

LETTER TO SHAREHOLDERS

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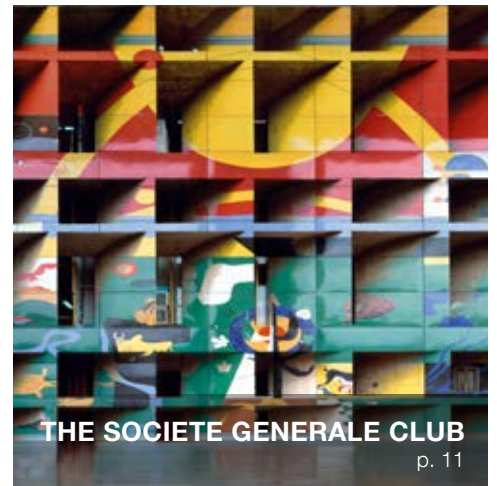
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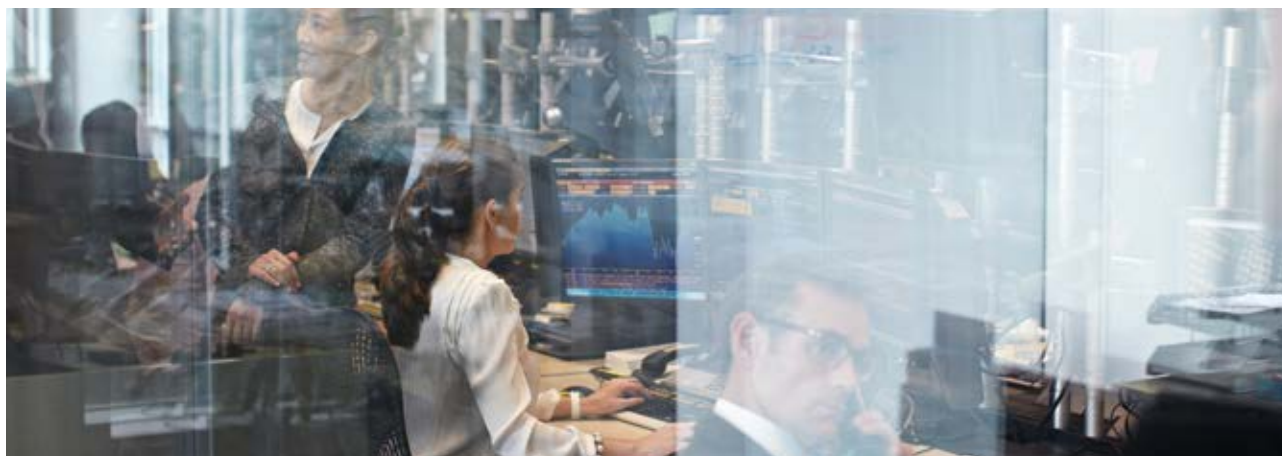


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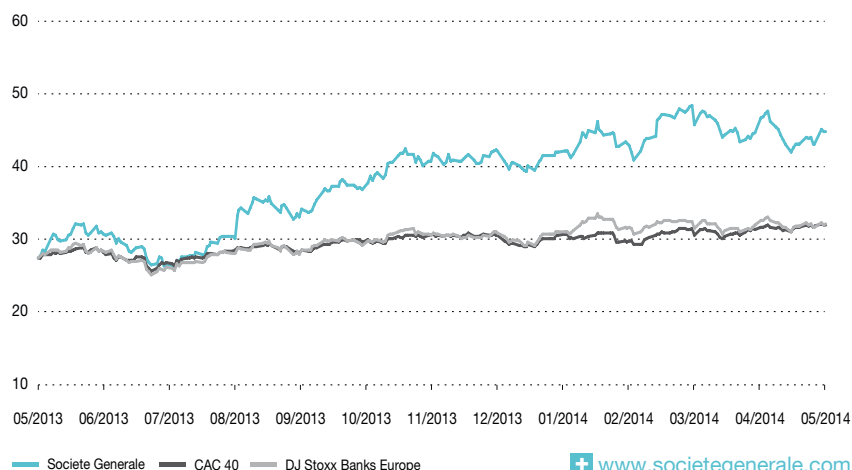
BUILDING TOGETHER
TEAM SPIRIT  SOCIETE
GENERALE





