

LETTER TO SHAREHOLDERS

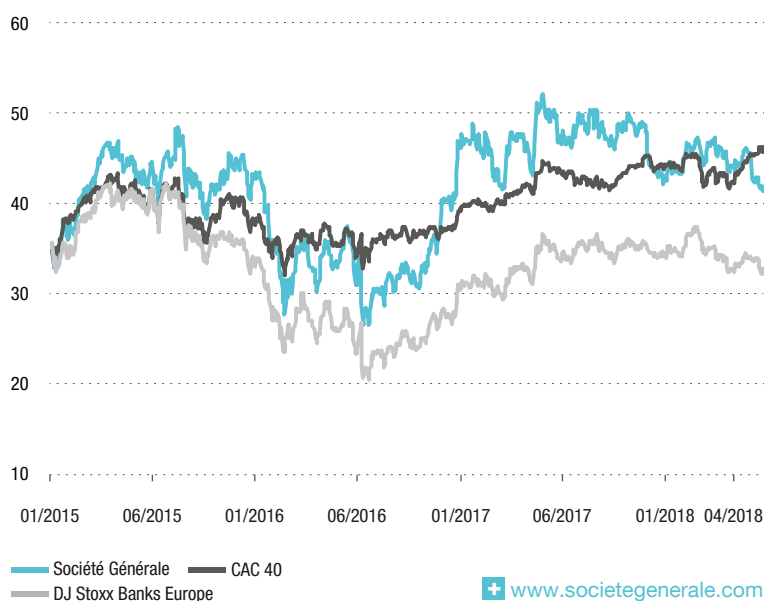
Contents





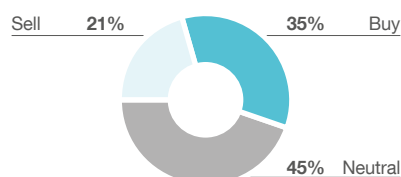
Share Price

Closing price at 23/05/2018: 41,33 €



Analyst Recommendations

Average Bloomberg target price	49 EUR
Low	22 EUR
High	60 EUR



Diary

2 August 2018

Publication of the second quarter 2018 results

8 November 2018

Publication of the third quarter 2018 results

14 November 2018

Meeting with shareholders in Toulon

7 February 2019

Publication of the fourth quarter 2018 and full-year 2018 results

How to contact us?



The "shareholders" app for smartphones and tablet computers



The corporate website:
www.societegenerale.com/mon-espace-actionnaire



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We are committed to maintaining close ties with our shareholders

Dear Shareholders,

On 25 May 2018, the General Personal Data Protection Regulation came into effect. Protecting the confidentiality of our customers' data is an essential part of our banking profession. In the digital era, this is more crucial than ever.

For Societe Generale Group, the introduction of this new regulation is an opportunity to strengthen our role as a trusted third party.

We will achieve this primarily by providing transparent information on

our use of personal data, continuing to invest in the fight against cybercrime, adapting our processes and regularly training our employees to maintain this culture of data protection.

The trust of our customers and, more broadly, of all our counterparties, is our primary asset. By protecting personal data, we are protecting this asset. And it is now the responsibility of the Data Protection Officer to support the entire organisation in this mission.



Antoine Pichot,
Group Data Protection Officer.

Appointments - Board members



Diane CÔTÉ

Diane has a finance and accounting background and is a graduate of the University of Ottawa. She has been head of risk for the London Stock Exchange Group since 2012 and a member of the Executive Committee.

Between 1992 and 2012, she held high-level positions in auditing, risk and finance in various insurance companies (Prudential, Standard Life, Aviva) in Canada and the United Kingdom.

Prior to that Diane worked as an auditor in Canada. She has been an independent director of the unlisted UK company Novae Syndicates since 2015.



Jérôme CONTAMINE

Jérôme is a graduate of the Ecole Polytechnique, ENSAE and ENA, and has been Chief Financial Officer of SANOFI since 2009 and a member of the Executive Committee.

He previously (2000-2009) served as Chief Financial Officer of Véolia Environnement (formerly Vivendi Environnement). Prior to that he held various operational positions at Total.

Jérôme Contamine was an independent director of the French listed company Valéo from 2006 to 2017.



Societe Generale's Annual General Meeting was held on 23 May 2018 in Paris - La Défense. The quorum was 51.3%.

