SOCIETE GENERALE

PRESS RELEASE

QUARTERLY FINANCIAL INFORMATION

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Q2 16: SOUND RESULTS IN A CHALLENGING ENVIRONMENT

- Net banking income excluding non-economic items** of EUR 7.2bn (vs. EUR 6.5bn in Q2 15), +11.5%*, including the capital gain on the Visa disposal (EUR 725m). Good commercial performance by the businesses.
- Stable operating expenses vs. Q2 15
- Continued decline in the cost of risk (commercial cost of risk(1) of 38 basis points in Q2 16 vs. 44 basis points in Q2 15)
- Book Group net income of EUR 1,461m in Q2 16 vs. EUR 1,351m in Q2 15. Group net income excluding non-economic items**: EUR 1,599m in Q2 16 (+44.6%* vs. Q2 15)
- Good capital generation: fully-loaded CET 1 ratio of 11.1% (10.9% at end-2015). Total capital ratio of 16.7% (16.3% at end-2015)

H1 16: GOOD HALF-YEAR RESULTS

- Net banking income excluding non-economic items** of EUR 13.2bn (vs. EUR 12.8bn in H1 15)
- Stable operating expenses excluding the effect of the Euribor fine refund and restated for IFRIC 21
- Net cost of risk down -11.1% vs. H1 15
- Group net income: EUR 2,385m in H1 16 vs. EUR 2,219m in H1 15

  Group net income excluding non-economic items**: EUR 2,428m (+25.5%* vs. H1 15)
- **EPS**: EUR 2.77 in H1 16 vs. EUR 2.22 in H1 15 (+25%)(2).**

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

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

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

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

** Excluding non-economic items.

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

(2) Excluding non-economic items. Gross EPS in H1 15: EUR 2.54 and EUR 2.71 in H1 16. See methodology note No. 3

Societe Generale's Board of Directors met on August 2nd, 2016 under the chairmanship of Lorenzo Bini Smaghi and examined the results for H1 and Q2 2016.

Book **Group net income** amounted to EUR 1,461 million in Q2 16, vs. EUR 1,351 million in 2015, due to the increased earnings of International Retail Banking & Financial Services as well as the recording of the capital gain on the disposal of Visa Inc. shares (EUR 662 million after tax in the Corporate Centre's results). International Retail Banking & Financial Services' earnings rose by nearly 36%, with an increase in all activities. Earnings were resilient in French Retail Banking (-5.2% vs. Q2 15) in a very unfavourable interest rate environment. Global Banking & Investor Solutions' contribution was lower compared with an exceptionally high level in Q2 15, at EUR 448 million, its best level since Q2 15 in a still uncertain environment (EUR 702 million in Q2 15). Group net income totalled EUR 2,385 million in H1 16, vs. EUR 2,219 million in H1 15. If non-economic items are stripped out, it amounted to EUR 2,428 million (vs. EUR 1,970 million in H1 15). In a challenging economic environment for banking activities, marked by a low interest rate environment and unstable markets, the Group benefited from its well-balanced diversified banking model, with a substantially higher contribution from Retail Banking in H1.

Net banking income totalled EUR 6,984 million in Q2 16 (+3.0%* vs. Q2 15). If non-economic items are stripped out, it amounted to EUR 7,195 million (+11.5%* vs. Q2 15), including notably the capital gain on the Visa disposal (EUR 725 million). The Group's net banking income came to EUR 13,159 million in H1 16 vs. EUR 13,222 million in H1 15, up 0.7%* when adjusted for changes in Group structure and at constant exchange rates. If non-economic items are stripped out, the increase is +4.3%*, at EUR 13,225 million vs. EUR 12,843 million in 2015.

The Group continued with its efforts to control **operating expenses.** They came to EUR 4,119 million in Q2 16, stable vs. Q2 15. Operating expenses totalled EUR -8,403 million in H1 16 vs. EUR -8,566 million in 2015. Excluding the Euribor fine refund and adjusted for IFRIC 21, operating expenses were stable in H1 16 vs. the same period in 2015.

The Group's **commercial cost of risk** continued to decline, to 42 basis points in H1 16 (vs. 49 basis points in H1 15), towards the bottom end of the range announced by the Group at the beginning of the year, and to 38 basis points in Q2 16, down -6 basis points vs. Q2 15. The net cost of risk amounted to EUR -1,188 million in H1 16 (EUR -1,337 million in H1 15). During Q2, the Group recorded an additional EUR -200 million provision for litigation issues, as in Q2 15. The total net cost of risk in Q2 16 was EUR -664 million vs. EUR -724 million in Q2 15.

The "Basel 3" **Common Equity Tier 1 (fully-loaded CET1) ratio stood at 11.1%** (10.9% at end-2015). Q2 capital generation helped finance the Group's targeted acquisitions (car fleet management group Parcours in France as well as the Private Banking activities of Kleinwort Benson in the United Kingdom), and the increase in the Group's risk-weighted assets. The total capital ratio amounted to 16.7% at end-June 2016 (vs. 16.3% at end-2015).

Commenting on the Group's results for H1 2016, Frédéric Oudéa – Chief Executive Officer – stated:

"Societe Generale posted sound results in the second quarter due to the good commercial and financial performance of all the Group's businesses. Accordingly, the Group generated EUR 2,385 million of Group net income in the first six months of 2016, substantially higher than in H1 2015. These results, which have been achieved in a challenging environment, reflect the dynamism and strength of the Group's well-balanced banking model, the quality of its portfolios and the commitment of its teams in serving its customers. Societe Generale is determinedly pursuing the far-reaching transformation of its business model in order to adapt it to the changing needs of its customers and the new regulatory environment, with the aim of further developing synergies, increasing operating efficiency and boosting its profitability."

