

## **Press Release**

### **2010 activities and results**

### **Regulatory information**

February 16th, 2011

## **2010 financial year: Group net income of EUR 3.9bn confirming the Group's rebound**

### **First stage of the Ambition SG 2015 transformation project**

- **Increased revenues for core businesses: EUR 26.4bn (+3.9%\* vs. 2009)**
- **Improved cost to income ratio: 63.4%\*\* (65.5%\*\* in 2009)**
- **Lower cost of risk: 83 bp\*\*\* (-23 bp vs. 2009)**
- **Tier 1 Ratio (Basel II): 10.6%<sup>(1)</sup> (Core Tier 1 of 8.5%)**
- **Earnings per share: EUR 4.96<sup>(2)</sup> (vs. EUR 0.45 in 2009)**
- **Proposed dividend: EUR 1.75 per share (vs. EUR 0.25 per share in 2009)**
  - **Scrip dividend option**

### **Q4 2010: Ongoing dynamic growth of core businesses**

- **Revenues of core businesses: +21.9%\* vs. Q4 09**
- **Cost of risk: 77 bp\*\*\***
- **Gross operating income: EUR 2.4bn**
- **Group net income: EUR 874m**

\* When adjusted for changes in Group structure and at constant exchange rates. For the Group and the "Private Banking, Global Investment Management and Services" division, "when adjusted for changes in Group structure and at constant exchange rates" means excluding the "Asset Management" activity following the setting up of Amundi.

\*\* Excluding non-economic effects (revaluation of credit derivative instruments used to hedge the corporate loan portfolios and revaluation of own financial liabilities) and PEL/CEL

\*\*\* Cost of risk excluding litigation issues and Legacy assets

(1) Excluding floor effects (additional capital requirements with respect to floor levels)

(2) After deducting interest to be paid to holders of deeply subordinated notes and undated subordinated notes (respectively EUR 311 million and EUR 25 million)

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At its February 15th, 2011 meeting, the Board of Directors of Societe Generale approved the Group's financial statements for the 2010 financial year. Group net income totalled EUR 3.92 billion for the year (EUR 0.87 billion in Q4). The Board of Directors decided to propose a dividend of EUR 1.75 per share for the 2010 financial year to the Annual General Meeting, with a scrip dividend option.

2010 saw further evidence of the global economic recovery on the back of aggressive fiscal and monetary policies, albeit with marked differences between countries. The markets showed their concern with the budgetary situations of developed countries and governments embarked on measures to reduce their debt and ensure greater coordination of their economic policies to avoid jeopardising growth.

On the regulatory front, the Basel Committee's work, aimed at strengthening the security of the global banking system, led to a number of decisions during 2010 concerning new capital and liquidity management requirements. Resulting far-reaching changes in prudential rules will lead to radical changes in the way banking markets operate, especially in Europe.

In this environment, Societe Generale continued to expand its businesses in 2010 and successfully completed the first stage of the Group's transformation project. Under its "Ambition SG 2015" programme, the Group:

- strengthened its core businesses, making a firm choice in favour of a client-focused model;
- actively participated in the financing of the economy, exceeding the commitments made to the French public authorities regarding the financing of SMEs;
- initiated substantial investments to transform its operating model, aimed at achieving long-term efficiency gains and improving its medium-term competitiveness;
- optimised its business portfolio, with the sale of its ECS subsidiary specialised in IT leasing, and the strengthening of its retail banking activity in France through the purchase of Société Marseillaise de Crédit;
- continued to improve the risk profile of its market activities by promoting the development of client-focused activities and reducing its legacy assets.

Commenting on the Group's 2010 results, Frédéric Oudéa – Chairman and CEO – stated: "In a still very volatile and mixed environment, the Group's 2010 results illustrate the quality of its customer franchises and the robustness of its universal banking model. In 2010, we embarked on a far-reaching transformation of the Group, launching numerous initiatives in terms of customer satisfaction, human resources management, the sharing of information systems and process industrialisation. We are determined to continue with this transformation process in 2011, a year that will mark a new positive stage of "Ambition SG 2015" and that will confirm the Group's ability to achieve Group net income of around EUR 6 billion in 2012. Combined with strict financial discipline, this transformation will also enable Societe Generale to face the challenges associated with all the ongoing regulatory changes."

## 1. GROUP CONSOLIDATED RESULTS

<i>In EUR m</i>	2009	2010	Change 2010/2009	Q4 09	Q4 10	Change Q4/Q4
<b>Net banking income</b>	<b>21,730</b>	<b>26,418</b>	<b>+21.6%</b>	<b>5,131</b>	<b>6,857</b>	<b>+33.6%</b>
<i>On a like-for-like basis*</i>			<b>+20.1%</b>			<b>+31.8%</b>
<b>Operating expenses</b>	<b>(15,766)</b>	<b>(16,545)</b>	<b>+4.9%</b>	<b>(3,984)</b>	<b>(4,440)</b>	<b>+11.4%</b>
<i>On a like-for-like basis*</i>			<b>+4.3%</b>			<b>+11.9%</b>
<b>Gross operating income</b>	<b>5,964</b>	<b>9,873</b>	<b>+65.5%</b>	<b>1,147</b>	<b>2,417</b>	<b>x2.1</b>
<i>On a like-for-like basis*</i>			<b>+58.4%</b>			<b>+93.0%</b>
<b>Net allocation to provisions</b>	<b>(5,848)</b>	<b>(4,160)</b>	<b>-28.9%</b>	<b>(1,906)</b>	<b>(1,100)</b>	<b>-42.3%</b>
<b>Operating income</b>	<b>116</b>	<b>5,713</b>	<b>NM</b>	<b>(759)</b>	<b>1,317</b>	<b>NM</b>
<i>On a like-for-like basis*</i>			<b>NM</b>			<b>NM</b>
<b>Group net income</b>	<b>678</b>	<b>3,917</b>	<b>x5.8</b>	<b>221</b>	<b>874</b>	<b>x4.0</b>

	2009	2010	Q4 09	Q4 10
<b>Group ROE after tax</b>	<b>0.9%</b>	<b>9.8%</b>	<b>1.5%</b>	<b>8.4%</b>
<b>ROE of core businesses after tax</b>	<b>9.6%</b>	<b>16.0%</b>	<b>NM</b>	<b>13.4%</b>

### Net banking income

With revenues of EUR 26.4 billion in 2010, Societe Generale demonstrated its ability to bounce back (+20.1%\* vs. 2009) in an environment that continued to be marked by the crisis and major economic and regulatory changes.

- The **French Networks** enjoyed above-target revenue growth (+4.5%<sup>1</sup> vs. 2009, or NBI of EUR 7.8 billion), on the back of their strong commercial dynamism;
- **International Retail Banking** benefited from a diversified geographical set-up and posted robust revenues that were slightly higher (+0.7%\*) than in 2009 at EUR 4.9 billion. The actions undertaken in Russia resulted in the Group's activities in the country returning to a positive contribution at the end of the year, whereas the Romanian and Greek subsidiaries suffered the effects of the recession;

In total, the French Networks and International Retail Banking accounted for nearly 50% of the Group's revenues in 2010.

- **Corporate and Investment Banking**, with revenues up +7.5%\* vs. 2009 at EUR 7.8 billion in 2010, demonstrated its ability to deliver consistent results in a mixed environment.

The revenues of core activities were underpinned by a good year in the Financing and Advisory businesses (+3.5%\* vs. 2009). However, the revenues for *Global Markets* activities, down -32.9%\* vs. 2009, were adversely affected by a sluggish environment in 2010, especially for flow activities (sovereign debt crises, market volatility). Structured products activities extended their franchise to the structuring of interest rate and forex solutions.

Corporate and Investment Banking's legacy assets made a slightly positive contribution to 2010 NBI (EUR 71 million), after a negative contribution of EUR 2.8 billion in 2009.

- **Specialised Financial Services and Insurance** saw its revenues improve by +7.8%\* vs. 2009 to EUR 3.5 billion on the back of strong growth in corporate financing, the recovery of Consumer Finance activities (particularly auto financing) and a record net inflow for the

<sup>1</sup> Excluding the PEL/CEL effect and SMC acquisition

Insurance businesses. Vehicle leasing grew significantly in 2010 and also benefited from the improvement in the second-hand vehicle market.

- **Private Banking, Global Investment Management and Services** contributed EUR 2.3 billion to the Group's NBI, down -6.2%\* vs. 2009. This decline conceals the good performance of Securities Services and the stabilised situation in the Asset Management and Broker businesses.

The Group's Q4 2010 revenues amounted to EUR 6.9 billion, up +31.8%\* vs. Q4 2009.

### Operating expenses

Operating expenses totalled EUR 16.5 billion in 2010 (+4.3%\* vs. 2009). This increase accompanied the growth in NBI and reflects, in particular, the investments made in Corporate and Investment Banking in order to improve the commercial and operating infrastructure. When adjusted for changes in Group structure and at constant exchange rates, operating expenses in Specialised Financial Services & Insurance and Securities Services were lower, reflecting the strategic refocusing and improvement in operating efficiency realised during 2010.

The 2010 cost to income ratio (excluding the PEL/CEL effect and the impact of the revaluation (i) of credit derivative instruments used to hedge the corporate loan portfolios and (ii) of own financial liabilities) improved by more than 2 points to 63.4% in 2010 vs. 65.5% in 2009.

### Operating income

The Group's gross operating income totalled EUR 9.9 billion in 2010, compared with EUR 6.0 billion in 2009. The Q4 contribution was EUR 2.4 billion, 2.1 times higher than the previous year.

