

## PRESS RELEASE

**2014 ACTIVITY AND RESULTS**

Paris, February 12th, 2015

**2014: GOOD PERFORMANCE BY THE BUSINESSES, CONTRIBUTION UP +3.5%**

- **Net banking income: EUR 23.6bn, +5.0%\* vs. 2013**  
**Stable business net banking income: -0.5%\* vs. 2013**
- **Good control of operating expenses: -1.9%\* vs. 2013**
- **Sharp decline in the Group's net cost of risk: -25.2%\* vs. 2013**
- **Businesses' operating income up +20.9%\***
- **Increase in Group net income to EUR 2,692m vs. EUR 2,044m in 2013**  
**Businesses' contribution to Group net income: EUR 3,504m, +3.5% vs. 2013**
  
- **Fully loaded Basel 3 CET1 ratio: 10.1% (10.0% at end-2013)**
- **Leverage ratio: 3.8% at end-2014**
- **EPS<sup>(1)</sup>: EUR 2.92**
- **Proposed dividend: EUR 1.20 in cash (payout ratio of 40%)**

**Q4 14: Increase in Group net income to EUR 511m (Q4 13: EUR 191m)**

- **Net banking income up +7.5%\* vs. Q4 13**
- **Lower operating expenses\*: -5.3%\* vs. Q4 13**
- **Sharp decline in the net cost of risk: -10.5%\* vs. Q4 13**

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

\*\* Excluding non-economic items (revaluation of own financial liabilities and *Debt Value Adjustment*) for EUR +77m in Q4 14 and EUR -101m for 2014 in net banking income, or an impact on Group net income of respectively EUR +51m and EUR -66m; in Q4 13 (2013): impact in net banking income EUR -397m (EUR -1,509m); on Group net income EUR -261m (EUR -989m). See methodology notes.

Items relating to financial data for 2013 have been restated due to the implementation of IFRS 10 and 11 which apply retrospectively as from January 1st, 2014.

(1) After deducting interest, net of tax effect, to be paid to holders of deeply subordinated notes and undated subordinated notes for 2014 (respectively EUR -413 million and EUR -7 million), and correction of the effect of capital gains/losses on partial buybacks recorded over the period (i.e. EUR -6 million in Q1 14). See methodology note No. 3. Excluding the revaluation of own financial liabilities, and DVA (*Debt Value Adjustment* on financial instruments as a result of the implementation of IFRS 13), earnings per share calculated accordingly amounts to EUR 3.00.

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Societe Generale's Board of Directors met on February 11th, 2015 and approved Societe Generale's financial statements for 2014.

The Group presented its strategic objectives in May 2014. It also pursued efforts to adapt to the new economic and regulatory environment, based on its customer-focused universal banking model, the deployment of synergies and the implementation of its cost savings plan. During the year, Societe Generale continued with the refocusing of the portfolio in order to optimise the allocation of capital to the businesses: in particular, it increased its stake in Boursorama and Rosbank, acquired all of Newedge, disposed of its Private Banking subsidiary in Asia and refocused its consumer finance business on the Europe region and Africa.

The Group's net banking income totalled EUR 23,561 million for 2014 (+5.0%\* vs. 2013), with a decline in operating expenses (-1.9%\*). The cost savings plan under way has already helped secure more than 80% of the EUR 900 million of savings expected by end-2015. The net cost of risk was substantially lower (-25.2%\*), despite a total collective provision of EUR -400 million booked in 2014 in respect of litigation risk, testifying to the quality of the Bank's portfolios.

In a particularly complex economic environment in 2014, marked by significant fluctuations in both currencies and commodity prices, as well as a challenging economic situation in some European countries, the Group's businesses provided further evidence of their robustness. With generally stable net banking income over the period (-0.5%\*), operating expenses under control (-1.0%\*) and a substantially lower cost of risk, their contribution to Group net income came to EUR 3,504 million in 2014, up +3.5% vs. 2013. This contribution includes EUR -725 million of non-recurring costs in respect of the refocusing of consumer finance activities at end-2014 and the goodwill write-down on International Retail Banking & Financial Services' activities in Russia. When restated for these non-recurring items, the businesses' contribution would be nearly 25% higher than the previous year: stable in French Retail Banking (+0.8%) in a sluggish economic environment, up +12.5% in International Retail Banking & Financial Services, driven by increased earnings in Europe and in Financial Services to Corporates and Insurance, and a sharp increase (+59.1%) in Global Banking & Investor Solutions, notably in Financing & Advisory.

At end-2014, the Group's capital ratios provided further confirmation of their robustness. The Group's fully loaded Common Equity Tier 1 ratio stood at 10.1%, according to CRR/CRD4 rules. The Group has used the activities' substantially positive earnings contribution (+103 basis points in 2014) in a balanced manner as part of its capital management. This contribution helped finance the growth in the Group's risk-weighted assets, transactions relating to the acquisition and disposal of subsidiaries, new regulatory requirements and capital remuneration. The Group's total capital ratio stood at 14.3% for a leverage ratio of 3.8% at end-2014 according to CRR/CRD4 rules including the delegated act adopted in October 2014, vs. 3.5% at end-2013. The short-term liquidity ratio (LCR) stood at 118% at end-2014.

Based on these results, the Board of Directors has decided to propose the payment of a dividend of EUR 1.20 per share, payable in cash, to the Annual General Meeting, with dividend detachment on May 26th, 2015 and payment on May 28th, 2015, subject to a favourable vote by the Annual General Meeting on May 19th, 2015. This amount corresponds to 40% of earnings per share<sup>(1)</sup>, net of the effect of non-economic items (revaluation of own financial liabilities and DVA).

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<sup>(1)</sup> See methodology note No. 3

Commenting on the Group's results at end-December 2014, Frédéric Oudéa – Chairman and CEO – stated:

**“In 2014, Societe Generale successfully progressed in the implementation of its strategy focused on satisfying its customers, innovation, notably in digital technologies, and profitable growth. In a challenging and unstable environment, the Group posted a good business performance, confirming the businesses’ growth potential. The Group also demonstrated good control of costs and risks, which were substantially lower.**

**In 2015, and given its very solid balance sheet, the Group intends to pursue its 2016 strategic plan in a determined and disciplined manner. Supported by the effective organisational structure in place, enhanced governance and its teams’ commitment to serving its customers, Societe Generale will maintain the pace of its transformation with, as operating priorities, the continuation of targeted developments and the deployment of synergies, good control of costs and risks and the continued optimisation of capital allocation between the businesses. Despite an environment that remains uncertain and volatile, the Group is therefore embarking on this new financial year with confidence”.**

## 1 - GROUP CONSOLIDATED RESULTS

<i>In EUR m</i>	2013	2014	Change 2014 vs. 2013	Q4 13	Q4 14	Change Q4 vs. Q4
Net banking income	22,433	23,561	+5.0%	5,696	6,123	+7.5%
<i>On a like-for-like basis*</i>			+5.0%			+7.5%
<i>Net banking income**</i>	23,942	23,662	-1.2%	6,093	6,046	-0.8%
Operating expenses	(16,047)	(16,016)	-0.2%	(4,405)	(4,263)	-3.2%
<i>On a like-for-like basis*</i>			-1.9%			-5.3%
Gross operating income	6,386	7,545	+18.1%	1,291	1,860	+44.1%
<i>On a like-for-like basis*</i>			+23.7%			+55.9%
Net cost of risk	(4,050)	(2,967)	-26.7%	(1,045)	(906)	-13.3%
Operating income	2,336	4,578	+96.0%	246	954	x3.9
<i>On a like-for-like basis*</i>			x 2,1			x 5,3
Net profits or losses from other assets				134	(84)	NM
Impairment losses on goodwill	(50)	(525)	NM	(50)	0	NM
Reported Group net income	2,044	2,692	+31.7%	191	511	x2.7
Group ROE (after tax)	4.1%	5.3%		0.8%	3.6%	

### Net banking income

The Group's net banking income totalled EUR 6,123 million in Q4 14 (EUR 5,696 million in Q4 13, +7.5%\*), taking the Group's net banking income to EUR 23,561 million for 2014, up +5.0%\* vs. 2013. If non-economic items are stripped out, the Group's net banking income was slightly lower than in 2013 (-1.2%), in a particularly challenging economic environment in Europe.

Against this backdrop, the businesses' net banking income was generally stable in 2014 (-0.5%\*), and up +0.9%\* in Q4 14 vs. Q4 13.

- **French Retail Banking (RBDF)** revenues were down -1.1% excluding the PEL/CEL effect in 2014 (and -1.0% in Q4 14 vs. Q4 13) at the end of a year marked by weak loan demand and revenue pressures caused by the new French banking law taking effect in 2014. However, RBDF provided further evidence of its commercial dynamism, with a record number of accounts opened in 2014.
- In **International Retail Banking & Financial Services (IBFS)**, revenues were up +1.5%\* in 2014 vs. 2013, driven by the growth of activities outside Europe: accordingly, International Retail Banking in Africa, the Mediterranean Basin and Overseas saw its net banking income improve by +4.1%\* while Financial Services to Corporates and Insurance enjoyed an increase of +6.7%\* in 2014. Russia's net banking income was resilient (-0.8%\*) in 2014. The division's revenues fell -1.2%\* in Q4 14.
- **Global Banking & Investor Solutions (GBIS)** posted slightly lower revenues in 2014 (-0.7%\*), despite a good last quarter (+6.0%\* in Q4 14 vs. Q4 13). Financing & Advisory enjoyed a good year in 2014, with revenues up +11.7%\*; all in all, Corporate and Investment Banking revenues were generally stable (-0.7%\*) in 2014. In Asset and Wealth Management, revenues were up +2.5%\* in 2014. In Securities Services and Brokerage, revenues were down -3.5%\* vs. 2013, but picked up at the end of the year following the integration of Newedge.