Lorenzo Bini Smaghi, Chairman of the Board of Directors, opened the meeting by presenting the new General Management team that will support Frédéric Oudéa, Chief Executive Officer, following the departure of Didier Valet on 14 March regarding the management of a specific legal matter in the US (the details of which long preceded his appointment as Deputy CEO at Societe Generale) as well as that of Bernardo Sanchez Incera. This new team comprises four Deputy CEOs - Diony Lebot, Philippe Aymerich, Philippe Heim, and Séverin Cabannes - with varied expertise and complementary career experience.

This change is in line with the Group's aim to better meet its customers' expectations by adopting a simpler and more agile organisational structure.

The Annual General Meeting was an opportunity to present Societe Generale's results and its strategy. After Séverin Cabannes, Deputy CEO, presented the 2017 and Q1 2018 results, Frédéric Oudéa laid out the Group's longer-term strategy. The Group's CSR (Corporate Social Responsibility) strategy, structured around six key priorities, was presented through a film. Gérard Mestrallet, Chairman of the Nomination Committee,

then provided an update on corporate governance, followed by Jean-Bernard Lévy, in his role as Chairman of the Compensation Committee, who presented the Group's policy in this area.

The Annual General Meeting approved all resolutions proposed by the Board of Directors, including the four-year extension of Lorenzo Bini Smaghi's term as Chairman and the appointment of Diane Côté and Jérôme Contamine as new Directors. The company will pay a cash dividend of €2.20 per share for 2017; the dividend will be paid as of 1 June 2018.

A trusted partner for our customers

Solid results in a complicated environment

In 2017, Societe Generale confirmed its strong commercial momentum, generating a 0.5% increase in underlying net banking income. This indicator was affected by an exceptional element - the civil

resolution of the dispute with the Libyan Investment Authority - which led to the recognition of a €963 million expense. Operating expenses included an exceptional item of €390 million for the acceleration of the French networks' transformation. After restatement for this element, underlying operating expenses rose by

1.5% in 2017. Underlying Group net income stood at €4.5 billion, up 8% compared with the previous year, and underlying net earnings per share stood at €5.03.

In French Retail Banking, the year was marked by the acceleration of our transformation plan.

Net banking income for this activity was down 3.2% in 2017: the strong commercial momentum that resulted in an increase in commission income did not fully offset the fall in net interest rate margins due to the low-rate environment. This led to a wave of renegotiations of property loans to individual customers.

International Retail Banking and Financial Services activity benefited from excellent commercial momentum. Net banking income picked up significantly (by 6.6% compared with 2016), with dynamic loan origination, dynamic deposit inflows and a robust performance by insurance activities. The division made a record contribution to Group net income (€2 billion) and a nearly 18% return on equity.

Finally, in Global Banking and Investor Solutions, net banking income was down 4.5% compared with the previous year. Global Markets and Investor Services, while penalised by low volatility, was resilient and gained market share in all regions and asset classes. Financing and Advisory businesses were down slightly, in particular due to a weak demand for hedging activities. Asset and wealth management were down, notably due to our continued international refocusing. Underlying operating expenses were down 2.3% thanks to effective control of costs and of the net cost of risk.



Societe Generale's financial structure remained solid in 2017. The Group's ratios comply with all regulatory requirements, and our payout policy has continued to grow since 2012. The dividend of €2.20 euros was approved.

Contributing to positive transformations in the world

The next ten years will witness a profound industrial transformation. First and foremost, the period will be marked by the continued emergence of new technologies. Moreover, the regulatory framework is particularly strict in Europe.

A third element to consider involves the transformation of our companies, especially with regard to the fight against climate change and the development of new mobilities. We have the capacity to contribute to this effort, for example, by financing renewable energies and by developing clean cars in our vehicle fleets. Finally, the European banking landscape is still developing. This gradual development will offer long-term opportunities.

Societe Generale is historically a French bank; it was established in Europe, where it now earns two thirds of its revenue.

Societe Generale will continue to develop its activities with its close neighbours (Central and Eastern Europe, Russia and Africa): supporting large corporates and institutional investors on the one hand, and retail banking activities on the other.

In the United States and Asia, the Group has decided to concentrate on Global Banking.

It was against this backdrop that the Group defined its long-term vision and its three-year strategic plan.

