

Highlights of Frédéric Oudéa's message

“IN 2015, SOCIETE GENERALE SHOULD BE AT THE HEAD OF THE PACK AMONG EUROPEAN BANKS”

The Ordinary General Meeting of the Societe Generale Group was held on Wednesday 22 May at La Défense. Standing before more than 800 shareholders, and surrounded by the Deputy Chief Executive officers, Frédéric Oudéa took stock of the Group's transformation strategy and outlook for 2015. In addition to presenting the results, Management offered to shed some light on developments in the retail banking activity. Anthony Wyand, Vice-Chairman of the Board of Directors, sketched an overview of one year's governance, and Jean Martin Folz, Chairman of the Compensation Committee, presented the remuneration policy for corporate officers.

Following a Q&A with the shareholders, the 9 resolutions submitted to the Meeting were adopted (the quorum stood at 56.13%). A dividend of €0.45 will be paid out as from 24 June, in respect of the 2012 fiscal year. An option to receive payment of the dividend in shares may be exercised



Phase One of the Transformation: objectives achieved

In summer 2011, the euro zone was hit by a severe crisis of confidence. We responded by presenting an adaptation plan aimed at stepping up the transformation of Societe Generale. The goal of the initiatives carried

out was to strengthen our balance sheet, lower our dependence on market funding, and reduce our risk profile.

To this end, the Group sold €35 billion in Corporate and Investment Banking assets between June 2011 and the end of 2012, in addition to the disposals of TCW (US asset management subsidiary) and NSGB (Egyptian subsidiary).

Combined with our results, these capital enhancement initiatives brought the Group's Basel III Core Tier 1 capital adequacy ratio to 8.7% at the end of March 2013.

We also reiterated to the market that this ratio would be close to 9.5% by the end of 2013. And in line with our commitments, we are also in a position to begin paying out a dividend again.

Another key factor in strengthening the balance sheet is liquidity, which is used by the bank to fund loans.

The measures taken by the European Central Bank have certainly made this effort easier, but the Group has also applied its own strict discipline in terms of deposit inflows, which increased by €16 billion last year, boosting our liquidity ratio above the minimum regulatory target.

The Bank's risk profile has also been reduced. Currently down to under €3 billion, the portfolio of non-investment grade legacy assets will be further whittled down with no material impact on the accounts. Furthermore, our exposure to high-risk euro zone sovereign debt is less than €2 billion and the Greek subsidiary Geniki has been sold.

The third pillar of our plan, namely the transformation of our businesses, focused initially on Corporate and Investment Banking as it is the most affected by the regulatory changes in progress. In order to refocus this activity on its positions of leadership and expertise, a job protection plan and asset disposal plan were necessary. In other businesses, all the projects implemented generated total savings of €550 million in operating expenses in 2012, with no impact on our capacity to offer added value to our customers.

A challenging environment, but a solid full-service banking model

Although the most extreme scenarios concerning the euro zone were averted, the environment in which we will be operating in the coming years promises to be tough, heralding major changes for the banking industry. A number of European economies will have to continue their efforts, growth is likely to be weak, and global geopolitical risks persist. Furthermore, there is not a single

area of the regulatory landscape that is not in the process of changing.

Further down the road, the central banks are likely to turn off the liquidity tap, creating another source of uncertainty.

Against this backdrop, we believe in our full-service banking model, which embraces Retail Banking businesses - enabling individual and corporate customers alike to achieve large-scale projects - and Corporate and Investment Banking businesses, tailored to large corporates and international investors. This model has solidly withstood the crisis. And it is appropriate for the new regulations, which are ultimately expected to shift our system for funding the economy to a model in which market mechanisms play a greater role than in the past.

While remaining realistic, this model has to be robust and generate recurring results; hence our target return-on-equity (ROE) of 10% by the end of 2015.

It must also be balanced in its exposure not only to mature euro zone countries, where we already know that growth will be weak, but also to more dynamic countries in transition.

Finally, full-service banking, which generates synergies and higher added value, has proven beneficial for our customers. It will therefore remain our strategic focus.

Looking ahead to 2015

Now that Phase One is a success, the transformation of Societe Generale must forge ahead. We must continue adapting our businesses to a changing environment. Corporate and Investment Banking must take advantage of the development of disintermediation and support businesses in Europe. It is time for governments, regulators and the European banking industry to work together in order to build the effective financial services that are necessary for growth. This is why we support the banking union project, which can lead to the development of efficient capital markets capable of funding the economy on the back of solid banks. The retail banking market in France is still attractive and we have to provide added value for our customers, particularly in the interest of wealth preservation.

Meanwhile, International Retail Banking must continue supporting the development of economies in transition.

Restructuring is also a part of the Group's transformation. Our top goal is to develop synergies that will benefit our customers. Ultimately, our five business divisions will be replaced by three pillars. Another objective is to adapt our cost structure to today's weak economic environment and historically low interest rates. We are aiming for additional savings of €900 million between 2013 and 2015.

This project was presented to Management and union representatives and should be effective as of 1 January 2014. It will be overseen in conjunction with the union organisations and we will prioritise internal mobility as much as possible. Of course, it will not have an impact on the quality of our services, and we will continue to make investments where needed.

Our objective is for Societe Generale to be at the head of the pack among European banks by the end of 2015. We will detail our strategy for achieving this objective to investors in early 2014. In a financial sector subject to so many pressures, it is rare to find companies like ours that can count on franchises and customer relations of such high quality and such dedicated teams. We are therefore confident going forward.

