SOCIETE GENERALE

12.31.2013 CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures)

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Assets

(In millions of euros)		December 31, 2013	December 31, 2012*
Cash, due from central banks	Note 5	66,602	67,591
Financial assets at fair value through profit or loss	Note 6	484,386	484,026
Hedging derivatives	Note 7	11,483	15,934
Available-for-sale financial assets	Note 8	134,564	127,714
Due from banks	Note 9	84,842	77,204
Customer loans	Note 10	333,535	350,241
Lease financing and similar agreements	Note 12	27,741	28,745
Revaluation differences on portfolios hedged against interest rate risk		3,047	4,402
Held-to-maturity financial assets	Note 13	989	1,186
Tax assets	Note 14	7,337	6,154
Other assets	Note 15	55,895	53,646
Non-current assets held for sale		116	9,417
Investments in subsidiaries and affiliates accounted for by the equity method		2,129	2,119
Tangible and intangible fixed assets	Note 16	17,624	17,190
Goodwill	Note 17	4,972	5,320
Total		**1,235,262**	**1,250,889**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments. The changes are EUR 245 million for Tax assets, EUR -59 million for Other assets and EUR 7 million for Non-current assets held for sale.

Consolidated balance sheet (continued)

Liabilities

(In millions of euros)		December 31, 2013	December 31, 2012*
Due to central banks		3,566	2,398
Financial liabilities at fair value through profit or loss	Note 6	426,756	411,388
Hedging derivatives	Note 7	9,819	13,975
Due to banks	Note 18	91,098	122,049
Customer deposits	Note 19	344,687	337,230
Debt securities issued	Note 20	131,734	135,744
Revaluation differences on portfolios hedged against interest rate risk		3,706	6,508
Tax liabilities	Note 14	1,639	1,150
Other liabilities	Note 21	59,761	58,163
Non-current liabilities held for sale		4	7,327
Underwriting reserves of insurance companies	Note 34	97,167	90,831
Provisions	Note 23	3,829	3,523
Subordinated debt	Note 26	7,395	7,052
Total liabilities		**1,181,161**	**1,197,338**
SHAREHOLDERS' EQUITY			
Shareholders' equity, Group share			
Issued common stocks, equity instruments and capital reserves		27,381	26,196
Retained earnings		21,927	21,916
Net income		2,175	790
Sub-total		**51,483**	**48,902**
Unrealised or deferred capital gains and losses		(475)	377
Sub-total equity, Group share		**51,008**	**49,279**
Non-controlling interests		3,093	4,272
Total equity		**54,101**	**53,551**
Total		**1,235,262**	**1,250,889**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments. The changes are EUR -17 million for Tax liabilities, EUR 40 million for Non-current liabilities held for sale, EUR 716 million for Provisions, EUR -542 million for Retained earnings, EUR 16 million for Net income, EUR -4 million for Unrealised or deferred capital gains and losses and EUR -16 million for Non-controlling interests.
Thus, total equity is adjusted for an amount of EUR -546 million.

Consolidated income statement

(In millions of euros)		**2013**	**2012***
Interest and similar income	Note 35	27,271	29,904
Interest and similar expense	Note 35	(17,181)	(18,592)
Dividend income		467	314
Fee income	Note 36	9,056	9,515
Fee expense	Note 36	(2,549)	(2,538)
Net gains and losses on financial transactions		4,084	3,201
o/w net gains and losses on financial instruments at fair value through profit or loss	Note 37	*3,802*	*2,566*
o/w net gains and losses on available-for-sale financial assets	Note 38	*282*	*635*
Income from other activities	Note 39	59,088	38,820
Expenses from other activities	Note 39	(57,405)	(37,514)
Net banking income		**22,831**	**23,110**
Personnel expenses	Note 40	(9,225)	(9,493)
Other operating expenses	Note 40	(6,253)	(6,000)
Amortisation, depreciation and impairment of tangible and intangible fixed assets		(921)	(925)
Gross operating income		**6,432**	**6,692**
Cost of risk	Note 42	(4,052)	(3,935)
Operating income		**2,380**	**2,757**
Net income from companies accounted for by the equity method		153	154
Net income/expense from other assets		575	(504)
Impairment losses on goodwill	Note 17	(50)	(842)
Earnings before tax		**3,058**	**1,565**
Income tax	Note 43	(533)	(341)
Consolidated net income		**2,525**	**1,224**
Non-controlling interests		350	434
Net income, Group share		**2,175**	**790**
Earnings per ordinary share	Note 44	**2.40**	**0.66**
Diluted earnings per ordinary share	Note 44	**2.40**	**0.66**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments. The changes are EUR 20 million for Personnel expenses, EUR 3 million for Net income/expense from other assets and EUR -7 million for Income tax.

Statement of net income and unrealised or deferred gains and losses

(In millions of euros)	**2013**	**2012***
Net income	**2,525**	**1,224**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**(1,028)**	**1,543**
Translation differences (1)	(962)	40
Revaluation differences	(962)	40
Available-for-sale financial assets	(104)	2,143
Revaluation differences	101	2,603
Reclassified into income	(205)	(460)
Cash flow hedge derivatives	42	(31)
Revaluation differences	47	(31)
Reclassified into income	(5)	-
Unrealised gains and losses accounted for by the equity method and that will be reclassified subsequently into income	(6)	2
Tax on items that will be reclassified subsequently into income (2)	2	(611)
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	**141**	**(209)**
Actuarial gains and losses on post-employment defined benefits plans	211	(310)
Unrealised gains and losses accounted for by the equity method and that will not be reclassified subsequently into income	-	-
Tax on items that will not be reclassified subsequently into income (2)	(70)	101
Total unrealised or deferred gains and losses	**(887)**	**1,334**
Net income and unrealised or deferred gains and losses	**1,638**	**2,558**
o/w Group share	1,463	1,987
o/w non-controlling interests	175	571

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments. The changes are EUR 16 million in income, EUR 2 million in translation differences and EUR -209 million for the unrealised or deferred gains and losses that will not be reclassified subsequently into income, i.e. a total of EUR -191 million in net income and unrealised or deferred gains and losses.

(1) The variation in Group translation differences for 2013 amounted to EUR -843 million and was mainly due to the decrease against the Euro of the US dollar (EUR -180 million), the Russian rouble (EUR -140 million), the Czech koruna (EUR -139 million), the Japanese yen (EUR -115 million), the Norvegian krown (EUR -64 million) and the Brazilian Real (EUR -63 million), and the purchase of non-controlling interests in Rosbank (EUR -36 million).

The variation in translation differences attributable to non-controlling interests amounted to EUR -119 million mainly due to the decrease against the euro of the Czech koruna (EUR -100 million) and the Russian rouble (EUR -53 million) and the purchase of non-controlling interests in Rosbank (EUR 36 million).

(2) See Note 14

Changes in shareholders' equity

(In millions of euros)	Capital and associated reserves: Issued common stocks	Issuing premium and capital reserves	Elimination of treasury stock	Other equity instruments	Total	Retained earnings
Shareholders' equity as at January 1, 2012	**970**	**19,203**	**(1,265)**	**6,173**	**25,081**	**23,001**
Effect of adoption of revised IAS 19 [1]						**(342)**
Restated Shareholders' equity as at January 1, 2012	**970**	**19,203**	**(1,265)**	**6,173**	**25,081**	**22,659**
Increase in common stock	5	75			80	
Elimination of treasury stock			294		294	(181)
Issuance of equity instruments		-		608	608	142
Equity component of share-based payment plans		133			133	
2012 Dividends paid					-	(441)
Effect of acquisitions and disposals on non-controlling interests					-	(44)
Sub-total of changes linked to relations with shareholders	**5**	**208**	**294**	**608**	**1,115**	**(524)**
Unrealised or deferred gains and losses					-	
Other changes						(19)
Effect of retrospective application of revised IAS 19 [1]						(200)
2012 Net income for the period						
Sub-total	**-**	**-**	**-**	**-**	**-**	**(219)**
Change in equity of associates and joint ventures accounted for by the equity method					-	
Shareholders' equity as at December 31, 2012	**975**	**19,411**	**(971)**	**6,781**	**26,196**	**21,916**
Appropriation of net income						790
Shareholders' equity as at January 1, 2013	**975**	**19,411**	**(971)**	**6,781**	**26,196**	**22,706**
Increase in common stock (See Note 28)	23	391			414	(1)
Elimination of treasury stock [2]			332		332	(222)
Issuance of equity instruments (See Note 28)		-		294	294	91
Equity component of share-based payment plans [3]		145			145	
2013 Dividends paid (See Note 28)					-	(833)
Effect of acquisitions and disposals on non-controlling interests [4] [5]					-	51
Sub-total of changes linked to relations with shareholders	***23***	***536***	***332***	***294***	***1,185***	***(914)***
Unrealised or deferred gains and losses					-	140
Other changes						(5)
2013 Net income for the period						
Sub-total	**-**	**-**	**-**	**-**	**-**	***135***
Change in equity of associates and joint ventures accounted for by the equity method					-	
Shareholders' equity as at December 31, 2013	**998**	**19,947**	**(639)**	**7,075**	**27,381**	**21,927**

(1) Actuarial gains and losses on post-employment defined benefit plans, net of tax, are reclassified in *Retained earnings* .