The accounting impact of the revaluation of the Group's own financial liabilities was EUR -139 million in 2014 (EUR -1,594 million in 2013), including EUR +44 million in Q4 14 (EUR -379 million in Q4 13). The DVA impact (see methodology note No. 8) totalled EUR +38 million in 2014 (including EUR +33 million in

Q4 14) vs. EUR +85 million in 2013 (and EUR -18 million in Q4 13). These two factors constitute the restated non-economic items in the analyses of the Group's results.

### Operating expenses

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

### Operating income

The Group's gross operating income amounted to EUR 7,545 million for 2014, vs. EUR 6,386 million in 2013, up +23.7%\*. In Q4 14, it totalled EUR 1,860 million vs. EUR 1,291 million in Q4 13. This change can be explained primarily by the effect of the revaluation of own financial liabilities, whose contribution was very negative in 2013 and virtually nil in 2014, as well as the recording of non-recurring costs in Q4 13.

The businesses' gross operating income came to EUR 8,537 million in 2014, generally stable (+0.5%\*) vs. 2013. In Q4 14, it totalled EUR 1,930 million vs. EUR 1,788 million in Q4 13, up +14.2%\*.

The Group's **net cost of risk** amounted to EUR -2,967 million in 2014, down -25.2%\* vs. 2013. In particular, it included an additional EUR -400 million collective provision for litigation issues. This provision amounted to EUR 1.1 billion at end-2014. In Q4 14, the net cost of risk was EUR -906 million, including EUR -200 million in respect of the collective provision for litigation issues, substantially lower than in Q4 13 (EUR -1,045 million).

The Group's **commercial cost of risk** (expressed as a fraction of outstanding loans) stood at 61<sup>(1)</sup> basis points in 2014 vs. 75 basis points in 2013, despite a still challenging economic environment.

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

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

The Group's **operating income** totalled EUR 4,578 million in 2014, vs. EUR 2,336 million in 2013 due to the combined effect of a sharp decline in the net cost of risk and the impact of the revaluation of own financial liabilities. In Q4 14, operating income amounted to EUR 954 million vs. EUR 246 million in Q4 13.

The businesses' operating income was substantially higher in 2014 at EUR 5,973 million vs. EUR 5,143 million in 2013, mainly in conjunction with the decline in the net cost of risk. This trend was confirmed in Q4 14, with the businesses' operating income amounting to EUR 1,225 million vs. EUR 745 million in Q4 13.

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

## **Net income**

After taking into account tax (the Group's effective tax rate was 29.5% for 2014) and the contribution of non-controlling interests, Group net income totalled EUR 2,692 million for 2014. In 2013, Group net income was EUR 2,044 million, with an effective tax rate of 18.1%. In Q4 14, Group net income totalled EUR 511 million (vs. EUR 191 million in Q4 13), with an effective tax rate of 41.3% (it was 4.7% in Q4 13).

When corrected for non-economic items (revaluation of own financial liabilities and DVA), Group net income amounted to EUR 2,759 million in 2014 (including EUR 460 million in Q4 14) vs. EUR 3,033 million in 2013 (and EUR 451 million in Q4 13). This result includes notably EUR -525 million related to the goodwill write-down on the Group's activities in Russia and the consequences of the Group's withdrawal from consumer finance in Brazil for EUR -200 million, announced in February 2015.

When corrected for non-economic and non-recurring items in 2014, the Group's ROE<sup>(1)</sup> stood at 7.3% for 2014 (5.4% in absolute terms). It was 4.1% in absolute terms in 2013, and 7.8% excluding non-economic and non-recurring items.

Earnings per share amounts to EUR 2.92 at end-December 2014, after deducting interest payable to holders of deeply subordinated notes and undated subordinated notes<sup>(2)</sup>. If the revaluation of own financial liabilities and DVA are stripped out, earnings per share amounts to EUR 3.00, after deducting interest payable to holders of deeply subordinated notes and undated subordinated notes<sup>(2)</sup>.

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<sup>(1)</sup> Non-economic and non-recurring items detailed in methodology note No. 8 for 2013 and 2014.

<sup>(2)</sup> The interest, net of tax effect, payable to holders of deeply subordinated notes and undated subordinated notes amounts to respectively EUR 413 million and EUR 7 million for 2014; it is also necessary to reintegrate a buyback capital loss amounting to EUR 6 million (see methodology note No. 3).

## 2 - THE GROUP'S FINANCIAL STRUCTURE

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Group **shareholders' equity** totalled EUR 55.2 billion<sup>(1)</sup> at December 31st, 2014 and tangible net asset value per share was EUR 51.43 (corresponding to net asset value per share of EUR 57.96, including EUR 1.64 of unrealised capital gains).

The **consolidated balance sheet** totalled EUR 1,308 billion at December 31st, 2014 (EUR 1,214 billion at December 31st, 2013, an amount adjusted in relation to the published financial statements, after the retrospective implementation of IFRS 10 and 11). The net amount of **customer loans**, including lease financing, was EUR 356 billion (EUR +11 billion vs. December 31st, 2013). At the same time, **customer deposits** amounted to EUR 328 billion (EUR +14 billion vs. December 31st, 2013).

The Group's **funded balance sheet** (see methodology note No. 7) totalled EUR 647 billion at end-December 2014, slightly higher than at the end of 2013 (EUR +22 billion due to the integration of Newedge), with a loan/deposit ratio of 98% (-8 points vs. December 31st, 2013). The Group completed its medium/long-term financing programme for 2014 under satisfactory financial conditions (around 40 basis points above the 6-month mid-swap benchmark index at December 31st, 2014) with an average maturity (excluding subordinated debt) of 5.2 years. The Group's **liquid asset** buffer (see methodology note No. 7) totalled EUR 140 billion at December 31st, 2014 (vs. EUR 174 billion at December 31st, 2013), covering 168% of short-term financing requirements (including long-term debt arriving at maturity in less than one year), vs. 145% at end-December 2013.

The Group's **risk-weighted assets** amounted to EUR 353.2 billion at end-December 2014, vs. EUR 342.6 billion at end-December 2013 according to CRR/CRD4 rules. Risk-weighted assets in respect of credit risk represent more than 80% of the total.

At December 31st, 2014, the Group's **Common Equity Tier 1 ratio**<sup>(2)</sup> stood at 10.1%<sup>(3)</sup>. It was 10.0% at December 31st, 2013. The Tier 1 ratio was 12.6%, up +89 basis points vs. end-2013. The Total Capital ratio amounted to 14.3% at end-2014, up +89 basis points year-on-year. The Group's substantial capital generation (+103 basis points in 2014) helped finance the growth in risk-weighted assets, a reflection of the Group's business activity, changes in the Group's business portfolio (notably the acquisitions in 2014), the integration of new regulatory requirements and the increase in the collective provision for litigation issues, while at the same time maintaining a significant margin for the remuneration of shareholders.

The **leverage ratio** stood at 3.8%<sup>(2)</sup>, up +33 basis points vs. 2013, mainly due to the growth of the Group's Tier 1 capital.

The Group is rated by the rating agencies DBRS (long-term senior rating: AA(low) – negative outlook), FitchRatings (long-term senior rating: A – negative outlook), Moody's (long-term senior rating: A2 – negative outlook) and Standard & Poor's (long-term senior rating: A – negative outlook).

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<sup>(1)</sup> This figure includes notably EUR 9.7 billion of deeply subordinated notes and undated subordinated notes

<sup>(2)</sup> All the solvency/leverage ratios published are calculated according to CRR/CRD4 rules, without the benefit of transitional provisions (fully-loaded), unless indicated otherwise. They are presented pro forma for current earnings, net of dividends, for the current financial year. 2013 data pro forma for applicable CRR/CRD4 rules. 2014 leverage ratio including the provisions of the delegated act published in October 2014. See methodology note No. 5.

<sup>(3)</sup> The phased-in ratio stood at 10.9% at December 31st, 2014, stable year-on-year.

### 3 - FRENCH RETAIL BANKING

<i>In EUR m</i>	2013	2014	Change 2014 vs. 2013	Q4 13	Q4 14	Change Q4 vs. Q4
Net banking income	8,437	8,275	-1.9% -1.1%(1)	2,161	2,117	-2.0% -1.0%(1)
Operating expenses	(5,358)	(5,356)	-0.0%	(1,385)	(1,435)	+3.6%
Gross operating income	3,079	2,919	-5.2% -2.8%(1)	776	682	-12.1% -9.2%(1)
Net cost of risk	(1,258)	(1,041)	-17.3%	(346)	(303)	-12.5%
Operating income	1,821	1,878	+3.1%	430	379	-11.8%
Group net income	1,196	1,205	+0.8%	286	241	-15.6%

(1) Excluding PEL/CEL

Despite a challenging macroeconomic environment, French Retail Banking's commercial activity proved resilient and it continued with its innovation strategy aimed at serving its customers.

