisations around the world amounted to €111m. In France, Societe Generale granted over €10m in lines of credit under its partnership with the ADIE organisation, an association helping people with limited access to banking services obtain microcredits to create their own businesses.



### **CONTRIBUTING TO NEW FORMS OF MOBILITY**

■ New mobility solutions are emerging in response to changing needs among private individuals and businesses: long-term leasing solutions are enabling the transition from an ownership economy to an access economy. ALD, the European leader in vehicle fleet management, has a culture of forming partnerships with its leading suppliers and clients. These partnerships enable it to adapt its offer, which includes carpooling solutions, optimised services and vehicle availability, flexibility in terms of vehicle types, joint management of electric vehicle fleets with suppliers of charging stations, eco-driving incentives, etc. ALD is innovating in all areas through partnerships with local players and startups. In 2017, it launched the Pay as You Drive offer in partnership with ENEL in Italy, a long-term carpooling solution including charging station infrastructure. Other projects are underway, for example with Datacity in Paris and Maas Global in Finland.



### **WORKING FOR THE SUSTAINABLE CITIES OF TOMORROW**

■ Urbanisation is growing in emerging countries, while the needs of urban populations in mature countries are changing and their infrastructure is ageing. The Bank adapts its products and services and uses its expertise to finance infrastructure, construction, the circular economy and renewable energies. Societe Generale is a partner of the Grand Paris project and has committed €2.5bn for the future Greater Paris area. It is helping local authorities at all levels in this major project: building smart cities with its subsidiary Sogeprom and financing businesses in the greater Paris area, including many SMEs and infrastructure projects.



**FIND OUT MORE**  
Registration Document,  
Chapter 5 Corporate Social  
Responsibility

# BUILDING SUSTAINABLE AND POSITIVE IMPACT FINANCE



**T**he digital revolution, increasing mobility, the ageing population in developed countries, societal changes and the energy transition are creating a new environment for financial actors. Accordingly, the United Nations defined a framework in which public and private sector actors can build a desirable future by 2030. In view of the amount of financing required - between \$5,000bn and \$7,000bn per year until 2030 - Societe Generale believes that the future depends on a new approach, "Sustainable and Positive Impact Finance," and is pioneering its development. The Group is mobilising its teams of specialists, its capacity for innovation and its market-leading SRI research (Extel, 2015 and 2016) to establish this new approach. As a responsible member of the financial system, Societe Generale is firmly committed to the energy transition and will contribute to making €100bn available to finance the transition between 2016 and 2020.



**"Beyond our commitments in terms of our own activities, our role as bankers is to help our clients contribute to a more inclusive and more sustainable economy. To do this, we have developed considerable social and environmental expertise ranging from research and advisory services to financing, capital market and investor solutions."**

**PIERRE PALMIERI**  
Head of Global Finance and Head of Sustainable and Positive Impact Finance



## DELIVERING INTEGRATED SOLUTIONS FOR OUR CLIENTS

■ Our clients are more aware than ever of these issues and their requirements are growing exponentially. Over the past decades, Societe Generale has developed high-level social and environmental expertise through its Global Banking and Investor Solutions activities and in November 2017 launched a Sustainable and Positive Impact Finance offer to help its clients prepare for the changes that lie ahead. This offer encompasses a wide range of solutions from research and advisory services to financing, capital market and investor solutions. As well as meeting our clients' needs, we believe that integrating positive impact criteria in our solutions will enhance performance over the long term. Our teams are committed to meeting these challenges and demonstrate the positive role they play, individually and collectively, in the economy.



## BUILDING AN INTERNATIONAL FRAMEWORK

Societe Generale was behind the Positive Impact Finance initiative set up by the United Nations Environment Programme Finance Initiative (UNEP FI) and is a driving force in the programme.

The UNEP FI is a global partnership between the UN Environment Programme and the financial sector. Its 26 financial institution members aim to facilitate financing for the United Nations Sustainable Development Goals by directing financial flows towards projects that contribute to these goals.