(2) As at December 31, 2013, the Group held 26,129,584 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 3.27% of the capital of Societe Generale S.A.

The amount deducted by the Group from its net book value for equity instruments (shares and derivatives) came to EUR -639 million, including EUR -65 million in shares held for trading purposes.

On August 22, 2011, the Group implemented a EUR 170 million liquidity contract in response to market volatility of its stock price.

As at December 31, 2013, this liquidity contract held no Societe Generale shares and contained EUR 195 million for the purpose of carrying out transactions in Societe Generale shares.

The change in treasury stock over 2013 breaks down as follows:

(In millions of euros)	Liquidity contract	Transaction-related activities	Treasury stock and active management of Shareholders' equity	Total
Disposals net of purchases	10	106	216	332
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	3	10	(235)	(222)

(3) Share-based payments settled in equity instruments in 2013 amounted to EUR 145 million:

EUR 79 million for the allocation of free shares, EUR 61 million for Global Employee Share Ownership Plan, EUR 4 million for payments in ordinary shares and EUR 1 million for the stock-option plans.

Net income, Group Share	Unrealised or deferred gains and losses that will be reclassified subsequently into income (net of tax)				Shareholders' equity, Group share	Non-controlling interests				Total consolidated shareholders' equity
	Translation reserves	Change in fair value of assets available-for-sale	Change in fair value of hedging derivatives	Total		Capital and Reserves	Preferred shares issued by subsidiaries	Unrealised or deferred gains and losses	Total	
-	**(320)**	**(752)**	**57**	**(1,015)**	**47,067**	**3,584**	**420**	**41**	**4,045**	**51,112**
	(5)			**(5)**	**(347)**	(8)			**(8)**	**(355)**
-	**(325)**	**(752)**	**57**	**(1,020)**	**46,720**	**3,576**	**420**	**41**	**4,037**	**50,757**
					80				-	80
					113				-	113
					750				-	750
					133				-	133
					(441)	(225)			(225)	(666)
					(44)	(106)			(106)	(150)
-	***-***	***-***	***-***	***-***	***591***	***(331)***	***-***	***-***	***(331)***	***260***
	28	1,382	(15)	1,395	1,395			145	145	1,540
					(19)	(5)			(5)	(24)
16	1			1	(183)	(9)		1	(8)	(191)
774					774	434			434	1,208
790	***29***	***1,382***	***(15)***	***1,396***	***1,967***	***420***	***-***	***146***	***566***	***2,533***
		4	(3)	1	1				-	1
790	**(296)**	**634**	**39**	**377**	**49,279**	**3,665**	**420**	**187**	**4,272**	**53,551**
(790)					-				-	-
-	**(296)**	**634**	**39**	**377**	**49,279**	**3,665**	**420**	**187**	**4,272**	**53,551**
					413				-	413
					110				-	110
					385		(420)		(420)	(35)
					145	-			-	145
					(833)	(214)			(214)	(1,047)
					51	(669)			(669)	(618)
-	***-***	***-***	***-***	***-***	***271***	***(883)***	***(420)***	***-***	***(1,303)***	***(1,032)***
	(843)	(19)	15	(847)	(707)	1		(176)	(175)	(882)
					(5)	(51)			(51)	(56)
2,175					2,175	350			350	2,525
2,175	***(843)***	***(19)***	***15***	***(847)***	***1,463***	***300***	***-***	***(176)***	***124***	***1,587***
		(6)	1	(5)	(5)				-	(5)
2,175	**(1,139)**	**609**	**55**	**(475)**	**51,008**	**3,082**	**-**	**11**	**3,093**	**54,101**

(4) Impact on the shareholder's equity, Group share, regarding transactions related to non-controlling interests:

Buybacks of non-controlling interests not subject to any put options	72
Transactions and variations in value on put options granted to non-controlling shareholders	(25)
Net income attributable to the non-controlling interests of shareholders holding a put option on their Group shares allocated to consolidated reserves	4
Total	**51**

(5) EUR -669 million changes recorded under non-controlling interests reserves notably relate to :

- EUR 624 million of negative effect from changes in perimeter, of which EUR -316 million resulting from the sale of National Societe Generale Bank and EUR -303 million relating to the purchase of non controlling interests on Rosbank.
- EUR 48 million of negative effects from transactions and variations in value on put options granted to non controlling shareholders, of which EUR 47 million relating to the put options granted to the other shareholder of Hanseatic Bank GmbH & Co KG.

Cash flow statement

(In millions of euros)	December 31, 2013	December 31, 2012*
Net cash inflow (outflow) related to operating activities		
Net income (I)	**2,525**	**1,224**
Amortisation expense on tangible fixed assets and intangible assets	3,358	3,262
Depreciation and net allocation to provisions	5,523	4,857
Net income/loss from companies accounted for by the equity method	(153)	(154)
Deferred taxes	(674)	(787)
Net income from the sale of long-term available-for-sale assets and subsidiaries	(622)	454
Change in deferred income	(89)	91
Change in prepaid expenses	(58)	40
Change in accrued income	85	138
Change in accrued expenses	(295)	330
Other changes	4,407	3,182
Non-monetary items included in net income and others adjustments not including income on financial instruments at fair value through Profit or Loss (II)	**11,482**	**11,413**
Income on financial instruments at fair value through Profit or Loss [(1)] (III)	**(3,802)**	**(2,566)**
Interbank transactions	(36,054)	21,374
Customers transactions	24,264	7,623
Transactions related to other financial assets and liabilities	8,178	(6,432)
Transactions related to other non financial assets and liabilities	(4,501)	(2,816)
Net increase/decrease in cash related to operating assets and liabilities (IV)	**(8,113)**	**19,749**
Net cash inflow (outflow) related to operating activities (A) = (I) + (II) + (III) + (IV)	**2,092**	**29,820**
Net cash inflow (outflow) related to investment activities		
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long-term investments	870	1,029
Tangible and intangible fixed assets	(3,830)	(4,033)
Net cash inflow (outflow) related to investment activities (B)	**(2,960)**	**(3,004)**
Net cash inflow (outflow) related to financing activities		
Cash flow from/to shareholders	(559)	277
Other net cash flows arising from financing activities	(10)	(3,354)
Net cash inflow (outflow) related to financing activities (C)	**(569)**	**(3,077)**
Net inflow (outflow) in cash and cash equivalents (A) + (B) + (C)	**(1,437)**	**23,739**
Cash and cash equivalents		
Cash and cash equivalents at the start of the year		
Net balance of cash accounts and accounts with central banks	65,888	42,992
Net balance of accounts, demand deposits and loans with banks	8,463	7,620
Cash and cash equivalents at the end of the year		
Net balance of cash accounts and accounts with central banks	63,036	65,888
Net balance of accounts, demand deposits and loans with banks	9,878	8,463
Net inflow (outflow) in cash and cash equivalents	**(1,437)**	**23,739**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

(1) Income on financial instruments at fair value through Profit or Loss includes realised and unrealised income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on February 11, 2014.

Note 1

Significant accounting principles

INTRODUCTION

In accordance with European Regulation 1606/2002 of July 19, 2002 on the application of International Accounting Standards, the Societe Generale Group ("the Group") prepared its consolidated financial statements for the year ended December 31, 2013 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in force at that date (these standards are available on the European Commission website at: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

The standards comprise IFRS 1 to 8 and IFRS 13 and International Accounting Standards (IAS) 1 to 41, as well as the interpretations of these standards adopted by the European Union as at December 31, 2013.

The Group also continued to make use of the provisions of IAS 39, as adopted by the European Union, for applying macro-fair value hedge accounting (IAS 39 "carve-out").

The consolidated financial statements are presented in euros.

IFRS and IFRIC interpretations applied by the Group as of January 1, 2013

Accounting standards, amendments or Interpretations:	Publication dates by IASB	Adoption dates by European Union
Amendements to IAS 1 "Presentation of Items of Other Comprehensive Income"	June 16, 2011	June 5, 2012
Amendments to IAS 19 "Employee Benefits"	June 16, 2011	June 5, 2012
IFRS 13 "Fair Value Measurement"	May 12, 2011	December 11, 2012
Amendments to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	December 20, 2010	December 11, 2012
Amendments to IFRS 7 "Disclosures - Offsetting Financial Assets and Financial Liabilities"	December 16, 2011	December 13, 2012
Improvements to IFRSs (2009-2011) - May 2012	May 17, 2012	March 27, 2013

- **Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income"**

Amendments to IAS 1 "Presentation of Financial Statements" modify the presentation of the statement of net income and unrealised or deferred gains and losses to distinguish items that will be reclassified subsequently into income from those that will not be reclassified subsequently into income. In addition, the amount, net of tax, of actuarial gains and losses on post-employment defined benefit plans, recognised during the period and that will not be reclassified subsequently into income, is directly transferred in *Retained earnings* at the end of the financial year.