The share

Closing price of Societe Generale share at 23/05/2014: €42.37



www.societegenerale.com

Analyst ratings

Exane BNP Paribas	→ Outperform	[16/05/2014 – €50]
Barclays	→ Neutral	[16/05/2014 – €47]
Deutsche Bank	→ Buy	[14/05/2014 – €50]
JP Morgan	→ Overweight	[14/05/2014 – €51]
CM-CIC Securities	→ Accumulate	[14/05/2014 – €46]
Natixis	→ Buy	[14/05/2014 – €52]
Nomura	→ Buy	[14/05/2014 – €50]

Bloomberg consensus at 23/05/2014: 60% buy, 37% neutral, 3% sell.

Average target price: €48.80.

Selection of market opinions and target prices for the Societe Generale share taken from the most recent research.

Diary

30 June 2014

Meeting with shareholders in Montpellier

1 August 2014

Publication of second quarter 2014 results

9 October 2014

Meeting with shareholders in Dijon

6 November 2014

Publication of third quarter 2014 results

21 November 2014

Meetings with shareholders in Paris, Actionaria

21 and 22 November 2014

Actionaria, Paris

10 December 2014

Meeting with shareholders in Paris

+33 1 42 145 216
from abroad

0 800 850 820
from landlines in France (free call)

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KEEPING THE PACE OF TRANSFORMATION TO DELIVER SUSTAINABLE GROWTH AND PROFITABILITY

On 13 May Societe Generale presented its 2014-2016 strategic and financial plan during an Investor Day in Paris, hosted by Societe Generale Chairman and Chief Executive Officer Frédéric Oudéa together with the participation of the Group's senior management team.

Going forward, Societe Generale will keep the pace of transformation to reinforce its position as a leading European universal bank well suited to the needs of its clients and in a context of great transition marked by profound economic, regulatory and technological changes.

Having already completed the refocusing of the portfolio and the reinforcement of the balance sheet, the Group is now fully ready to deliver profitable growth in the future by taking advantage of its strengths: a balanced business mix with solid retail and corporate & investment banking expertise, high organic growth potential, a focus on client satisfaction and

innovation, as well as strong management and Group values.

2014-2016 will be a new phase of development for the bank during which the senior management team intends to leverage the

full potential of organic growth, synergies and operational efficiency of the Group's model to reach a return on equity (ROE) above 10% by 2016.

The Group's strategic priorities for the medium-term and financial objectives for 2016

THREE STRATEGIC PRIORITIES FOR THE GROUP

- 1 FURTHER IMPROVE CLIENT SERVICE, MAINTAIN LEADERSHIP IN INNOVATION**
- 2 CAPTURE GROWTH THROUGH BUSINESS DEVELOPMENT AND INCREASED SYNERGIES**
- 3 DELIVER SUSTAINABLE PROFITABILITY**

▶ OUR OBJECTIVES FOR 2016

3% annual revenue growth (2013-2016)

Return on equity (ROE) above 10% in 2016

Common Equity Tier 1 solvency ratio \geq 10%

Pay-out ratio: in cash, 40% in 2014 – Target of 50% for 2015-2016

2016 EPS: EUR 6

French Retail Banking: at the forefront of the digital transformation

Societe Generale's French Retail Banking networks enjoy a competitive set-up ready to deliver higher growth than its peers thanks to the strengths of its three different, yet complementary, brands (Societe Generale, Crédit du Nord, Boursorama) present in the fastest-growing and richest regions in France, as well as to leadership position in digital banking services.

MAIN TARGETS FOR 2016

+1%

Annual revenue growth

63%

Cost/income ratio

45/50

Cost of risk between 45-50 bp

14%

ROE

International Retail Banking and Financial Services: back to profitable growth

In International Retail Banking and Financial Services, Societe Generale has leading franchises with recognised expertise in three key regions, Europe (Western, Central & Eastern Europe), Russia and Africa, in Insurance, and in two businesses providing financial services to corporate (ALD car renting and fleet management and SG Equipment Finance).