In line with our original goal of promoting the development of commerce and industry, Societe Generale is committed to contributing to the positive transformations of our economies and our corporate landscape.

Transforming to grow

To generate profitable and sustainable growth, we must remain a trusted partner for our customers, and successfully carry out our digital transformation. The winners in this transformation will be the most agile and reactive companies, and Societe Generale aims to hold a strong position in the coming race among European leaders.

In the shorter term, management has identified five key priorities for the next three years:

- increasing revenue by more than 3% per year from 2016 to 2020,
- continuing the digital transformation,
- maintaining strict cost control,
- completing the group's refocusing,
- reaching the highest standards in terms of conduct and a culture of responsibility.

On this point, the Group has three past disputes to settle*. Two of these (Ibor market indices, Libyan case) are the subject of extremely active discussions, the goal being to reach an agreement very shortly. Regarding the third dispute with the OFAC (transactions in dollars with countries under US embargo), discussions have also been initiated with the aim of reaching an agreement in the coming weeks or months.

Finally, Societe Generale implemented a new organisational structure last year, with 17 "business units" supported by 10 "service units". This organisational structure aims to change our way of working. New appointments have also been made to the General Management team. This team is responsible for making strong strategic choices, supporting the operational and functional entities in deploying their strategies, overseeing new talent and representing the Group to our customers and all our stakeholders.

* A communication relating to these litigations was announced on 4 June.

Questions from shareholders

➤ What is the impact of the widespread use of digital services on customer satisfaction and the digital transformation of branches?

Relationships and expertise are the two pillars of the banking profession. This is what will allow us to meet our customers' needs.

From this perspective, the Group already offers a very broad range of solutions, from its advisors and specialists, to its call centres and various types of branches.

“ RELATIONSHIPS AND EXPERTISE ARE THE TWO PILLARS OF THE BANKING PROFESSION.”

New technologies - in both digital and artificial intelligence - only add to this range of tools. The key to success will be to understand how to use the right tools at the right time, based on the customer's needs and expectations, to ensure that their experience remains fluid and secure.

When it comes to the digital transformation of branches, we respect all our customers equally. We want to welcome our customers in the best conditions possible. This is why we're boosting our efforts in these areas in a number of branches. Customer reception at branches, professionalism and advisors' customer relations skills are absolutely essential to the Group's success. New technologies are only one aspect of a range of services in which human interaction plays a crucial role. At the same time, it's a fact that customers of French banks are less and less likely to go into branches. We are adapting to these changing practices.

➤ How has Societe Generale's relationship with FinTechs evolved since the acquisition of Fiduceo?

Societe Generale is clearly open to working in partnership with FinTechs. Fiduceo allows the Group to offer an aggregation tool across all its retail networks.

Other acquisitions are now being considered. Innovation is an extremely vast field, which the Group promotes both internally and externally. An ambitious initiative was recently launched within the Group, encouraging employees to create their own internal startups.

Societe Generale is also developing collaborations with external startups of all kinds; for example, in 2017, the Group acquired a stake in the share capital of the startup TagPay to develop our mobile money solution in Africa, under the YUP brand.

➤ What role does Russia play in your growth strategy? What are your thoughts on the changing risks in Russia?

Russia is a key region for Societe Generale; our presence and first operations there date back to the 1890s. We have a long-standing commitment to the country.



Russia is one of the most populated countries in Europe; it is wealthy and shows strong potential. The Group has made significant efforts to transform its approach there, to the extent that profitability rose to 10% last year.

The sanctions imposed on Russia by American and European authorities in 2014 have been increased - in particular by the United States - since April. Societe Generale has adopted an approach that allows it to refrain from operating with persons identified by name under these sanctions. The Group can now operate in the country while respecting sanctions and continuing to support its customers.

➤ **As one of the leaders in the European banking sector in terms of climate initiatives, how does Societe Generale manage risks related to maritime transport, a sector that is often forgotten but that contributes significantly to global warming?**

For several years, the Group has had a CSR policy in place for the maritime transport sector, aimed at supporting the energy transition.

Thus, in 2017, it became the first financial institution to join the SEA/LNG coalition, which aims primarily to replace the use of fuel, in particular high-sulphur fuel, by a transition energy: liquefied natural gas. At the end of 2017, Societe Generale was the first bank to structure the financing of a liquefied natural gas ferry with the European Investment Bank.