1. GROUP CONSOLIDATED RESULTS

In EUR m	Q2 16	Q2 15	Change		H1 16	H1 15	Change	
Net banking income	**6,984**	**6 869**	***+1.7%***	***+3.0%****	**13,159**	**13 222**	***-0.5%***	***+0.7%****
Net banking income(1)	*7,195*	*6 543*	*+10.0%*	*+11.5%**	*13,225*	*12 843*	*+3.0%*	*+4.3%**
Operating expenses	(4,119)	(4 124)	*-0.1%*	*+1.3%**	(8,403)	(8 566)	*-1.9%*	*-0.6%**
Gross operating income	**2,865**	**2 745**	***+4.4%***	***+5.6%****	**4,756**	**4 656**	***+2.1%***	***+3.2%****
Gross operating income(1)	*3,076*	*2 419*	*+27.2%*	*+28.8%**	*4,822*	*4 277*	*+12.7%*	*+14.0%**
Net cost of risk	(664)	(724)	*-8.3%*	*-5.3%**	(1,188)	(1 337)	*-11.1%*	*-7.4%**
Operating income	2,201	2,021	*+8.9%*	*+9.4%**	3,568	3,319	*+7.5%*	*+7.2%**
Operating income(1)	*2,412*	*1 695*	*+42.3%*	*+43.0%**	*3,634*	*2 940*	*+23.6%*	*+23.2%**
Net profits or losses from other assets	(16)	(7)	*n/s*	*n/s*	(12)	(41)	*+70.7%*	*+66.7%**
Impairment losses on goodwill	0	0	*n/s*	*n/s*	0	0	*n/s*	*n/s*
Reported Group net	**1,461**	**1,351**	***+8.1%***	***+10.8%****	**2,385**	**2,219**	***+7.5%***	*+9.3%**
Group net income(1)	1,599	1 137	*+40.6%*	*+44.6%**	2,428	1 970	*+23.2%*	*+25.5%**
ROE (after tax)	**11.7%**	**11.2%**			**9.4%**	**9.1%**		
Adjusted ROE (2)	11.0%	10.6%			10.1%	9.7%		

(1) Adjusted for revaluation of own financial liabilities and DVA
(2) Corrected for the implementation of IFRIC 21

Net banking income

The Group's net banking income totalled EUR 6,984 million in Q2 16, taking H1 net banking income to EUR 13,159 million. In 2015, Q2 net banking income was EUR 6,869 million and H1 net banking income EUR 13,222 million. When restated for the impact of the revaluation of own financial liabilities and DVA, net banking income came to EUR 7,195 million in Q2 16, vs. EUR 6,543 million in 2015 (+11.5%*) and EUR 13,225 million for H1 16, vs. EUR 12,843 million for H1 15 (+4.3%*). It includes the capital gain on the disposal of Visa Inc. shares, recorded in the Corporate Centre for EUR 725 million in Q2 16. When restated for this non-recurring item, the Group's net banking income excluding non-economic items was EUR 12,500 million for H1 16 (including EUR 6,470 million in Q2).

- French Retail Banking's (RBDF) net banking income was down -2.0% (excluding PEL/CEL effect) in Q2 16 and -2.5% in H1 16 compared with a very good year in 2015. In a low interest rate environment, the interest margin declined while financial commissions fell in an unfavourable market environment.

- International Retail Banking & Financial Services' (IBFS) net banking income rose +4.2%* in Q2 16 and +4.6%* in H1 16 compared with the same periods in 2015, with an increase in net banking income in all activities. Insurance continued to expand (+8.1%* vs. H1 15, and +8.3%* in Q2). Financial Services to Corporates' net banking income was up +9.3%* in Q2 16 vs. Q2 15, or +8.1%* in H1 16 vs. H1 15, driven by dynamic Operational Vehicle Leasing and Fleet Management activities (+11.7%* in H1 16 vs. H1 15).

- In an unstable market environment, notably following the UK referendum and fluctuations in commodity markets, Global Banking & Investor Solutions (GBIS) once again demonstrated the resilience of its multi-specialist model in serving its clients. Net banking income was down-8.7%* in H1 16 compared to a very high level at the beginning of 2015 (-8.3%* betweenQ2 15 and Q2 16).

The accounting impact of the revaluation of the Group's own financial liabilities was EUR -212 million in Q2 16, and EUR -67 million in H1 16. In 2015, the revaluation of own financial liabilities led to the recording of net income of EUR +312 million in Q2 and EUR +374 million in H1. The DVA impact is EUR 1 million in 2016, recognised in Q2 16 – it was EUR +14 million in Q2 15 for a total in H1 of EUR +5 million (see methodology note No. 7). These two factors constitute the restated non-economic items in the analyses of the Group's results. They lead to the recognition of self-generated earnings reflecting the market's evaluation of the counterparty risk related to the Group. They are also restated in respect of the Group's earnings for prudential ratio calculations.

Operating expenses

The Group's operating expenses amounted to EUR 8,403 million in H1 16 vs. EUR 8,566 million in H1 15. Without taking into account the refund of part of the Euribor fine and after correction of the IFRIC 21 impact, expenses were stable in H1 16 vs. H1 15. The taxes recorded in their entirety in the first half of 2016 amounted to EUR 523 million in H1 16 vs. EUR 400 million in 2015 (an increase of EUR +123 million). The IFRIC 21 adjustment consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity for the period.

Operating expenses came to EUR 4,119 million in Q2 16, stable vs. Q2 15 (EUR 4,124 million). This stability reflects the ongoing efforts to control costs undertaken for several years. The current plan has therefore helped generate cumulative savings of EUR 400 million at end-June 2016 for non-recurring implementation costs of EUR 129 million. When this plan expires at end-2017, the Group will therefore have reduced its cost base by EUR 2 billion per year in five years.

Operating income

The **Group's gross operating income** amounted to EUR 4,756 million in H1 16 (EUR 4,656 million in H1 15), including EUR 2,865 million in Q2 16 (vs. EUR 2,745 million in Q2 15).

The **Group's net cost of risk** amounted to EUR -664 million in Q2 16, down -5.3%* vs. Q2 15, providing further confirmation of the good quality of the Group's assets. For H1 16, the net cost of risk was down -7.4%* vs. H1 15, at EUR 1,188 million. It includes a EUR -200 million provision for litigation issues in Q2 16, taking the total of this provision to EUR 1.9 billion.

The commercial cost of risk (expressed as a fraction of outstanding loans) continued to decline: it is situated towards the bottom end of the Group's full-year target range at 38 basis points in Q2 16 and 42 basis points in H1 16 (vs. 44 basis points and 49 basis points respectively for the same periods in 2015):

- In French Retail Banking, the commercial cost of risk continued to decline and stood at 33 basis points in Q2 16 and 34 basis points in H1 16 (vs. 38 basis points in Q2 15 and 43 basis points in H1 15), thanks to a decrease in all customer segments.
- At 64 basis points in Q2 16 and 69 basis points in H1 16 (vs. 96 basis points in Q2 15 and 106 basis points in H1 15), International Retail Banking & Financial Services' cost of risk was substantially lower, due primarily to an improvement in the cost of risk for business customers in Europe. The cost of risk in Russia remained stable in a still challenging economic environment.
- Global Banking & Investor Solutions' cost of risk amounted to 29 basis points in Q2 16 and 35 basis points in H1 16 (vs. 10 basis points in Q2 15 and 11 basis points in H1 15). The second quarter was marked by the stability of the cost of risk in the oil and gas sector.

The gross doubtful outstandings ratio amounted to 5.1% at end-June 2016 (vs. 5.7% at end-June 2015). The Group's gross coverage ratio for doubtful outstandings stood at 64%, up +1 point vs. end-June 2015. The improvement in these indicators confirms the trend observed for several years and reflects the quality of the Group's assets.