The UNEP FI published The Principles for Positive Impact Finance in Paris in January 2017 to create a common international framework. Positive Impact Financing applies to all activities that deliver a positive contribution to one or more of the three pillars of sustainable development (economic, environmental and social), once any potential negative impacts to any of the pillars have been duly identified and mitigated.

**€5bn since 2016**

in Positive Impact Finance projects having a positive impact on at least one of the three pillars of sustainable development, of which €2.7bn in 2017.



### FIND OUT MORE

Registration document, Chapter 5  
 Corporate Social Responsibility  
[www.societegenerale.com/en/energy-transition-climate-commitments](http://www.societegenerale.com/en/energy-transition-climate-commitments)  
[www.cib.societegenerale.com/en/our-offering/sustainable-and-positive-impact-finance/](http://www.cib.societegenerale.com/en/our-offering/sustainable-and-positive-impact-finance/)

# CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT OF AFRICA



 **SOCIETE GENERALE IN AFRICA**

---

**19 countries**

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**1,000 branches**

---

**12,000 members of staff**

---

**>3.5 million clients, including 150,000 businesses**

---

**€16bn in loan outstandings**

---

**€5bn in project financing for Africa**

**T**he world's economies are interdependent and we believe that harmonious, well-balanced growth in Africa in line with the United Nations Sustainable Development Goals (SDGs) will further enable economic and social development around the world. Societe Generale group has been operating in Africa for over 100 years and is a market leader in many key markets. We are reaffirming our ambitions on the continent. The Group benefits from a unique position in Africa with strong expertise in structured finance, capital markets and international trade, as well as a local banking presence with an established regional network. Our local and international expertise, the synergies with our other businesses and regions, innovative spirit and the management of our African talent are all driving our strategy to better serve our local and international clients.

**GLOBAL EXPERTISE BRINGING PARTNERS TOGETHER**

In Africa, the Group draws on its specialised teams and its international network. We build relationships with institutional partners active on the continent with dedicated programmes,

in particular providing financing for SMEs: *Agence Française de Développement* group (AFD and Proparco), *Société Financière Internationale*, Bpifrance, EBRD, among others. As a partner of local players and international clients who invest in Africa, Societe Generale supports the continent's growth by:

- **financing projects:** energy resources, water, sustainable cities and mobility;
- **financing SMEs:** we expect outstanding loans to double over the next five years, with the support of financial institutions for development and our involvement in an impact fund dedicated to financing small businesses in Africa. The pan-African fund IPAE2 raised by I&P aims to invest over €85m in 40-50 microenterprises and SMEs, including startups, over a five-year investment period;
- **offering innovative financing solutions in agri-business and renewable energies.**

### **DEVELOPING FINANCIAL SERVICES FOR PEOPLE WITH LIMITED ACCESS TO BANKING SERVICES**

Societe Generale contributes to financial inclusion and access to banking services with alternatives to the traditional banking models - for example with YUP, which is currently available in several African countries, or Manko in Senegal - and through long-standing partnerships with microfinance organisations (around €80m was refinanced in 2017).

### **BUILDING ON LOCAL STRENGTHS**

Societe Generale's development in Africa draws on the talent of its local teams and the benefits of a participatory management culture. The Panafrican Valley Community brings together 135 talented African staff members in the form of a think tank, and all members of staff in Africa can contribute to a unique collective intelligence platform, SAFARI, to help co-construct Societe Generale's strategy on the continent over the next 10 years. The Group is also capitalising on its capacity for innovation and its interaction with the African entrepreneurial ecosystem. Three innovation labs, in Dakar, Tunis and soon Casablanca, are positioned at the heart of the startup ecosystem to encourage local initiatives and build on their dynamism.