- **Amendments to IAS 19 “Employee Benefits”**

The amendments to IAS 19 “Employee Benefits” trigger the immediate recognition of actuarial gains and losses on post-employment defined benefit plans under *Unrealised or deferred capital gains and losses*, without subsequent reclassification into income. Furthermore, the amendments imply the immediate recognition in the income statement of past service costs when a plan is amended, whether or not the benefits have been vested. These amendments have been applied retrospectively and their effects on the previous financial years have been recorded into equity. The opening equity of 2012 and the comparative figures for 2012 have been restated, the amounts of these restatements are disclosed at the bottom of the consolidated financial statements.

- **IFRS 13 “Fair Value measurement”**

IFRS 13 “Fair value measurement” defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 does not change when the fair value is required to be used but specifies how to measure fair value of financial and non-financial assets and liabilities when required or permitted by IFRS and adds information to be disclosed in the notes to financial statements. The consequences of this standard mainly concern how the Group incorporates its own credit risk in the fair value measurement of derivative financial liabilities (Debt Value Adjustment – DVA). Furthermore, the clarifications provided by this standard have led the Group to adjust how it incorporates the counterparty risk in the fair value measurement of derivative financial assets (Credit Value Adjustment – CVA).

IFRS 13 have been applied prospectively as from January 1, 2013. Accordingly, the impact of these amendments on the Group's consolidated financial statements has been recorded in the income of the period (See Note 37).

- **Amendments to IAS 12 “Deferred Tax: Recovery of Underlying Assets”**

The measurement of deferred tax depends on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a presumption that the carrying amount will be recovered through sale unless the entity has clearly decided otherwise. This presumption applies to investment properties carried at fair value. These amendments have no impact on consolidated financial statements of the Group.

- **Amendments to IFRS 7 “Disclosures - Offsetting Financial Assets and Financial Liabilities”**

These amendments require the disclosure of information about rights of set-off and related similar agreements for financial instruments. The new disclosures are required for all financial instruments that are offset in the balance sheet in accordance with IAS 32 (gross amounts of financial assets and liabilities that are offset, amounts that are offset and net amounts presented in the balance sheet). Additional information must also be disclosed for recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether they are offset in accordance with IAS 32. These additional disclosures are presented in Note 27 “Offsetting Financial Assets and Financial Liabilities”

- **Improvements to IFRSs (2009-2011) - May 2012**

As part of the annual Improvements to International Financial Reporting Standards, the IASB has published amendments to six minor accounting standards. These amendments have no impact on the Group’s consolidated financial statements.

The main valuation and presentation rules used in drawing up the consolidated financial statements are disclosed below. These accounting methods and principles were applied consistently in 2012 and 2013.

Use of estimates

When applying the accounting principles disclosed below for the purpose of preparing the Group's consolidated financial statements, the Management makes assumptions and estimates that may have an impact on figures recorded in the income statement, on the valuation of assets and liabilities in the balance sheet, and on information disclosed in the notes to the consolidated financial statements.

In order to make these assumptions and estimates, the Management uses information available at the date of preparation of the consolidated financial statements and can exercise its judgment. By nature, valuations based on estimates include risks and uncertainties relating to their occurrence in the future. Consequently, actual future results may differ from these estimates and have a significant impact on the financial statements.

The use of estimates mainly concerns the following valuations:

- fair value in the balance sheet of financial instruments not quoted in an active market which are classified as *Financial assets and liabilities at fair value through profit or loss, Hedging derivatives* or *available-for-sale financial assets* (described in paragraph 2 and Note 3) and fair value of unlisted instruments for which this information must be disclosed in the notes to the financial statements;

- the amount of impairment of financial assets (*Loans and receivables, available-for-sale financial assets, held-to-maturity financial assets*), lease financing and similar agreements, tangible or intangible fixed assets and goodwill (described in paragraph 2 and Notes 4, 17 and 23);

- provisions recognised under liabilities, including provisions for employee benefits or underwriting reserves of insurance companies as well as the deferred profit-sharing on the asset side of the balance sheet (described in paragraph 2 and Notes 22, 23, 25 and 34);

- the amount of deferred tax assets recognised in the balance sheet (described in paragraph 2 and Note 14);

- initial value of goodwill determined for each business combination (described in paragraph 1 and Notes 2 and 17);

- in the event of the loss of control of a consolidated subsidiary, the fair value that is used to remeasure the portion retained by the Group in this entity, where applicable (described in paragraph 1).

1. CONSOLIDATION PRINCIPLES

The consolidated financial statements of Societe Generale include the financial statements of the parent company and of the main French and foreign companies as well as foreign branches that make up the Group. Since the financial statements of foreign subsidiaries and branches are prepared in accordance with accepted accounting principles in their respective countries, any necessary restatements and adjustments are made prior to consolidation so that they comply with the accounting principles used by the Societe Generale Group.

Consolidation methods

The consolidated financial statements are built up from the financial statements of the entities that are included in the consolidation scope. Companies with a fiscal year ending more than three months before or after that of Societe Generale prepare pro-forma statements for a twelve-month period ended December 31. All significant balances, profits and transactions between Group companies are eliminated.

When determining voting rights for the purpose of establishing the Group's degree of control over a company and the appropriate consolidation methods, potential voting rights are taken into account where they can be freely exercised or converted at the time the assessment is made. Potential voting rights are instruments such as call options on ordinary shares outstanding on the market or rights to convert bonds into new ordinary shares.

The results of newly acquired subsidiaries are included in the consolidated financial statements from the date the acquisition became effective and results of subsidiaries disposed of during the fiscal year are included up to the date where the Group relinquished control.

The following consolidation methods are used:

- **Full consolidation**

This method is applied to companies over which Societe Generale exercises control. Control over a subsidiary is defined as the power to govern the financial and operating policies of said subsidiary so as to obtain benefits from its activities. It is exercised:

- either by directly or indirectly holding the majority of voting rights in the subsidiary;
- or by holding the power to appoint or remove the majority of the members of the subsidiary's governing, management or supervisory bodies, or to command the majority of the voting rights at meetings of these bodies;
- or by holding the power to exert a controlling influence over the subsidiary by virtue of an agreement or provisions in the company's charter or by-laws.

- **Proportionate consolidation**

Companies over which the Group exercises joint control are consolidated using the proportionate method.

Joint control exists when control over a subsidiary run jointly by a limited number of partners or shareholders is shared in such a way that the financial and operating policies of said subsidiary are determined by mutual agreement.

A contractual agreement must require the consent of all controlling partners or shareholders as regards the economic activity of said subsidiary and any strategic decisions.

- **Equity method**

Companies over which the Group exercises significant influence are accounted for under the equity method. Significant influence is the power to influence the financial and operating policies of a subsidiary without exercising control over said subsidiary. In particular, significant influence can result from Societe Generale being represented on the Board of Directors or supervisory board, from its involvement in strategic decisions, from the existence of significant intercompany transactions, from the exchange of management staff, or from the company's technical dependency on Societe Generale. The Group is assumed to exercise significant influence over the financial and operating policies of a subsidiary when it directly or indirectly holds at least 20% of the voting rights in this subsidiary.

Specific treatment of Special Purpose Vehicles (SPV)

Independent legal entities set up specifically to manage a transaction or group of similar transactions ("special purpose vehicles" or SPVs) are consolidated whenever they are substantially controlled by the Group, even in cases where the Group holds none of the capital in the entities.

Control of a special purpose vehicle is generally considered to exist if any one of the following criteria applies:

- the SPV's activities are being conducted exclusively on behalf of the Group so that the Group obtains benefits from the SPV's operation;
- the Group has the decision-making powers to obtain the majority of the benefits from the SPV's operation, whether or not this control has been delegated through an "autopilot" mechanism;
- the Group has the ability to obtain the majority of the benefits of the SPV;

- the Group retains the majority of the risks of the SPV.

In consolidating SPVs considered to be substantially controlled by the Group, the shares of said entities not held by the Group are recognised as *Debt* in the balance sheet.

Translation of foreign entity financial statements

The balance sheet items of consolidated companies reporting in foreign currencies are translated at the official exchange rates prevailing at the closing date. Income statement items of these companies are translated at the average month-end exchange rates. Gains and losses arising from the translation of capital, reserves, retained earnings and income are included in shareholders' equity under *Unrealised or deferred gains and losses – Translation differences.* Gains and losses arising from the translation of the capital contribution of foreign branches of Group banks are also included in changes in consolidated shareholders' equity under the same heading.

In accordance with the option allowed under IFRS 1, the Group allocated all differences arising on translation of foreign entity financial statements at January 1, 2004 to consolidated reserves. As a result, if any of these entities are sold, the proceeds from the sale will only include write-backs of those translation differences arising since January 1, 2004.

Treatment of acquisitions and goodwill

The Group uses the acquisition method to recognise its business combinations. The acquisition cost is calculated as the total fair value, at the date of acquisition, of all assets given, liabilities incurred or assumed and equity instruments issued in exchange for the control of the acquired entity. The costs directly linked to business combinations are recognised in the income statement for the period.

Any contingent consideration is included in the acquisition cost at its fair value on the acquisition date, even if its occurrence is only potential. It is recognised under equity or debt in the balance sheet depending on the settlement alternatives; any subsequent adjustments are recorded under income for financial liabilities in accordance with IAS 39 and within the scope of the appropriate standards for other debts. For equity instruments, these subsequent adjustments are not recognised.