In terms of winning customers, French Retail Banking demonstrated the robustness of its franchises: the number of net openings of current accounts for individual customers reached a record level in 2014 (+221,000 in 2014). It was higher for the three brands (Societe Generale, Credit du Nord and Boursorama), with an increase of +30.3% overall compared with 2013. Boursorama exceeded the threshold of 600,000 customers in France, thus surpassing its 2014 target.

Outstanding balance sheet deposits rose +4.9% vs. 2013 to EUR 162.4 billion, driven by the good performance for business customers. By type of savings vehicle, the growth was driven by sight deposit inflow, which increased +7.2% vs. 2013. At the same time, gross life insurance production was up +9.0%, with a unit-linked subscription rate in new production up by four points vs. 2013, at 14%.

French Retail Banking continued to assist both businesses and individuals with the financing of their projects. However, in a restrictive economic environment, demand for investment loans remained relatively sluggish. Outstanding loans were slightly lower than in 2013, at EUR 78.2 billion for commercial and business customers (-2.7% vs. 2013) and EUR 96.1 billion for individuals (-1.1% vs. 2013). However, corporate loan production was 0.5% higher than in 2013, whereas factoring and leasing production were up +37.9% and +34.1% respectively vs. 2013.

The average loan/deposit ratio amounted to 108% in 2014 vs. 116% in 2013 and therefore improved by 8 points year-on-year.

French Retail Banking revenues were resilient, with net banking income of EUR 8,373 million, down -1.1% vs. 2013, after neutralisation of the impact of PEL/CEL provisions. The interest margin was 0.4% higher than in 2013 (excluding the PEL/CEL effect), with the increase in outstanding deposits and in loan margins offsetting the decline in deposit reinvestment rates and in outstanding loans. Commissions were down -3.1% over this same period, primarily due to the new capping of processing fees.

Operating expenses were stable vs. 2013, with the effect of cost savings plans offsetting a number of non-recurring costs in Q4 14, while the net cost of risk was substantially lower (-17.3% vs. 2013). Accordingly, operating income improved by +3.1% vs. 2013.

Overall, French Retail Banking made a solid contribution to Group net income of EUR 1,205 million, up +0.8% vs. 2013, including EUR 241 million in Q4 14 (vs. EUR 286 million in Q4 13).



## 4 - INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

The division's revenues totalled EUR 7,456 million in 2014, up +1.5%\* vs. 2013, while operating expenses totalled EUR -4,279 million (+3.4%\*) over the same period. Accordingly, gross operating income amounted to EUR 3,177 million in 2014 (-1.0%\*). The net cost of risk improved significantly to EUR -1,442 million in 2014, down -18.3%\*, particularly in Romania. Overall, the division's contribution to Group net income was EUR 381 million in 2014. It was adversely affected by the goodwill write-down on Russian activities in Q1 14 amounting to EUR -525 million and the EUR -200 million non-recurring cost related to the decision to withdraw from consumer finance in Brazil, included in the Q4 14 results. When restated for these items, the division's contribution amounted to EUR 1,106 million, up +12.5% vs. 2013 (EUR 983 million).

In Q4 14, the division posted revenues of EUR 1,849 million (-1.2%\* vs. Q4 13), gross operating income of EUR 757 million (-10.7%\*) and a contribution to Group net income of EUR 51 million including the effect of the withdrawal from consumer finance in Brazil.

<i>In EUR m</i>	2013	2014	Change 2014 vs. 2013	Q4 13	Q4 14	Change Q4 vs. Q4
Net banking income	7,762	7,456	-3.9%	1,990	1,849	-7.1%
<i>On a like-for-like basis*</i>			+1.5%			-1.2%
Operating expenses	(4,367)	(4,279)	-2.0%	(1,094)	(1,092)	-0.1%
<i>On a like-for-like basis*</i>			+3.4%			+6.7%
Gross operating income	3,395	3,177	-6.4%	897	757	-15.6%
<i>On a like-for-like basis*</i>			-1.0%			-10.7%
Net cost of risk	(1,835)	(1,442)	-21.4%	(636)	(374)	-41.2%
Operating income	1,560	1,735	+11.2%	260	383	+47.2%
<i>On a like-for-like basis*</i>			+20.3%			+57.8%
Net profits or losses from other assets	6	(198)	NM	4	(200)	n/s
<i>On a like-for-like basis*</i>			NM			NM
Impairment losses on goodwill	0	(525)	NM	0	0	NM
Group net income	983	381	-61.2%	203	51	-74.8%

### 4.1 International Retail Banking

At end-December 2014, International Retail Banking's outstanding loans posted a further increase compared with 2013 (+1.5%\*). They totalled EUR 77.1 billion with, in particular, a strong increase in the Czech Republic, Germany and Sub-Saharan Africa. The growth in outstanding deposits was particularly robust (+7.0%\* vs. 2013) at EUR 70.9 billion, with very strong inflow in Central and Eastern European countries and in Sub-Saharan Africa.

International Retail Banking's revenues were stable (+0.2%\* vs. 2013) at EUR 5,444 million. The business' good performance in Western Europe, Central and Eastern Europe and Sub-Saharan Africa was offset by declines in the Czech Republic and Romania. Operating expenses were higher than in 2013 (+3.3%\*). Gross operating income came to EUR 2,200 million, down -4.1%\* vs. 2013. The contribution to Group net income was a loss of EUR -274 million in 2014, which included the goodwill write-down on Russian activities and the non-recurring cost related to the withdrawal from consumer finance in Brazil (vs. a contribution to Group net income of EUR 388 million in 2013).

In Q4 14, International Retail Banking posted revenues of EUR 1,345 million, gross operating income of EUR 525 million and a loss of EUR -106 million, including notably non-recurring items.

**In Western Europe**, where the Group has operations in France, Germany and Italy, mainly in consumer finance, commercial activity was slightly higher (+1.1%\*) in 2014 despite the backdrop of an economic slowdown. Outstanding loans amounted to EUR 13.8 billion at end-2014. Revenues totalled EUR 663

million and gross operating income came to EUR 325 million in 2014. The contribution to Group net income was EUR 66 million, up +28.7% vs. 2013.

**In the Czech Republic**, the robust commercial momentum was underpinned by the innovative efforts of Komerční Banka (KB). These resulted in outstanding loans growing +4.4%\* to EUR 18.2 billion vs. end-December 2013 as well as an increase in the customer franchise (+37,000 customers in 2014). Despite this positive volume effect, revenues were lower in 2014 (-2.3%\*) at EUR 990 million given the continuing low interest rate environment. Over the same period, operating expenses were kept under control at EUR -498 million (-0.5%\*) and the contribution to Group net income remained high at EUR 205 million in 2014 vs. EUR 223 million in 2013.

**In Romania**, where loan demand remained weak, the BRD Group's outstanding loans were down -4.5%\* (at EUR 6.1 billion) vs. end-December 2013 while outstanding deposits were stable\* at EUR 8.1 billion. Revenues were down -8.0%\* at EUR 538 million in 2014 due to the combined effect of lower volumes and margin pressure. Rigorous cost control resulted in operating expenses declining -1.1%\* to EUR -318 million. The BRD Group posted a lower net loss of EUR -27 million in 2014 (EUR -99 million in 2013), with the significant improvement in the cost of risk over the period.

**In Russia**, in a market environment under pressure, the Group strengthened its balance sheet structure thanks to proactive asset and liability management. Outstanding loans were down -1.7%\* vs. end-2013 at EUR 9.4 billion due to an increasingly selective approach in loan production. At the same time, the deposit base was consolidated, with outstandings up +1.6%\* vs. end-2013 at EUR 6.7 billion, exclusively on the rouble component. The loan/deposit ratio continued to improve (99% at end-2014 vs. 115% at end-2013 on Rosbank). The entities also posted robust levels of capital and liquidity at end-2014. Against this backdrop, the financial performance was resilient in 2014. Net banking income declined by -0.8%\* to EUR 1.1 billion and costs were contained at EUR 0.8 billion, up +8.0%\* vs. 2013, less than inflation. The contribution to Group net income was a loss of EUR 538 million, after taking into account the total write-down of the goodwill on Russian activities, compared with a contribution to Group net income of EUR 128 million in 2013. **All in all, the SG Russia operation<sup>(1)</sup>** made a EUR 28 million contribution to Group net income in 2014, excluding the goodwill write-down.

In the **other European countries**, the Group strengthened its customer franchise (+105,000 customers vs. 2013 in the Balkans) and increased its deposit inflow in 2014 (outstandings up +13.3%\* at EUR 10.2 billion). Outstanding loans were up +2.1%\* in 2014 at EUR 10.9 billion. Revenues were up +2.3%\* at EUR 651 million, operating expenses were 1.8%\* higher at EUR -446 million and the contribution to Group net income came to EUR 67 million in 2014.

**In the other regions where the Group operates**, outstanding loans were higher in 2014 at EUR 18.8 billion (+2.6%\*), with a very good commercial momentum in Africa (+16.3%\*). Outstanding deposits were up +8.2%\*. Revenues came to EUR 1,514 million in 2014, higher than in 2013 (+4.1%\*). Over the same period, operating expenses rose +4.1%\* in conjunction with commercial development. The contribution to Group net income was a loss of EUR -47 million (EUR 118 million in 2013) given the EUR -200 million non-recurring cost related to the withdrawal from consumer finance in Brazil. When restated for this item, the contribution to Group net income amounted to EUR 153 million.