**“Today, we remain the only European bank with a strong African ambition. At a time when Africa is inventing its own ways of using banking products and services, Societe Generale reaffirms its commitment to playing a key role in this transformation.”**

#### **ALEXANDRE MAYMAT**

Head of the Africa/Mediterranean Basin & Overseas region



#### **FIND OUT MORE:**

Registration document, Chapter 5  
Corporate Social Responsibility  
[www.societegenerale.com/en/strength-of-africa](http://www.societegenerale.com/en/strength-of-africa)  
[www.afrique.societegenerale.com/en/](http://www.afrique.societegenerale.com/en/)



### **YUP. INNOVATION FOR BANKING INCLUSION**

■ Societe Generale is innovating with the launch of a simple and secure mobile phone 'e-wallet' available on all types of phone and with all operators. The e-wallet allows users to pay for purchases, withdraw cash, transfer money, pay bills or buy mobile top-ups. YUP has been available in Côte d'Ivoire and Senegal since September 2017, and in Burkina Faso since March 2018. YUP has over 100,000 active e-wallets and a network of 2,000 agents as of the end of March 2018. It will be rolled out in Ghana, Cameroon, Guinea, Mozambique, Madagascar, Togo and Benin in 2018, before extending across the entire African network.



# COMMITTED TO SOCIAL RESPONSIBILITY

**E**ngaging with social matters is a driver for positive transformation. With the support of its staff, Societe Generale is committed to developing relations with the wider civil societies of all the countries in which we operate. In line with our values, we take tangible, innovative action to promote solidarity, culture and sports in France and around the world, with a particular focus on supporting young people and helping them build their future. The Group encourages the involvement of its staff in these long-term initiatives, helping our partners to develop in a secure and sustainable manner.

€19.1m

invested by the Group in solidarity and cultural patronage activities in 2017

16,000

members of staff involved in solidarity initiatives organised by Societe Generale



**FIND OUT MORE:**

Registration Document, Chapter 5 Corporate Social Responsibility  
[www.societegenerale.com/en/about-us/commitments](http://www.societegenerale.com/en/about-us/commitments)  
[www.foundation.societegenerale.com/](http://www.foundation.societegenerale.com/)  
[www.mecenatmusical.societegenerale.com/en/](http://www.mecenatmusical.societegenerale.com/en/)  
[www.collectionsocietegenerale.com/en/](http://www.collectionsocietegenerale.com/en/)



**SOLIDARITY, A SHARED COMMITMENT TO SOCIETY**

■ Since its creation in 2006, the Societe Generale Corporate Foundation for Solidarity has been active in professional integration - notably helping young people begin their professional careers and tackling illiteracy - and citizen commitment projects for members of staff. Since 2015, the Foundation has widened its scope to support NPOs that use sports or cultural activities to promote the training and/or integration of people in situations of difficulty. Our staff's commitment is illustrated in particular through their participation in Citizen Commitment Time activities in France and around the world, financial education programmes, mentoring programmes and solidarity and pro bono days. In 2017, over 16,000 members of staff worldwide took part in solidarity initiatives organised by the company.

**SINCE ITS CREATION, THE SOCIETE GENERALE CORPORATE FOUNDATION FOR SOLIDARITY HAS SUPPORTED**

951

projects in 29 countries

>330,000

beneficiaries

## ENCOURAGING TALENT IN CLASSICAL MUSIC

■ Societe Generale's *Mécénat Musical* has supported the development of classical music since 1987. It currently has nearly 50 partners, including France's most prestigious orchestras and ensembles. Since 1988 it has accompanied over 1,200 students at the *Conservatoires Nationaux Supérieurs de Musique* in Paris and Lyon. In 2018, the "Playing for ..." concert series brings together 380 amateur choral singers and musicians from Societe Generale in France, Romania and Senegal to perform with the *Les Siècles* orchestra, conducted by François-Xavier Roth at the Philharmonie de Paris. They will be joined by 25 children from the *Démos* educational programme. This year's edition follows the "Playing for London" concert held at the Royal Festival Hall in 2017 (pictured right).