The **cost of risk**, contained in 2010 due to the relative improvement in the economic situation and the control of Corporate and Investment Banking's legacy assets, was lower, falling from EUR -5.8 billion in 2009 to EUR -4.2 billion in 2010.

At 83 basis points in 2010, Societe Generale's cost of risk (excluding legacy assets) showed a significant decline vs. 2009 (-23 basis points).

- The **French Networks'** cost of risk amounted to 50 basis points, which was lower than in 2009 (58 basis points), a trend in line with expectations. The loss rate remained low for housing loans.
- At 196 basis points, **International Retail Banking's** cost of risk was stable on average vs. 2009 (195 basis points). The quarterly trend was more favourable: the cost of risk fell from 225 basis points in Q1 10 to 194 basis points in Q4 10. An analysis of the trends by country reveals a mixed situation. In Russia and the Czech Republic, the cost of risk was sharply lower year-on-year. In Greece, the cost of risk remained at a high level throughout the year. Lastly, in a deteriorated macro-economic environment, the cost of risk increased in Romania.
- **Corporate and Investment Banking's** core activities recorded a net cost of risk of EUR -72 million in 2010 (EUR -922 million in 2009), reflecting the excellent resilience of the client portfolio throughout the year. At 5 basis points in 2010, the commercial cost of risk remained at a very low level (79 basis points in 2009). Legacy assets' cost of risk remained under control at EUR -696 million.
- **Specialised Financial Services'** cost of risk declined by 35 basis points to 221 basis points (256 basis points in 2009), especially for Equipment Finance. There was also a marked decline in the cost of risk for Consumer Finance, except in Italy.

The lower cost of risk in 2010 was also accompanied by an increase in the coverage rate for provisionable outstandings to 72% at end-2010 vs. 68% at end-2009.

The Group's operating income totalled EUR 5.7 billion in 2010, substantially higher than in 2009 (EUR 116 million).

**Net income**

After taking into account tax and minority shareholders' share of income, Group net income for 2010 amounted to EUR 3,917 million (vs. EUR 678 million in 2009), including EUR 874 million in respect of Q4 2010.

Group ROE after tax was 9.8% (8.4% in Q4 2010).

Earnings per share amounts to EUR 4.96 for 2010. The Board of Directors will propose a dividend per share of EUR 1.75 to the Annual General Meeting, with a scrip dividend option.

## 2. THE GROUP'S FINANCIAL STRUCTURE

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Group shareholders' equity totalled EUR 46.4 billion<sup>1</sup> at December 31st, 2010 (EUR 42.2 billion at end-2009) and net asset value per share was EUR 54.0 (including EUR -0.27 of unrealised capital losses), an increase of +10.3% year-on-year.

In 2010, Societe Generale purchased 2.9 million shares in order to cover the free shares granted to employees. As a result, at end-2010, the Group possessed 12.3 million own shares and 9.0 million treasury shares (representing in total 2.85% of the capital), excluding shares held for trading purposes. Societe Generale also held 7.5 million purchase options on its own shares to cover stock option plans allocated to its employees.

Basel II risk-weighted assets amounted to EUR 334.8 billion at December 31st, 2010 vs. EUR 324.1 billion at end-December 2009. The Tier 1 ratio at year-end was 10.6%<sup>2</sup> (including 8.5% for Core Tier 1). This includes the effects related to a dividend payment of EUR 1.75 per share (or a payout ratio of 35%), as proposed by the Board of Directors to the Annual General Meeting. Moreover, the Board of Directors also proposes to offer shareholders a scrip dividend option.

The Group is rated Aa2 by Moody's and A+ by Fitch and S&P.

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1 This figure includes notably (1) EUR 6.4 billion of deeply subordinated notes, EUR 0.9 billion of undated subordinated notes and (ii) EUR -0.20 billion of net unrealised capital losses

2 Excluding floor effects (additional capital requirements with respect to floor levels): -28 basis points on the Tier 1 ratio, figure changed with regard to February 16th, 2011 release (-35 bp)

### 3. FRENCH NETWORKS

<i>In EUR m</i>	2009	2010	Change 2010/2009	Q4 09	Q4 10	Change Q4/Q4
<b>Net banking income</b>	<b>7,466</b>	<b>7,791</b>	<b>+4.4%</b>	<b>1,943</b>	<b>2,055</b>	<b>+5.8%</b>
<i>NBI excl. PEL/CEL &amp; excl. SMC</i>			<i>+4.5%</i>			<i>+3.0%</i>
<b>Operating expenses</b>	<b>(4,911)</b>	<b>(5,058)</b>	<b>+3.0%</b>	<b>(1,326)</b>	<b>(1,378)</b>	<b>+3.9%</b>
<b>Gross operating income</b>	<b>2,555</b>	<b>2,733</b>	<b>+7.0%</b>	<b>617</b>	<b>677</b>	<b>+9.7%</b>
<i>GOI excl. PEL/CEL &amp; excl. SMC</i>			<i>+9.1%</i>			<i>+8.0%</i>
<b>Net allocation to provisions</b>	<b>(970)</b>	<b>(864)</b>	<b>-10.9%</b>	<b>(306)</b>	<b>(219)</b>	<b>-28.4%</b>
<b>Operating income</b>	<b>1,585</b>	<b>1,869</b>	<b>+17.9%</b>	<b>311</b>	<b>458</b>	<b>+47.3%</b>
<b>Group net income</b>	<b>1,007</b>	<b>1,233</b>	<b>+22.4%</b>	<b>197</b>	<b>302</b>	<b>+53.3%</b>
<i>Net income excl. PEL/CEL &amp; excl. SMC</i>			<i>+26.1%</i>			<i>+47.4%</i>

Against the backdrop of a gradual economic recovery, the commercial dynamism of the **French Networks** led to full-year revenues up +4.5%<sup>(a)</sup>, thus exceeding the target announced. Adhering to its commitment to actively participate in the **financing of the French economy**, the division posted growth in outstanding loans of +4.1%<sup>(b)</sup> in Q4 10 vs. Q4 09 (+3.1%<sup>(b)</sup> in 2010 vs. 2009).

In an environment of low interest rates and announced changes to certain tax incentives (notably tax-deductible loan interest and the Scellier law), new **housing loan** business reached the record level of EUR 19.1 billion in 2010. Accordingly, corresponding outstanding loans grew +8.9%<sup>(b)</sup> in Q4 10 vs. Q4 09 (+6.7%<sup>(b)</sup> on average in 2010 vs. 2009). Despite a still timid recovery in corporate investment, outstanding **investment loans** rose +3.4%<sup>(b)</sup> in Q4 10 vs. Q4 09 (+3.6%<sup>(b)</sup> on average in 2010 vs. 2009). The Societe Generale group has more than complied with the French banks' commitment to the French public authorities to actively finance SMEs. Accordingly, the French Networks granted EUR 5.8 billion of medium/long-term loans in 2010, exceeding the initial commitment by more than EUR 300 million.

The French Networks' **customer franchises** expanded significantly in 2010. The number of individual customers for the three brands (Societe Generale, Cr dit du Nord and Boursorama) grew +3.9% vs. 2009 (+400,000 individual customers in 2010 including 165,000 from SMC), amounting to 10.7 million at end-2010.

The French Networks increased their **deposit inflow** throughout the year. On the back of strong growth in these outstandings (+11.9%<sup>(b)</sup> in Q4 10 vs. Q4 09 and +9.5%<sup>(b)</sup> in 2010 vs. 2009), the **loan/deposit ratio** improved by 11 points over one year to 128% in Q4 10 and by 17 points over the last two years.

The **Insurance** distribution activity enjoyed significant growth both for the "life" component, which posted net inflow up +23.9%<sup>(b)</sup> year-on-year, and the "non-life" component, with an increase in signed policies of +32.6%<sup>(b)</sup> vs. 2009.

The French Networks' total net inflow on all savings products for individual customers (deposits, life insurance and UCITS) reached the record level of EUR 4.3 billion in 2010 vs. EUR 2.0 billion in 2009.

2010 saw the French Networks launch a number of "socially-responsible" products, such as Solidarity Savings (enabling individual customers to optimise their payments to charity organisations) and "environmentally-responsible" products, such as the Corporate Environment Card.

(a) Excl. PEL/CEL effect and SMC acquisition

(b) Excl. SMC

In terms of technological innovation, mobile banking applications were introduced on the Android and iPhone platforms, with the latter receiving the “financial application of the year” award in the “iTunes Rewind 2010” ranking.

The **financial results** reflect this commercial dynamism. Revenues totalled EUR 7,791 million in 2010. Despite an environment of historically low interest rates, the growth in outstandings helped the interest margin grow +7.7%<sup>(a)</sup> vs. 2009 (+6.6%<sup>(a)</sup> in Q4 10 vs. Q4 09). Commissions were slightly higher in 2010 (+0.6%<sup>(a)</sup> vs. 2009), impacted by the slowdown in financial commissions, and down -1.7%<sup>(a)</sup> in Q4 10 vs. Q4 09.

The controlled increase in operating expenses (+2.1%<sup>(b)</sup> vs. 2009) generated a cost to income ratio of 64.3%<sup>(a)</sup> in 2010, an improvement of 1.5<sup>(a)</sup> points vs. 2009.

In line with expectations, the 2010 cost of risk fell to 50 basis points, vs. 58 basis points in 2009. The figure was 49 basis points in Q4 10, also down vs. Q4 09 (74 basis points). The loss rate remained low for housing loans.