## **4.2 Insurance**

The **Insurance** business maintained its commercial momentum in 2014. Life insurance savings outstandings rose +7.0%\* vs. end-December 2013 to EUR 90.2 billion and net inflow amounted to EUR 3.4 billion in 2014, substantially higher than in 2013 both in France and internationally. In terms of Protection (Personal and Property/Casualty insurance), premiums were also higher than in 2013 (+2.7%\*). The business continued with its strategy to extend the product range as well as the intensification of penetration rates among different distributors.

The Insurance business also posted a good financial performance in 2014, with net banking income up +5.6%\* vs. 2013 at EUR 786 million and a still low C/I ratio (38.3% in 2014). The business' contribution to Group net income was up +3.9%\* year-on-year at EUR 329 million in 2014 and +1.4%\* vs. Q4 13 at EUR 84 million in Q4 14.

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

### **4.3 Financial Services to Corporates**

In 2014, **Financial Services to Corporates** maintained its commercial dynamism and posted a contribution to Group net income of EUR 424 million, up +14.8%\* vs. 2013.

At end-December 2014, **Operational Vehicle Leasing and Fleet Management's** vehicle fleet had grown +9.8% vs. end-December 2013, thereby strengthening its leadership positions at European level and globally, where the business is ranked No. 2. This performance is underpinned notably by key partnerships with car manufacturers and retail banking networks as well as the development of the activity in emerging countries.

**Equipment Finance** maintained solid competitive positions (No. 1 in Europe) and enjoyed an increase in new business (+18.0%\* vs. 2013) to EUR 6.6 billion (excluding factoring). New business margins remained satisfactory. At end-December 2014, outstanding loans totalled EUR 15.0 billion (excluding factoring), thus enjoying a return to growth (+3.5%\* vs. end-December 2013).

**Financial Services to Corporates'** net banking income rose +7.3%\* to EUR 1,377 million in 2014. Operating expenses were higher over the period, respectively at EUR 716 million (vs. EUR 676 million in 2013). Operating income came to EUR 573 million, an increase of +12.0%\* vs. 2013.

In Q4 14, Financial Services to Corporates' revenues amounted to EUR 344 million (-1.3%\* vs. Q4 13) and operating expenses came to EUR 186 million (+6.4%\* vs. Q4 13). The contribution to Group net income amounted to EUR 107 million in Q4 14 (vs. EUR 111 million in Q4 13).

## 5 - GLOBAL BANKING & INVESTOR SOLUTIONS

<i>In EUR m</i>	2013	2014	Change 2014 vs. 2013	Q4 13	Q4 14	Change Q4 vs. Q4
Net banking income	8,382	8,726	+4.1%	1,947	2,189	+12.5%
<i>On a like-for-like basis*</i>			-0.7%			+6.0%
Operating expenses	(6,073)	(6,285)	+3.5%	(1,831)	(1,698)	-7.3%
<i>On a like-for-like basis*</i>			-4.4%			-15.1%
Gross operating income	2,308	2,441	+5.8%	115	491	x4.3
<i>On a like-for-like basis*</i>			+10.4%			x 7,4
Net cost of risk	(546)	(81)	-85.2%	(60)	(28)	-53.5%
Operating income	1,762	2,360	+33.9%	55	463	x8.4
<i>On a like-for-like basis*</i>			+40.8%			x 64,8
Group net income	1,206	1,918	+59.1%	(184)	407	NM

Global Banking & Investor Solutions posted revenues of EUR 8,726 million in 2014, up +4.1%, notably following the integration of Newedge. When adjusted for changes in Group structure and at constant exchange rates, revenues were slightly lower (-0.7%\*) than in 2013, due to the decline in Global Markets and despite the strong rebound in Financing & Advisory and the good performance of the other businesses.

### Global Markets

2014 was marked by the instability of the markets, further declines in interest rates and risk aversion, resulting in low volatility and volumes. Against this backdrop, Global Markets' revenues amounted to EUR 4,621 million in 2014, down -5.1% vs. 2013 and -3.1% when restated for a gain on recovery on a claim in 2013 (-6.8% excluding CVA/DVA impacts).

Societe Generale was named "Derivatives House of the Year" by Risk magazine. This illustrates the consistency of its client strategy and its constant ability to innovate in investment and risk management solutions based on derivatives, and in a constantly evolving market.

- **Equity** activities' revenues amounted to EUR 2,379 million in 2014, down -5.5% vs. 2013 and -1.7% excluding the gain on recovery on a claim in 2013 (-5.2% when restated for CVA/DVA impacts). After a buoyant start to the year, followed by two quarters adversely affected by low volatility and volumes, there was a sharp rebound in activity in Q4 14 (+6.7% vs. Q4 13). This was the best quarter for 4 years. Despite an unfavourable environment, equity derivative activities nevertheless proved their robustness in 2014, with a limited decline in their revenues. The Group also confirmed its positions in cash equity (increase in market share to 9.2% in Q4 14 based on SG Euronext Global volumes) and listed products (No. 1 with an 11.9% market share in warrants in 2014). The revenues generated on structured products remained solid, driven by growing client activity.
- At EUR 2,242 million, **Fixed Income, Currencies & Commodities** posted revenues down -4.6% in 2014 vs. 2013 (-8.5% when restated for CVA/DVA impacts), in constantly evolving markets marked by declining rates and changes in monetary policy. The excellent performance of emerging market activities and the growth in forex and commodity revenues helped offset the decline in revenues recorded for rate and credit activities. Structured products reported good revenues, confirming the solidity of the client franchise.

## Financing & Advisory

**Financing & Advisory** turned in a good performance in 2014, with revenues of EUR 2,020 million, up +12.4%. The increase is still substantial (+8.8%) when restated for CVA/DVA impacts and a loss on a tax litigation issue in 2013.

All the businesses made a positive contribution to this performance: capital market activities exhibited the strongest revenue growth, natural resources financing enjoyed an excellent year with a marked increase in Q4 14 despite the decline in commodity prices, and structured financing revenues were higher. The business' expertise was once again recognised with the award of "Best Global Export Finance Bank" (GTR Leaders in Trade Awards 2014, January 2015).

## Asset and Wealth Management

The revenues of the **Asset and Wealth Management** business line totalled EUR 1,038 million in 2014, down -3.2% in absolute terms vs. 2013, and up +2.5%\* when adjusted for changes in Group structure and at constant exchange rates.

**Private Banking's** assets under management totalled EUR 108 billion at end-December including the assets under management of the new Private Banking model in France launched at the beginning of the year.

The inflow of EUR +4.2 billion in 2014 has already partially offset the sale of Private Banking activities in Asia, illustrating the accelerated development of its core markets in Europe.

Strengthening synergies within the Group was also a priority in 2014: in France, with the evolution of the relationship model, internationally with the launch of a new Private Banking offering in Croatia and at the same time, the increased cooperation with Global Markets for the development of new products adapted to the specific needs of certain clients.

Private Banking posted net banking income of EUR 815 million in 2014, up +2.1%\* vs. 2013. The gross margin remained at a high level of 107 basis points (excluding Asia).

**Lyxor's** assets under management amounted to EUR 83.6 billion, underpinned by good inflow on ETFs, a segment in which Lyxor retains a No. 3 ranking in Europe. Lyxor's revenues totalled EUR 202 million in 2014, up +8.5%\* vs. 2013.

## Securities Services and Brokerage

**Securities Services'** assets under custody increased +8.7% to EUR 3,854 billion vs. December 2013 while assets under administration rose +11.1% to EUR 549 billion over the same period, confirming its European No. 2 ranking.

At EUR 659 million, Securities Services' revenues were up +2.6% vs. 2013, with the increase in commissions offsetting the negative impact of the continued decline in interest rates.

**Newedge's** Brokerage activity pursued its transformation and its integration with Global Markets. Revenues were down -10.4%\* in 2014 vs. 2013, albeit with a rebound in activity in Q4 14 (+40.9%\* vs. Q4 13) in a buoyant market, where synergies are starting to bear fruit. Accordingly, more than 250 new clients have entered into a relationship with the Group thanks to the implementation of an integrated offering.

## Operating expenses

Global Banking & Investor Solutions' operating expenses fell -4.4%\* vs. 2013. When restated for the impact of the Euribor fine paid in 2013, expenses were up +2.4%\*, reflecting the businesses' ongoing investment and development programme, and good cost control in Securities Services and Brokerage (-4.4%\* vs. 2013).

## **Operating income**

Gross operating income amounted to EUR 2,441 million in 2014, up +10.4%\* vs. 2013. The net cost of risk remained low at EUR -81 million in 2014, reflecting the quality of the portfolios.

The division's operating income totalled EUR 2,360 million in 2014, a sharp increase of +40.8%\* vs. 2013.

## **Net income**

The division's contribution to Group net income came to EUR 1,918 million in 2014, a substantial increase of +59.1%. When adjusted for changes in Group structure and at constant exchange rates, the increase remained strong (+48.1%\* vs. 2013). There was further confirmation of the robustness and resilience of the business model adapted to the new regulatory environment. ROE stood at 14.7% in 2014 (vs. 8.2% in 2013).