At the acquisition date, all assets, liabilities, off-balance sheet items and contingent liabilities of the acquired entities that are identifiable under the provisions of IFRS 3 "Business Combinations" are measured individually at their fair value regardless of their purpose. The analyses and professional appraisals required for this initial valuation must be carried out within 12 months as from the acquisition date, as must any corrections to the value based on new information.

Any excess of the price paid over the assessed fair value of the proportion of net assets acquired is recorded on the asset side of the consolidated balance sheet under *Goodwill.* Any deficit is immediately recognised in the income statement. *Non-controlling interests* are valued according to their share of the fair value of the identifiable assets and liabilities of the acquired entity. However, for each business combination, the Group may also choose to measure *non-controlling interests* initially at their fair value, in which case a fraction of goodwill is allocated. At the acquisition date, each item of goodwill is allocated to one or more cash-generating units expected to derive benefits from the acquisition. When the Group reorganises its reporting structure in a way that changes the composition of one or more cash-generating units, goodwill previously allocated to modified units shall be reallocated to the units affected (new or existing). This reallocation is generally performed using a relative approach based on the normative capital requirements of each cash-generating unit affected.

On the date of acquisition of an entity, any stake in this entity already held by the Group is remeasured at fair value through profit or loss. In the case of a step acquisition, goodwill is therefore determined by referring to the fair value on the acquisition date.

In the event of an increase in Group stakes in entities over which it already exercises control: the difference between the price paid for the additional stake and the assessed fair value of the proportion of net assets acquired at this date is recorded under the Group's *Consolidated reserves*; also, in the event of a reduction in the Group's stake in an entity over which it keeps control, the difference between the selling price and the carrying amount of the share of interests sold is accounted for under *Retained earnings, Group share.* The cost relative to these transactions is recognised directly in equity.

At the date when the Group loses control of a consolidated subsidiary, any investment retained in the former subsidiary is then remeasured at fair value through profit or loss, at the same time as the capital gain or loss is recorded under *Net income/expense from other assets* in the consolidated income statement. The gain or loss on disposal includes a share of goodwill previously allocated to the cash-generating units to which the subsidiary belongs. This share is determined using a relative approach based on the normative capital allocated to the subsidiary that is disposed and to the portion of cash-generating unit that is retained.

Goodwill is reviewed regularly by the Group and tested for impairment whenever there is any indication that its value may have diminished, and at least once a year. Any impairment of goodwill is calculated based on the recoverable value of the relevant cash-generating unit(s).

If the recoverable amount of the cash-generating unit(s) is less than its(their) carrying amount, an irreversible impairment is recorded in the consolidated income statement for the period under *Impairment losses on goodwill.*

Goodwill for companies that are accounted for under the equity method is recorded under *Investments in subsidiaries and affiliates accounted for by the equity method* in the consolidated balance sheet. These investments are tested for impairment if there is an objective evidence of impairment. If the recoverable amount of the investment is lower than its carrying amount, an impairment loss is recorded under *Net income from companies accounted by the equity method.* Realised capital gains and losses on sale of these companies that are accounted for under the equity method are recognised under *Net income from other assets.*

Commitments to buy out minority shareholders in fully consolidated subsidiaries

The Group has awarded minority shareholders in some fully consolidated Group subsidiaries commitments to buy out their stakes. For the Group, these buyout commitments are put option sales. The exercise price for these options can be based on a formula agreed upon at the time of the acquisition of the shares of the subsidiary that takes into account its future performance or can be set as the fair value of these shares at the exercise date of the options.

The commitments are recorded as follows:

- in accordance with IAS 32, the Group recorded a financial liability for the put options granted to minority shareholders of the subsidiaries over which it exercises control. This liability was initially recognised at the present value of the estimated exercise price of the put options under Other liabilities;

- the obligation to recognise a liability even though the put options have not been exercised means that, in order to be consistent, the Group must use the same accounting treatment as that applied to transactions in non-controlling interests. As a result, the counterpart of this liability is a write-down in value of non-controlling interests underlying the options, with any balance deducted from the Group's Consolidated reserves;

- subsequent variations in this liability linked to changes in the estimated exercise price of the options and the carrying value of non-controlling interests are recorded in full in the Group's Consolidated reserves;

- if the buy-out takes place, the liability is settled by the cash payment linked to the acquisition of non-controlling interests in the subsidiary in question. However if, when the commitment reaches its term, the buy-out has not occurred, the liability is written off against non-controlling interests and the Group's Consolidated reserves for their respective portions;

- as long as the options have not been exercised, the results linked to non-controlling interests with a put option are recorded under non-controlling interests on the Group's consolidated income statement.

These accounting principles may be revised over the coming years in line with any amendments proposed by the IFRS Interpretations Committee (formerly IFRIC) or the IASB.

Segment reporting

The Group is managed on a matrix basis that takes into account of its different business lines and the geographical breakdown of its activities. Segment information is therefore presented under both criteria.

The Group includes in the results of each sub-division all operating income and expenses directly related to its activity. Income for each sub-division, except for the Corporate Centre, also includes the yield on capital allocated to it, based on the estimated rate of return on Group capital. In return, the yield on the sub-division's book capital is reallocated to the Corporate Centre. Transactions between sub-divisions are carried out under the same terms and conditions as those applying to non-Group customers.

The Group's core businesses are managed through three strategic pillars:

- French Retail Banking, which includes the domestic networks Societe Generale, Crédit du Nord and Boursorama;
- International Retail Banking & Financial Services, which consists of
  - International Retail Banking including consumer finance activities,
  - Corporate Financial Services and Insurance (operational vehicle leasing and fleet management, equipment finance and insurance activities);
- Global Banking and Investor Solutions which comprises
  - Corporate and Investment Banking via the "Global Markets" and "Financing & Advisory" business lines,
  - Private Banking and Asset Management,
  - Investor Services (securities services and brokerage).

These strategic pillars are supplemented by the Corporate Centre which acts as the Group's central funding department. As such, it recognises the cost of carry of equity investments in subsidiaries and related dividend payments, as well as income and expenses stemming from the Group's Asset and Liability Management (ALM) and income from the Group's management of its assets (management of its industrial and bank equity portfolio and of its real estate assets). Income and expenses that do not relate directly to the activity of the core businesses are also allocated to the Corporate Centre.

Segment income is presented taking into account internal transactions in the Group, while segment assets and liabilities are presented after their elimination. The tax rate levied on each business line is based on the standard tax rate applicable in each country where the division makes profits. Any difference with respect to the Group's tax rate is allocated to the Corporate Centre.

For the purpose of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the booking entities.

2. ACCOUNTING POLICIES AND VALUATION METHODS

Transactions denominated in foreign currencies

At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the entity's functional currency at the prevailing spot exchange rate. Realised or unrealised foreign exchange losses or gains are recognised in the income statement.

Forward foreign exchange transactions are recognised at fair value based on the forward exchange rate for the remaining maturity. Spot foreign exchange positions are valued using the official spot rates prevailing at the end of the period. Unrealised gains and losses are recognised in the income statement.

Non-monetary financial assets denominated in foreign currencies, including shares and other variable-income securities that are not part of the trading portfolio, are converted into the entity's functional currency at the exchange rate prevailing at the end of the period. Currency differences arising on these financial assets are recorded to shareholders' equity and are only recorded in the income statement when sold or impaired or where the currency risk is fair value-hedged. In particular, non-monetary assets funded by a liability denominated in the same currency are converted at the spot rate prevailing at the end of the period while booking the impact of exchange rate fluctuations to income subject to a fair value hedge relationship existing between the two financial instruments.

Determining the fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation methods used by the Group to establish the fair value of financial instruments are detailed in Note 3.

Financial assets and liabilities

Purchases and sales of non-derivative financial assets at fair value through profit or loss, held-to-maturity financial assets and available-for-sale financial assets (see below) are recognised in the balance sheet at the delivery-settlement date while derivatives are recognised at the trade date. Changes in fair value between the trade and settlement dates are recorded in the income statement or to shareholders' equity depending on the accounting category of the relevant financial assets. Loans and receivables are recorded in the balance sheet on the date they are paid or at the maturity date for invoiced services.

When initially recognised, financial assets and liabilities are measured at fair value including transaction costs (except for financial instruments recognised at fair value through profit or loss) and classified under one of the four categories detailed below.

If the initial fair value is based on observable market data, any difference between the fair value and the transaction price, i.e. the sales margin, is immediately recognised in the income statement. However, if valuation parameters are not observable or if the valuation models are not recognised by the market, the initial fair value of the financial instrument is deemed to be the transaction price and the sales margin is then generally recognised in the income statement over the life of the instrument. For some instruments, due to their complexity, this margin is recognised at their maturity or in the event of early sale. Where substantial volumes of issued instruments are traded on a secondary market with quoted prices, the sales margin is recognised in the income statement in accordance with the method used to determine the instrument's price. When valuation parameters become observable, any portion of the sales margin that has not yet been recorded is recognised in the income statement at that time.

- **Loans and receivables**

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, held for trading purposes or held for sale from the time they are originated or acquired. Loans and receivables are recognised in the balance sheet under *Due from banks* or *Customer loans* depending on the type of counterparty. Thereafter, they are valued at amortised cost using the effective interest rate method and impairment may be recorded if appropriate.