The French Networks’ contribution to Group net income totalled EUR 1,233 million in 2010, up +22.4% year-on-year.

Net banking income rose +3.0%<sup>(a)</sup> to EUR 2,055 million in Q4 10 (including SMC for 3 months) vs. Q4 09. Operating expenses, excluding the effects of the SMC acquisition, were stable over the period. The cost to income ratio came to 66.0%<sup>(a)</sup>, representing a 1.6-point<sup>(a)</sup> improvement vs. Q4 09. The contribution to Group net income totalled EUR 302 million in Q4 10 vs. EUR 197 million in Q4 09.

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(a) Excl. the PEL/CEL effect and SMC acquisition  
(b) Excluding SMC



#### 4. INTERNATIONAL RETAIL BANKING

<i>In EUR m</i>	2009	2010	Change 2010/2009	Q4 09	Q4 10	Change Q4/Q4
Net banking income	4,749	4,930	+3.8%	1,219	1,257	+3.1%
<i>On a like-for-like basis*</i>			+0.7%			+0.9%
Operating expenses	(2,681)	(2,769)	+3.3%	(680)	(717)	+5.4%
<i>On a like-for-like basis*</i>			+0.2%			+3.3%
Gross operating income	2,068	2,161	+4.5%	539	540	+0.2%
<i>On a like-for-like basis*</i>			+1.4%			-2.2%
Net allocation to provisions	(1,298)	(1,340)	+3.2%	(353)	(335)	-5.1%
Operating income	770	821	+6.6%	186	205	+10.2%
<i>On a like-for-like basis*</i>			+6.9%			+5.2%
Group net income	459	492	+7.2%	100	104	+4.0%

**International Retail Banking** made a satisfactory contribution to the Group's results in 2010. Revenues increased +0.7%\* vs. 2009 in a still mixed environment across geographical regions. The main commercial indicators confirm the resumption in growth: outstanding loans and deposits rose year-on-year by respectively +5.5%\* to EUR 65.2 billion and +1.8%\* to EUR 66.4 billion, vs. end-2009.

With its 12.3 million individual customers around the world, International Retail Banking continued to expand its customer franchises in 2010, primarily due to the dynamism of the **Mediterranean Basin, Sub-Saharan Africa and French Overseas Territories**. The Group opened 61 branches and gained more than 306,000 new individual customers in these regions. The robust growth in loans and deposits (respectively +10.1%\* and +9.5%\* vs. end-2009) also illustrates the level of commercial activity. Moreover, the Group plans to roll out innovative solutions in Sub-Saharan Africa with, in particular, the extension of a mobile payment service in 8 entities by 2012 and the launch of a "Bank Light" concept in H2 2011.

In **Russia**, at the same time as creating a unified management team and initiating legal consolidation in 2010, the Group continued with the implementation of measures to improve operating efficiency and risk control. The contribution to Group net income amounted to EUR 13 million in Q4 10, confirming the financial recovery of the Russian operations. Outstanding loans and deposits by individuals experienced a sharp increase of respectively +13.4%\* and +6.0%\* year-on-year. In 2011, commercial activity is expected to benefit from the encouraging macro-economic outlook and will be driven by a programme to optimise the sales set-up and the exploitation of synergies between the Group's entities.

In **Central and Eastern European countries**, performances remained mixed. Proactive management of the network resulted in 51 targeted branch closures (mainly in Greece) and 30 openings.

In the **Czech Republic (Komerční Banca)**, a good commercial performance was accompanied by solid financial results. The contribution to Group net income totalled EUR 250 million, which was significantly higher (+28.2%\* vs. 2009). Outstanding loans to individual customers rose +7.2%\* year-on-year. In 2011, the Group will continue with the rollout of a commercial strategy focused on intensifying customer relations and optimising synergies. In **Romania (BRD)** and in response to a deteriorated environment, the Group maintained cost-cutting measures and a selective loan approval policy. With operating expenses under control, there was a limited decline in operating income and a positive contribution to Group net income of EUR 77 million in 2010. In **Greece**, policies to realign the operating infrastructure (headcount decline of -16% and 24 branch closures over 3 years) and control risks were kept in place.

International Retail Banking's revenues totalled EUR 4,930 million. The figure for Q4 10 was EUR 1,257 million, up +0.9%\* vs. Q4 09.

At EUR 2,769 million, 2010 operating expenses were stable\* vs. 2009, reflecting on the one hand, the control of expenses in Central and Eastern European operations and, on the other hand, organic growth concentrated in the most dynamic regions. In Q4 10, operating expenses were 3.3%\* higher than in Q4 09.

The division posted gross operating income of EUR 2,161 million in 2010, up +1.4%\* vs. 2009. Overall, there was a 0.3-point reduction in the cost to income ratio vs. 2009, to 56.2%. Gross operating income totalled EUR 540 million in Q4 10.

At 196 basis points, International Retail Banking's cost of risk was stable vs. 2009 (195 basis points). This situation was marked by contrasting trends: on the one hand, in Russia and the Czech Republic where the cost of risk was sharply lower and on the other hand, in Greece where it increased significantly from Q2 10. The deteriorated macro-economic environment in Romania also negatively impacted BRD's cost of risk

International Retail Banking's contribution to Group net income totalled EUR 492 million in 2010 (+7.5%\* vs. 2009). The contribution to Group net income was EUR 104 million in Q4 10 (stable\* vs. Q4 09).

## 5. CORPORATE AND INVESTMENT BANKING

In EUR m	2009	2010	Change 2010/2009	Q4 09	Q4 10	Change Q4/Q4
Net banking income	7,028	7,836	+11.5%	803	2,007	x2.5
<i>On a like-for-like basis*</i>			+7.5%			x 2,1
Financing and Advisory	2,510	2,744	+9.3%	629	757	+20.3%
Global Markets (1)	7,338	5,021	-31.6%	950	1,137	+19.7%
Legacy assets	(2,820)	71	NM	(776)	113	NM
Operating expenses	(3,981)	(4,706)	+18.2%	(845)	(1,321)	+56.3%
<i>On a like-for-like basis*</i>			+14.0%			+48.8%
Gross operating income	3,047	3,130	+2.7%	(42)	686	NM
<i>On a like-for-like basis*</i>			-0.8%			x 12,5
Net allocation to provisions	(2,320)	(768)	-66.9%	(889)	(270)	-69.6%
O.w. Legacy assets	(1,398)	(696)	-50.2%	(803)	(277)	-65.5%
Operating income	727	2,362	x3.2	(931)	416	NM
<i>On a like-for-like basis*</i>			x 3,0			NM
Group net income	663	1,730	x2.6	(562)	311	NM

(1) O.w. "Equities" EUR 2 466m in 2010 (EUR 3,431m in 2009) and "Fixed income, Currencies and Commodities" EUR 2,555m in 2010 (EUR 3,907m in 2009)

2010 was characterised by a tumultuous and trendless market environment, marked by heightened European sovereign debt tensions in May and November. Against this backdrop, **Corporate and Investment Banking (SG CIB)** succeeded in adapting its client-focused business model and applying a rigorous risk management policy in order to achieve solid and balanced revenues. At EUR 7,836 million, including EUR 71 million for legacy assets, revenues rose +7.5%\* (+11.5% in absolute terms) vs. 2009. The division demonstrated its ability to deal with market developments, by expanding its advisory activity and product offering, and to anticipate the regulatory changes that will lead to greater disintermediation in corporate financing in Europe.

**Financing & Advisory** enjoyed a very good year in 2010, posting revenues of EUR 2,744 million, an increase of +3.5%\* (+9.3% in absolute terms) vs. 2009. Structured financing activities were particularly dynamic and increased their contribution to the business line's revenues (+17% vs. 2009) primarily due to natural resources financing (+36% vs. 2009). Accordingly, SG CIB participated in the *China Wind Power*<sup>1</sup> project for the financing of a wind farm in Asia-Pacific and financed a number of social and environmental projects around the world, such as the financing of a set of solar energy production units for EDF and hospitals in the Dominican Republic. Its expertise resulted in SG CIB being named "Best Export Finance Arranger" for the ninth year running (*Trade Finance Magazine*, June 2010) and "Best Project Finance House in Asia" (*Euromoney Magazine*, July 2010). Capital raising activities retained their leading positions in the debt and equity markets: No. 1 in "equity, equity-related issues in France"<sup>2</sup> (No. 5 in 2009), No. 2 in "sovereign euro bond issues"<sup>3</sup> (No. 3 in 2009) and No. 3 in "corporate euro bond issues"<sup>3</sup> (No. 3 in 2009). The business line posted good performances for acquisition and leverage financing, with the latter growing +42% vs. 2009. With advisory mandates on a number of significant deals such as Alstom's acquisition of Areva T&D and the merger of International Power with GDF Suez Energy, the Group's expertise was recognised with the award of "France M&A Adviser of the year" (*Acquisitions Monthly*, December 2010).

**Market Activities** posted revenues of EUR 5,021 million in 2010, down -32.9%\* (-31.6% in absolute terms) vs. 2009. Adversely affected by challenging market

1 Project Finance International: deal of the year

2 Thomson Reuters, December 2010 and 2009

3 IFR rankings, December 2010 and 2009

conditions, especially in Q2, and euro zone sovereign debt tensions, activity declined across all **Equities and Fixed Income, Currencies & Commodities** businesses.