The Group's operating income totalled EUR 2,201 million in Q2 16 or EUR 3,568 million for H1 (vs. EUR 2,021 million in Q2 15 and EUR 3,319 million in H1 15).

Net income

Group net income amounted to EUR 1,461 million in Q2 16, or EUR 2,385 million in H1 16. This compares with Group net income of EUR 1,351 million for Q2 15 and EUR 2,219 million in H1 15. This increase can be attributed primarily to the effect of the capital gain on the disposal of Visa Inc. shares, partially offset by a sharp decline in the revaluation of own financial liabilities. The earnings of the Group's businesses were generally stable (-1.6%), with the good results of Retail Banking activities offsetting the lower earnings of Global Banking & Investor Solutions in an unfavourable environment.

When corrected for non-economic items (revaluation of own financial liabilities and DVA), Group net income was EUR 1,599 million in Q2 16, and EUR 2,428 million for H1, vs. EUR 1,137 million in Q2 15 and EUR 1,970 million in H1 15.

The Group's ROE was 8.1%(1) in Q2 (11.7% in absolute terms) and 7.4%(1) in H1 (9.4% in absolute terms). On a comparable basis, ROE amounted to 10.3% for Q2 15 (9.1% in absolute terms) and 9.7% for H1 15 (11.2% in absolute terms).

Earnings per share amounts to EUR 2.71 for H1 16 (vs. EUR 2.54 in H1 15). When adjusted for non-economic items, EPS for H1 16 is EUR 2.77 vs. EUR 2.22 in H1 15.

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[1] Adjusted for IFRIC 21 and excluding non-economic items, PEL/CEL provisions. In 2016, excluding Euribor refund and Visa capital gain (or a reduction in Group net income of EUR -880m in H1 16, including EUR -662m in Q2 16)

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 58.5 billion at June 30th, 2016 (EUR 59.0 billion at December 31st, 2015). Net asset value per share was EUR 61.41, including EUR 1.77 of unrealised capital gains. Tangible net asset value per share was EUR 55.37.

The **consolidated balance sheet** totalled EUR 1,460 billion at June 30th, 2016 (EUR 1,334 billion at December 31st, 2015). The net amount of **customer loan outstandings**, including lease financing, was EUR 393 billion (EUR 386 billion at December 31st, 2015) – excluding assets and securities sold under repurchase agreements. At the same time, **customer deposits** amounted to EUR 379 billion, vs. EUR 360 billion at December 31st, 2015 (excluding assets and securities sold under repurchase agreements).

In H1 2016, the Group issued EUR 20.0 billion of medium/long-term debt with EUR 17.8 billion at parent company level (in respect of a financing programme of EUR 31 billion in 2016), having an average maturity of 5.6 years and an average spread of 47 basis points (vs. the 6-month mid-swap, excluding subordinated debt), and EUR 2.2 billion by the subsidiaries. The LCR (Liquidity Coverage Ratio) increased and was well above regulatory requirements at 148% at end-June 2016 vs. 124% at end-2015.

The Group's **risk-weighted assets** amounted to EUR 355.1 billion at June 30th, 2016 (vs.EUR 356.7 billion at end-December 2015) according to CRR/CRD4 rules. Risk-weighted assets in respect of credit risk represent 83% of the total, at EUR 293.6 billion, down -1.6% vs. December 31st, 2015.

At June 30th, 2016, the Group's fully-loaded **Common Equity Tier 1** ratio(1) stood at 11.1% (10.9% at end-December 2015), stable in Q2 16 and up +22 basis points vs. end-December 2015. The Tier 1 ratio was 13.6% (13.5% at end-December 2015) and the total capital ratio amounted to 16.7% (16.3% at end-December 2015) and was up +23 basis points vs. end-March 2016 and +40 basis points vs. end-December 2015. The Group is continuing with efforts to increase its equity capital and is aiming for a Common Equity Tier 1 ratio of 11.5% to 12% by 2018.

The **leverage ratio** stood at 3.9% at June 30th, 2016 (4.0% at end-December 2015).

On July 29th, the European Banking Authority published the results of the 2016 stress test. Societe Generale provided further confirmation of the soundness of its balance sheet and the quality of its portfolio enabling it to withstand a severe stress situation: the regulatory capital ratio at end-2018 comes to 11.9% according to the standard stress scenario and 8.0% in a severe stress situation.

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

(1) *The phased-in ratio, including the earnings of the current financial year, stood at 11.5% at end-June 2016, vs. 11.4% at end-December 2015.*

3. FRENCH RETAIL BANKING

In EUR m	Q2 16	Q2 15	Change	H1 16	H1 15	Change
Net banking income	**2,100**	**2 163**	***-2.9%***	**4,184**	**4 227**	***-1.0%***
Net banking income ex. PEL/CEL	*2,087*	*2 129*	*-2.0%*	*4,194*	*4 302*	*-2.5%*
Operating expenses	(1 340)	(1 304)	***+2.8%***	(2 765)	(2 695)	***+2.6%***
Gross operating income	**760**	**859**	***-11.5%***	**1,419**	**1 532**	***-7.4%***
Gross banking income ex. PEL/CEL	*747*	*825*	*-9.5%*	*1,429*	*1 607*	*-11.1%*
Net cost of risk	(168)	(183)	*-8.2%*	(348)	(413)	*-15.7%*
Operating income	592	676	*-12.4%*	1,071	1 119	*-4.3%*
Reported Group net income	**403**	**425**	*-5.2%*	**731**	**704**	*+3.8%*
RONE	**15.7%**	**15.8%**		**14.1%**	**13.1%**	
Adjusted RONE (2)	14.8%	14.7%		14.8%	14.4%	

(1) Corrected for the implementation of IFRIC 21 and PEL/CEL

French Retail Banking enjoyed a healthy commercial momentum accompanied by sound profitability in Q2 16 and H1 16, despite the low interest rate environment.

The customer base continued to expand in H1 16 in the individual customer segment. Boursorama, the leading 100% mobile bank, strengthened its leadership position in France with nearly 870,000 customers while the number of new customers was robust in the branch networks (+230,000). In the business segment, French Retail Banking established relationships with more than 2,800 new companies in H1 16 (+8% vs. H1 15) due to the dynamism of its teams and the recognised quality of its services. Societe Generale remains the market leader in France for companies developing internationally (source: CSA French market research agency).

Average outstanding loans rose +3.5% in Q2 16 vs. Q2 15 and amounted to EUR 183.0 billion. This increase was primarily driven by the growth in outstanding housing loans (+5.7%) as well as by corporate loans (+1.9%). Investment loan production was up 27% vs. Q2 15, reflecting the rebound observed for several quarters. After a record year in 2015, housing loan production was lower in Q2 16 (-33% year-on-year), albeit with a pick-up in production compared to Q1 16.