“ INNOVATION IS AN EXTREMELY VAST FIELD, WHICH THE GROUP PROMOTES BOTH INTERNALLY AND EXTERNALLY. ”

The Group is deeply committed to this issue, and it will remain just as committed as transition technologies continue to change.

➤ **Does the Group plan to stop supporting companies that continue to build coal-fired plants?**

Societe Generale was one of the first international banks to make strong and specific commitments regarding the financing of carbon-based projects. During the COP 21 in December 2015, Societe Generale committed to keeping its practices in line with the goal of limiting global warming to 2°C by 2020, as defined by the International Energy Agency. At end 2017, carbon represented 20% of the energy mix financed by Societe Generale, and renewable energy represented 41%. The Group plans to continue in this direction.

In December 2017, the bank also decided to strengthen its financial commitment through a €100 billion contribution to financing the energy transition between 2016 and 2020.

➤ **Why not offer both cash and stock dividends, and allow shareholders to choose? Would it be possible to pay a special dividend to reward the most loyal shareholders?**

The dividend is increasing along with the Group's results. The reference payout ratio was set at 50%. The stock payment option was not retained due to its dilutive effect. As for the loyalty dividend, the ECB has not authorised it for banking institutions.

➤ **What is ALD's position regarding diesel?**

Diesel is the most common form of energy in the ALD fleet due to the use of high-kilometre vehicles, which has historically made it an economically attractive option for customers. It should be noted that, unlike the vehicles in the general public fleet, those operated by ALD meet the most recent technical standards.

More broadly, ALD has implemented a plan to transition to non-diesel engine power, and to electric vehicles in particular. This plan focuses on all aspects of our activity. We aim to work with our customers to identify the optimal solution for vehicle use, and to bring about a gradual shift to alternative energies. The result is a significant decrease in the use of diesel in ALD deliveries (- 8 points between end 2016 and end 2017, a trend that will continue in 2018 and beyond).

View a video of the full General Meeting at www.societegenerale.com



Opening an account 100% online thanks to biometrics

For the first time in France, a bank offers its customers the possibility of opening an account entirely online, with no mandatory transfer, using biometric facial recognition with a dynamic selfie in order to verify the identity of the future customer. Societe Generale aims to achieve 30% of new accounts opened online by 2020 (compared with 10% at present).

In a world that is constantly being transformed by new technological boundaries and consumer habits, Societe Generale is giving a further boost to its determination to become the number 1 bank in terms of customer satisfaction. A bank committed to providing high value-added services, offering phygital (physical and digital) interfaces.

« We are constantly adapting our services to match new customer habits and expectations. I am fully convinced that we are currently setting a new benchmark for the opening of accounts online. This truly is a pivotal moment, both for customers and the bank. The new service offers customers a simpler, more secure banking experience without compromising the relational aspect. It underlines our ability to offer useful, innovative services in a spirit of co-construction with the undisputed major stakeholders in the sector, » explained Laurent Goutard, Head of Societe Generale Retail Banking in France ».

➤ A co-constructed offer based on simplicity and high security

To build this offer, the bank pursued a pioneering co-construction approach bringing together customers, regulatory bodies (CNIL and ACPR) and IDEMIA, the global leader in augmented identity whose facial recognition algorithms are renowned worldwide.