**Equity** revenues totalled EUR 2,466 million in 2010, down -28% vs. 2009. Despite unfavourable market parameters (high volatility, increase in correlation, weak volumes), client-driven activity proved highly resilient and demonstrated the soundness of the franchise. As from Q3, the business line benefited from improved indexes and posted good performances on flow and structured products. In 2010, SG CIB was again voted “Equity derivatives house of the year” (*Risk magazine*, January 2011). The business line’s expertise is also confirmed by the fact that it has maintained its leading positions in the warrants market (global No. 1 with a 12.4% market share in 2010) and ETF market (European No. 2 with a 20.3% market share at end-2010). Lyxor once again demonstrated the robustness of its activity with assets under management increasing by EUR 7.5 billion to EUR 96.1 billion at end-2010 (up +8%<sup>1</sup> vs. end-2009). It was also awarded the titles of “Best Managed Account Platform” (*Hedgeweek Awards*, March 2010) and “No. 1 Global Provider in ETFs” (*Risk Magazine Institutional Investors Ranking*, June 2010).

In an economic environment marked by the deterioration of market parameters, **Fixed Income, Currencies & Commodities** generated revenues down -35% vs. 2009, at EUR 2,555 million. Declining volumes and sales margins had a negative impact on flow product business, especially the rates activity. However, the results for the structured products franchise were satisfactory, confirming the relevance of the cross-asset approach implemented since 2009. Market share on the “FX All” electronic platform increased by 0.7 points to 4.3% in 2010.

Throughout the year, the Group implemented an active policy to reduce **legacy assets**. This resulted in EUR 8.6 billion of disposals and amortisations. After recording substantially negative revenues in 2009 (EUR -2,820 million), 2010 revenues were positive at EUR 71 million.

**Operating expenses** increased +14.0%\* in 2010 vs. 2009 (+18.2% in absolute terms) primarily due to investments related to the transformation of the operating model. As part of its affirmed strategy to enhance its client focus, the division also strengthened its client coverage teams by recruiting a number of senior bankers, originators for the financing & advisory business as well as sales staff for market activities. In order to offer its clients an even better service by providing access to the main regions for investors, SG CIB enhanced its product offering, by launching its global forex execution platform, and its coverage of the major currencies by obtaining primary dealer status for UK gilts and US treasury bonds (respectively since September 2010 and February 2011).

The 2010 cost to income ratio for core activities was 59.7% (60.1% for the division), a level that is among the most competitive in the industry. As a result, gross operating income totalled EUR 3,131 million in 2010.

The 2010 **net cost of risk** for Corporate and Investment Banking’s core activities was very low (5 basis points vs. 79 basis points in 2009), as a result of a prudent risk-taking policy and the quality of the loan portfolio. At EUR -696 million in 2010, legacy assets’ cost of risk was in line with expectations.

Corporate and Investment Banking’s operating income totalled EUR 2,362 million in 2010 (vs. EUR 727 million in 2009). The contribution to Group net income was EUR 1,730 million (vs. EUR 663 million in 2009).

The division’s Q4 revenues were 2.1\* times higher than in Q4 09, amounting to EUR 2,007 million. Operating expenses totalled EUR 1,321 million. Gross operating income was EUR 686 million (vs. EUR -42 million in Q4 09). As a result, operating income totalled EUR 416 million and the contribution to Group net income was EUR 311 million (vs. respectively EUR -931 million and EUR -562 million in Q4 09).

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<sup>1</sup> At constant structure, excl. SGAM Fortune

## 6. SPECIALISED FINANCIAL SERVICES AND INSURANCE

<i>In EUR m</i>	2009	2010	Change 2010/2009	Q4 09	Q4 10	Change Q4/Q4
Net banking income	3 239	3 539	+9,3%	884	876	-0,9%
<i>On a like-for-like basis*</i>			+7,8%			+5,3%
Operating expenses	(1 818)	(1 841)	+1,3%	(501)	(465)	-7,2%
<i>On a like-for-like basis*</i>			-0,1%			+0,9%
Gross operating income	1 421	1 698	+19,5%	383	411	+7,3%
<i>On a like-for-like basis*</i>			+17,0%			+10,6%
Net allocation to provisions	(1 224)	(1 174)	-4,1%	(359)	(265)	-26,2%
Operating income	197	524	x2,7	24	146	x6,1
<i>On a like-for-like basis*</i>			x 2,7			x 7,5
Group net income	26	343	x13,2	(37)	94	NM

The **Specialised Financial Services and Insurance** division comprises:

- (i) **Specialised Financial Services** (consumer finance, equipment finance, operational vehicle leasing and fleet management, IT leasing and management<sup>1</sup>)
- (ii) **Life and Non-Life Insurance**.

**Specialised Financial Services and Insurance's** contribution to the Group's results was sharply higher in 2010 at EUR 343 million, testifying to the healthy momentum of insurance activities and the recovery in the financing business.

**Consumer Finance** began to see a pick-up in new business in 2010, which amounted to EUR 11.4 billion (+0.5%\* vs. 2009 excluding Italy), especially in Russia (+44.3%\* vs. 2009). Given the still fragile economic environment, the Group maintained its very selective loan approval policy and continued to pursue its strategy of refocusing activities in high-potential geographical regions. 2011 will be primarily devoted to turning around the Italian subsidiary in order to fully restore Consumer Finance's performance by 2012.

**Equipment Finance's** new loan business gradually picked up, in the wake of corporate investment. This trend strengthened in the last quarter (+18.9%<sup>2</sup> in Q4 10 vs. Q3 10), especially in Germany (+23.6% vs. Q3 10). New business totalled EUR 7.3 billion in 2010 (excluding factoring), a limited decline vs. 2009 (-3.6%\*). Loan margins remained at a healthy level. European leader in this market, the Group consolidated its positions, particularly in multi-country vendor program financing.

**Operational vehicle leasing and fleet management** enjoyed strong growth in 2010, with the leasing of approximately 214,000 vehicles (+21.2%<sup>2</sup> vs. 2009). Overall, the number of vehicles (841,000 at end-2010) was up +6.5%<sup>2</sup> vs. 2009, led by France, Germany and the United Kingdom. The second-hand vehicle market improved significantly during the year, leading to a notable recovery in the business' financial performance.

**Specialised Financial Services'** net banking income totalled EUR 3,027 million in 2010, up +6.9%\* vs. 2009 (+8.6% in absolute terms). Gross operating income amounted to EUR 1,390 million, an increase vs. 2009 (+17.0%\* and +20.0% in absolute terms). The cost to income ratio improved by 4.3 points to 54.1% in 2010.

<sup>1</sup> Activity disposed of in October 2010

<sup>2</sup> At constant structure

Specialised Financial Services' revenues totalled EUR 746 million in Q4 10, up +4.5%\* vs. Q4 09 (-2.6% in absolute terms), whereas operating expenses were slightly higher (+0.5%\* and -8.4% in absolute terms) at EUR 412 million. Gross operating income was higher at EUR 334 million (+9.6%\* and +5.7% in absolute terms vs. Q4 09). The cost to income ratio improved significantly (3.5 points) to 55.2% in Q4 10.

The **Insurance** activity enjoyed an excellent year, both inside and outside France. In life insurance, in a favourable interest rate environment, net inflow reached a record level of EUR 5.4 billion in 2010 (+42.6%\* vs. 2009), focused on with-profits vehicles. Non-life insurance also demonstrated its dynamism in 2010, both in the auto and home insurance segment, with new business up +14.9% (excluding insurance for payment cards and cheques) vs. 2009.

The **Insurance** activity's net banking income totalled EUR 512 million in 2010, up +13.0%\* vs. 2009. The figure was EUR 130 million in Q4 10, an increase of +10.2%\* vs. Q4 09.

Specialised Financial Services' cost of risk amounted to 221 basis points (256 basis points in 2009), showing a significant decline of 35 basis points, especially in Equipment Finance. There was also a marked decline in Consumer Finance's cost of risk, except in Italy.

**Specialised Financial Services and Insurance's** operating income totalled EUR 524 million in 2010 vs. EUR 197 million in 2009. The contribution to Group net income was EUR 343 million compared with EUR 26 million in 2009.

Operating income came to EUR 146 million in Q4 10 (vs. EUR 24 million in Q4 09) and the contribution to Group net income amounted to EUR 94 million (vs. EUR -37 million in Q4 09).

## 7. PRIVATE BANKING, GLOBAL INVESTMENT MANAGEMENT AND SERVICES

<i>In EUR m</i>	2009	2010	Change 2010/2009	Q4 09	Q4 10	Change Q4/Q4
Net banking income	2,534	2,270	-10.4%	640	606	-5.3%
<i>On a like-for-like basis*</i>			-6.2%			+0.2%
Operating expenses	(2,228)	(2,002)	-10.1%	(555)	(521)	-6.1%
<i>On a like-for-like basis*</i>			-2.7%			+6.8%
Operating income	266	261	-1.9%	84	78	-7.1%
<i>On a like-for-like basis*</i>			-14.1%			-37.0%
Group net income	201	289	+43.8%	62	80	29.0%
<i>o.w. Private Banking</i>	205	111	-45.9%	55	22	-60.0%
<i>o.w. Asset Management</i>	(10)	111	NM	8	46	x5.8
<i>o.w. SG SS &amp; Brokers</i>	6	67	x11.2	(1)	12	NM

<i>In EUR bn</i>	2009	2010	Q4 09	Q4 10
Net inflow for period	-15.2 <sup>(a)</sup>	-11.7 <sup>(b)</sup>	-11.4 <sup>(a)</sup>	1.9 <sup>(b)</sup>
AuM at end of period	344 <sup>(a)</sup>	172 <sup>(b)</sup>	344 <sup>(a)</sup>	172 <sup>(b)</sup>

(a) Excluding assets managed by Lyxor

(b) Excluding assets managed by Lyxor and Amundi

The **Private Banking, Global Investment Management and Services** division consists of three activities:

- (i) **Private Banking** (Societe Generale Private Banking)
- (ii) **Asset Management** (Amundi, TCW)
- (iii) **Societe Generale Securities Services (SGSS) and Brokers** (Newedge).