Balance sheet deposits continued to enjoy strong growth of 6.9% to EUR 182.5 billion vs. Q2 15, driven by sight deposits (+17.9%). Over the same period, the level of gross life insurance inflow remained buoyant (EUR +2.6 billion), as did the net inflow of Private Banking in France (EUR +1.1 billion). The other growth drivers were also healthy with, in particular, a substantial increase in factoring and cash management income. Continuing on its downtrend, the average loan/deposit ratio now amounts to 100% (vs. 105% in Q4 15).

This healthy commercial momentum was partially reflected in French Retail Banking's net banking income which suffered from the negative effects of the low interest rate environment and housing loan renegotiations. After neutralising the impact of PEL/CEL provisions, net banking income was down -2.0% vs. Q2 15 at EUR 2,087 million, in line with expectations.

Net interest income (excluding PEL/CEL provision) was 2.7% lower than in Q2 15, with the production of higher margin loans and strong deposit inflow only partially mitigating the impact of low interest rates and renegotiations. Commissions were down -0.8%, reflecting mixed trends: service commissions rose +4.0% thanks to the development of synergies with the Group's other businesses and the substantial new customers won, whereas financial commissions were down -15.4% due to lower transaction volumes in an unstable market environment.

French Retail Banking's operating expenses rose +2.8% in Q2 16 (vs. Q2 15), reflecting increased investments in the digital transformation process whereas other expenses continued to be rigorously controlled. As part of its transformation plan, Societe Generale has notably launched the 100% online consumer loan application and the Group has closed 43 branches in France since the beginning of the year.

The net cost of risk declined by 8.2% in Q2 16 vs. Q2 15, reflecting the quality of the portfolio. Operating income totalled EUR 592 million in Q2 16 (down -12.4%).

French Retail Banking's contribution to Group net income amounted to EUR 403 million in Q2 16 (vs. EUR 425 million in Q2 15). The contribution to Group net income was slightly lower (-2.5%), excluding the PEL/CEL effect. However, the level of profitability remained robust (ROE of 14.8% excluding PEL/CEL effect and pro forma for IFRIC).

In H1 16, French Retail Banking posted net banking income of EUR 4,184 million (-2.5% excluding PEL/CEL effect vs. H1 15), operating expenses of EUR -2,765 million (+2.6%) and operating income of EUR 1,071 million (-4.3%). Its contribution to Group net income amounted to EUR 731 million, up +3.8% vs. H1 15, representing a very satisfactory ROE of 14.8% (excluding PEL/CEL effect and restated for IFRIC 21).

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

The division's contribution to Group net income totalled EUR 436 million in Q2 16, up +35.8% vs. Q2 15. The increase can be attributed to revenue growth of +4.2%*, a decline in the cost to income ratio of 1 point and a significantly lower net cost of risk (-27.5%*) than in Q2 15.

In H1 16, revenues totalled EUR 3,716 million (up +4.6%* vs. H1 15), operating income amounted to EUR 1,142 million (+32.3%*) and the contribution to Group net income came to EUR 736 million (+56.9%).

In EUR m	Q2 16	Q2 15		Change	H1 16	H1 15		Change
Net banking income	**1,891**	**1 867**	**+1.3%**	**+4.2%***	**3,716**	**3 662**	***+1.5%***	***+4.6%****
Operating expenses	(1,038)	(1 047)	-0.9%	+2.9%*	(2,171)	(2 204)	*-1.5%*	*+2.3%**
Gross operating income	**853**	**820**	***+4.0%***	***+5.7%****	**1,545**	**1 458**	***+6.0%***	***+8.1%****
Net cost of risk	(191)	(287)	-33.4%	-27.5%*	(403)	(620)	*-35.0%*	*-29.0%**
Operating income	662	533	+24.2%	+21.7%*	1,142	838	*+36.3%*	*+32.3%**
Net profits or losses from other assets	13	(1)	n/s	n/s	13	(26)	*n/s*	*n/s*
Impairment losses on goodwill	0	0	n/s	n/s	0	0	*n/s*	*n/s*
Reported Group net income	**436**	**321**	**+35.8%**	**+32.4%***	**736**	**469**	***+56.9%***	***+49.4%****
RONE	16.6%	12.3%			14.0%	9.0%		
Adjusted RONE(1)	16.0%	11.6%			14.7%	9.9%		

(1) Corrected for the implementation of IFRIC 21

International Retail Banking

International Retail Banking's outstanding loans rose +6.8%* in Q2 16 vs. Q2 15, to EUR 80.4 billion. The increase was particularly strong in Europe and Africa. Deposits also continued to enjoy robust growth in virtually all the countries where the Group operates. Outstanding deposits totalled EUR 72.2 billion at end-June 2016, up +5.2%* year-on-year, with very dynamic inflow in Central and Eastern European countries and in Africa.

International Retail Banking posted net banking income of EUR 1,243 million in Q2 16 (+3.4%*), primarily due to the good business performance in Central and Eastern Europe and in Sub-Saharan Africa, as well as the gradual recovery in Russia and Romania. Gross operating income came to EUR 517 million (+9.5%*) and the contribution to Group net income was EUR 195 million, vs. EUR 128 million in Q2 15 (+52.3%).

International Retail Banking's net banking income totalled EUR 2,461 million in H1 16, up +4.9%* vs. H1 15. The contribution to Group net income came to EUR 317 million compared to EUR 162 million in H1 15.

In Western Europe, outstanding loans were up +7.6%* at EUR 15.0 billion. Car financing was particularly dynamic over the period. In Q2 16, the region posted net income of EUR 171 million, gross operating income of EUR 81 million and a contribution to Group net income of EUR 45 million, up +25.0% vs. Q2 15.

In the Czech Republic, Komercni Banka (KB) delivered a solid commercial performance in Q2 16. Outstanding loans rose +9.4%* vs. Q2 15 to EUR 20.8 billion, driven by dynamic production of loans to individuals and large corporates. Over the same period, outstanding deposits climbed +6.5%* to EUR 25.8 billion. Net banking income was slightly lower in Q2 16 (-0.4%*) than in Q2 15 at EUR 259 million, given the persistent low interest rate environment. Over the same period, operating expenses were down -12.8%* primarily due to the smaller contribution to the deposit guarantee fund in Q2. The net cost of risk is normalising and amounted to EUR 17 million in Q2 16. The contribution to Group net income was stable at EUR 52 million.

On July 1st, 2016, the KB subsidiary, Essox, concluded an agreement for the acquisition of 100% of the shares in PSA Finance in the Czech Republic and Slovakia.