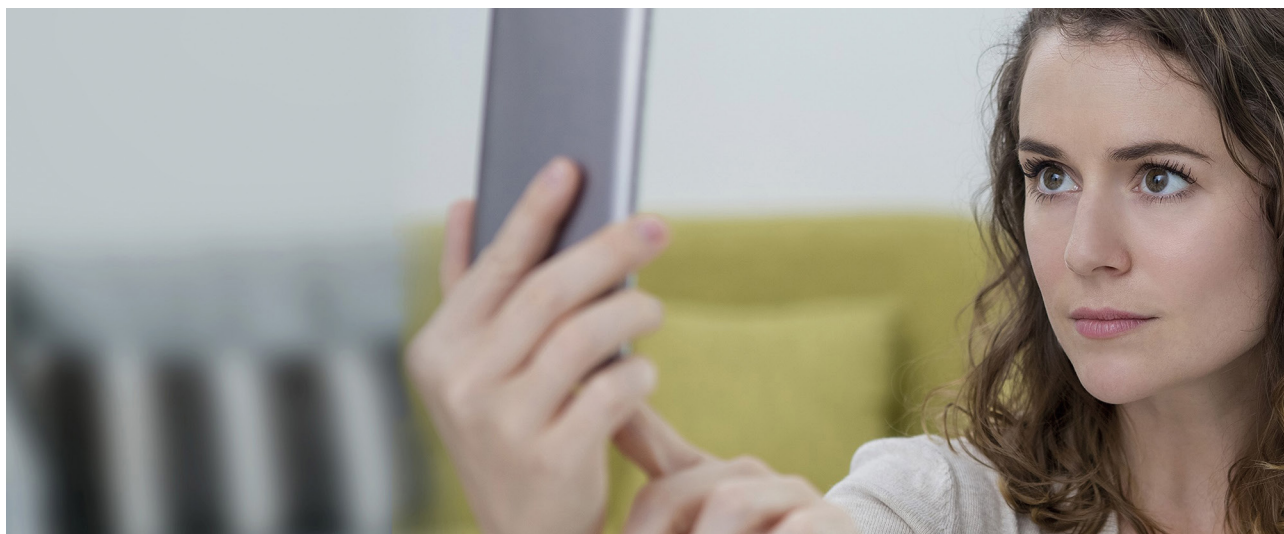
In order to verify a person's identity based on a dynamic selfie, a facial recognition algorithm compares the photo provided on the proof of identity with the various photos (side view, facing the camera, eyes open or closed) taken during the dynamic selfie.

The authentication process using facial biometrics is ten times more reliable than any human attempt to verify identity.

The method - carried out in real time - results in an identification reliability score. The same biometric process is repeated during the online discussion between the new customer and their advisor.

No biometric data is retained, since Societe Generale only keeps the results of the checks conducted each time biometric recognition is applied.

Societe Generale is the first bank in France to obtain agreement from the CNIL to deploy this disruptive biometric facial recognition technology in the commercial arena.





Avant-garde renewable energy project in Australia utilizes the latest battery technologies to store clean energy and improve Victoria's energy security.

Australia turns on battery storage for renewable energy

French renewable energy producer, Neoen, will commence construction of its Bulgana Green Power Hub, a groundbreaking integrated wind farm and battery storage facility in Australia.

Located in Stawell, Victoria, the Green Power Hub will comprise a 194 MW wind farm and a 20 MW / 34 MWh Tesla lithium-ion battery.

The Green Power Hub will provide Nectar Farms, Australia's largest high efficiency, hydroponic greenhouse producing fruits and vegetables, with 100 per cent renewable energy.

It will use up to 15% of the energy generated by the Green Power Hub, with the remaining 85% going straight into the local grid.

► Contributing towards Australia's greenhouse gas emissions reduction

The Power Hub will generate more than 750,000 MWh of clean, renewable electricity to the national power grid each year, making a major contribution to Australia's greenhouse gas emissions reduction. This is equivalent to taking 230,000 cars off the road or planting 1.2 million trees, producing electricity to power approximately 130,000 homes with renewable energy.

« This project marks the fourth transaction that Societe Generale has supported Neoen on in Australia following the Hornsdale Windfarm Stage 1 to 3; we are fortunate to have worked with a firm committed to contributing renewable energy generation for so many years. The Bulgana Green Power Hub benefits from a long-term power purchase agreement (PPA) with an AAA rated entity, setting precedent for future such transactions. We strive to be a trusted partner of Neoen for more renewable projects and contribute to a sustainable future ».

Daniel Mallo, Head of Natural Resources and Infrastructure for Asia Pacific, Societe Generale Corporate & Investment Banking.

Crowdfunding, a new reality for renewable energy

In order to strengthen regional support for renewable energy projects, and thereby accelerate the energy transition, the French government has decided to systematically encourage crowdfunding in future calls for tenders. Those active in the sector - developers, investors and financing parties - should adapt to this new reality.

The energy transition is underway in Europe, and France is taking it a step further in this acceleration with its ambitious “Renewable Energy Liberation Plan” (*“Plan de libération des énergies renouvelables”*), one of the key components of the Climate Plan implemented by French Minister of Ecology and Solidarity Transition Nicolas Hulot. Among the measures proposed, the state is prioritising crowdfunding in order to boost support for renewable energy projects in the areas where they are implemented by directly involving citizen-residents.