**Private Banking, Global Investment Management and Services** improved its performance and strengthened its commercial positions in 2010. With EUR 84.5 billion (vs. EUR 75.4 billion at end-2009) of assets under management, **Private Banking** consolidated its positions both in France and Europe. The momentum enjoyed by **Securities Services** resulted in a year-on-year increase of +9.4% in assets under custody and the award of “Custodian of the Year: France” (ICFA European Awards, November 2010). **Newedge** maintained its leadership position and market share (12.1% in 2010 in the main markets where it is a member). Lastly, **Asset Management** saw the resumption of positive inflow at TCW at year-end (EUR +0.8 billion in Q4 10).

Despite good commercial performances, the macro-economic environment remained uncondusive to the division’s activities, primarily due to the persistence of historically low interest rates and private and institutional investors still very cautious in the light of uncertain markets. The division’s 2010 revenues totalled EUR 2,270 million, down -6.2%\* (-10.4% in absolute terms) vs. 2009. Efforts to optimise operating efficiency helped reduce operating expenses by -2.7%\* (-10.1% in absolute terms vs. 2009) to EUR 2,002 million. Gross operating income totalled EUR 268 million in 2010, down -23.5%\* (-12.4% in absolute terms vs. 2009). For 2010, the division’s contribution to Group net income amounted to EUR 289 million vs. EUR 201 million for 2009.

The division’s revenues were stable at EUR 606 million in Q4 10 vs. Q4 09 (+0.2%\* and -5.3% in absolute terms). Operating expenses totalled EUR 521 million vs. EUR 555 million in Q4 09.

\* “when adjusted for changes in Group structure and at constant exchange rates” means excluding the “Asset Management” activity following the setting up of Amundi.

Gross operating income remained stable vs. Q4 09 at EUR 85 million. The division's contribution to Group net income amounted to EUR 80 million in Q4 10 vs. EUR 62 million in Q4 09.

## **Private Banking**

Private Banking demonstrated the quality of its franchise in 2010: Societe Generale Private Banking was voted "Best Private Bank in France" and "Best Private Bank in Europe for its offer in Structured Products" (Euromoney magazine, February 2011).

The business line's assets under management totalled EUR 84.5 billion at end-2010, up EUR +9.1 billion (+12.1% vs. end-2009). This growth includes a strong inflow of EUR +4.3 billion in 2010, representing an annualised rate of 5.7%, enhanced by a "market" effect of EUR +1.2 billion, a "currency" impact of EUR +3.4 billion and a structure effect of EUR +0.2 billion.

At EUR 699 million, the business line's revenues were down -17.9%\* (-15.7% in absolute terms) vs. 2009. They included around EUR -80 million of non-recurring items, with some EUR 30 million corresponding to the write-down of securities and the remainder to provisions for local operating risks. The 2010 financial performance also continued to be marked by a decline in the margin rate to 98bp<sup>1</sup> in 2010 vs. 116bp in 2009. This can be explained primarily by the lower contribution of the treasury activity (effect of the decline in spreads and rates in the money market). At the same time, commissions and commercial interest margin rose 8.6% in 2010 (on the back of the increased margins on loans and deposits).

At EUR 551 million, operating expenses were slightly higher in 2010 than in 2009 (+1.3%\* and +4.8% in absolute terms). The business line has embarked on an expansion programme aimed at reinforcing its commercial infrastructure and support functions. This has led to an increase in the headcount (+113) in its operations in France, Luxemburg, the United Kingdom, Monaco and the Middle East.

As a result, gross operating income totalled EUR 148 million (EUR 303 million in 2009), while the business line's contribution to Group net income amounted to EUR 111 million (EUR 205 million in 2009).

The business line's revenues amounted to EUR 171 million in Q4 10, down -19.3%\* vs. Q4 09 (-16.2% in absolute terms). At EUR 140 million, operating expenses were up +1.4%\* (+6.1% in absolute terms). Gross operating income totalled EUR 31 million and the contribution to Group net income was EUR 22 million.

## **Asset Management**

After three quarters of significant but expected outflow (EUR -16.9 billion) at TCW, following the restructuring undertaken at end-2009, Q4 10 saw the beginning of a positive commercial momentum with an inflow of EUR 0.8 billion. Moreover, the successful integration of MetWest and the expertise of its teams point to sound commercial growth for the new TCW entity as from 2011. With seven TCW and MetWest funds boasting 5-star Morningstar ratings, TCW can rely on excellent performances, especially for the "US Fixed Income Total Return Bond" funds of TCW and MetWest (respectively EUR 3.8 billion and EUR 8.7 billion of assets under management) to underpin the business' growth. After taking into account a "market" effect of EUR +4.6 billion, a "currency" impact of EUR +5.5 billion and a structure effect of EUR +23.1 billion (including EUR 22.2 billion related to the integration of MetWest), assets under management totalled EUR 87.0 billion at end-December (vs. EUR 70.0 billion at end-December 2009).

Against the backdrop of substantial changes in structure related firstly to the transfer to Amundi of SGAM's activities and secondly, TCW's acquisition of MetWest, the business line's revenues and operating expenses fell year-on-year by respectively -32.7%\* (-26.2% in absolute terms) to EUR 477 million and -35.2%\* (-30.3% in absolute terms) to EUR 457 million.

Gross operating income came to EUR 20 million in 2010 vs. EUR -10 million in 2009.

After factoring in Amundi's contribution (EUR 100 million), the business line's contribution to Group net income amounted to EUR 111 million vs. EUR -10 million in 2009.

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<sup>1</sup> excluding non-recurring items



The business line's Q4 10 revenues totalled EUR 150 million, down -30.9%\* (-22.3% in absolute terms). Operating expenses declined to EUR 114 million vs. EUR 179 million in Q4 09. As a result, gross operating income totalled EUR 36 million (vs. EUR 14 million in Q4 09). The contribution to Group net income amounted to EUR 46 million in Q4 10 (vs. EUR 8 million in Q4 09), including an equity-consolidated contribution from Amundi of EUR 25 million.

### **Societe Generale Securities Services (SGSS) and Brokers (Newedge)**

**Securities Services** and **Broker** activities posted higher revenues (+3.1%\*) of EUR 1,094 million in 2010.

**Securities Services** exhibited good commercial momentum, winning a number of mandates such as Credit Suisse Securities Europe. The business line also signed commercial partnerships with US Bancorp in the United States, National Bank of Abu Dhabi in the Middle East and Oddo in France. Assets under custody increased year-on-year by +9.4% vs. end-December 2009 while assets under administration remained stable (respectively at EUR 3,362 billion and EUR 455 billion). Good commercial performances helped contain the negative impact of the historically low level of rates (EONIA at 0.43% on average over the year). Moreover, in 2010, SGSS was awarded the title "Securities Services Provider, Europe" by Financial-i magazine and "Custodian of the Year: France" by ICFA European Awards 2010.

In a volatile environment with higher volumes, the **Broker** activity saw an increase in its revenues vs. 2009. Newedge maintained its No. 1 position in the US market (*Futures Commission Merchants*, November 2010), with a market share of 12.1%.

At EUR 994 million, operating expenses for the **Securities Services** and **Broker** activities were down -4.8%\* (-5.0% in absolute terms) vs. 2009 as a result of cost-cutting measures. Gross operating income and the business line's contribution to Group net income rose respectively to EUR 100 million (vs. EUR 13 million in 2009) and EUR 67 million (vs. EUR 6 million in 2009).

Revenues for Q4 10 amounted to EUR 285 million, up +17.3%\* (+17.3% in absolute terms). Operating expenses were higher (+9.9%\* and +9.4% in absolute terms). Gross operating income totalled EUR 18 million and the contribution to Group net income was EUR 12 million.

## 8. CORPORATE CENTRE

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The Corporate Centre's gross operating income was EUR -117 million in 2010 vs. EUR -3,433 million in 2009 (EUR 18 million in Q4 10 vs. EUR -435 million in Q4 09). For 2010, it includes, in particular:

- the revaluation of credit derivative instruments used to hedge the corporate loan portfolios, amounting to EUR -59 million (EUR -1,622 million in 2009);
- the revaluation of the Group's own financial liabilities, amounting to EUR 427 million (EUR -720 million in 2009);
- equity portfolio income, which amounted to EUR 64 million, vs. EUR -71 million in 2009. This figure includes notably a permanent impairment charge (EUR -8 million in 2010 vs. EUR -75 million in 2009) as well as the proceeds from the disposal of shareholdings (EUR +72 million in 2010 vs. EUR +4 million in 2009).

At December 31st, 2010, the IFRS net book value of the industrial equity portfolio amounted to EUR 0.61 billion, representing market value of EUR 0.84 billion.

## 9. CONCLUSION

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On the economic front, the Group's central scenario for 2011 remains a mixed global recovery: gradual and moderate in developed countries and stronger in emerging countries, but with an inflation risk that needs to be monitored.