In Romania (BRD), the economic environment is gradually improving. BRD's outstanding loans rose +3.7%* to EUR 6.3 billion, primarily in the individual customer and large corporate segments. Outstanding deposits were up +6.4%* at EUR 8.9 billion. In this context, the BRD Group's net banking income was 6.3%* higher than in Q2 15 at EUR 136 million. Operating expenses were down -1.3%* over the period, due to rigorous cost control, at EUR 74 million and the net cost of risk was down -47.1%* at EUR 18 million. BRD's contribution to Group net income was EUR 21 million in Q2 16, compared to EUR 8 million in Q2 15.

In other European countries, the Group maintained a strong deposit inflow in Q2 16 (outstandings up +6.1%* at EUR 11.2 billion), while outstanding loans were 6.6%* higher at EUR 11.6 billion, principally in the individual customer segment. In Q2 16, net banking income was up +4.5%* vs. Q2 15 at EUR 186 million, operating expenses were down -0.9%* at EUR 109 million and the net cost of risk was down -8.3%*. The contribution to Group net income came to EUR 40 million, up +21.2% vs. Q2 15.

In Russia, the environment has stabilised. Corporate activity remains buoyant and we have observed a gradual recovery in loan production for individual customers. Against this backdrop, outstanding loans were slightly lower (-1.5%*) than in Q2 15 at EUR 8.3 billion. Outstanding deposits were down -7.4%* vs. Q2 15 at EUR 6.4 billion, due to a decrease in USD outstanding deposits, in line with objectives. Net banking income climbed +22.9%* in Q2 16 to EUR 145 million, in conjunction with the improvement in margins and loan production volumes. Costs remained under control at EUR 120 million, up +0.8%* in a high inflation environment. Overall, SG Russia([31]) generated a loss of EUR -12 million in Q2 16, an improvement compared to Q1 16 (EUR -18 million) and Q2 15 (EUR -43 million). In this environment, the Group has confirmed an anticipated loss of EUR -50 million to EUR -100 million for 2016 for SG Russia.

In Africa and other regions where International Retail Banking operates, outstanding loans rose +8.4%* vs. Q2 15 to EUR 18.4 billion. Business was particularly dynamic in Algeria and Côte d'Ivoire. Over the same period, outstanding deposits amounted to EUR 18.1 billion, up +7.0%*. At EUR 346 million, net banking income rose +1.5%* vs. Q2 15. Operating expenses were up +7.4%* and the net cost of risk was down -24.0%*. Overall, the contribution to Group net income rose +3.4% to EUR 60 million.

Insurance

The Insurance business maintained its commercial momentum in Q2 16. Life insurance outstandings rose +2.8%* vs. Q2 15 to EUR 95.8 billion. Net inflow amounted to EUR 0.6 billion in Q2 16, with the proportion of unit-linked products remaining at a high level (76%). In terms of protection (Personal Protection and Property/Casualty insurance), business was also buoyant with premiums climbing +9.2%* vs. Q2 15 to EUR 345 million in Q2 16.

The Insurance business delivered another sound financial performance in Q2 16. Net banking income was 8.3%* higher than in Q2 15 at EUR 221 million. The contribution to Group net income was up +10.2% in Q2 16, at EUR 97 million.

In H1 16, net banking income was up +8.1%* and the contribution to Group net income up +10.8% vs. H1 15.

(1) SG Russia's result: contribution of Rosbank, Delta Credit Bank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive and their consolidated subsidiaries to the results of the Group's businesses

Financial Services to Corporates

Operational Vehicle Leasing and Fleet Management continued to enjoy strong growth in its vehicle fleet in Q2 16 (+15.0% vs. Q2 15). The acquisition of the Parcours Group, carried out in Q2 16 (+66,000 vehicles), enables ALD Automotive to strengthen its position in the SME and VSE customer segment and accelerate its growth in the French and European markets. This performance was also underpinned by the successful development of its partnerships with car manufacturers and retail banking networks.

Equipment Finance's outstanding loans totalled EUR 16.0 billion (excluding factoring), up +4.9%* vs. Q2 15, driven by the transport and industrial equipment sectors. New business margins held up well despite an intense competitive environment.

Financial Services to Corporates continued to enjoy a strong momentum in Q2 16, with net banking income of EUR 418 million, substantially higher than in Q2 15 (+9.3%*). Operating expenses totalled EUR 207 million, up +6.4%*. Earnings were 23.3% higher than in Q2 15, with a contribution to Group net income of EUR 148 million. In H1 16, Financial Services to Corporates' net banking income came to EUR 803 million (+8.1%* vs. H1 15). The contribution to Group net income amounted to EUR 276 million (+20.0% vs. H1 15).

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5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EUR m	Q2 16	Q2 15	Change		H1 16	H1 15	Change	
Net banking income	**2,435**	**2 691**	**-9.5%**	**-8.3%***	**4,792**	**5 295**	**-9.5%**	**-8.7%***
Operating expenses	*(1,753)*	*(1 760)*	*-0.4%*	*+0.6%**	*(3,470)*	*(3 634)*	*-4.5%*	*-3.8%**
Gross operating income	**682**	**931**	***-26.7%***	***-25.2%****	**1,322**	**1 661**	***-20.4%***	***-19.5%****
Net cost of risk	(106)	(56)	+89.3%	+86.0%*	(246)	(106)	x 2,3	x 2,4
Operating income	576	875	-34.2%	-32.6%*	1,076	1 555	*-30.8%*	*-30.1%**
Reported Group net income	**448**	**702**	**-36.2%**	**-32.3%***	**902**	**1 234**	**-26.9%**	**-23.2%***
RONE	**11.8%**	**16.5%**			**11.7%**	**15.5%**		
Adjusted RONE (1)	10.6%	15.7%			10.1%	16.3%		

(1) Corrected for the implementation of IFRIC 21 and the positive non-recurring impact of the Euribor fine refund in Q1 16

In Q2 16, Global Banking & Investor Solutions' net banking income totalled EUR 2,435 million, up for the third consecutive quarter. However, it was down -9.5% vs. a Q2 15 that benefited from a particularly favourable market environment in all activities (EUR 2,691 million).

Net banking income totalled EUR 4,792 million in H1 16, down -9.5% year-on-year.

Global Markets & Investor Services

Global Markets & Investor Services' net banking income amounted to EUR 1,544 million in Q2 16, down -11.3% vs. Q2 15 (and -12.1% in H1 16 at EUR 3,093 million). In line with the previous quarter, Q2 was marked by the gradual normalisation of the markets and generally buoyant commercial activity, despite the result of the referendum on the United Kingdom's exit from the EU.