The division's revenues came to EUR 2,189 million in Q4 14 (+6.0%\* vs. Q4 13). Operating expenses were down -15.1%\* and the contribution to Group net income amounted to EUR 407 million (vs. a loss of EUR -184 million in Q4 13, due to the impact of a transaction with the European Union which reduced the result by EUR -446 million).

## 6 - CORPORATE CENTRE

<i>In EUR m</i>	2013	2014	Change 2014 vs. 2013	Q4 13	Q4 14	Change Q4 vs. Q4
Net banking income	(2,147)	(896)	+58.3%	(402)	(32)	+92.0%
<i>On a like-for-like basis*</i>			+58.3%			+92.0%
Operating expenses	(249)	(96)	-61.4%	(95)	(38)	-59.9%
<i>On a like-for-like basis*</i>			-61.4%			-59.9%
Gross operating income	(2,396)	(992)	+58.6%	(497)	(70)	+85.9%
<i>On a like-for-like basis*</i>			+58.6%			+85.9%
Net cost of risk	(411)	(403)	-1.9%	(2)	(201)	x90.1
Operating income	(2,807)	(1,395)	+50.3%	(499)	(271)	+45.7%
<i>On a like-for-like basis*</i>			+50.3%			+45.7%
Group net income	(1,341)	(812)	+39.4%	(113)	(188)	-66.8%

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 invoiced.

The **Corporate Centre's** revenues totalled EUR -32 million in Q4 14 (vs. EUR -402 million in Q4 13). They include in particular the revaluation of the Group's own financial liabilities amounting to EUR +44 million (vs. the total impact in Q4 13 of EUR -379 million). The effect of the revaluation of own financial liabilities amounted to EUR -139 million in 2014, vs. EUR -1,594 million in 2013.

Operating expenses amounted to EUR -38 million in Q4 14, vs. EUR -95 million in Q4 13. They amounted to EUR -96 million in 2014 vs. EUR -249 million in 2013.

Gross operating income was EUR -70 million in Q4 14. When restated for the revaluation of own financial liabilities (see methodology note No. 8), it amounted to EUR -114 million (vs. EUR -118 million in Q4 13).

When adjusted for the revaluation of own financial liabilities, gross operating income amounted to EUR -853 million in 2014 vs. EUR -802 million in 2013.

The net cost of risk was EUR -201 million in Q4 14. It included an additional collective provision for litigation issues amounting to EUR -200 million, taking the stock of collective provisions for litigation issues to EUR 1.1 billion. The net cost of risk amounted to EUR -403 million in 2014, including EUR -400 million of additional collective provisions for litigation issues.

The Corporate Centre's contribution to Group net income was a loss of EUR -188 million in Q4 14, vs. EUR -113 million in Q4 13. When restated for the revaluation of own financial liabilities (see methodology note No. 8), it amounted to EUR -217 million (vs. EUR +136 million in Q4 13).

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

## 7 - CONCLUSION

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In a particularly uncertain and volatile economic environment in 2014, the Group's businesses confirmed their good operating performance and Societe Generale pursued its transformation. The development plans announced during Investor Day are being implemented and are starting to bear fruit, against a backdrop of rigorously controlled costs and the optimisation of resources.

The Group intends to pursue the rollout of its strategic plan in 2015, while maintaining rigorous management of capital allocation. It will pay particular attention to growth in net banking income, the optimisation of its operations in Russia and the control of its operating expenses and risks.

It is with this aim that the Group will pursue its capital allocation and resource optimisation policy. The Board of Directors will propose distributing a dividend of EUR 1.20 per share to the Annual General Meeting, corresponding to 40% of Group net income\*, in accordance with commitments made.

## 8 - 2014/2015 FINANCIAL CALENDAR

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### *2014/2015 financial communication calendar*

February 12th, 2015	Publication of fourth quarter and FY 2014 results
May 6th, 2015	Publication of first quarter 2015 results
May 19th, 2015	Annual General Meeting
May 26th, 2015	Detachment of the dividend
May 28th, 2015	Payment of the dividend
August 5th, 2015	Publication of second quarter and first half 2015 results
November 5th, 2015	Publication of third quarter and nine months 2015 results

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

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

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

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

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

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

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



**9 - APPENDIX 1: FINANCIAL DATA: 2013 data adjusted following the retrospective implementation of IFRS 10 and 11 on January 1st, 2014**

**CONSOLIDATED INCOME STATEMENT**  
(in EUR millions)

	2013	2014	Change 2014 vs. 2013		Q4 13	Q4 14	Change Q4 vs. Q4	
Net banking income	22,433	23,561	+5.0%	+5.0%*	5,696	6,123	+7.5%	+7.5%*
Operating expenses	(16,047)	(16,016)	-0.2%	-1.9%*	(4,405)	(4,263)	-3.2%	-5.3%*
<b>Gross operating income</b>	<b>6,386</b>	<b>7,545</b>	<b>+18.1%</b>	<b>+23.7%*</b>	<b>1,291</b>	<b>1,860</b>	<b>+44.1%</b>	<b>+55.9%*</b>
Net cost of risk	(4,050)	(2,967)	-26.7%	-25.2%*	(1,045)	(906)	-13.3%	-10.5%*
<b>Operating income</b>	<b>2,336</b>	<b>4,578</b>	<b>+96.0%</b>	<b>x 2,1</b>	<b>246</b>	<b>954</b>	<b>x3.9</b>	<b>x 5,3</b>
Net profits or losses from other assets	575	109	-81.0%		134	(84)	NM	
Net income from companies accounted for by the equity method	61	213	x3.5		(80)	72	NM	
Impairment losses on goodwill	(50)	(525)	NM		(50)	0	+100.0%	
Income tax	(528)	(1,384)	x2.6		(18)	(359)	x20.0	
<b>Net income</b>	<b>2,394</b>	<b>2,991</b>	<b>+24.9%</b>		<b>232</b>	<b>583</b>	<b>x2.5</b>	
O.w. non controlling interests	350	299	-14.6%		41	72	+75.6%	
<b>Group net income</b>	<b>2,044</b>	<b>2,692</b>	<b>+31.7%</b>	<b>+30.8%*</b>	<b>191</b>	<b>511</b>	<b>x2.7</b>	<b>+78.5%*</b>
Tier 1 ratio at end of period	13.3%	14.3%						

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

**NET INCOME AFTER TAX BY CORE BUSINESS**  
(in EUR millions)

	2013	2014	Change 2014 vs. 2013	Q4 13	Q4 14	Change Q4 vs. Q4
<b>French Retail Banking</b>	<b>1,196</b>	<b>1,205</b>	<b>+0.8%</b>	<b>286</b>	<b>241</b>	<b>-15.6%</b>
<b>International Retail Banking &amp; Financial Services</b>	<b>983</b>	<b>381</b>	<b>-61.2%</b>	<b>203</b>	<b>51</b>	<b>-74.8%</b>
<b>Global Banking and Investor Solutions</b>	<b>1,206</b>	<b>1,918</b>	<b>+59.1%</b>	<b>(184)</b>	<b>407</b>	<b>NM</b>
<b>CORE BUSINESSES</b>	<b>3,385</b>	<b>3,504</b>	<b>+3.5%</b>	<b>304</b>	<b>699</b>	<b>x2.3</b>
<b>Corporate Centre</b>	<b>(1,341)</b>	<b>(812)</b>	<b>+39.4%</b>	<b>(113)</b>	<b>(188)</b>	<b>-66.8%</b>
<b>GROUP</b>	<b>2,044</b>	<b>2,692</b>	<b>+31.7%</b>	<b>191</b>	<b>511</b>	<b>x2.7</b>

## CONSOLIDATED BALANCE SHEET

<i>Assets (in billions of euros)</i>	<b>31 December 2014</b>	31 December 2013*	% change
Cash, due from central banks	57.1	66.6	-14%
Financial assets measured at fair value through profit and loss	530.5	479.1	+11%
Hedging derivatives	19.4	11.5	+69%
Available-for-sale financial assets	143.7	130.2	+10%
Due from banks	80.7	75.4	+7%
Customer loans	344.4	332.7	+4%
Lease financing and similar agreements	26.0	27.7	-6%
Revaluation differences on portfolios hedged against interest rate risk	3.4	3.0	+12%
Held-to-maturity financial assets	4.4	1.0	x 4,4
Tax assets	7.4	7.3	+2%
Other assets	65.2	54.2	+20%
Non-current assets held for sale	0.9	0.1	x 8,7
Investments in subsidiaries and affiliates accounted for by equity method	2.8	2.8	-0%
Tangible and intangible fixed assets	17.9	17.6	+2%
Goodwill	4.3	5.0	-13%
<b>Total</b>	<b>1,308.2</b>	1,214.2	8%

<i>Liabilities (in billions of euros)</i>	<b>31 December 2014</b>	31 December 2013*	% change
Due to central banks	4.6	3.6	+28%
Financial liabilities measured at fair value through profit and loss	480.3	425.8	+13%
Hedging derivatives	10.9	9.8	+11%
Due to banks	91.3	86.8	+5%
Customer deposits	349.7	334.2	+5%
Securitised debt payables	108.7	138.4	-21%
Revaluation differences on portfolios hedged against interest rate risk	10.2	3.7	x 2,7
Tax liabilities	1.4	1.6	-12%
Other liabilities	75.1	53.5	+40%
Non-current liabilities held for sale	0.5	0.0	NM
Underwriting reserves of insurance companies	103.3	91.5	+13%
Provisions	4.5	3.8	+18%
Subordinated debt	8.8	7.5	+18%
Shareholders' equity	55.2	50.9	+8%
Non controlling Interests	3.6	3.1	+18%
<b>Total</b>	<b>1,308.2</b>	1,214.2	8%

\* Amounts restated in relation to the financial statements published in 2013, following the retrospective implementation of IFRS 10 and 11.