This division has undergone an in-depth transformation over recent years with a refocused portfolio, a more self-funded and an optimised model, as well as an improved risk profile. In the future, International Retail Banking and Financial Services will be one of the Group's main growth engines thanks to the high potential of its markets and increased synergies, which already account for 25% of its revenues.

MAIN TARGETS FOR 2016

+5%

Annual revenue growth

53%

Cost/income ratio

15%

ROE

Global Banking and Investor Solutions: focused and different

Dedicated to corporate clients, financial institutions and private banking clients, the division encompasses Corporate and Investment Banking, Private Banking, Asset & Wealth Management and Securities Services. Societe Generale has built a top 5 European player. After having sharply reduced its risk profile, and shifted towards a more client-driven model, Societe Generale is now well-positioned to gain market share in the current changing CIB industry landscape. The Group can take advantage of the increasing disintermediation in Europe and of the development of new products and services related to the post-trade services evolution, thanks notably to its recent acquisition of Newedge.

Focusing on Russia

The Group affirms its long-term commitment to Russia despite the current uncertainty. While maintaining the exposure to Russia to a moderate level (3% of the total 2013 Group's commitments), the Group will implement a sound, focused and profitable self-funded growth strategy. SG Russia (including Rosbank, Delta Credit, Rusfinance, Societe Generale Insurance and ALD Automotive) will deliver an average revenue growth of 7% per year, a ROE of 14% in 2016, and a contribution of around 5% to the Group's net result in 2016.

MAIN TARGETS FOR 2016

+3%

Annual revenue growth

68%

Cost/income ratio

45/50

Cost of risk between 45-50 bp

15%

ROE



“A new phase of development until 2016”

The Annual General Meeting held on 20 May in La Défense was attended by 766 shareholders. Quorum was met at 58.27%. More than 69% of advance votes were cast online.

In the Group's 150th anniversary year, Frédéric Oudéa began by saluting all those who had contributed to its history, before setting out the strategy for 2016. He recognised the good work of Jean-François Sammarcelli, Deputy Chief Executive for French Retail Banking, who will be retiring this year after a career stretching back 40 years. Séverin Cabannes, Deputy Chief Executive, presented the results for 2013 and Q1 2014. Anthony Wyand, Vice-Chairman of the Board of Directors talked about corporate governance before inviting Lorenzo Bini Smaghi to introduce himself. Mr Smaghi was appointed as Director and the Board of Directors' second Vice-Chairman.

All the proposed resolutions were approved. Shareholders notably voted to pay a cash dividend of €1 per share in respect of 2013 (€0.45 in 2012). The ex-dividend date was set at 27 May and the dividend was paid as from 30 May.

Key points of Frédéric Oudéa's message



2014 was not just another year: it was the year the Group celebrated the 150th anniversary. Societe Generale was founded on 4 May 1864, by a group of entrepreneurs looking to provide finance for commerce and industry.

Environment: the “great transition”

2014 was also the year that brought European banking union,

a fundamental change that redrew the map of the banking sector and should help ease the fragmentation that affects European monetary union.

True, the environment remains tough and demanding. Activity will only pick up gradually in the euro zone, particularly in France. Eventually, central banks will have to rein in their accommodative monetary policies, potentially leading to rises in interest rates. Also, we have yet to adapt to new regulations designed to promote disintermediation.

While these factors are not immediately good for banking business, structurally positive trends are also evident: the need, for instance, to finance infrastructure, natural resources and energy should help to sustain global growth, particularly in

emerging markets, and there is an ever increasing development of international trade and exchange. Finally, technological innovation and the advent of the “digital society” will affect the behaviour of our customers. Taken together, this is what we call the “great transition” and it demands a rapid and flexible response.

Societe Generale's strengths

The Group has demonstrated its ability to change with the work that went into implementing Basel 3. Our universal banking model is now radically simplified, more efficient and fit to deliver for all our customers – individuals, corporates, institutional investors – offering additional value-added services that will enrich the business relationship and last over the long term.

Looking beyond financial metrics, Societe Generale can draw on a combination of four strengths that is unique in the European banking landscape: the long-term relationships that it builds with its customers, its historical expertise in corporate and investment banking, the growth potential of its franchises which is above average for its European rivals, and, finally, the sense of innovation, commitment and responsibility that drives its employees.