In this changing environment, the Group will maintain the course set out in the "Ambition SG 2015" plan. Its universal banking model (refocused, more balanced, client-orientated, diversified in terms of businesses and geographical location) and its strategy of growth with less risk are designed to enable the Group to withstand any potential turmoil and effectively capitalise on the opportunities that arise.

The Group's financial management policy anticipates the regulatory changes that have been announced. Its capital base has been reinforced and, thanks to the rigorous management of scarce resources, the Group has the ability to comply with the new prudential requirements as soon as they are implemented and to achieve a Core Tier 1 ratio of around 8.5% by end-2013 without a capital increase.

### *2011 financial communication calendar*

May 5th 2011	Publication of first quarter 2011 results
May 24th 2011	Annual General Meeting
May 31st 2011	Dividend detachment
June 24th 2011	Dividend payment*
August 3rd 2011	Publication of second quarter 2011 results
November 8th 2011	Publication of third quarter 2011 results

\* Issue price of new shares to cover scrip dividends: equal to 90% of the calculation of the average of initial quoted prices for the twenty trading sessions preceding the date of the distribution decision, minus the dividend amount and rounded up to the nearest euro cent.

This document may contain a number of forecasts and comments relating to the targets and strategies of the Societe Generale Group. These forecasts are based on a series of assumptions, both general and specific (notably – unless specified otherwise – the application of accounting principles and methods in accordance with IFRS as adopted in the European Union as well as the application of existing prudential regulations). This information was developed from scenarios based on a number of economic assumptions for 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 impact on its operations;
- precisely evaluate the extent to which the occurrence of a risk or combination of risks could cause actual results to differ materially from those contemplated in this press release.

There is a risk that these projections will not be met. Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when basing their investment decisions on information provided in this document.

Unless otherwise specified, the sources for the rankings are internal.

## APPENDIX 1: FIGURES AND QUARTERLY RESULTS BY CORE BUSINESS

CONSOLIDATED INCOME STATEMENT (in EUR millions)	Yearly				4th quarter			
	2009	2010	Change 2010/2009		Q4 09	Q4 10	Change Q4/Q4	
Net banking income	21,730	26,418	+21.6%	+20.1%(*)	5,131	6,857	+33.6%	+31.8%(*)
Operating expenses	(15,766)	(16,545)	+4.9%	+4.3%(*)	(3,984)	(4,440)	+11.4%	+11.9%(*)
<b>Gross operating income</b>	<b>5,964</b>	<b>9,873</b>	<b>+65.5%</b>	<b>+58.4%(*)</b>	<b>1,147</b>	<b>2,417</b>	<b>x2.1</b>	<b>+93.0%(*)</b>
Net allocation to provisions	(5,848)	(4,160)	-28.9%	-30.8%(*)	(1,906)	(1,100)	-42.3%	-42.5%(*)
<b>Operating income</b>	<b>116</b>	<b>5,713</b>	<b>NM</b>	<b>NM(*)</b>	<b>(759)</b>	<b>1,317</b>	<b>NM</b>	<b>NM(*)</b>
Net profits or losses from other assets	711	11	-98.5%		697	13	-98.1%	
Net income from companies accounted for by the equity method	15	119	x7.9		9	28	x3.1	
Impairment losses on goodwill	(42)	1	NM		(24)	1	NM	
Income tax	308	(1,542)	NM		410	(364)	NM	
<b>Net income before minority interests</b>	<b>1,108</b>	<b>4,302</b>	<b>x3.9</b>		<b>333</b>	<b>995</b>	<b>x3.0</b>	
O.w. non controlling Interests	430	385	-10.5%		112	121	+8.0%	
<b>Group net income</b>	<b>678</b>	<b>3,917</b>	<b>x5.8</b>		<b>221</b>	<b>874</b>	<b>x4.0</b>	
Annualised Group ROE after tax (as %)	0.9%	9.8%			1.5%	8.4%		
Tier 1 ratio at end of period	10.7%	10.6%			10.7%	10.6%		

NET INCOME AFTER TAX BY CORE BUSINESS (in EUR millions)	Yearly			4th quarter		
	2009	2010	Change 2010/2009	Q4 09	Q4 10	Change Q4/Q4
<b>French Networks</b>	<b>1,007</b>	<b>1,233</b>	<b>+22.4%</b>	<b>197</b>	<b>302</b>	<b>+53.3%</b>
<b>International Retail Banking</b>	<b>459</b>	<b>492</b>	<b>+7.2%</b>	<b>100</b>	<b>104</b>	<b>+4.0%</b>
<b>Specialised Financial Services &amp; Insurance</b>	<b>26</b>	<b>343</b>	<b>x13.2</b>	<b>(37)</b>	<b>94</b>	<b>NM</b>
<b>Private Banking, Global Investment Management and Services</b>	<b>201</b>	<b>289</b>	<b>+43.8%</b>	<b>62</b>	<b>80</b>	<b>+29.0%</b>
o.w. Private Banking	205	111	-45.9%	55	22	-60.0%
o.w. Asset Management	(10)	111	NM	8	46	x5.8
o.w. SG SS & Brokers	6	67	x11.2	(1)	12	NM
<b>Corporate &amp; Investment Banking</b>	<b>663</b>	<b>1,730</b>	<b>x2.6</b>	<b>(562)</b>	<b>311</b>	<b>NM</b>
<b>CORE BUSINESSES</b>	<b>2,356</b>	<b>4,087</b>	<b>+73.5%</b>	<b>(240)</b>	<b>891</b>	<b>NM</b>
<b>Corporate Centre</b>	<b>(1,678)</b>	<b>(170)</b>	<b>+89.9%</b>	<b>461</b>	<b>(17)</b>	<b>NM</b>
<b>GROUP</b>	<b>678</b>	<b>3,917</b>	<b>x5.8</b>	<b>221</b>	<b>874</b>	<b>x4.0</b>

## CONSOLIDATED BALANCE SHEET

<i>Assets (in billions of euros)</i>	December 31, 2010	December 31, 2009	% change
Cash, due from central banks	14.1	14.4	-2%
Financial assets at fair value through profit or loss	455.1	400.2	+14%
Hedging derivatives	8.2	5.6	+47%
Available-for-sale financial assets	103.8	90.4	+15%
Due from banks	70.3	67.7	+4%
Customer loans	371.8	344.4	+8%
Lease financing and similar agreements	29.1	28.9	+1%
Revaluation differences on portfolios hedged against interest rate risk	2.4	2.6	-7%
Held-to-maturity financial assets	1.9	2.1	-11%
Tax assets and other assets	49.0	42.9	+14%
Non-current assets held for sale	0.1	0.4	-83%
Deferred profit-sharing	1.1	0.3	x 3,4
Tangible, intangible fixed assets and other	25.2	23.8	+6%
<b>Total</b>	<b>1,132.1</b>	<b>1,023.7</b>	<b>+11%</b>

<i>Liabilities (in billions of euros)</i>	December 31, 2010	December 31, 2009	% change
Due to central banks	2.8	3.1	-10%
Financial liabilities at fair value through profit or loss	359.0	302.8	+19%
Hedging derivatives	9.3	7.3	+26%
Due to banks*	77.3	89.4	-13%
Customer deposits	337.4	300.1	+12%
Securitised debt payables*	141.4	133.6	+6%
Revaluation differences on portfolios hedged against interest rate risk	0.9	0.8	+13%
Tax liabilities and other liabilities	56.3	50.2	+12%
Non-current liabilities held for sale	0.0	0.3	-98%
Underwriting reserves of insurance companies	82.7	74.4	+11%
Provisions	2.0	2.3	-13%
Subordinated debt*	12.0	12.6	-4%
Shareholders' equity	46.4	42.2	+10%
Non controlling Interests	4.6	4.6	-2%
<b>Total</b>	<b>1,132.1</b>	<b>1,023.7</b>	<b>+11%</b>

\* Amounts adjusted with respect to the published financial statements as at December 31, 2009