## CONTEMPORARY ART FOR ALL

■ The Societe Generale contemporary art collection was launched in 1995 and now comprises over 1,200 original works - paintings, sculptures and photographs - by new and established artists. In 2017, the Collection presented works by the African American artist Fahamu Pecou, who questions the identity constructs presented on magazine covers. An exhibition entitled "*Miroirs de l'homme*" (Mirrors of mankind) (pictured right) was organised in partnership with the Backslash gallery to present nearly 50 of the artist's works (paintings, drawings and videos) with events held to encourage interactions with young people, students and children aged 6-12.



## SUPPORTING DISABLED ATHLETES

■ Societe Generale has worked closely with the Paralympic Movement since 2003 and it shares values with the FFH (French Disabled Sports Federation) and the FFSA (French Adaptive Sports Federation). In 2018, Societe Generale accompanied the French Paralympic team for the Winter Games in PyeongChang and the skier Marie Bochet, who the Group has sponsored since 2010 (pictured right). Marie, who had already won four gold medals in the Winter Games in Sochi, won a further four gold medals in PyeongChang. The Group's commitment to disabled sports is echoed around the world with the involvement of subsidiaries in Algeria, Benin, the Czech Republic, the United Kingdom and Singapore.



## A PARTNER OF RUGBY FOR OVER 30 YEARS

■ In France and around the world, Societe Generale is committed to developing rugby at all levels, from amateur clubs to global tournaments. For the sixth time, Societe Generale group will be a major partner of the Rugby World Cup, with 2019's event providing a further opportunity to highlight its commitment. Societe Generale seeks to make the sport more accessible to young people by encouraging its presence on all continents. To mark its commitment to young people, in 2017, the Group organised the 4th Societe Generale Sevens tournament, bringing together the 36 leading rugby sevens men's and women's university teams. Furthermore, the Indian women's under-18 rugby sevens team competed against teams from around the world at the Paris World Games 2017 and enjoyed a visit to the national rugby centre in Marcoussis (pictured right).



## KEY FIGURES

KEY FIGURES	2016	2017
<b>Continued growth of our core businesses</b> (Net Banking Income in € bn)	25.3	<b>25.1</b>
<b>Encouraging innovation</b>	No.3 company in the eCAC40 awards, and No.1 bank	<b>No.2 company in the eCAC40 awards, and No.1 bank</b>

CREATING SHARED VALUE	2016	2017	CONTRIBUTING TO...
<b>Client satisfaction score</b>	Net Promoter Score by BU	<b>Net Promoter Score by BU</b>	Reinforcing client satisfaction
<b>Group staff commitment score</b>	70%	<b>68%</b>	Including, developing and engaging our staff
<b>% of women in the Group's strategic talent pool</b>	40%	<b>40%</b>	Including, developing and engaging our staff
<b>Subjective rating of well-being in the workplace</b>		<b>06/10</b>	Including, developing and engaging our staff
<b>CET 1 ratio</b>	11.5%	<b>11.4%</b>	The company's solidity for the stability of the economy
<b>Net tangible assets per share</b> (Euros)	55.63	<b>54.36</b>	Growth and longevity of the company for shareholders
<b>Annual tax charge</b> (m€)	2,913	<b>2,826</b>	Contributing to growth in the countries where we operate
<b>Microfinance</b> (m€)	120	<b>121</b>	Contributing to growth in the countries where we operate, promoting financial inclusion
<b>Financing the energy transition</b> (€ bn for 2016-2017)		<b>39</b>	Respecting cultures and the environment: fighting climate change
<b>Positive Impact Finance</b> (€ bn)	2.2	<b>2.7</b>	Respecting cultures and the environment: developing sustainable and positive impact finance
<b>Reducing the carbon footprint per occupant</b> (in relation to 2014)	-12%	<b>-13%</b>	Respecting cultures and the environment: fighting climate change
<b>Outstanding loans in Africa</b> (€ bn)	15.2	<b>16.1</b>	Respecting cultures and the environment: contributing to the sustainable development of Africa