The Group's ambitions for 2016

Societe Generale has laid solid foundations to build on and set ambitious growth targets for the next three years. For 2016, the bank has set three major targets which will apply to all business lines.

1 Continuous improvement in customer satisfaction

Customer satisfaction has been at the heart of the efforts made in all Societe Generale business lines since 2010. With large corporates, we must have a detailed understanding of our customers' strategy and be ready to support them internationally, where the bulk of growth is to be found. This is why we are prioritising the quality of our bankers.

Meanwhile, individual customers are demanding ever more sophisticated expertise, particularly in savings, as well as fair fees for services rendered and digital applications. Smartphones did not exist in 2007 but are now the primary way we relate with our customers as measured by number of contacts. We plan to maintain our lead in this field through innovation.

2 Generating growth

Between now and 2016, Societe Generale plans to grow revenues, on average, at an annual target rate of 3%. Some business lines will be growing more slowly, such as French Retail Banking and global markets. Others will be more dynamic, like insurance or private banking, or those serving particular regions such as Africa, Asia, Russia and Germany. But overall, all will contribute to growth.

Synergies, the reason underlying the universal banking model, will also play their part. The combination of different business lines and customers only makes sense if all branches of the Group combine to deliver a high value added response. In this way, commercial relationships can generate greater revenues.

3 Delivering sustainable profitability

We will also be keeping a rigorous check on costs: management fees must not rise by more than 1% annually on average to 2016 (like-for-like). Thanks to the savings made under the 2012 and 2013 plans we will continue to invest to ensure our business lines remain competitive. In addition, our risk management model has been fundamentally upgraded in the way it handles operational, credit and market risks. Commercial cost of risk is thus set to fall. Finally, capital allocation will remain balanced.

Our strategy targets a return on equity* to 2016 of more than 10% and earnings per share* of €6. We also intend to raise the payout from profit to 40% in 2014, then 50% in 2015 and 2016.

* For definitions see the Group's 2014 registration document.

Appointment

Lorenzo Bini Smaghi



Italian national Lorenzo Bini Smaghi began his career in 1983 as an economist at the Bank of Italy. In 1994 he became head of policy at the European Monetary

Institute, which evolved to become the European Central Bank (ECB), where he sat on the Executive Board from 2005 to 2011. He has been working as a non-executive Chairman of Italian gas group SNAM Rete Gas.

He was elected with 99.06% of the votes, will sit as an independent Director and was appointed Second Vice-Chairman of the Board of Directors.



Dialogue with shareholders

➤ Could the falling-out between Ukraine and Russia affect Rosbank's business and cost of risk?

The Russian economy has been slowing since the second half of 2013 and this will probably be exacerbated by geopolitical tensions. 2014 will probably not, then, be as good as we were initially hoping. At Rosbank, cost of risk was on the rise even before the political crisis broke out in Ukraine.

Our core scenario sees a sharper slowdown in Russia, leading to higher cost of risk, but Rosbank's books should remain in the black. The latest developments in the crisis seem to confirm our scenario and we do not think Rosbank is going to be a major drag on Societe Generale's cost of risk overall. Russia, in any case, only represents 3% of the Group's risk exposures.

WE ALWAYS FOLLOWED AN EXTREMELY STRICT POLICY ON THE "STRUCTURED" LOANS TO LOCAL AUTHORITIES

➤ Why did Societe Generale not launch a paper bid for the non-controlling shares in its subsidiary Boursorama?

We already controlled Boursorama, our online banking and brokerage subsidiary, before the bid. We held 55.6% of the capital and our Spanish partner, Caixa, owned another 20%. In cooperation with Caixa, which will retain its stake in Boursorama after the transaction, we launched a simplified public takeover bid.

Societe Generale clearly had no need to raise fresh capital in order to fund such a relatively small acquisition (around €220 million). It was easier, in a transaction of this type, to pay in cash.

➤ Some local authorities have taken out "toxic" bank loans whose complexities could lead to them paying very high rates. Cases are already before the courts. Is Societe Generale exposed to this?

At the end of the last decade, the Group had 15-20% of the market for local authority finance. But we always followed an extremely strict policy on the "structured" loans to local authorities. Our market share is therefore very small and Societe Generale was not one of the entities that the Finance Minister called in regarding this affair.