- **Financial assets and liabilities at fair value through profit or loss**

These are financial assets and liabilities held for trading purposes. They are recorded at fair value at the balance sheet date and recognised in the balance sheet under *Financial assets or liabilities at fair value through profit or loss*. Changes in their fair value are recorded in the income statement as *Net gains and losses on financial instruments at fair value through profit or loss*.

This category also includes non-derivative financial assets and liabilities designated by the Group upon initial recognition to be carried at fair value through profit or loss in accordance with the option available under IAS 39. The Group's aim in using the fair value option is:

- firstly, to eliminate or significantly reduce discrepancies in the accounting treatment of certain financial assets and liabilities.

  The Group thus recognises at fair value through profit or loss some structured bonds issued by Societe Generale Corporate and Investment Banking. These issues are purely commercial and the associated risks are hedged on the market using financial instruments managed in trading portfolios. The use of the fair value option enables the Group to ensure consistency between the accounting treatment of these issued bonds and that of the derivatives hedging the associated market risks, which have to be carried at fair value.

  The Group also recognises at fair value through profit or loss the financial assets held to guarantee unit-linked policies of its life insurance subsidiaries to ensure their accounting treatment matches that of the corresponding insurance liabilities. Under IFRS 4, insurance liabilities must be recognised according to local accounting principles. The revaluations of underwriting reserves on unit-linked policies, which are directly linked to revaluations of the financial assets underlying their policies, are therefore recognised in the income statement. The fair value option thus allows the Group to record changes in the fair value of the financial assets through profit or loss so that they match fluctuations in value of the insurance liabilities associated with these unit-linked policies.

- secondly, so that the Group can recognise certain compound financial instruments at fair value, thereby avoiding the need to separate embedded derivatives that would otherwise have to be recognised separately. This approach is notably used for valuation of the convertible bonds held by the Group.

- **Held-to-maturity financial assets**

These are non-derivative financial assets with fixed or determinable payments and a fixed maturity, that are quoted in an active market and which the Group has the intention and ability to hold to maturity. They are measured after acquisition at their amortised cost and may be subject to impairment as appropriate. The amortised cost includes premiums and discounts as well as transaction costs. These assets are recognised in the balance sheet under *held-to-maturity financial assets*.

- **Available-for-sale financial assets**

These are non-derivative financial assets held for an indeterminate period which the Group may sell at any time. By default, these are any assets that do not fall into one of the above three categories. These financial assets are recognised in the balance sheet under *Available-for-sale financial assets* and measured at their fair value at the balance sheet date. Interest accrued or paid on fixed-income securities is recognised in the income statement using the effective interest rate method under *Interest and similar income – Transactions in financial instruments*. Changes in fair value other than income are recorded in shareholders' equity under *Unrealised or deferred gains and losses.* The Group only records the changes in fair value in the income statement when assets are sold or impaired, in which case they are reported as *Net gains and losses on available-for-sale financial assets*. Impairments regarding equity securities recognised as *Available-for-sale* *financial assets* are irreversible. Dividend income earned on these securities is recorded in the income statement under *Dividend income*.

Securities lending and borrowing

Securities involved in a repurchase agreement or securities lending transaction are held in their original position on the asset side of the Group's balance sheet. For repurchase agreements, the obligation to return the amounts deposited is recorded under *Liabilities* on the liabilities side of the balance sheet, with the exception of transactions initiated under trading activities, which are recorded under *Financial liabilities at fair value through profit or loss*.

Securities involved in a reverse repurchase agreement or securities borrowing transaction are not recorded in the Group's balance sheet. However, in the event the borrowed securities are subsequently sold, a debt representing the return of these securities to their lender is recorded on the liabilities side of the Group's balance sheet, under *Financial liabilities at fair value through profit or loss*. For securities received under a reverse repurchase agreement, the right to recover the amounts delivered by the Group is recorded under *Loans and receivables* on the asset side of the balance sheet, with the exception of transactions initiated under trading activities, which are recorded under *Financial assets at fair value through profit or loss*.

Securities lending and securities borrowing transactions that are fully matched by cash are assimilated to repurchase and reverse repurchase agreements and are recorded and recognised as such in the balance sheet.

Reclassification of financial assets

After their initial recognition, financial assets may not be later reclassified as *Financial assets at fair value through profit or loss.*

A non-derivative financial asset, initially recognised as an asset held for trading purposes under *Financial assets at fair value through profit or loss,* may be reclassified out of its category when it fulfils the following conditions:

- if a financial asset with fixed or determinable payments, initially held for trading purposes, can no longer, after acquisition, be quoted in an active market and the Group has the intention and ability to hold it for the foreseeable future or until maturity, then this financial asset may be reclassified in the *Loans and receivables* category, provided that the eligibility criteria for this category are met;

- if rare circumstances generate a change of the holding purpose of non-derivative debt or equity financial assets held for trading, then these assets may be reclassified in *Available-for-sale financial assets* or in *Held-to-maturity financial assets*, provided in the latter case that the eligibility criteria for this category are met.

In any case, financial derivatives and financial assets measured using the fair value option shall not be reclassified out of *Financial assets at fair value through profit or loss.*

A financial asset initially recognised under *Available-for-sale financial assets* may be reclassified in *held-to-maturity financial assets,* provided that the eligibility criteria for this category are met. Furthermore, if a financial asset with fixed or determinable payments initially recognised under *Available-for-sale financial assets* can subsequently no longer be quoted in an active market and if the Group has the intention and ability to hold it for the foreseeable future or until maturity, then this financial asset may be reclassified in *Loans and receivables* provided that the eligibility criteria for this category are met.

These reclassified financial assets are transferred to their new category at their fair value at the date of reclassification and are subsequently measured according to the rules that apply to the new category. The amortised cost of financial assets reclassified out of *Financial assets at fair value through profit or loss* or *available-for-sale financial assets* to *Loans and receivables* and the amortised cost of financial assets reclassified out of *Financial assets at fair value through profit or loss* to *Available-for-sale financial assets* are determined on the basis of estimated future cash flows measured at the date of reclassification. The estimated future cash flows must be reviewed at each closing date. In the event of an increase in estimated future cash flows, as a result of an increase in their recoverability, the effective interest rate is adjusted prospectively. However, if there is objective evidence that the financial asset has been impaired as a result of an event occurring after reclassification and that loss event has a negative impact on the estimated future cash flows of the financial asset, the impairment of this financial asset is recognised under *Cost of risk* in the income statement.

Debts

Group borrowings that are not classified as financial liabilities recognised through profit or loss are initially recognised at cost, measured as the fair value of the amount borrowed net of transaction fees. These liabilities are valued at period-end and at amortised cost using the effective interest rate method, and are recognised in the balance sheet under *Due to banks, Customer deposits* or *Debt securities issued.*

- **Amounts due to banks and Customer deposits**

Amounts due to banks and customer deposits are classified according to their initial duration and type: demand (demand deposits and current accounts) and time deposits and borrowings in the case of banks; regulated savings accounts and other deposits in the case of customers. They also include securities sold to banks and customers under repurchase agreements.

Interest accrued on these accounts at the effective interest rate is recorded as *Related payables* and as an expense in the income statement.

- **Debt securities issued**

These liabilities are classified by type of security: loan notes, interbank market certificates, negotiable debt instruments, bonds and other debt securities excluding subordinated notes, which are classified under *Subordinated debt.*

Interest accrued on these debt instruments, determined using the effective interest rate, are recorded as *Related payables* and as an expense in the income statement. Bond issuance and redemption premiums are amortised at the effective interest rate over the life of the related borrowings. The resulting charge is recognised under *Interest expense* in the income statement.

Subordinated debt

This item includes all dated or undated borrowings, whether or not in the form of debt securities, which in the event of the liquidation of the borrowing company may only be redeemed after all other creditors have been paid. Interest accrued and payable in respect of long-term subordinated debt, if any, is recorded as *Related payables* and as an expense in the income statement.

Derecognition of financial assets and liabilities

The Group derecognises all or part of a financial asset (or group of similar assets) when the contractual rights to the cash flows on the asset expire or when the Group has transferred the contractual rights to receive the cash flows and substantially all of the risks and rewards linked to the ownership of the asset.

Where the Group has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all the risks and rewards of its ownership and has effectively not retained control of the financial asset, the Group derecognises it and, where necessary, recognises a separate asset or liability to cover any rights and obligations created or retained as a result of the asset's transfer. If the Group has retained control of the asset, it continues to recognise it in the balance sheet to the extent of its continuing involvement in that asset.

When a financial asset is derecognised in its entirety, a gain or loss on disposal is recorded in the income statement for an amount equal to the difference between the carrying value of the asset and the payment received for it, adjusted where necessary for any unrealised profit or loss previously recognised directly in equity.

The Group only derecognises all or part of a financial liability when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expired.

Financial derivatives and hedge accounting

All financial derivatives are recognised at fair value in the balance sheet as financial assets or financial liabilities. Changes in the fair value of financial derivatives, except those designated as cash flow hedges (see below), are recognised in the income statement for the period.