Gone are the days when major renewable energy players financed their projects exclusively with their own resources or with bank debt. Now, debt from private investors will make up an integral part of financing plans. This will be a challenge for leaders of energy-related projects who, if they fail to meet this requirement, will incur significant penalties that could weigh on the development of their project.

➤ Acceptability, a major challenge for communities

The driving force behind this participatory financing revolution for the government is acceptability. By encouraging residents to have a financial stake in the projects linked to their immediate environment, the state intends to boost their local and social acceptability. With the use of crowdfunding as a driver of acceptability, project implementation will be made easier for both promoters and local authorities.

This trend, which initiated in France, has seen significant development throughout Europe. But if this is in keeping with the acceleration of the energy and climate transition, it is not without consequences for renewable energy players who will face new constraints and uncertainties. Project developers commit to raising tranches of participatory financing, and will be penalised if they fail to do so. But what is the real appetite of individuals for this type of investment?



Pierre Palmieri, Global Head of Finance and Sponsor of the « Sustainable and Positive Impact Finance » offering »

➤ Banks have a key role to play in supporting their customers in the energy transition

Given the volumes of calls for tenders on the horizon, companies will have to quickly adapt to new regulations and more complex legal and financial structures. Throughout this process, banks will have a major role to play in supporting their customers. Banks will have to facilitate the integration of these new private investors into sophisticated transactions, and perhaps also the rise of crowdfunding in France. They can do this by building gateways between dedicated platforms and project developers and by actively participating in public dialogue in order to fine-tune the regulations applicable to crowdfunding. The role of banks will be essential to starting customers down the right path in the energy transition.

This is the goal of Societe Generale, which has been working for more than 10 years with renewable energy providers to develop more responsible energy solutions. With strong commitments in favour of the fight against climate change, we expect to raise €100 billion in financing towards the energy transition between 2016 and 2020, of which €15 billion will be in the form of advisory services and financing in the renewable energy sector. To reach these objectives, we have all the skills and rigour necessary to collectively lead the profound transformation into the world of tomorrow. By helping to meet the environmental and social challenges of our clients, we contribute to the development of a fairer and more environmentally-friendly economy.



Supporting African women entrepreneurs

This year, in collaboration with Societe Generale, the Women in Africa Foundation is launching Project 54, which will allow 54 women entrepreneurs to benefit from support and publicity for their project.

The Foundation provides support by introducing women to professional networks, publicizing their initiatives and their talents, promoting intergenerational exchange and supporting entrepreneurship and gender equality through different pillars of action: WIA Club, WIA Philanthropy, WIA Institute, WIA HR and WIA Media.

Thanks to the establishment of an endowment fund, Women in Africa is carrying out a general interest mission and promoting the spread of education in the field of economic development, and more particularly the training of future women leaders of innovative businesses. This year, the Foundation is launching Project 54 in collaboration with Societe Generale, a major sponsor of the initiative.

This continent-wide initiative will see 54 women entrepreneurs from as many African countries selected to participate in the project, which will provide them with support and publicity.

Guided by the belief that women play a fundamental role in driving the entrepreneurial ecosystem on the

continent, the Group works with the Women in Africa Foundation to support female entrepreneurship.

Alexandre Maymat, Head of International Retail Banking, Africa, Mediterranean and Overseas, said:

« In Africa, women are the leading actors in local economic development. And yet, the path to becoming an entrepreneur remains a difficult one for them. In collaborating with the Women in Africa Foundation, we are proud to support these women entrepreneurs who are shaping the Africa of tomorrow. »

Working with entrepreneurs since 1864, the Group supports its customers around the world by participating in the positive transformations of businesses and economies. A continent with strong potential, Africa is at the centre of the bank's priorities.

By supporting the development of local economies for more than 100 years, Societe Generale has become the preferred partner of 3.5 million customers, including 150,000 businesses in 19 African countries.

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HEAD OF PUBLISHING: Caroline Guillaumin. CREATION AND PRODUCTION: Studio Societe Generale

Legal submission date: June 2018 - ISSN: 1258-8679 - Printer: Imprimerie VINCENT - 37000 TOURS.

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