➤ The French court of appeal (Cour de Cassation) confirmed in March Jérôme Kerviel's criminal conviction but not his civil conviction. Could this cast into doubt the tax-deductibility of the losses that the bank enjoyed as a result of this affair?

This is a loss recorded in the company's accounts and would normally be deducted from the accounts. What you are really

asking is whether the fact that there might have been a lack of internal control would justify this loss no longer, in the future, being deductible in our books. The government put this very question to the State Council in May 2011, i.e. after the affair came to light. The State Council ruled that “a lack of internal control does not seem to provide any grounds for refusing the deduction of losses which were booked normally”. The only exception would be if managers had knowingly accepted to run such risks by a complete lack of scrutiny and control over the employee’s activities. However, at no time were Societe Generale’s managers accused of wrongdoing in the case by the Banking Commission in its penalty ruling. We therefore take the view that there is no doubt about the tax-deductibility of this loss.

THE GROUP
CONTINUES TO INNOVATE
AND PLANS TO CONTINUE
ALONG THIS LINE

➤ **Do the online payment systems launched by the leading web companies pose a threat to the Group?**

Societe Generale has to respond to new customer expectations and profit from new technologies. Last summer, we launched a new SMS money transfer solution in France and a secure e-wallet for online purchases, in partnership with BNP Paribas and the Banque Postale. We also tested a contactless payment system for mobile phones in Strasbourg and other research projects are under way elsewhere in Europe. In Africa, we are working on SMS payments, an e-wallet and cardless ATM withdrawals using a code sent by SMS. The Group, then, continues to innovate and plans to continue along this line.

➤ **Who, in the Group’s management, has a detailed understanding of the risk run by global markets?**

With the support of the Risk Department, which is independent, the Chairman and CEO and the CFO are directly involved in oversight of the corporate and investment banking activities,

including the global markets business. Every year, the Board of Directors sets the level of risk appetite for Societe Generale. Every fortnight, a risk committee meets which includes everyone on the Executive Committee. And every day, the top executives receive a market risk report covering the whole of the Group.

➤ **Some banks are again launching substantial capital increases. Could this movement spread across Europe?**

French banking groups are not expected to be affected, as their Common Equity Tier 1 solvency ratios are at satisfactory levels, in most cases above 10%. Most of the banks that have been raising funds today are doing so because of their particular situations, specifically insufficient solvency ratios. This is the case for small banks in Italy, where the ECB is currently scrutinising their balance sheets.





150 YEARS OF BANKING AND ENTREPRENEURSHIP

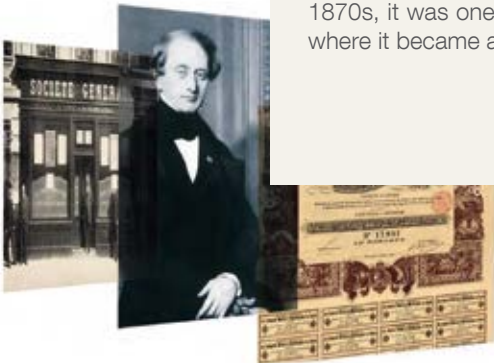
On 4 May 1864, Napoleon III signed the founding decree for the “General company (Societe Generale) to foster business and industrial growth in France”. **The bank’s founders were leading entrepreneurs driven by the ideals of progress of the 19th century.**

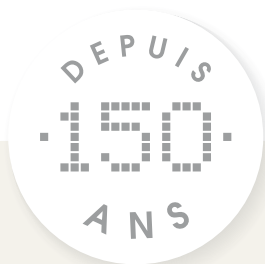
Among them was Joseph-Eugène Schneider, founder of the ironworks empire in Le Creusot, who served as Societe Generale’s first Chairman. In a France that was building a modern financial system to drive its economic growth, Societe Generale was called on to carry out “all transactions ordinarily within the domain of credit institutions, but also to facilitate the completion of major public or private works through its support, to negotiate all loans and, in short, to participate in any financial transactions that aim to increase the nation’s productive forces and to expand international business relations.” **From the start, it adopted a universal banking model with an international focus.** It was simultaneously a deposit, credit and business bank as well as a stock broker and wealth management adviser.