## 10 - APPENDIX 2: METHODOLOGY

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### 1- The Group's consolidated results as at December 31st, 2014 were examined by the Board of Directors on February 11th, 2015.

The financial information presented in respect of the 2014 financial year has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and have not been audited. The audit procedures carried out by the Statutory Auditors on the consolidated financial statements are in progress.

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

For financial communication purposes, data relating to the subsidiary Lyxor were reclassified in 2013 within the Global Banking & Investor Solutions division in Asset and Wealth Management, this change only actually taking effect at the beginning of 2014.

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

As from January 1st, 2014, the allocation of capital to the different businesses is based on 10% of risk-weighted assets at the beginning of the period, vs. 9% previously. The published quarterly data related to allocated capital have been adjusted accordingly. At the same time, the normative capital remuneration rate has been adjusted for a neutral combined effect on the businesses' historical revenues.

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

- (i) deeply subordinated notes (EUR -119 million in respect of Q4 14 and EUR -413 million for 2014),
- (ii) undated subordinated notes recognised as shareholders' equity (EUR -2 million in respect of Q4 14 and EUR -7 million in 2014).

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

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

**5- The Societe Generale Group's Common Equity Tier 1 capital** is calculated in accordance with applicable CRR/CRD4 rules. The **solvency ratios** are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise.

**6- The Group's ROTE** is calculated on the basis of tangible capital, i.e. excluding cumulative average book capital (Group share), average net goodwill in the assets and underlying average goodwill relating to shareholdings in companies accounted for by the equity method. The net income used to calculate ROTE is based on Group net income excluding interest, interest net of tax on deeply subordinated notes for the

period (including issuance fees paid, for the period, to external parties and the discount charge related to the issue premium for deeply subordinated notes) and interest net of tax on undated subordinated notes recognised as shareholders' equity for the current period (including issuance fees paid, for the period, to external parties and the discount charge related to the issue premium for undated subordinated notes).

## 7- Funded balance sheet, loan/deposit ratio, liquidity reserve

The **funded balance sheet** gives a representation of the Group's balance sheet excluding the contribution of insurance subsidiaries and after netting derivatives, repurchase agreements and accruals.

At December 31st, 2014, the IFRS balance sheet excluding the assets and liabilities of insurance subsidiaries, after netting repurchase agreements and securities lending/borrowing, derivatives and accruals, has been restated to include:

- a) the reclassification under customer deposits of SG Euro CT outstandings (included in customer repurchase agreements), as well as the share of issues placed by French Retail Banking networks (recorded in medium/long-term financing), and certain transactions carried out with counterparties equivalent to customer deposits (previously included in short-term financing). However, certain transactions equivalent to market resources are deducted from customer deposits and reintegrated in short-term financing. The net amount of transfers from
  - medium/long-term financing to customer deposits amounted to EUR 7bn at December 31st, 2013 and EUR 14bn at December 31st, 2014
  - short-term financing to customer deposits amounted to EUR 11bn at December 31st, 2013 and EUR 27bn at December 31st, 2014
  - repurchase agreements to customer deposits amounted to EUR 3bn at December 31st, 2013 and EUR 2bn at December 31st, 2014
- b) The balance of financing transactions has been allocated to medium/long-term resources and short-term resources based on the maturity of outstandings (more or less than one year). The initial maturity of debts has been used for debts represented by a security.
- c) In assets, the item "customer loans" includes outstanding loans with customers, net of provisions and write-downs, including net lease financing outstandings and transactions at fair value through profit and loss, and excludes financial assets reclassified under loans and receivables in 2008 in accordance with the conditions stipulated by the amendments to IAS 39. These positions have been reclassified in their original lines.
- d) The accounting item "due to central banks" in liabilities has been offset against the item "net central bank deposits" in assets.

The Group's **loan/deposit ratio** is calculated as the ratio between customer loans and customer deposits after the adjustments defined above.

The **liquid asset buffer or liquidity reserve** includes

- a) central bank cash and deposits recognised for the calculation of the liquidity buffer for the LCR ratio.
- b) liquid assets rapidly tradable in the market (High Quality Liquid Assets or HQLA), unencumbered net of haircuts, as included in the liquidity buffer for the LCR ratio.
- c) central bank eligible assets, unencumbered net of haircuts.

At December 31st, 2014, the funded balance sheet was as follows:

In EUR bn	ASSETS		LIABILITIES	
	DEC. 14	DEC. 14	DEC. 14	
Net central bank deposits	54	58	58	Short term issuance
Interbank loans	34			
Client related trading assets	86	19	19	Other
Securities	68	136	136	Medium/Long term resources
			25	<i>o.w. LT debt with a remaining maturity below 1 year</i>
Customer loans	369	377	377	Customer deposits
Long term assets	35	56	56	Equity
<b>Total assets</b>	<b>647</b>	<b>647</b>	<b>647</b>	<b>Total liabilities</b>

As a reminder, at December 31st, 2013, the funded balance sheet, adjusted for the effects of the retrospective implementation of IFRS 10 and 11 was as follows:

In EUR bn	ASSETS		LIABILITIES	
	DEC. 13	DEC. 13	DEC. 13	
Net Central bank deposits	63	96	96	Short term issuance
Interbank loans	31			
Client related trading assets	80	1	1	Other
Securities	59	138	138	Medium/Long term resources
			24	<i>o.w. LT debt with a remaining maturity below 1 year</i>
Customer loans	357	338	338	Customer deposits
Long term assets	35	52	52	Equity
<b>Total assets</b>	<b>625</b>	<b>625</b>	<b>625</b>	<b>Total liabilities</b>

The Group's **loan/deposit ratio** is calculated as the ratio between customer loans and customer deposits defined accordingly, or 98% at December 31st, 2014 and 106% at December 31st, 2013.

The **liquid asset buffer or liquidity reserve** includes

- d) central bank cash and deposits recognised for the calculation of the liquidity buffer for the LCR ratio.
- e) liquid assets rapidly tradable in the market (High Quality Liquid Assets or HQLA), unencumbered net of haircuts, as included in the liquidity buffer for the LCR ratio.
- f) central bank eligible assets, unencumbered net of haircuts. Central bank cash balances, excluding mandatory reserves.

The implementation of IFRS 10 and 11 resulted in no variation in the liquidity reserve in respect of 2013. In Q4 14, the liquidity reserve included EUR 48 billion in respect of central bank deposits, EUR 75 billion of HQLA securities and EUR 24 billion of central bank eligible assets (respectively EUR 60 billion, EUR 78 billion and EUR 35 billion in Q4 13).

## 8 – Non-economic items and restatements

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

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

2013	Net banking income	Operating expenses	Others	Cost of risk	Group net income
Revaluation of own financial liabilities*	(1,594)				(1,045) Corporate Centre
Accounting impact of DVA*	85				56 Group
Accounting impact of CVA**	(208)				(136) Group
Provision for disputes				(400)	(400) Corporate Centre
Capital gain on NSGB disposal			417		377 Corporate Centre
Adjustment on TCW disposal			24		21 Corporate Centre
Impairment & capital losses			(8)		(8) Corporate Centre
Capital gain on disposal of Private banking subsidiary			166		126 Corporate Centre
Capital gain on Piraeus stake disposal	33				21 Corporate Centre
Impairment & capital losses			(50)		(50) Global Banking and Investor Solutions
Impairment & capital losses			(131)		(131) Global Banking and Investor Solutions
Impact of transaction with European Commission		(446)			(446) Global Banking and Investor Solutions
Legacy assets	150	(64)		(382)	(210) Global Banking and Investor Solutions
<b>TOTAL</b>	<b>(1,534)</b>				<b>(1,825) Group</b>
2014	Net banking income	Operating expenses	Others	Cost of risk	Group net income
Revaluation of own financial liabilities*	(139)				(91) Corporate Centre
Accounting impact of DVA*	38				25 Group
Accounting impact of CVA**	(7)				(5) Group
Provision for disputes				(400)	(400) Corporate Centre
Badwill Newedge			194		194 Corporate Centre
Capital gain on disposal of Private banking subsidiary	(12)	(25)	141		102 Corporate Centre
Impairment & capital losses			(525)		(525) International Retail Banking and Financial Services
Impact withdrawal from consumer finance activity in Brazil			(200)		(200) International Retail Banking and Financial Services
<b>TOTAL</b>	<b>(120)</b>				<b>(900) Group</b>

\* Non-economic items

Similarly, data relating to Q4 13 and Q4 14 are given below:

Q4 13	Net banking income	Operating expenses	Others	Cost of risk	Group net income
Revaluation of own financial liabilities*	(379)				(249) Corporate Centre
Accounting impact of DVA*	(18)				(12) Group
Accounting impact of CVA**	92				60 Group
Capital gain on disposal of Private banking subsidiary			166		126 Corporate Centre
Impairment & capital losses			(50)		(50) Corporate Centre
Impairment & capital losses			(131)		(131) Global Banking and Investor Solutions
Impact of transaction with European Commission		(446)			(446) Global Banking and Investor Solutions
Legacy assets	16	(13)		(62)	(41) Global Banking and Investor Solutions
<b>TOTAL</b>	<b>(289)</b>				<b>(742) Group</b>

Q4 14	Net banking income	Operating expenses	Others	Cost of risk	Group net income
Revaluation of own financial liabilities*	44				29 Corporate Centre
Accounting impact of DVA*	33				22 Group
Accounting impact of CVA**	(63)				(41) Group
Provision for disputes				(200)	(200) Corporate Centre
Capital gain on disposal of Private banking subsidiary	(12)	(25)	141		102 Corporate Centre
Badwill Newedge			(16)		(16) Corporate Centre
Impact withdrawal from consumer finance activity in Brazil			(200)		(200) International Retail Banking and Financial Services
<b>TOTAL</b>	<b>2</b>				<b>(305) Group</b>

\* Non-economic items

**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](http://www.societegenerale.com) in the "Investor" section.

## 11 - QUARTERLY SERIES

<i>(in millions of euros)</i>	Q1 13	Q2 13	Q3 13	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014
<b>French Retail Banking</b>										
Net banking income	2,070	2,119	2,086	2,161	8,437	2,073	2,066	2,019	2,117	8,275
Operating expenses	-1,335	-1,322	-1,316	-1,385	-5,358	-1,329	-1,288	-1,304	-1,435	-5,356
<i>Gross operating income</i>	735	798	770	776	3,079	744	778	715	682	2,919
Net cost of risk	-323	-295	-293	-346	-1,258	-232	-269	-237	-303	-1,041
<i>Operating income</i>	412	502	477	430	1,821	512	509	478	379	1,878
Net income from other assets	-1	0	0	2	2	-5	1	-6	-11	-21
Net income from companies accounted for by the equity method	8	10	9	11	37	10	12	13	10	45
Income tax	-148	-181	-171	-156	-656	-193	-194	-179	-138	-704
<i>Net income</i>	271	331	314	287	1,203	324	328	306	240	1,198
O.w. non controlling interests	4	1	0	2	7	1	-8	1	-1	-7
<i>Group net income</i>	267	329	314	286	1,196	323	336	305	241	1,205
Average allocated capital	9,649	9,648	9,575	9,626	9,625	10,185	10,143	9,909	9,616	9,963
<i>(in millions of euros)</i>	<b>Q1 13</b>	<b>Q2 13</b>	<b>Q3 13</b>	<b>Q4 13</b>	<b>2013</b>	<b>Q1 14</b>	<b>Q2 14</b>	<b>Q3 14</b>	<b>Q4 14</b>	<b>2014</b>
<b>International Retail Banking &amp; Financial Services</b>										
Net banking income	1,932	1,929	1,911	1,990	7,762	1,818	1,889	1,900	1,849	7,456
Operating expenses	-1,113	-1,095	-1,065	-1,094	-4,367	-1,057	-1,062	-1,068	-1,092	-4,279
<i>Gross operating income</i>	819	834	845	897	3,395	761	827	832	757	3,177
Net cost of risk	-406	-409	-383	-636	-1,835	-378	-312	-378	-374	-1,442
<i>Operating income</i>	413	425	462	260	1,560	383	515	454	383	1,735
Net income from other assets	3	-1	0	4	6	3	0	-1	-200	-198
Net income from companies accounted for by the equity method	9	6	6	10	31	8	10	13	19	50
Impairment losses on goodwill	0	0	0	0	0	-525	0	0	0	-525
Income tax	-113	-116	-128	-81	-438	-106	-138	-122	-101	-467
<i>Net income</i>	312	314	340	194	1,160	-237	387	344	101	595
O.w. non controlling interests	56	72	58	-9	177	47	69	48	50	214
<i>Group net income</i>	256	242	282	203	983	-284	318	296	51	381
Average allocated capital	10,938	10,510	10,380	10,220	10,512	10,141	10,011	10,269	10,344	10,190



<i>(in millions of euros)</i>	Q1 13	Q2 13	Q3 13	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014
<b>o.w. International Retail Banking</b>										
Net banking income	1,478	1,450	1,418	1,490	5,836	1,332	1,376	1,391	1,345	5,444
Operating expenses	-869	-846	-823	-842	-3,380	-805	-811	-808	-820	-3,244
Gross operating income	610	604	594	648	2,456	527	565	583	525	2,200
Net cost of risk	-377	-378	-356	-629	-1,740	-367	-291	-355	-342	-1,355
Operating income	233	226	239	18	716	160	274	228	183	845
Net income from other assets	3	0	0	5	7	3	0	-1	-200	-198
Net income from companies accounted for by the equity method	3	2	3	2	9	4	3	4	3	14
Impairment losses on goodwill	0	0	0	0	0	-525	0	0	0	-525
Income tax	-57	-54	-57	-6	-174	-38	-63	-52	-41	-194
Net income	182	174	184	19	558	-396	214	179	-55	-58
O.w. non controlling interests	57	65	62	-14	170	47	70	48	51	216
Group net income	125	108	122	33	388	-443	144	131	-106	-274
Average allocated capital	7,118	6,655	6,543	6,420	6,684	6,537	6,495	6,637	6,589	6,563
<b>o.w. Financial Services to Corporates and Insurance</b>										
Net banking income	479	499	520	543	2,042	526	546	546	545	2,163
Operating expenses	-232	-237	-238	-248	-956	-245	-252	-257	-263	-1,017
Gross operating income	247	262	282	296	1,086	281	294	289	282	1,146
Net cost of risk	-24	-25	-28	-26	-103	-21	-20	-23	-24	-88
Operating income	223	237	254	270	983	260	274	266	258	1,058
Net income from other assets	0	-1	0	0	-1	0	0	0	0	0
Net income from companies accounted for by the equity method	6	5	3	10	25	5	6	10	16	37
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	-71	-75	-81	-84	-311	-82	-88	-84	-82	-336
Net income	158	166	176	196	696	183	192	192	192	759
O.w. non controlling interests	2	2	2	2	7	2	1	2	1	6
Group net income	157	164	175	194	689	181	191	190	191	753
Average allocated capital	3,612	3,639	3,624	3,613	3,622	3,457	3,398	3,522	3,650	3,507
<b>o.w. Insurance</b>										
Net banking income	182	185	187	195	750	192	195	198	201	786
Operating expenses	-67	-69	-71	-72	-280	-73	-73	-78	-77	-301
Gross operating income	116	116	116	123	470	119	122	120	124	485
Net cost of risk	0	0	0	0	0	0	0	0	0	0
Operating income	116	116	116	123	470	119	122	120	124	485
Net income from other assets	0	0	0	0	0	0	0	0	0	0
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	0	0
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	-37	-37	-37	-39	-150	-38	-39	-38	-40	-155
Net income	79	79	79	84	320	81	83	82	84	330
O.w. non controlling interests	0	0	0	1	2	0	1	0	0	1
Group net income	78	78	78	83	318	81	82	82	84	329
Average allocated capital	1,455	1,491	1,502	1,517	1,491	1,529	1,533	1,587	1,614	1,566
<b>o.w. Financial Services to Corporates</b>										
Net banking income	297	314	332	348	1,292	334	351	348	344	1,377
Operating expenses	-166	-168	-167	-175	-676	-172	-179	-179	-186	-716
Gross operating income	131	146	166	173	616	162	172	169	158	661
Net cost of risk	-24	-25	-28	-26	-103	-21	-20	-23	-24	-88
Operating income	107	121	138	147	513	141	152	146	134	573
Net income from other assets	0	-1	0	0	-1	0	0	0	0	0
Net income from companies accounted for by the equity method	6	5	3	10	25	5	6	10	16	37
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	-34	-38	-44	-46	-161	-44	-49	-46	-42	-181
Net income	80	87	98	112	376	102	109	110	108	429
O.w. non controlling interests	1	1	1	1	5	2	0	2	1	5
Group net income	78	86	96	111	371	100	109	108	107	424
Average allocated capital	2,157	2,149	2,122	2,096	2,131	1,928	1,866	1,935	2,037	1,941
<b>o.w. other</b>										
Net banking income	-26	-20	-27	-43	-116	-40	-33	-37	-41	-151
Operating expenses	-11	-12	-4	-4	-31	-7	1	-3	-9	-18
Gross operating income	-37	-32	-31	-47	-147	-47	-32	-40	-50	-169
Net cost of risk	-5	-6	1	19	8	10	-1	0	-8	1
Operating income	-42	-38	-30	-28	-139	-37	-33	-40	-58	-168
Net income from other assets	0	0	0	0	0	0	0	0	0	0
Net income from companies accounted for by the equity method	0	-1	0	-2	-3	-1	1	-1	0	-1
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	15	13	10	10	48	14	13	14	22	63
Net income	-28	-26	-20	-21	-94	-24	-19	-27	-36	-106
O.w. non controlling interests	-3	5	-5	3	0	-2	-2	-2	-2	-8
Group net income	-25	-30	-15	-24	-94	-22	-17	-25	-34	-98
Average allocated capital	208	215	214	187	206	146	118	110	105	120