APPOINTMENT



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Alexandra SCHAAPVELD
A Dutch national,
Alexandra Schaapveld
has held management
positions at several
European banks

such as ABN Amro and Royal Bank of Scotland, where she was recently Head of Investment Banking for Western Europe. Alexandra is currently a member of several supervisory boards, including the supervisory board of FMO, a Dutch development bank, Vallourec and Malaysian oil services provider Bumi Armada. With 98.63% of the vote, she will serve as an Independent Director.

Q&A WITH THE SHAREHOLD



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Why are the markets still so tough on Societe Generale?

Looking at the stock market, the Societe Generale share has benefited significantly from the rebound in the banking sector since 2012. However, banks in Europe are still relatively undervalued, due in large part to regulatory uncertainties. Even so, the Group's share has outperformed the Eurostoxx index year-to-date. Now it is important to focus on continuing our transformation. In our view, the prospect of 10% ROE by the end of 2015 has not been priced in by the market yet. If we complete our transformation plan, the share price should finally reflect it.

Several foreign subsidiaries were sold last year. Are more disposals being planned?

It is true that we made the decision to carry out a number of disposals, both efficiently and expeditiously. This programme is nearing its end, however. In the next few years, we will continue to refine the Group's balance sheet through deposit inflows and, to a marginal extent, we will be able to reduce our exposure to capital- and liquidity-intensive activities. Whatever the case, the

integrity of our full-service banking model will be preserved.

Given the current regulatory constraints and profitability of competing banks, is the 10% target ROE within reach?

We firmly believe that targeting an ROE of 10% by the end of 2015 is a realistic ambition for a European bank. Admittedly, it is lower than that of emerging or US banks, which can count on stronger growth in the coming years. We have to take into account the lower growth forecast for Europe as well as the regulatory changes in progress. Under the circumstances, we believe 10% is appropriate.

Societe Generale is in the middle of a cost-cutting process. Could this have an impact on customer satisfaction?

Customer satisfaction is the very heart of our strategy. We are making every effort to ensure that our cost-cutting initiatives do not adversely affect our customers. Actually, in retail banking, the multi-channel approach can be both more effective and more economical. This allows the branches to refocus on high value-added services.

We are also providing a lot of training in this area. Cost-cutting is not necessarily synonymous with poorer quality of service.

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How does Societe Generale, with its strong presence in Europe, see the potential of emerging markets such as Latin America and the Asia-Pacific region? The Group appears to have little exposure to these markets. Does it have plans to increase its presence there?

Our online service have been recognised by various surveys, including the “Médaille

ERS



d'Or" award from Qualiweb. In 2012, the landscape changed again: in less than three years mobile devices became the leading method of contact. Every month, 1.1 unique customers use our mobile services.

This acceleration in changing behaviours has forced us to adapt our model. Today, the advent of these easy and direct means of contact have reduced the need for proximity, while increasing the level of expertise expected from the branches. This is the goal of the strategy currently being rolled out on a 2020 horizon.

It is important to keep in mind that there are many obstacles for the retail banking business in these countries. Sometimes, national regulations are restrictive: in India and China, for example, a foreign shareholder cannot hold a stake of more than 5% or 20% in a bank. Many foreign banks that have purchased stakes in Chinese institutions are now selling them. They may have been good financial investments, but not necessarily good strategic investments.

In China, we decided to take an organic growth approach and to open branches. Our activities are doing well: so far this year we have already generated a business

volume equivalent to that of full year 2009. However, caution is the watchword on these markets, whose risks cannot be overlooked.

In Latin America, take the example of its largest country, Brazil: in the hands of the local banks, the banking market is already very consolidated. Establishing operations there without being able to make a difference would hardly create added value. And taking over a major Brazilian bank would be very expensive for a European institution.

Consequently, our ambition in these regions leans more toward developing corporate and investment banking tailored to large corporates, or specialised activities in which we can take a firm lead. We will go into further detail on these ambitions in early 2014.

Can we expect to see Societe Generale and Crédit du Nord offer any joint services?

While it does belong to the Group's French networks, as does our online broker Boursorama, Crédit du Nord holds broad commercial autonomy. Each of our brands cultivates its own specific

services, given that the market segments targeted are different. As a result, Societe Generale and Crédit du Nord do not offer cross-services. If they did, the identity of each branch would be diminished.

In retail banking, Societe Generale is putting emphasis on alternative methods of contact, outside the branches. Isn't the Group going too fast?

The way customers contact the Bank has changed significantly. In 2007, the Internet was the preferred method of contact. We adapted accordingly.

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Every month, 1.1 million unique customers use our mobile services.

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In Romania, where the Group is present in retail banking, cost of risk has recently climbed. Do you plan to stay there?

From 1999, the year that Societe Generale bought BRD (Banque Roumaine pour le Développement), until 2011, the Bank's experience in Romania was a success story. Our subsidiary has systematically delivered profits and boasted a leading commercial position, with market share ranging from 16% to 20%.

2012, the year the country was beset by the crisis, is an exception. Romania's GDP has yet to return to its 2008 level. BRD, whose cost of risk has indeed increased, generated a loss for the first time. Our response was to lower our costs and keep tighter control of our risks, leading to a decline in cost of risk in the first quarter of 2013. There is thus no reason to call into question our presence in Romania, an important country with a promising outlook.