FINANCING ECONOMIC DEVELOPMENT

As a key player in the economic boom that resulted from the industrial revolution and international free trade, **over the years Societe Generale has financed infrastructure projects that stand as landmarks of a new era:** railroads, the Paris metro and the Eiffel Tower in France, as well as international projects such as the Trans-Siberian Railway and the Panama and Suez canals. Societe Generale has supported the creation and development of new economic success stories in France - the Compagnie Générale d’Electricité, the Société Industrielle des Téléphones (now known as Alcatel), the Say refineries, the Compagnie Générale des Eaux, etc. - often by investing in their capital.

Like its major customers, Societe Generale went international very early on: in the 1870s, it was one of the first French banks to set up operations in London and Russia, where it became a major retail bank at the start of the 20th century.





1987: PRIVATISATION OF SOCIETE GENERALE

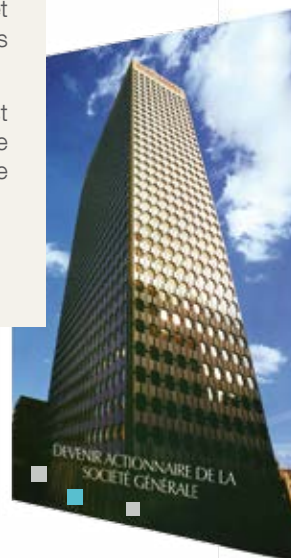
On 27 June 1987, 100% of the Group's capital was floated on the stock market, thus allowing the general public to subscribe and become shareholders. It was a milestone in the Group's privatisation.

In June 1987, 20 million Societe Generale shares were floated on the stock market within the framework of a public offering on the one hand and a capital increase on the other.

This operation, initiated by the French government in February 1987, was a decisive step in the privatisation process of a banking sector that had been partly nationalised in 1945 to help boost the French economy within the context of post-war Reconstruction.

This decision was made within a rather gloomy economic context marked by substantial stock market falls, but the operation was nevertheless a major success: demand for shares was more than five times greater than the number of shares on offer. This high level of demand was due to three key factors: the share price, set at 407 francs, the excellent relations Societe Generale enjoyed with its customers and the Bank's healthy financial situation.

Societe Generale's privatisation was completed on 29 July 1987 and the first Shareholders' Meeting was held on 29 October. At the end of that year, the Group's employees held a 6% stake in their company, whilst a group of 19 stable shareholders (including 8 private or nationalised insurers) held a further 30%.



The Club in practice

Established in 1992, the Societe Generale Club aims to encourage more individuals to hold shares by fostering relationships with shareholders who have substantial holdings and want to be involved in the life of the Group. Club members enjoy many benefits:

EACH YEAR, MEMBERS
ARE INVITED TO MORE THAN

100
EVENTS

via the Club Newsletter
(sent by e-mail once per quarter)



AND MORE THAN

2,500
MEMBERS
PARTICIPATE

More services

- Reserve at +33 142 145 216 from abroad or using the toll-free hotline at 0 800 850 820 from landlines in France (press "3", then "3" again)
- Sign up for events at any time on MY Shareholder Area

More publications

- Subscribe to the Letter to Shareholders (five issues per year)
- Subscribe to the Club Newsletter (four issues per year, in French only)

More meetings

- Invitations to artistic, cultural and sport events related to our corporate patronage and sponsorship programme
- Invitations to stock market conferences
- Invitations to meetings with members of Societe Generale's General Management and economic and market specialists at shareholder events held in Paris and throughout France

A variety of events...

Classical music concerts, shows (theatre, dance), art lectures, literary lectures, stock market conferences, sports (rugby, golf), visits to the Societe Generale Contemporary Art Collection, visits to exhibitions, tours of the Societe Generale central branch

... That reflect the diversity of the Group's commitments

- Cultural patronage (classical music, contemporary art)
- Sports sponsorship (rugby, golf, disabled sports)
- The Societe Generale Corporate Foundation for Solidarity

Becoming a member

The Societe Generale Club is open to shareholders with at least 100 bearer shares or 50 registered shares. Please specify that you wish to join the Club when opening your MY Shareholder Area account on www.societegenerale.com/en/my-shareholders-area. Membership is free and without obligation. For information or assistance, contact +33 142 145 216 from abroad or 0800850820 from landlines in France, or send an e-mail to: societegenerale@relations-actionnaires.com