- **Equities'** net banking income was down -29.2% in Q2 16 vs. Q2 15, at EUR 568 million, with a decline of -33.1% in H1 16 vs. H1 15. Despite a pick-up in demand on structured products, notably in Asia, activity was lower compared with a very buoyant H1 15. Listed products, in which the Group retains a recognised global leadership position, provided further confirmation of the healthy trend in Q1, with strong client demand, whereas the business' other activities, notably cash equities, experienced a decline in earnings.
- At EUR 629 million, **Fixed Income, Currencies & Commodities'** net banking income was up +2.8% vs. Q2 15 and +9.7% in H1 16. This good performance was driven by rate and commodity activities which maintained the momentum observed in Q1, as well as the higher contribution of Emerging Markets activity.
- **Prime Services'** net banking income totalled EUR 176 million in Q2 16, up +23.1% vs. Q2 15 (and +17.0% in H1 16 vs. H1 15). This result reflects a strong commercial momentum and the successful integration of Newedge.
- **Securities Services'** assets under custody amounted to EUR 4,012 billion at end-June 2016, up 1.0% year-on-year. Over the same period, assets under administration fell -4.0% to EUR 580 billion. Securities Services' revenues were down -7.1% in Q2 16 vs. Q2 15 at EUR 171 million (and -11.5% in H1 16 vs. H1 15), due to a reduction in transactional activity, the decline in markets and a negative interest rate environment.

Financing & Advisory

Financing & Advisory's net banking income came to EUR 637 million, down -7.8% vs. a very high level in Q2 15, but virtually stable in H1 16 (-0.7% vs. H1 15). The performance was driven by capital market activities, notably in Debt Capital Markets which benefited from an active market in the second quarter. Q2 16 was also marked by the commercial dynamism of investment banking, both in equity issues and advisory activities. Natural resources financing remained dynamic, in a highly competitive environment. Societe Generale's expertise was recognised again in Q2 16, with the title of "Best Export Finance Bank", awarded by Trade Export Finance.

Asset and Wealth Management

The net banking income of the **Asset and Wealth Management** business line totalled EUR 254 million in Q2 16, down -1.9% vs. Q2 15. The decline amounted to -12.2% in H1, against the backdrop of a declining market and weak transactional activity.

Private Banking's assets under management amounted to EUR 116.8 billion at end-June 2016. Driven by inflow of EUR +0.7 billion, notably in France and the United Kingdom, after the integration of Kleinwort Benson, assets under management were slightly higher (+0.4%) than in H1 15, despite negative market and currency effects. Net banking income was up +1.5% vs. Q2 15, at EUR 204 million, due to structure effects, but down -9.5% in H1 16. The gross margin remained at a satisfactory level of 106 basis points.

Lyxor's assets under management came to EUR 100.9 billion (+1.4% vs. H1 15), underpinned by positive inflow. Lyxor has maintained its No. 3 ETF ranking in Europe, with a market share of 10.1% (source ETFGI). Net banking income amounted to EUR 43 million in Q2 16, lower than in 2015 (-17.3% vs. Q2 15 and -27.9% in H1 16 vs. H1 15), but substantially higher than in Q1.

Operating expenses

Global Banking & Investor Solutions' operating expenses were slightly lower (-0.4% in Q2 16 vs. Q2 15). They were down -4.5% in H1, with Q1 including the negative effect of the implementation of the IFRIC 21 standard, offset by the refund of part of the Euribor fine(1). When restated for these two effects, operating expenses were generally stable vs. H1 15, reflecting the efforts made to control costs. The cost to income ratio amounted to 72.4% in H1 16.

Operating income

Gross operating income came to EUR 682 million, down -26.7% vs. a high level in Q2 15, and -20.4% in H1 16 vs. H1 15, at EUR 1,322 million.

The net cost of risk totalled EUR -106 million in Q2 16, an improvement of EUR 36 million vs. Q1 16. It was EUR -246 million in H1 16 (EUR -106 million in H1 15).

The division's operating income totalled EUR 576 million in Q2 16, down -34.2% vs. Q2 15, and EUR 1,076 million in H1 16, down -30.8%.

Net income

The division's contribution to Group net income came to EUR 448 million in Q2 16 (-36.2% vs. Q2 15) and EUR 902 million in H1 16. When restated for the effect of the IFRIC 21 standard and the partial refund of the Euribor fine, the division's ROE amounted to 10.1% in H1 16 (11.7% in absolute terms).

[(1)] *Partial refund of the Euribor fine in Q1 16 (EUR 218m)*

6. CORPORATE CENTRE

In EUR m	Q2 16	Q2 15	H1 16	H1 15
Net banking income	**558**	**148**	**467**	**38**
Net banking income (1)	*770*	*(164)*	*534*	*(336)*
Operating expenses	12	(13)	3	(33)
Gross operating income	**570**	**135**	**470**	**5**
Gross operating income (1)	*782*	*(177)*	*537*	*(369)*
Net cost of risk	(199)	(198)	(191)	(198)
Net profits or losses from other assets	(29)	(12)	(11)	(3)
Reported Group net income	**174**	**(97)**	**16**	**(188)**
Group net income (1)	*313*	*(302)*	*60*	*(433)*

(1) Adjusted for revaluation of own financial liabilities

The Corporate Centre includes:

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

The Corporate Centre's net banking income totalled EUR 558 million in Q2 16 (EUR 148 million in Q2 15), and EUR 770 million excluding the revaluation of the Group's own financial liabilities (EUR -164 million in Q2 15). The Corporate Centre's gross operating income was EUR 570 million in Q2 16 vs. EUR 135 million in Q2 15. When restated for the revaluation of own financial liabilities (see methodology note No. 7), gross operating income came to EUR 782 million in Q2 16 (vs. EUR -177 million in Q2 15).

The Corporate Centre's revenues include, in Q2 16, the capital gain on the disposal of Visa Inc. shares, for EUR 725 million in Q2 16, reflecting the share disposals carried out by the Group's different entities and subsidiaries. Accordingly, gross operating income, excluding non-economic items and disposal capital gain, amounted to EUR 57 million in Q2 16 and EUR -188 million in H1 16.

The Corporate Centre's contribution to Group net income was EUR 174 million in Q2 16, vs. EUR -97 million in Q2 15.

7. CONCLUSION

In H1 2016, Societe Generale generated Group net income of EUR 2,385 million. This sound result, achieved in challenging conditions, reflects the dynamism and strength of the Group's well-balanced banking model, the quality of its portfolios and the commitment of its teams in serving its customers. Underpinned by the disposal of Visa shares, EPS is substantially higher in H1, at EUR 2.77 excluding non-economic items (+25% vs. H1 15). Tangible net asset value per share is 4.1% higher than at end-June 2015 and 18.4% higher in the space of four years. In Q2, Societe Generale reaffirmed its commitment to control operating expenses and continue with the far-reaching transformation of its business model towards more synergies and greater efficiency, in order to offset the increase in regulatory costs, finance its development, and boost its profitability.