## QUARTERLY RESULTS BY CORE BUSINESSES

	2008 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2009 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2010 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>(in EUR millions)</i>												
<b>French Networks</b>												
Net banking income	1 801	1 817	1 829	1 964	1 781	1 875	1 867	1 943	1 892	1 931	1 913	2 055
Operating expenses	-1 213	-1 195	-1 176	-1 290	-1 198	-1 206	-1 181	-1 326	-1 241	-1 240	-1 199	-1 378
<i>Gross operating income</i>	<i>588</i>	<i>622</i>	<i>653</i>	<i>674</i>	<i>583</i>	<i>669</i>	<i>686</i>	<i>617</i>	<i>651</i>	<i>691</i>	<i>714</i>	<i>677</i>
Net allocation to provisions	-87	-98	-115	-195	-230	-214	-220	-306	-232	-216	-197	-219
<i>Operating income</i>	<i>501</i>	<i>524</i>	<i>538</i>	<i>479</i>	<i>353</i>	<i>455</i>	<i>466</i>	<i>311</i>	<i>419</i>	<i>475</i>	<i>517</i>	<i>458</i>
Net income from other assets	0	1	-1	0	0	1	0	1	4	1	0	1
Net income from companies accounted for by the equity method	6	1	4	-2	2	2	3	6	3	1	2	2
Income tax	-172	-179	-183	-162	-120	-155	-158	-107	-144	-162	-176	-155
<i>Net income before minority interests</i>	<i>335</i>	<i>347</i>	<i>358</i>	<i>315</i>	<i>235</i>	<i>303</i>	<i>311</i>	<i>211</i>	<i>282</i>	<i>315</i>	<i>343</i>	<i>306</i>
O.w. non controlling Interests	18	17	16	17	11	13	15	14	3	3	3	4
<i>Group net income</i>	<i>317</i>	<i>330</i>	<i>342</i>	<i>298</i>	<i>224</i>	<i>290</i>	<i>296</i>	<i>197</i>	<i>279</i>	<i>312</i>	<i>340</i>	<i>302</i>
Average allocated capital	5 769	6 010	6 118	6 125	6 078	6 160	6 224	6 291	6 569	6 494	6 189	6 487
<b>International Retail Banking</b>												
Net banking income	1 129	1 222	1 310	1 357	1 167	1 189	1 174	1 219	1 183	1 240	1 250	1 257
Operating expenses	-648	-694	-668	-742	-663	-681	-657	-680	-658	-699	-695	-717
<i>Gross operating income</i>	<i>481</i>	<i>528</i>	<i>642</i>	<i>615</i>	<i>504</i>	<i>508</i>	<i>517</i>	<i>539</i>	<i>525</i>	<i>541</i>	<i>555</i>	<i>540</i>
Net allocation to provisions	-88	-78	-127	-207	-299	-310	-336	-353	-366	-334	-305	-335
<i>Operating income</i>	<i>393</i>	<i>450</i>	<i>515</i>	<i>408</i>	<i>205</i>	<i>198</i>	<i>181</i>	<i>186</i>	<i>159</i>	<i>207</i>	<i>250</i>	<i>205</i>
Net income from other assets	-3	13	1	4	1	10	0	-4	4	0	-2	-1
Net income from companies accounted for by the equity method	4	1	2	1	1	2	2	1	3	3	3	2
Impairment losses on goodwill	0	0	0	-300	0	0	0	0	0	0	0	1
Income tax	-82	-97	-109	-86	-41	-42	-36	-36	-31	-40	-46	-39
<i>Net income before minority interests</i>	<i>312</i>	<i>367</i>	<i>409</i>	<i>27</i>	<i>166</i>	<i>168</i>	<i>147</i>	<i>147</i>	<i>135</i>	<i>170</i>	<i>205</i>	<i>168</i>
O.w. non controlling Interests	113	123	148	98	45	42	35	47	21	45	56	64
<i>Group net income</i>	<i>199</i>	<i>244</i>	<i>261</i>	<i>-71</i>	<i>121</i>	<i>126</i>	<i>112</i>	<i>100</i>	<i>114</i>	<i>125</i>	<i>149</i>	<i>104</i>
Average allocated capital	3 112	3 136	3 411	3 535	3 559	3 611	3 562	3 574	3 603	3 653	3 770	3 865

	2008 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2009 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2010 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Corporate and Investment Banking</b>												
Net banking income	160	1 344	338	-461	1 232	2 645	2 348	803	2 144	1 751	1 934	2 007
Operating expenses	-1 022	-971	-795	-761	-937	-1 162	-1 037	-845	-1 152	-1 074	-1 159	-1 321
<i>Gross operating income</i>	-862	373	-457	-1 222	295	1 483	1 311	-42	992	677	775	686
Net allocation to provisions	-312	-82	-281	-365	-569	-257	-605	-889	-233	-142	-123	-270
<i>Operating income</i>	-1 174	291	-738	-1 587	-274	1 226	706	-931	759	535	652	416
Net income from other assets	-2	8	5	0	0	-2	1	-6	1	-3	0	-5
Net income from companies accounted for by the equity method	0	0	0	0	0	21	13	18	9	0	0	0
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0	0	0
Income tax	358	-42	263	564	108	-361	-200	360	-225	-121	-181	-97
<i>Net income before minority interests</i>	-818	257	-470	-1 023	-166	884	520	-559	544	411	471	314
O.w. non controlling Interests	0	1	3	4	5	6	2	3	3	1	3	3
<i>Group net income</i>	-818	256	-473	-1 027	-171	878	518	-562	541	410	468	311
Average allocated capital	8 705	9 113	8 862	8 831	9 336	9 229	8 877	8 401	8 196	8 717	9 626	9 981
<b>Core activities</b>												
Net banking income	1 298	2 005	1 252	159	2 824	2 810	2 635	1 579	2 167	1 680	2 024	1 894
Financing and Advisory	271	465	317	758	578	661	642	629	602	656	729	757
Global Markets	1 027	1 540	935	-599	2 246	2 149	1 993	950	1 565	1 024	1 295	1 137
o.w. Equities	401	825	509	-623	647	1 034	1 057	693	786	357	639	684
o.w. Fixed income, Currencies and Commodities	626	715	426	24	1 599	1 115	936	257	779	667	656	453
Operating expenses	-1 016	-967	-790	-749	-928	-1 153	-1 026	-834	-1 140	-1 060	-1 139	-1 295
<i>Gross operating income</i>	282	1 038	462	-590	1 896	1 657	1 609	745	1 027	620	885	599
Net allocation to provisions	-281	-59	-157	-348	-348	-239	-249	-86	-19	-45	-15	7
<i>Operating income</i>	1	979	305	-938	1 548	1 418	1 360	659	1 008	575	870	606
Net income from other assets	-1	6	6	0	0	-1	0	-6	1	-4	1	-5
Net income from companies accounted for by the equity method	0	0	0	0	0	21	14	18	9	0	0	0
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0	0	0
Income tax	-31	-268	-84	348	-494	-424	-416	-165	-305	-133	-251	-158
<i>Net income before minority interests</i>	-31	717	227	-590	1 054	1 014	958	506	713	438	620	443
O.w. non controlling Interests	0	2	1	4	5	6	3	2	3	1	4	2
<i>Group net income</i>	-31	715	226	-594	1 049	1 008	955	504	710	437	616	441
Average allocated capital	8 480	8 412	8 293	8 146	7 936	7 427	6 882	6 557	6 486	6 771	7 026	7 075
<b>Legacy assets</b>												
Net banking income	-1 138	-661	-914	-620	-1 592	-165	-287	-776	-23	71	-90	113
Operating expenses	-6	-4	-5	-12	-9	-9	-11	-11	-12	-14	-20	-26
<i>Gross operating income</i>	-1 144	-665	-919	-632	-1 601	-174	-298	-787	-35	57	-110	87
Net allocation to provisions	-31	-23	-124	-17	-221	-18	-356	-803	-214	-97	-108	-277
<i>Operating income</i>	-1 175	-688	-1 043	-649	-1 822	-192	-654	-1 590	-249	-40	-218	-190
Net income from other assets	-1	2	-1	0	0	-1	1	0	0	1	-1	0
Net income from companies accounted for by the equity method	0	0	0	0	0	0	-1	0	0	0	0	0
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0	0	0
Income tax	389	226	347	216	602	63	216	525	80	12	70	61
<i>Net income before minority interests</i>	-787	-460	-697	-433	-1 220	-130	-438	-1 065	-169	-27	-149	-129
O.w. non controlling Interests	0	-1	2	0	0	0	-1	1	0	0	-1	1
<i>Group net income</i>	-787	-459	-699	-433	-1 220	-130	-437	-1 066	-169	-27	-148	-130
Average allocated capital	225	701	569	685	1 400	1 802	1 995	1 844	1 710	1 946	2 600	2 906