Financial derivatives are divided into two categories:

- **Trading financial derivatives**

Derivative instruments are considered to be trading financial derivatives by default, unless they are designated as hedging instruments for accounting purposes. They are recorded in the balance sheet under *Financial assets or liabilities at fair value through profit or loss.* Changes in fair value are recorded in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss.*

Changes in the fair value of financial derivatives involving counterparties which subsequently went into default are recorded under *Net gains and losses on financial instruments at fair value through profit or loss* until the termination date of these instruments. At this termination date, receivables and debts on these counterparties are recognised at fair value in the balance sheet. Any further impairment on these receivables is recognised under *Cost of risk* in the income statement.

- **Derivative hedging instruments**

To designate an instrument as a derivative hedging instrument, the Group must document the hedging relationship at the inception of the hedge. This documentation specifies the asset, liability, or future transaction hedged, the risk to be hedged, the type of financial derivative used and the valuation method applied to measure its effectiveness. The derivative designated as a hedging instrument must be highly effective in offsetting the change in fair value or cash flows arising from the hedged risk, both when the hedge is first set up and throughout its life. Derivative hedging instruments are recognised in the balance sheet under *Hedging derivatives.*

Depending on the risk hedged, the Group designates the derivative as a fair value hedge, cash flow hedge, or currency risk hedge for a net foreign investment.

Fair value hedge

In a fair value hedge, the carrying value of the hedged item in the balance sheet is adjusted for gains and losses attributable to the hedged risk, which are reported in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss.* To the extent that the hedge is highly effective, changes in the fair value of the hedged item are accurately reflected in the fair value of the derivative hedging instrument. As regards interest rate derivatives, accrued interest income or expenses are recorded in the income statement under *Interest income and expense – Hedging derivatives* at the same time as the interest income or expense related to the hedged item.

If it becomes apparent that the derivative has ceased to meet the effectiveness criteria for hedge accounting or if it is terminated or sold, hedge accounting is discontinued prospectively. Thereafter, the carrying amount of the hedged asset or liability ceases to be adjusted for changes in fair value and the cumulative adjustments previously recognised under hedge accounting are amortised over its remaining life. Hedge accounting is discontinued automatically if the hedged item is sold before maturity or redeemed early.

Cash flow hedge

In a cash flow hedge (including hedges of highly probable forecast transactions), the effective portion of the changes in fair value of the hedging derivative instrument is recognised in a specific equity account, while the ineffective portion is recognised in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss.*

Amounts directly recognised in equity under cash flow hedge accounting are reclassified in *Interest income and expense* in the income statement at the same time as the cash flows being hedged. Accrued interest income or expense on hedging derivatives is recorded in the income statement under *Interest income and expense – Hedging derivatives* at the same time as the interest income or expense related to the hedged item.

Whenever the hedging derivative ceases to meet the effectiveness criteria for hedge accounting or is terminated or sold, hedge accounting is discontinued prospectively. Amounts previously recognised directly in equity are reclassified under *Interest income and expense* in the income statement over the periods where the interest margin is affected by cash flows arising from the hedged item. If the hedged item is sold or redeemed earlier than expected or if the forecast transaction hedged ceases to be highly probable, unrealised gains and losses recognised in equity are immediately reclassified in the income statement.

Hedging of a net investment in a foreign operation

As with a cash flow hedge, the effective portion of the changes in the fair value of the hedging derivative designated for accounting purposes as a hedge of a net investment is recognised in equity under *Unrealised or deferred gains and losses* while the ineffective portion is recognised in the income statement.

Macro-fair value hedge

In this type of hedge, interest rate derivatives are used to globally hedge structural interest rate risks usually arising from Retail Banking activities. When accounting for these transactions, the Group applies the IAS 39 “carve-out” standard as adopted by the European Union, which facilitates:

- the application of fair value hedge accounting to macro-hedges used for asset-liability management, including customer demand deposits in the fixed-rate positions being hedged;
- the performance of effectiveness tests required by IAS 39 as adopted by the European Union.

The accounting treatment of financial derivatives designated as macro-fair value hedge is similar to that for other fair value hedging instruments. Changes in fair value of the portfolio of macro-hedged instruments are reported on a separate line in the balance sheet under *Revaluation differences on portfolios hedged against interest rate risk* through profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument. If this hybrid instrument is not measured at fair value through profit or loss, the Group separates the embedded derivative from its host contract if, at the inception of the transaction, the economic characteristics and risks of the derivative are not closely related to the economic characteristics and risk profile of the host contract and it would separately meet the definition of a derivative. Once separated, the derivative is recognised at its fair value in the balance sheet under *Financial assets or liabilities at fair value through profit or loss* and accounted for as above. The host contract is classified and measured according to its accounting category.

Impairment of financial assets

- **Financial assets measured at amortised cost**

At each balance sheet date, the Group assesses whether there is objective evidence that any financial asset or group of financial assets has been impaired as a result of one or more events occurring since they were initially recognised (a "loss event") and whether that loss event (or events) has (have) an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Notwithstanding the existence of a guarantee, the criteria used to assess objective evidence of credit risk include the existence of unpaid instalments overdue by over three months (over six months for real estate loans and over nine months for loans to local authorities) or independently of the existence of any unpaid amount, the existence of objective evidence of credit risk counterparty or when the counterparty is subject to judicial proceedings.

If there is objective evidence that loans or other receivables, or financial assets classified as *held-to-maturity financial assets,* are impaired, an impairment is recognised for the difference between the carrying amount and the present value of estimated future recoverable cash flows, taking into account any guarantees, this discount is calculated using the financial assets' original effective interest rate. The depreciation is deducted from the carrying value of the impaired financial asset. Allocations to and reversals of impairments are recorded under *Cost of risk.* The impaired loans or receivables are remunerated for accounting purposes by the reversal over time of the discounting to present value, which is recorded under *Interest and similar income* in the income statement.

Where there is no objective evidence that an impairment loss has been incurred on a financial instrument considered individually, be it significant or not, the Group includes that financial asset in a group of financial assets having similar characteristics in terms of credit risk and tests the whole group for impairment.

In a homogenous portfolio, as soon as a credit risk is incurred on a group of financial instruments, impairment is recognised without waiting for the risk to individually affect one or more receivables. Homogeneous portfolios thus impaired can include:

- receivables on counterparties which have encountered financial difficulties since these receivables were initially recognised, without any objective evidence of impairment having yet been identified at the individual level (sensitive receivables) or;
- receivables on counterparties linked to economic sectors considered as being in crisis further to the occurrence of loss events or;
- receivables on geographical sectors or countries on which a deterioration of credit risk has been assessed.

The amount of impairment on a group of homogeneous assets is notably determined on the basis of historical default or loss data for assets with credit risk characteristics similar to those in the portfolio, or using hypothetical extreme loss scenarios or, if necessary, *ad-hoc* studies. These factors are then adjusted to reflect any relevant current economic conditions. Allocations to and reversals of such impairment are recorded under *Cost of risk.*

- **Available-for-sale financial assets**

An available-for-sale financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of this asset.

For listed equity instruments, a significant or prolonged decline in their price below their acquisition cost constitutes objective evidence of impairment. For this purpose, the Group considers as impaired listed shares showing an unrealised loss greater than 50% of their acquisition price on the balance sheet date, as well as listed shares for which the quoted prices have been below their acquisition price on every trading day for at least the last 24 months before the balance sheet date. Further factors, such as the financial situation of the issuer or its development outlook, can lead the Group to consider that the cost of its investment may not be recovered even if the above-mentioned criteria are not met. An impairment loss is then recorded through profit or loss equal to the difference between the last quoted price of the security on the balance sheet date and its acquisition price.

For unlisted equity instruments, the criteria used to assess the evidence of impairment are identical to those mentioned above; the value of these instruments at the balance sheet date is determined using the valuation methods described in Note 3.

The criteria for the impairment of debt instruments are similar to those for the impairment of financial assets measured at amortised cost.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in shareholders' equity under *Unrealised or deferred gains and losses* and subsequent objective evidence of impairment emerges, the Group recognises the total accumulated unrealised loss previously recorded in shareholders' equity in the income statement under *Cost of risk* for debt instruments and under *Net gains and losses on available-for-sale financial assets* for equity securities.

This cumulative loss is measured as the difference between the acquisition cost (net of any repayments of principal and amortisation) and the present fair value, less any impairment of the financial asset that has already been recorded through profit or loss.

Impairment losses recognised through profit or loss on an equity instrument classified as available-for-sale are only reversed through profit or loss when the instrument is sold. Once a shareholders' equity instrument has been recognised as impaired, any further loss of value is recorded as an additional impairment loss. For debt instruments, however, an impairment loss is reversed through profit or loss if they subsequently recover in value.

Lease financing and similar agreements

Leases are classified as finance leases if they substantially transfer all the risks and rewards incident to ownership of the leased asset to the lessee. Otherwise they are classified as operating leases.

Lease finance receivables are recognised in the balance sheet under *Lease financing and similar agreements* and represent the Group's net investment in the lease, calculated as the present value of the minimum payments to be received from the lessee discounted at the interest rate implicit in the lease, plus any unguaranteed residual value.

Interest included in the lease payments is recorded under *Interest and similar income* in the income statement such that the lease generates a constant periodic rate of return on the lessor's net investment. If there has been a reduction in the estimated unguaranteed residual value used to calculate the lessor's gross investment in the finance lease, the present value of this reduction is recognised as a loss under *Expenses from other activities* in the income statement and as a reduction of lease finance receivables on the asset side of the balance sheet.