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8. 2016-2017 FINANCIAL CALENDAR

2016-2017 financial communication calendar

November 3rd, 2016	*Third quarter and nine months 2016 results*
February 9th, 2017	*Fourth quarter and FY 2016 results*
May 4th, 2017	*First quarter 2017 results*
August 2nd, 2017	*Second quarter and first half 2017 results*
November 3rd, 2017	*Third quarter and nine months 2017 results*

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9. APPENDIX 1: FINANCIAL DATA

CONSOLIDATED INCOME STATEMENT

(in EUR millions)

	H1 16	H1 15	Change		Q2 16	Q2 15	Variation	
In M EUR								
Net banking income	13,159	13 222	-0.5%	+0.7%*	6,984	6 869	+1.7%	+3.0%*
Operating expenses	(8,403)	(8 566)	-1.9%	-0.6%*	(4,119)	(4 124)	-0.1%	+1.3%*
Gross operating income	**4,756**	**4 656**	**+2.1%**	**+3.2%***	**2,865**	**2 745**	**+4.4%**	**+5.6%***
Net cost of risk	(1,188)	(1 337)	-11.1%	-7.4%*	(664)	(724)	-8.3%	-5.3%*
Operating income	**3,568**	**3,319**	**+7.5%**	**+7.2%***	**2,201**	**2,021**	**+8.9%**	**+9.4%***
Net profits or losses from other assets	(12)	(41)	+70.7%	+66.7%*	(16)	(7)	n/s	n/s
Net incomefrom companies accounted for by the equity method	68	110	-38.2%	+7.9%*	33	42	-21.4%	x 2,2
Impairment losses on goodwill			n/s	n/s			n/s	n/s
Income tax	(1,011)	(967)	+4.6%	+4.2%*	(627)	(597)	+5.0%	+5.8%*
Net income	**2,613**	**2 421**	**+7.9%**	**+9.6%***	**1,591**	**1 459**	**+9.0%**	**+11.5%***
O.w. non controlling Interests	228	202	+12.9%	+12.9%*	130	108	+20.4 %	+20.4%*
Group net income	**2,385**	**2,219**	**+7.5%**	**+9.3%***	**1,461**	**1,351**	**+8.1%**	**+10.8%***
Tier 1 ratio at the end of period	13.6%	12.7%			13.6%	12.7%		

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

GROUP NET INCOME AFTER TAX BY CORE BUSINESS

*(in EUR millions)

	H1 16	H1 15	Change	Q2 16	Q2 15	Variation
French Retail Banking	731	704	+3.8%	403	425	-5.2%
International Retail Banking & Financial Services	736	469	+56.9%	436	321	+35.8%
Global banking and Investor Solutions	902	1 234	-26.9%	448	702	-36.2%
CORE BUSINESS	2,369	2,407	-1.6%	1,287	1,448	-11.1%
Corporate Centre	16	(188)		174	(97)	
GROUP	2,385	2,219	+7.5%	1,461	1,351	+8.1%

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CONSOLIDATED BALANCE SHEET

Assets - in EUR bn	30.06.2016	31.12.2015
Cash, due from central banks	105.9	78,6
Financial assets measured at fair value through profit and loss	560.3	519,3
Hedging derivatives	22.8	16,5
Available-for-sale financial assets	145.3	134,2
Due from banks	79.7	71,7
Customer loans	420.1	405,3
Revaluation differences on portfolios hedged against interest rate risk	3.2	2,7
Held-to-maturity financial assets	4.1	4,0
Tax assets	6.3	7,4
Other assets	85.6	69,4
Non-current assets held for sale	0.1	0,2
Investments in subsidiaries and affiliates accounted for by equity method	1.1	1,4
Tangible and intangible fixed assets	20.9	19,4
Goodwill	4.7	4,4
Total	**1,460.2**	**1 334,4**

Liabilities - in EUR bn	30.06.2016	31.12.2015
Due to central banks	8.2	7,0
Financial liabilities measured at fair value through profit and loss	522.5	455,0
Hedging derivatives	13.7	9,5
Due to banks	104.1	95,5
Customer deposits	400.5	379,6
Securitised debt payables	105.2	106,4
Revaluation differences on portfolios hedged against interest rate risk	11.2	8,1
Tax liabilities	1.1	1,6
Other liabilities	100.9	83,1
Non-current liabilities held for sale	0.2	0,5
Underwriting reserves of insurance companies	111.4	107,3
Provisions	5.8	5,2
Subordinated debt	13.8	13,1
Shareholders' equity	58.5	59,0
Non controlling Interests	3.5	3,6
Total	**1,460.2**	**1 334,4**

(1) Customer loans include lease financing.

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10. APPENDIX 2: METHODOLOGY

1 – The Group's consolidated results as at June 30th, 2016 were examined by the Board of Directors on August 2nd, 2016. The limited examination procedures carried out by the Statutory Auditors are in progress on the summarised interim consolidated financial statements as at June 30th, 2016.

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

2 – Net banking income

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

3 – Operating expenses

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

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

4 – IFRIC 21 adjustment

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

The corrections made in this respect to the operating expenses for the different divisions and the Group for H1 16 are reiterated below:

	French Retail Banking		International Retail Banking and Financial Services		Global Banking and Investor Solutions		Corporate Centre		Group	
In EUR m	**H1 16**	**H1 15**	**H1 16**	**H1 15**	**H1 16**	**H1 15**	**H1 16**	**H1 15**	**H1 16**	**H1 15**
Total IFRIC 21 Impact - costs	**-85**	**-62**	**-126**	**-116**	**-261**	**-188**	**-49**	**-35**	**-523**	**-400**
o/w Resolution Funds	*-34*	*-20*	*-34*	*-23*	*-160*	*-100*	*-5*		*-232*	*-142*

5 – Restatements and other significant items for the period

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

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

Details of these items, as well as the other items that are the subject of a one-off or recurring restatement, are given below.