<i>(in millions of euros)</i>	Q1 13	Q2 13	Q3 13	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014
<b>Global Banking and Investor Solutions</b>										
Net banking income	2,266	2,093	2,076	1,947	8,382	2,127	2,295	2,115	2,189	8,726
Operating expenses	-1,469	-1,352	-1,421	-1,831	-6,073	-1,465	-1,568	-1,554	-1,698	-6,285
Gross operating income	797	741	655	115	2,308	662	727	561	491	2,441
Net cost of risk	-71	-185	-230	-60	-546	-54	28	-27	-28	-81
Operating income	726	556	425	55	1,762	608	755	534	463	2,360
Net income from other assets	5	0	0	-1	4	0	-5	0	0	-5
Net income from companies accounted for by the equity method	29	29	20	-110	-32	25	19	28	26	98
Impairment losses on goodwill	0	0	0	-50	-50	0	0	0	0	0
Income tax	-189	-124	-74	-76	-462	-149	-180	-112	-78	-519
Net income	571	461	371	-181	1,222	484	589	450	411	1,934
O.w. non controlling interests	4	5	4	3	16	3	4	5	4	16
Group net income	567	456	366	-184	1,206	481	585	445	407	1,918
Average allocated capital	15,598	15,797	14,356	13,214	14,742	12,440	12,772	13,326	13,701	13,060
<b>o.w. Global Markets</b>										
Net banking income	1,373	1,241	1,200	1,055	4,868	1,243	1,215	1,050	1,113	4,621
o.w. Equities	629	621	621	646	2,519	688	538	465	689	2,380
o.w. FICC	744	620	578	408	2,350	556	676	585	425	2,242
Operating expenses	-808	-703	-783	-1,081	-3,374	-799	-743	-703	-806	-3,051
Gross operating income	565	539	417	-27	1,494	444	472	347	307	1,570
Net cost of risk	-31	-133	-151	-65	-381	-10	6	-23	-9	-36
Operating income	534	405	266	-92	1,113	434	478	324	298	1,534
Net income from other assets	0	0	0	0	0	1	-1	0	0	0
Net income from companies accounted for by the equity method	0	0	0	1	1	0	0	0	0	0
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	-153	-104	-55	-90	-401	-116	-126	-77	-80	-399
Net income	381	302	211	-181	713	319	351	247	218	1,135
O.w. non controlling interests	4	3	4	2	13	3	2	3	3	11
Group net income	378	298	206	-182	700	316	349	244	215	1,124
Average allocated capital	10,280	10,017	8,717	7,662	9,169	7,149	7,262	7,000	6,992	7,101
<b>o.w. Financing and Advisory</b>										
Net banking income	475	402	443	477	1,797	455	532	509	524	2,020
Operating expenses	-308	-277	-286	-345	-1,216	-304	-307	-323	-344	-1,278
Gross operating income	167	125	156	132	581	151	225	186	180	742
Net cost of risk	-43	-47	-61	13	-138	-43	24	-4	-20	-43
Operating income	124	78	96	145	443	108	249	182	160	699
Net income from other assets	3	0	0	0	3	0	-8	-1	-1	-10
Net income from companies accounted for by the equity method	0	0	0	0	0	0	-1	1	0	0
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	-19	-1	-4	10	-14	-14	-48	-29	4	-87
Net income	109	77	92	155	432	94	192	153	163	602
O.w. non controlling interests	0	1	0	1	2	1	-1	2	-1	1
Group net income	109	76	92	154	430	93	193	151	164	601
Average allocated capital	3,460	3,531	3,435	3,272	3,425	3,480	3,727	4,061	4,273	3,886
<b>o.w. Securities Services and Brokerage</b>										
Net banking income	155	177	153	159	644	168	290	283	306	1,047
Operating expenses	-148	-155	-151	-187	-641	-158	-314	-306	-309	-1,087
Gross operating income	7	22	2	-28	3	10	-24	-23	-3	-40
Net cost of risk	-1	0	0	0	0	0	-1	2	3	4
Operating income	6	23	2	-28	3	10	-25	-21	0	-36
Net income from other assets	1	0	0	0	1	-1	1	0	2	2
Net income from companies accounted for by the equity method	0	-1	-3	-144	-148	-2	0	0	2	0
Impairment losses on goodwill	0	0	0	-50	-50	0	0	0	0	0
Income tax	-3	-8	-1	11	0	-5	11	8	-1	13
Net income	5	13	-2	-211	-194	2	-13	-13	3	-21
O.w. non controlling interests	0	0	0	0	1	-2	3	0	1	2
Group net income	5	13	-2	-211	-195	4	-16	-13	2	-23
Average allocated capital	836	1,244	1,199	1,275	1,139	781	733	1,268	1,412	1,048
<b>o.w. Asset &amp; Wealth Management</b>										
Net banking income	264	272	281	255	1,072	261	258	273	246	1,038
o.w. Lyxor	50	38	47	52	186	48	50	49	55	202
o.w. Private banking	205	231	227	195	858	207	201	219	188	815
o.w. other	8	4	7	8	28	6	7	5	3	21
Operating expenses	-206	-217	-201	-218	-842	-204	-204	-222	-239	-869
Gross operating income	58	55	79	38	230	57	54	51	7	169
Net cost of risk	4	-5	-19	-7	-27	-1	-1	-2	-2	-6
Operating income	62	50	61	30	203	56	53	49	5	163
Net income from other assets	0	0	0	0	0	0	3	1	-1	3
Net income from companies accounted for by the equity method	28	30	23	33	114	27	20	27	24	98
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	-14	-11	-14	-8	-47	-14	-17	-14	-1	-46
Net income	76	69	70	56	271	69	59	63	27	218
O.w. non controlling interests	0	0	0	0	0	1	0	0	1	2
Group net income	76	69	70	56	271	68	59	63	26	216
Average allocated capital	1,023	1,005	1,006	1,004	1,009	1,029	1,050	998	1,023	1,025

<i>(in millions of euros)</i>	Q1 13	Q2 13	Q3 13	Q4 13	2013	Q1 14	Q2 14	Q3 14	Q4 14	2014
<b>Corporate Centre</b>										
Net banking income	-1,287	-21	-437	-402	-2,147	-342	-357	-165	-32	-896
o.w. financial liabilities	-1,045	53	-223	-379	-1,594	-158	-21	-4	44	-139
Operating expenses	-55	-44	-55	-95	-249	-24	21	-55	-38	-96
Gross operating income	-1,342	-65	-492	-497	-2,396	-366	-336	-220	-70	-992
Net cost of risk	-127	-96	-186	-2	-411	-3	-199	0	-201	-403
Operating income	-1,469	-161	-679	-499	-2,807	-369	-535	-220	-271	-1,395
Net income from other assets	441	1	-7	128	563	0	206	0	127	333
Net income from companies accounted for by the equity method	4	2	10	9	26	10	8	-15	17	20
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	331	123	280	294	1,028	177	132	39	-42	306
Net income	-692	-36	-395	-68	-1,191	-182	-189	-196	-169	-736
O.w. non controlling interests	34	38	33	45	150	23	20	14	19	76
Group net income	-727	-73	-428	-113	-1,341	-205	-209	-210	-188	-812
<b>Group</b>										
Net banking income	4,981	6,120	5,636	5,696	22,433	5,676	5,893	5,869	6,123	23,561
Operating expenses	-3,971	-3,813	-3,858	-4,405	-16,047	-3,875	-3,897	-3,981	-4,263	-16,016
Gross operating income	1,010	2,307	1,778	1,291	6,386	1,801	1,996	1,888	1,860	7,545
Net cost of risk	-927	-985	-1,093	-1,045	-4,050	-667	-752	-642	-906	-2,967
Operating income	83	1,322	685	246	2,336	1,134	1,244	1,246	954	4,578
Net income from other assets	448	0	-7	134	575	-2	202	-7	-84	109
Net income from companies accounted for by the equity method	50	46	45	-80	61	53	49	39	72	213
Impairment losses on goodwill	0	0	0	-50	-50	-525	0	0	0	-525
Income tax	-119	-298	-93	-18	-528	-271	-380	-374	-359	-1,384
Net income	462	1,070	630	232	2,394	389	1,115	904	583	2,991
O.w. non controlling interests	98	115	96	41	350	74	85	68	72	299
Group net income	364	955	534	191	2,044	315	1,030	836	511	2,692
Average allocated capital	41,298	41,761	42,283	42,375	41,929	42,274	42,253	42,909	43,236	42,665
Group ROE (after tax)	2.8%	8.4%	4.3%	2.1%	4.4%	2.2%	8.8%	6.8%	3.6%	5.3%

## 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 148,000 employees, based in 76 countries, it accompanies 32 million clients throughout the world on a daily basis. Societe Generale's teams offer advice and tailor-made financial solutions to individual, corporate and institutional customers in three complementary core businesses:

- **Retail banking in France** with the Societe Generale branch network, Cr dit du Nord and Boursorama, offering a comprehensive range of multichannel financial services at the leading edge of digital innovation.
- **International retail banking, financial services and insurance** with a presence in emerging 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: FTSE4Good (Global and Europe), Euronext Vigeo (Global, Europe, Eurozone and France), Ethibel's ESI Excellence (Europe) and 4 of the STOXX ESG Leaders indices.

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