Operating fixed assets held under operating lease activities are presented in the balance sheet under *Tangible and intangible fixed assets*. In the case of buildings, they are recorded as *Investment property* under the same heading. Lease payments are recognised in the income statement on a straight-line basis over the life of the lease under *Income from other activities.* Income invoiced for maintenance services provided in connection with leasing activities are recognised under *Income from other activities* and their accounting treatment aims to show over the life of the lease a constant margin on these products in relation to the expense incurred.

Tangible and intangible fixed assets

Operating and investment fixed assets are carried at their purchase price on the asset side of the balance sheet. Borrowing expenses incurred to fund a lengthy construction period for the fixed assets are included in the acquisition cost, along with all other directly attributable expenses. Investment subsidies received are deducted from the cost of the relevant assets.

Software developed internally is recorded on the asset side of the balance sheet in the amount of the direct cost of development. This includes external expenditures on hardware and services and personnel expenses which can be directly attributed to the production of the asset and its preparation for use.

As soon as they are fit for use, fixed assets are depreciated over their useful life. Any residual value of the asset is deducted from its depreciable amount. If there is a subsequent decrease or increase in this initial residual value, the depreciable amount of the asset is adjusted, leading to a prospective modification of the depreciation schedule.

Amortisations are recorded in the income statement under *Amortisation, depreciation and impairment of tangible and intangible fixed assets.*

When one or more components of a fixed asset are used for different purposes or to generate economic benefits over a different time period from the asset considered as a whole, these components are depreciated over their own useful life. The Group has applied this approach to its operating and investment properties, breaking down its assets into at least the following components and using their corresponding depreciation periods:

Infrastructure	Major structures	50 years
	Doors and windows, roofing	20 years
	Façades	30 years
Technical installations	Elevators	10 to 30 years
	Electrical installations	
	Electricity generators	
	Air conditioning, extractors	
	Technical wiring	
	Security and surveillance installations	
	Plumbing	
	Fire safety equipment	
Fixtures and fittings	Finishings, surroundings	10 years

Depreciation periods for fixed assets other than buildings depend on their useful life, which is usually estimated within the following ranges:

Plant and equipment	5 years
Transport	4 years
Furniture	10 to 20 years
Office equipment	5 to 10 years
IT equipment	3 to 5 years
Software, developed or acquired	3 to 5 years
Concessions, patents, licenses, etc.	5 to 20 years

Fixed assets are tested for impairment whenever there is any indication that their value may have diminished and, for intangible assets with an indefinite useful life, at least once a year. Evidence of a loss in value is assessed at every balance sheet date. Impairment tests are carried out on assets grouped by cash-generating unit. Where a loss is established, an impairment loss is recorded in the income statement under *Amortisation, depreciation and impairment of tangible and intangible fixed assets*. It may be reversed when the factors that prompted impairment have changed or no longer exist. This impairment loss will reduce the depreciable amount of the asset and thus affect its future depreciation schedule.

Realised capital gains and losses on operating fixed assets are recognised under *Net income from other assets*, while profits or losses on investment real estate are recognised under *Income from other activities.*

Non-current assets held for sale and discontinued operations

A non-current asset or group of assets and liabilities is deemed to be "held for sale" if its carrying value will primarily be recovered via a sale and not through its continuing use. For applying this classification, the asset or a group of assets and liabilities must then be immediately available-for-sale in its present condition and it must be highly probable that the sale will occur within twelve months.

For this to be the case, the Group must be committed to a plan to sell the asset (or disposal group of assets and liabilities) and have begun actively searching for a buyer. Furthermore, the asset or group of assets and liabilities must be marketed at a price that is reasonable in relation to its current fair value.

Assets and liabilities falling under this category are reclassified as *Non-current assets held for sale* and *Non-current liabilities held for sale,* with no netting.

Any negative differences between the fair value less selling costs of non-current assets and groups of assets held for sale and their net carrying value is recognised as impairment in profit or loss. Moreover, *Non-current assets held for sale* are no longer depreciated.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or,
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are recognised as a single item in the income statement for the period, at their net income after taxes for the period up to the date of sale, combined with any net gains and losses after taxes on their disposal or on the fair value less selling costs of the assets and liabilities making up the discontinued operations. Similarly, cash flows generated by discontinued operations are recorded as a separate item in the cash flow statement for the period.

Provisions

Provisions, other than those for credit risk or employee benefits, represent liabilities whose timing or amount cannot be precisely determined. Provisions may be recorded where, by virtue of a commitment to a third-party, the Group will probably or certainly incur an outflow of resources to this third-party without receiving at least the equivalent value in exchange.

The expected outflows are then discounted to present value to determine the amount of the provision, where this discounting has a significant impact. Allocations to and reversals of provisions are recorded through profit or loss under the items corresponding to the future expense.

The provisions are presented in the Note 23. Information on the nature and the amount of the risks is not disclosed when the Group estimates that such disclosure could seriously prejudice its position in a dispute with other parties on the object of the provision.

Commitments under "*Contrats Epargne-Logement*" (Mortgage savings agreements)

Comptes d'épargne-logement (CEL or mortgage savings accounts) and *plans d'épargne-logement* (PEL or mortgage savings plans) are special savings schemes for individual customers which are governed by Law 65-554 of July 10, 1965. These products combine an initial deposits phase in the form of an interest-earning savings account, followed by a lending phase where the deposits are used to provide mortgage loans. Under the current regulation, this last phase is subject to the prior existence of the savings phase and is therefore inseparable from it. The savings deposits collected and loans granted are measured at amortised cost.

These instruments create two types of commitments for the Group: the obligation to remunerate customer savings for an indeterminate future period at an interest rate established at the inception of the mortgage savings agreement, and the obligation to subsequently lend to the customer at an interest rate also established at the inception of the savings agreement.

If it is clear that commitments under the PEL/CEL agreements will have negative consequences for the Group, a provision is recorded on the liabilities side of the balance sheet. Any changes in these provisions are recognised as *net banking income* under net interest income. These provisions only relate to commitments arising from PEL/CEL that are outstanding at the date of calculation.

Provisions are calculated for each generation of mortgage savings plans (PEL), with no netting between different PEL generations, and for all mortgage saving accounts (CEL) making up a single generation.

During the deposits phase, the underlying commitment used to determine the amount to be provisioned is calculated as the difference between the average expected amount of deposits and the minimum expected amount. These two amounts are determined statistically on the basis of the historical observations of past customer behaviour.

During the lending phase, the underlying commitment to be provisioned includes loans already granted but not yet drawn at the date of calculation, and future loans that are considered statistically probable on the basis of deposits that are currently recognised in the balance sheet at the date of calculation and on the basis of historical observations of past customer behaviour.

A provision is recognised if the discounted value of expected future earnings for a given generation of PEL/CEL is negative. Earnings are estimated on the basis of interest rates available to individual customers for equivalent savings and loan products, with a similar estimated life and date of inception.

Loan commitments

The Group initially recognises at fair value loan commitments that are not considered as financial derivatives. Thereafter, these commitments are provisioned as necessary in accordance with the accounting principles for *Provisions*.

Financial guarantees given

When considered as non-derivative financial instruments, financial guarantees issued by the Group are initially recognised in the balance sheet at fair value. Thereafter, they are measured at the higher of the amount of the obligation and the amount initially recognised less, when appropriate, the cumulative amortisation of a guarantee commission. Where there is objective evidence of a loss of value, a provision for financial guarantees given is recognised among liabilities in the balance sheet.

Distinction between liabilities and shareholders' equity

Financial instruments issued by the Group are recognised in whole or in part to debt or to equity depending on whether or not they contractually oblige the issuer to remunerate the holders of the security in cash.

- **Perpetual subordinated notes (TSDI)**

Given their characteristics, perpetual subordinated notes (TSDI) issued by the Group and that do not include any discretionary features governing the payment of interest, as well as shares issued by a Group subsidiary in order to fund its property leasing activities, are classified as debt instruments.

These perpetual subordinated notes (TSDI) are then classified under *Subordinated debt*.

However, perpetual subordinated notes (TSDI) issued by the Group and that include some discretionary features governing the payment of interest are classified as equity.

These notes issued by Societe Generale are recorded under *Equity instruments and associated reserves.*

- **Preferred shares**

Due to the discretionary nature of the decision to pay dividends to shareholders, preferred shares issued by subsidiaries of the Group are classified as equity.

Preferred shares issued by Group subsidiaries are recognised under *Non-controlling interests.* Remuneration paid to preferred shareholders is recorded under *Non-controlling interests* in the income statement.

- **Deeply subordinated notes**

Given the discretionary nature of the decision to pay interest in order to remunerate the deeply subordinated notes issued by the Group, these notes have been classified as equity.

These notes issued by Societe Generale are recognised under *Equity instruments and associated reserves.*

Non-controlling interests

Non-controlling interests refer to equity holdings in fully consolidated subsidiaries that are neither directly nor indirectly attributable to the Group. They include equity instruments issued by these subsidiaries and not held by the Group.