Q2 16	Net Banking Income	Operating Expenses	Others	Cost of Risk	Group Net Income	
Revaluation of own financial liabilities*	(212)				(139)	Corporate Centre
Accounting impact of DVA*	1				0	Group
Accounting impact of CVA**	(24)				(17)	Group
Capital gain on Visa disposal	725				662	Corporate Centre
Provision for disputes				(200)	(200)	Corporate Centre
Provision PEL/CEL	13				9	French Retail Banking

In EUR m

Q2 15	Net Banking Income	Operating Expenses	Others	Cost of Risk	Group Net Income	
Revaluation of own financial liabilities*	**312**				**204**	**Corporate Centre**
Accounting impact of DVA*	**14**				**9**	**Group**
Accounting impact of CVA**	**16**				**10**	**Group**
Provision for disputes				**(200)**	**(200)**	**Corporate Centre**
Provision PEL/CEL	**34**				**21**	**French Retail Banking**

In EUR m

H1 16	Net Banking Income	Operating Expenses	Others	Cost of Risk	Group Net Income	
Revaluation of own financial liabilities*	(67)				(44)	Corporate Centre
Accounting impact of DVA*	1				1	Group
Accounting impact of CVA**	(78)				(56)	Group
Euribor fine refund		218			218	Global Banking and Investor Solutions
Capital gain on Visa disposal	725				662	Corporate Centre
Provision for disputes				(200)	(200)	Corporate Centre
Provision PEL/CEL	(10)				(7)	French Retail Banking

In EUR m

H1 15	Net Banking Income	Operating Expenses	Others	Cost of Risk	Group Net Income	
Revaluation of own financial liabilities*	374				245	Corporate Centre
Accounting impact of DVA*	5				3	Group
Accounting impact of CVA**	17				11	Group
Provision for disputes				(200)	(200)	Corporate Centre
Provision PEL/CEL	(75)				(47)	French Retail Banking

6 – Cost of risk in basis points, coverage ratio for non performing loans

The cost of risk or commercial cost of risk is defined on pages 39 and 488 of Societe Generale's 2016 Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases

		Q2 16	Q2 15	H1 16	H1 15
French Retail Banking	Net Cost of Risk (EUR m)	157	169	323	380
	Gross Book outstanding (EUR m)	187,263	178,922	187,750	178,526
	Cost of Risk in bp	**33**	**38**	**34**	**43**
International Retail Banking and Financial Services	Net Cost of Risk (EUR m)	185	283	401	618
	Gross Book outstanding (EUR m)	116,393	117,075	116,310	116,043
	Cost of Risk in bp	**64**	**96**	**69**	**106**
Global Banking and Investor Solutions	Net Cost of Risk (EUR m)	103	36	244	73
	Gross Book outstanding (EUR m)	143,925	136,825	140,970	130,526
	Cost of Risk in bp	**29**	**10**	**35**	**11**
Societe Generale Group	Net Cost of Risk (EUR m)	442	487	958	1 071
	Gross Book outstanding (EUR m)	459,994	440,946	456,950	432,746
	Cost of Risk in bp	**38**	**44**	**42**	**49**

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

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7 – ROE, RONE

The notion of ROE, as well as the methodology for calculating it, are specified on page 40 of Societe Generale's 2016 Registration Document. This measure makes it possible to assess Societe Generale's return on equity.

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 39 of Societe Generale's Registration Document. Data relating to the 2015 financial year have been adjusted to take account of the allocation principle in force since January 1st, 2016, based on 11% of the businesses' risk-weighted assets.

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

Details of the corrections made to book equity and symmetrically to Group net income in order to calculate ROE for the period are given in the table below:

End of period	H1 16	Q1 16	2015	H1 15
Shareholder equity Group share	**58,475**	**59,039**	**59,037**	**56,146**
Deeply subordinated notes	(8,944)	(8,823)	(9,552)	(8,282)
Undated subordinated notes	(373)	(358)	(366)	(356)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes,interests paid to holders of deeply subordinated notes & undated subordinated notes, issue premiums amortisations	(185)	(235)	(146)	(161)
OCI excluding conversion reserves	(1,414)	(1,732)	(1,582)	(1,150)
Dividend provision	(1,106)	(1,952)	(1,593)	(885)
ROE equity	**46,453**	**45,939**	**45,798**	**45,312**
Average ROE equity	**46,033**	**45,869**	**44,889**	**44,219**

RONE calculation: Average allocated capital to Core Businesses (EUR m)

	Q2 16	Q2 15	H1 16	H1 15
French Retail Banking	10,275	10,765	10,355	10,722
International Retail Banking and Financial Services	10,493	10,466	10,494	10,382
Global Banking and Investor Solutions	15,164	17,039	15,472	15,971

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

End of period	H1 16	Q1 16	2015	H1 15
Shareholder equity Group share	**58,475**	**59,039**	**59,037**	**56,146**
Deeply subordinated notes	(8,944)	(8,823)	(9,552)	(8,282)
Undated subordinated notes	(373)	(358)	(366)	(356)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes,interests paid to holders of deeply subordinated notes & undated subordinated notes, issue premiums amortisations	(185)	(235)	(146)	(161)
Own shares in trading portfolio	103	32	125	160
Net Asset Value	**49,076**	**49,655**	**49,098**	**47,507**
Goodwill	4,820	4,532	4,533	5,159
Net Tangible Asset Value per Share	**44,256**	**45,123**	**44,565**	**42,348**
Number of shares used to calculate NAPS**	**799,217**	**799,217**	**796,726**	**796,533**
NAPS (in EUR)**	**61.4**	**62.1**	**61.6**	**59.6**
Net Tangible Asset Value per Share (EUR)	**55.4**	**56.5**	**55.9**	**53.2**

SOCIETE GENERALE

9 – Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 40 of Societe Generale's 2016 Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE. As specified on page 40 of Societe Generale's 2016 Registration Document, the Group also publishes EPS adjusted for the impact of non-economic items presented in methodology note No. 5.

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

Average number of shares (thousands)	H1 16	Q1 16	2015	H1 15
Existing shares	**807,083**	**806,872**	**805,950**	**805,803**
Deductions				
Shares allocated to cover stock options and restricted shares awarded to staff	3,807	3,191	3,896	3,943
Other treasury shares and share buybacks	4,889	5,709	9,551	12,112
Number of shares used to calculate EPS	**798,387**	**797,972**	**792,503**	**789,748**
Group net income	**2,385**	**924**	**4,001**	**2,219**
Interest, net of tax effect, payable to holders of deeply subordinated notes and undated subordinated notes	(220)	(112)	(442)	(215)
Capital gain net of tax on partial repurchase	0	0	0	0
Résultat net part du Groupe corrigé	**2,165**	**812**	**3,559**	**2,004**
EPS (in EUR) (1)	**2.71**	**1.02**	**4.49**	**2.54**

In accordance with the IAS 33 standard, historical data per share prior to the detachment date of a Preferential Subscription Right are restated for the adjustment coefficient corresponding to the operation

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

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

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

Societe Generale

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

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

Retail banking in France with the Societe Generale branch network, Crédit du Nord and Boursorama, offering a comprehensive range of omnichannel financial services at the leading edge of digital innovation;

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

Corporate and investment banking, private banking, asset management and securities services, with recognised expertise, top international rankings and integrated solutions.

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

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