	2008 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2009 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2010 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Specialised Financial Services &amp; Insurance</b>												
Net banking income	775	824	805	712	740	805	810	884	849	926	888	876
Operating expenses	-428	-455	-454	-458	-430	-441	-446	-501	-446	-466	-464	-465
<i>Gross operating income</i>	347	369	351	254	310	364	364	383	403	460	424	411
Net allocation to provisions	-113	-134	-149	-191	-234	-293	-338	-359	-299	-311	-299	-265
<i>Operating income</i>	234	235	202	63	76	71	26	24	104	149	125	146
Net income from other assets	0	0	-1	0	0	1	1	-18	0	-4	0	-1
Net income from companies accounted for by the equity method	-3	8	-2	-24	-18	-13	-7	-16	-1	-7	1	-5
Impairment losses on goodwill	0	0	0	0	0	-19	1	-26	0	0	0	0
Income tax	-72	-72	-61	-20	-22	-18	-8	0	-30	-41	-35	-42
<i>Net income before minority interests</i>	159	171	138	19	36	22	13	-36	73	97	91	98
O.w. non controlling Interests	5	4	5	4	3	2	3	1	3	5	4	4
<i>Group net income</i>	154	167	133	15	33	20	10	-37	70	92	87	94
Average allocated capital	4 048	4 158	4 345	4 385	4 423	4 511	4 611	4 712	4 739	4 825	4 954	4 806
<b>Private Banking, Global Investment Management and Services</b>												
Net banking income	696	785	698	666	588	670	636	640	504	592	568	606
Operating expenses	-582	-596	-574	-611	-554	-562	-557	-555	-466	-511	-504	-521
<i>Gross operating income</i>	114	189	124	55	34	108	79	85	38	81	64	85
Net allocation to provisions	0	-1	-14	-30	-18	-9	-12	-1	0	-5	5	-7
<i>Operating income</i>	114	188	110	25	16	99	67	84	38	76	69	78
Net income from other assets	0	0	0	0	-1	2	-1	-1	0	0	0	-1
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	26	21	28	25
Income tax	-29	-56	-30	4	1	-26	-15	-20	-9	-22	-17	-23
<i>Net income before minority interests</i>	85	132	80	29	16	75	51	63	55	75	80	79
O.w. non controlling Interests	-5	4	-4	2	1	1	1	1	0	1	0	-1
<i>Group net income</i>	90	128	84	27	15	74	50	62	55	74	80	80
Average allocated capital	1 720	1 502	1 470	1 458	1 368	1 327	1 323	1 352	1 391	1 466	1 422	1 391
<b>o.w. Private Banking</b>												
Net banking income	213	203	196	225	197	222	206	204	162	163	203	171
Operating expenses	-133	-133	-134	-139	-131	-132	-131	-132	-130	-134	-147	-140
<i>Gross operating income</i>	80	70	62	86	66	90	75	72	32	29	56	31
Net allocation to provisions	-1	-1	-10	-20	-17	-9	-11	-1	0	-1	0	-3
<i>Operating income</i>	79	69	52	66	49	81	64	71	32	28	56	28
Net income from other assets	1	-2	1	0	0	0	0	0	0	0	-1	1
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	0	0	0	0
Income tax	-18	-15	-13	-9	-11	-18	-15	-16	-8	-5	-13	-7
<i>Net income before minority interests</i>	62	52	40	57	38	63	49	55	24	23	42	22
O.w. non controlling Interests	3	2	-5	0	0	0	0	0	0	0	0	0
<i>Group net income</i>	59	50	45	57	38	63	49	55	24	23	42	22
Average allocated capital	391	442	493	491	452	436	443	427	405	461	473	476
<b>o.w. Asset Management</b>												
Net banking income	131	217	183	99	113	169	171	193	83	135	109	150
Operating expenses	-166	-174	-161	-171	-152	-151	-174	-179	-94	-133	-116	-114
<i>Gross operating income</i>	-35	43	22	-72	-39	18	-3	14	-11	2	-7	36
Net allocation to provisions	0	1	0	-1	0	0	0	0	0	-3	4	-4
<i>Operating income</i>	-35	44	22	-73	-39	18	-3	14	-11	-1	-3	32
Net income from other assets	0	0	0	-1	0	-1	1	-1	0	0	0	-1
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	26	21	28	25
Income tax	12	-15	-7	24	13	-5	0	-4	4	0	1	-10
<i>Net income before minority interests</i>	-23	29	15	-50	-26	12	-2	9	19	20	26	46
O.w. non controlling Interests	-8	1	1	1	0	2	0	1	0	0	0	0
<i>Group net income</i>	-15	28	14	-51	-26	10	-2	8	19	20	26	46
Average allocated capital	694	511	413	422	402	375	355	418	491	435	418	419
<b>o.w. SG SS &amp; Brokers</b>												
Net banking income	352	365	319	342	278	279	259	243	259	294	256	285
Operating expenses	-283	-289	-279	-301	-271	-279	-252	-244	-242	-244	-241	-267
<i>Gross operating income</i>	69	76	40	41	7	0	7	-1	17	50	15	18
Net allocation to provisions	1	-1	-4	-9	-1	0	-1	0	0	-1	1	0
<i>Operating income</i>	70	75	36	32	6	0	6	-1	17	49	16	18
Net income from other assets	-1	2	-1	1	-1	3	-2	0	0	0	1	-1
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	0	0	0	0
Income tax	-23	-26	-10	-11	-1	-3	0	0	-5	-17	-5	-6
<i>Net income before minority interests</i>	46	51	25	22	4	0	4	-1	12	32	12	11
O.w. non controlling Interests	0	1	0	1	1	-1	1	0	0	1	0	-1
<i>Group net income</i>	46	50	25	21	3	1	3	-1	12	31	12	12
Average allocated capital	635	549	564	545	514	516	525	507	495	570	532	496



	2008 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2009 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)				2010 Basel II - IFRS (inc. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Corporate Centre</b>												
Net banking income	1,118	-408	128	1,257	-595	-1,468	-865	-358	9	239	-252	56
Operating expenses	-12	-46	-30	-107	5	-55	-20	-77	-38	-75	-18	-38
<i>Gross operating income</i>	<i>1,106</i>	<i>-454</i>	<i>98</i>	<i>1,150</i>	<i>-590</i>	<i>-1,523</i>	<i>-885</i>	<i>-435</i>	<i>-29</i>	<i>164</i>	<i>-270</i>	<i>18</i>
Net allocation to provisions	2	6	-1	5	-4	8	-2	2	-2	-2	1	-4
<i>Operating income</i>	<i>1,108</i>	<i>-448</i>	<i>97</i>	<i>1,155</i>	<i>-594</i>	<i>-1,515</i>	<i>-887</i>	<i>-433</i>	<i>-31</i>	<i>162</i>	<i>-269</i>	<i>14</i>
Net income from other assets	611	13	14	-30	3	-1	-1	725	3	-6	0	20
Net income from companies accounted for by the equity method	-2	-3	-2	3	-1	-2	1	0	0	0	-1	4
Impairment losses on goodwill	0	0	0	0	0	1	-1	2	0	0	0	0
Income tax	-522	14	-213	-251	134	480	377	213	64	-45	83	-8
<i>Net income before minority interests</i>	<i>1,195</i>	<i>-424</i>	<i>-104</i>	<i>877</i>	<i>-458</i>	<i>-1,037</i>	<i>-511</i>	<i>507</i>	<i>36</i>	<i>111</i>	<i>-187</i>	<i>30</i>
O.w. non controlling Interests	41	57	60	32	42	42	49	46	32	40	41	47
<i>Group net income</i>	<i>1,154</i>	<i>-481</i>	<i>-164</i>	<i>845</i>	<i>-500</i>	<i>-1,079</i>	<i>-560</i>	<i>461</i>	<i>4</i>	<i>71</i>	<i>-228</i>	<i>-17</i>
<b>Group</b>												
Net banking income	5,679	5,584	5,108	5,495	4,913	5,716	5,970	5,131	6,581	6,679	6,301	6,857
Operating expenses	-3,905	-3,957	-3,697	-3,969	-3,777	-4,107	-3,898	-3,984	-4,001	-4,065	-4,039	-4,440
<i>Gross operating income</i>	<i>1,774</i>	<i>1,627</i>	<i>1,411</i>	<i>1,526</i>	<i>1,136</i>	<i>1,609</i>	<i>2,072</i>	<i>1,147</i>	<i>2,580</i>	<i>2,614</i>	<i>2,262</i>	<i>2,417</i>
Net allocation to provisions	-598	-387	-687	-983	-1,354	-1,075	-1,513	-1,906	-1,132	-1,010	-918	-1,100
<i>Operating income</i>	<i>1,176</i>	<i>1,240</i>	<i>724</i>	<i>543</i>	<i>-218</i>	<i>534</i>	<i>559</i>	<i>-759</i>	<i>1,448</i>	<i>1,604</i>	<i>1,344</i>	<i>1,317</i>
Net income from other assets	606	35	18	-26	3	11	0	697	12	-12	-2	13
Net income from companies accounted for by the equity method	5	7	2	-22	-16	10	12	9	40	18	33	28
Impairment losses on goodwill	0	0	0	-300	0	-18	0	-24	0	0	0	1
Income tax	-519	-432	-333	49	60	-122	-40	410	-375	-431	-372	-364
<i>Net income before minority interests</i>	<i>1,268</i>	<i>850</i>	<i>411</i>	<i>244</i>	<i>-171</i>	<i>415</i>	<i>531</i>	<i>333</i>	<i>1,125</i>	<i>1,179</i>	<i>1,003</i>	<i>995</i>
O.w. non controlling Interests	172	206	228	157	107	106	105	112	62	95	107	121
<i>Group net income</i>	<i>1,096</i>	<i>644</i>	<i>183</i>	<i>87</i>	<i>-278</i>	<i>309</i>	<i>426</i>	<i>221</i>	<i>1,063</i>	<i>1,084</i>	<i>896</i>	<i>874</i>
Average allocated capital	25,431	29,029	29,611	29,630	29,274	29,373	29,889	32,442	35,339	36,503	37,187	37,538
ROE (after tax)	16.8%	8.3%	1.7%	0.4%	NM	2.9%	4.1%	1.5%	11.1%	10.9%	8.7%	8.4%

## APPENDIX 2: METHODOLOGY

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### **1- The Group's consolidated financial statements at December 31st, 2010 were approved by the Board of Directors on February 15th, 2011.**

The financial information presented for the financial year ended December 31st, 2010 and comparative information in respect of the 2009 financial year have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. The Statutory Auditors are currently in the process of auditing the consolidated financial statements.

**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, and deducting (iv) interest to be paid to holders of deeply subordinated notes and of the restated, undated subordinated notes. The net income used to calculate ROE excludes interest, net of tax impact, to be paid to holders of deeply subordinated notes for the period and, since 2006, holders of restated, undated subordinated notes (EUR 336 million in 2010 vs. EUR 398 million in 2009).

**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 interest, net of tax impact, to be paid to holders of:

- (i) deeply subordinated notes (EUR 311 million in 2010 vs. EUR 313 million in 2009),
- (ii) undated subordinated notes recognised as shareholders' equity (EUR 25 million in 2010 vs. EUR 25 million in 2009).

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 6.4 billion), undated subordinated notes previously recognised as debt (EUR 0.9 billion) and (ii) interest to be paid 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. The number of shares used to calculate book value per share is the number of shares issued at December 31st, 2010 (including preference shares), excluding own shares and treasury shares but including (a) trading shares held by the Group and (b) shares held under the liquidity contract.

Information on the 2010 financial year results is also available on Societe Generale's website [www.societegenerale.com](http://www.societegenerale.com) in the "Investor" section.