PRODUCTS AND SERVICES	2016	2017	CONTRIBUTING TO...
<b>Payments</b> (millions of payments per day)	15	<b>15</b>	Securing transactions
<b>Payments</b> (€ bn per day)	430	<b>430</b>	Securing transactions
<b>Customer deposits</b> (€ bn)	397	<b>394</b>	Protecting and managing our clients' assets
<b>Life insurance Assets under Management</b> (€ bn)	98	<b>114</b>	Protecting and managing our clients' assets
<b>Private Banking Assets under Management</b> (€ bn)	116	<b>118</b>	Protecting and managing our clients' assets
<b>Assets under Custody - Securities Services</b> (€ bn)	3,955	<b>3,904</b>	Protecting and managing our clients' assets
<b>Customer loan outstandings</b> (€ bn)	373	<b>374</b>	Helping our clients finance their projects
<b>Group Risk Weighted Assets (RWA)</b> (€ bn)	355.5	<b>353.3</b>	Helping our clients finance their projects
<b>Exposures to corporates (RWA)</b> (€ bn)	168.2	<b>164.6</b>	Helping our clients finance their projects
<b>Number of insurance policies</b> (millions of policies)	22	<b>22</b>	Protecting our clients and their activities
<b>Position in Derivatives</b> (ranking in equity derivatives)	No.2	<b>No.2</b>	Protecting our clients and their activities
<b>Number of vehicles managed by ALD</b> (millions)	1.4	<b>1.5</b>	Offering technological solutions
<b>Investor services (Prime Services)</b> (Net banking income in € m)	621	<b>641</b>	Offering technological solutions

	31/12/2016	30/04/2018
<b>FINANCIAL RATINGS</b> (LONG TERM, SENIOR PREFERRED DEBT)		
<b>DBRS</b>	A (High)	<b>A (High)</b>
<b>Fitch Ratings</b>	A	<b>A+</b>
<b>Moody's</b>	A2	<b>A1</b>
<b>R&amp;I</b>	A	<b>A</b>
<b>Standard &amp; Poor's</b>	A	<b>A</b>
<b>EXTRA-FINANCIAL RATINGS</b>		
<b>RobecoSAM</b> (overall rating)	84/100 (top quartile)	<b>84/100 (top quartile)</b>

**We would like to thank all the partners and staff of Societe Generale group who contributed to this report.**

**ABOUT THIS REPORT:**

This Integrated Report was inspired by the guidelines of the reference framework published by the International Integrated Reporting Council (IIRC). It presents Societe Generale's long-term vision and strategy, its business model and model of value creation. It describes the Group's activities and results for the financial year 2017 with a view to enhancing dialogue about our commitments with all our stakeholders, in a proactive process of transparency and progress.

The information contained in this report was selected based on its relevance in terms of the Societe Generale 2017-2020 strategic plan, Transform to Grow, and the materiality analysis performed by the Group in 2017. The results of this exercise confirmed the key priorities of the Group's CSR policy, which are an integral part of the strategic plan.

Unless otherwise indicated, the information presented is as at 31 December 2017. Information about the Board of Directors does not take into account the decisions of the Annual General Meeting of Shareholders held on 23 May 2018 regarding the appointment of new Directors.

*Abbreviations used: millions of euros: € m, billions of euros: € bn.  
Rankings: the sources for all references to rankings are provided on the relevant page. Where no source is given, the information is based on internal sources.*

**GROUP COMMUNICATION DIVISION  
CORPORATE SOCIAL RESPONSIBILITY DIVISION**

**CONCEPTION AND EDITORIAL CONTENT**

Societe Generale and Capitalcom

**DESIGN AND REALISATION**

Angie

**PHOTO CREDITS**

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**SOCIETE GENERALE**

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