Stéphane
COUTURIER,
Chandigarh -
Assemblée # 1,
2007, C-print
sur diasec,
100 x 130 cm

MY Shareholder Area simplifies your daily interactions with the Club

MY Shareholder Area is a personalised and secure space dedicated to the Group's shareholders. It is also accessible to non-shareholders looking for information. Only Club members can access the full range of services on the site. A new, more interactive and user-friendly version of MY Shareholder Area was launched last February. www.societegenerale.com/en/my-shareholders-area

Societe Generale Club offers



150 YEARS OF HISTORY, A COMMEMORATIVE BOXED SET

RESERVATIONS OPEN ON Wednesday, 9 July, at 9:00 a.m., exclusively through the MY Shareholder Area, in order to receive this boxed set in September (subject to availability).

From the opening of our first branch in London and the Bonnot gang robberies, to the creation of General Inspection and the first ATM: there are so many stories and anecdotes to discover in nine thematic booklets written by young historians.



Wine tasting

SOCIETE GENERALE VINEYARDS

CLOS LA MADELEINE,
SAINT-ÉMILION

**16 September 2014
at 11:30 a.m.**

RESERVATIONS OPEN ON Monday, 30 June, at 9:00 a.m., exclusively through the MY Shareholder Area.

Discover the top ranked vintages by visiting Clos la Madeleine in Saint-Émilion. Wine tasting included.

Tour PALAIS BRONGNIART

28 PLACE DE LA BOURSE,
75002 PARIS

**18 September 2014
at 2:00 p.m.**

RESERVATIONS OPEN ON Wednesday, 9 July at 9:00 a.m., exclusively through the MY Shareholder Area.

Through this tour, we invite you to relive some of the finest hours of the Paris Bourse. From open outcry trading by stockbrokers in the Brongniart trading room (1826-1987) to nanosecond trading by robotic traders in the 2000s.

Presentation SOCIETE GENERALE HISTORY

SOCIETE GENERALE TOWERS,
LA DÉFENSE

**8 September 2014
at 3:30 p.m.**

RESERVATIONS OPEN ON Wednesday, 9 July at 9:00 a.m., exclusively through the MY Shareholder Area.

The story of a bank that has remained true to itself while continually reinventing itself for the changing needs of its time. Lecture given by Farid Ameur, historian.



TOUR OF THE SOCIETE GENERALE COLLECTION

SOCIETE GENERALE TOWERS, LA DÉFENSE

4 September 2014 at 3:00 p.m. and 4:15 p.m.

RESERVATIONS OPEN ON Wednesday, 9 July at 9:00 a.m., exclusively through the MY Shareholder Area.

"Invitations to Travel" (8 April to 19 December 2014). Hosted by Guy Boyer, curator of the exhibition. This unique installation was created as part of the 150th anniversary celebrations of the Societe Generale Group. We offer you this one-hour tour to discover 15 major works.

Registration for 100% e-booking events is carried out exclusively through the MY Shareholder Area on the www.societegenerale.com/en/shareholders website. **Invitations to events presented here are valid for a maximum of two people per Club member and event, subject to availability. Since the number of spaces for each event is limited, please let us know if you intend to cancel so other Club members can participate.**

SOCIETE GENERALE. French limited company, capital stock as of 31 March 2014: €1,000,024,292.50 - REGISTERED OFFICE: 29, bd Haussmann, 75009 PARIS - 552 120 222 RCS Paris. Group Communication Division, Tours Societe Generale 75886 Paris Cedex 18 - HEAD OF PUBLISHING: Caroline Guillaumin. CREATION AND PRODUCTION: Studio Societe Generale - Legal submission date: June 2013 - ISSN: 1258-8679 - Printer: Galiote-Prenant - 94400 VITRY SUR SEINE. Under Act No° 78-17 on information technology, data files and civil liberties, your right to access, correct and dispute information in our files may be exercised by contacting our Individual Shareholder Relations department. © Photos: A. Chauvaud, J. Magre, P. Bauduin, Societe Generale.