Treasury shares

Societe Generale shares held by the Group are deducted from consolidated equity irrespective of the purpose for which they are held. Income on these shares is eliminated from the consolidated income statement.

Financial derivatives having Societe Generale shares as their underlying instrument or shares in subsidiaries over which the Group exercises sole control and whose liquidation entails the payment of a fixed amount in cash (or another financial asset) against a fixed number of Societe Generale shares (other than derivatives) are initially recognised as equity. Premiums paid or received on financial derivatives classified as equity instruments are recognised directly in equity. Changes in the fair value of the derivatives are not recorded.

Other financial derivatives having Societe Generale shares as their underlying instrument are recorded in the balance sheet at fair value in the same manner as derivatives with other underlying instruments.

Interest income and expense

Interest income and expense are recognised in the income statement under *Interest and similar income* for all financial instruments valued at amortised cost using the effective interest rate method.

The effective interest rate is taken to be the rate used to discount future cash inflows and outflows over the expected life of the instrument in order to establish the book value of the financial asset or liability. The calculation of this rate considers the future cash flows based on the contractual provisions of the financial instrument without taking account of possible future loan losses and also includes commissions paid or received between the parties where these may be assimilated to interest, transaction costs and all types of premiums and discounts.

When a financial asset or group of similar financial assets has been impaired following an impairment of value, subsequent interest income is recorded on the basis of the effective interest rate used to discount the future cash flows when measuring the loss of value.

Moreover, except for those related to employee benefits, provisions recognised as balance sheet liabilities generate interest expenses that are calculated using the same interest rate as is used to discount the expected outflow of resources.

Net fees for services

The Group recognises fee income and expense for services provided and received in different ways depending on the type of service.

Fees for ongoing services, such as some payment services, custody fees, or web-service subscriptions are recognised as income over the life of the service. Fees for one-off services, such as fund activity, finder's fees received, arbitrage fees, or penalties following payment incidents are recognised as income when the service is provided.

In syndication deals, the effective interest rate for the share of the issuance retained on the Group's balance sheet is comparable to that applied to the other members of the syndicate including, when needed, a share of the underwriting fees and participation fees; the balance of these fees is recorded in the income statement at the end of the syndication period. Arrangement fees are recorded as income when the placement is legally complete.

Personnel expenses

Personnel expenses include all expenses related to personnel, including the cost of the legal employee profit-sharing and incentive plans for the year as well as the cost of the various Group pension and retirement schemes and expenses related to payments based on Societe Generale shares.

Employee benefits

Group companies, in France and abroad, may award their employees:

- post-employment benefits, such as pension plans or retirement benefits;
- long-term benefits such as deferred variable remuneration, long service awards or the Compte Epargne Temps (CET) flexible working provisions;
- termination benefits.

- **Post-employment benefits**

Pension plans may be defined contribution or defined benefit plans.

Defined contribution plans limit the Group's liability to the subscriptions paid into the plan but do not commit the Group to a specific level of future benefits. Contributions paid are recorded as an expense for the year in question.

Defined benefit plans commit the Group, either formally or constructively, to pay a certain amount or level of future benefits and therefore bear the associated medium or long-term risk.

Provisions are recognised on the liabilities side of the balance sheet under *Provisions,* to cover the whole of these retirement obligations. These provisions are assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates.

When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) or differences between actuarial assumptions and real performance are recognised as actuarial gains and losses.

Actuarial gains and losses, as well as the return on plan assets excluding amounts expensed as net interest on the net defined benefit liability (asset) and any change in the effect of the asset ceiling are components used to re-measure the net defined benefit liability (or asset). They are immediately and fully recognised in *Unrealised or deferred gains and losses* and they are subsequently never reclassified into income.

In the Group consolidated financial statements, these items that will not be subsequently reclassified into income are displayed separately in the Statement of net income and unrealised or deferred gains and losses, but they are transferred immediately to retained earnings in the Statement of changes in shareholders' equity so that they are presented directly under *Retained earnings* in shareholders' equity in the Consolidated balance sheet.

Where a new or amended plan comes into force, the past service cost is immediately recognised in profit or loss.

An annual charge is recorded under *Personnel expenses* for defined benefit plans, consisting of:

- the additional entitlements vested by each employee (current service cost),
- past service cost resulting from a plan amendment or a curtailment,
- the financial expense resulting from the discount rate and the interest income on plan assets (net interest on the net defined benefit liability or asset),
- the settlement of plans.

- **Long-term benefits**

These are benefits paid to employees more than 12 months after the end of the period in which they provided the related services. Long-term benefits are measured in the same way as post-employment benefits, except for the treatment of actuarial gains and losses, which are recognised immediately as income.

Payments based on Societe Generale shares or shares issued by a consolidated entity

Share-based payments include:

- payments in equity instruments;
- cash payments whose amount depends on the performance of equity instruments.

Share-based payments systematically give rise to a personnel expense recognised as *Personnel expenses* under the terms set out below.

- **Global Employee Share Ownership Plan**

Every year the Group carries out a capital increase reserved for current and former employees as part of the Global Employee Share Ownership Plan. New shares are offered at a discount with an obligatory five-year holding period. The resultant benefit to the employees is recognised by the Group as an expense for the year under *Personnel expenses – Employee profit-sharing and incentives.* This benefit is measured as the difference between the fair value of each security acquired and the acquisition price paid by the employee, multiplied by the number of shares purchased. The fair value of the acquired securities is measured taking account of the associated legal obligatory holding period using market parameters (notably the borrowing rate) applicable to market participants who benefit from these non-transferable shares to estimate the free disposal ability.

- **Other share-based payments**

The Group can award some of its employees stock purchase or subscription options, free shares or rights to a future cash payment based on the increase in Societe Generale share price (SAR).

The options are measured at their fair value when the employees are first notified, without waiting for the conditions that trigger the award to be met, or for the beneficiaries to exercise their options.

Group stock-option plans are measured using a binomial formula when the Group has adequate statistics to take into account the behaviour of the option beneficiaries. When such data are not available, the Black & Scholes model or Monte Carlo model is used. Valuations are performed by independent actuaries.

For equity-settled share-based payments (free shares, stock purchase or subscription options), the fair value of these instruments, measured at the vesting date, is spread over the vesting period and recorded under *Equity instruments and associated reserves* under shareholders' equity. At each accounting date, the number of these instruments is revised in order to take into account performance and service conditions and adjust the overall cost of the plan as originally determined. Expenses recognised under *Personnel expenses* from the start of the plan are then adjusted accordingly.

For cash-settled share-based payments (stock-options granted by unlisted companies or compensation indexed on Societe Generale shares), the fair value of the amounts payable is recorded under *Personnel expenses* as an expense over the vesting period against a corresponding liabilities entry recognised in the balance sheet under *Other liabilities – Expenses payable on employee benefits.* This payables item is then remeasured at fair value against income until settled. For hedging derivatives, the effective portion of the change in their fair value is recorded in profit or loss.

Cost of risk

Cost of risk includes allocations, net of reversals, to provisions and to impairments for credit risk, the amount of the loan considered uncollectible and the amount of recoveries on loans written off, as well as allocations and reversals of provisions for other risks.

Income tax

- **Current taxes**

Current tax is based on the taxable profits of each consolidated taxable entity and determined in accordance with the rules established by the local taxation authorities, upon which income taxes are payable.

Tax credits arising in respect of interest from loans and income from securities are recorded in the relevant interest account as they are applied in settlement of income taxes for the year. The related tax charge is included under *Income tax* in the consolidated income statement.

- **Deferred taxes**

Deferred taxes are recognised whenever the Group identifies a temporary difference between the book value and tax value of balance sheet assets and liabilities that will affect future tax payments. Deferred tax assets and liabilities are measured in each consolidated taxable entity and in accordance with the rules established by the local taxation authorities, upon which their income taxes are payable. This amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realised or the liability settled. These deferred taxes are adjusted in the event of changes to tax rates. This amount is not discounted to present value. Deferred tax assets can result from deductible temporary differences or from tax loss carry forwards. These deferred tax assets are recorded only if it is probable that the entity concerned is likely to be able to apply them within a set time. These temporary differences or tax loss carry forwards can also be used against future taxable profit. Tax loss carry forwards are subject to an annual review taking into account the tax system applicable to the relevant entities and a realistic projection of their tax income or expense, based on their business development outlook: any previously unrecognised deferred tax assets are recorded in the balance sheet to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered ; however, the carrying value of deferred tax assets already recognised in the balance sheet is reduced where a risk of total or partial non-recovery occurs.

Current and deferred taxes are recognised in the consolidated income statement under *Income tax.* But the deferred taxes related to gains and losses recorded under *Unrealised or deferred gains and losses* are also recognised under the same heading in shareholders' equity.

Insurance activities

- **Financial assets and liabilities**

The financial assets and liabilities of the Group's insurance companies are recognised and measured according to the rules governing financial instruments explained above.

- **Underwriting reserves of insurance companies**

Underwriting reserves correspond to the commitments of insurance companies with respect to policyholders and the beneficiaries of policies.

In accordance with IFRS 4 on insurance contracts, life and non-life underwriting reserves continue to be measured under the same local regulations.

Life insurance underwriting reserves mainly comprise actuarial reserves, which correspond to the difference between the current value of commitments falling to the insurer and those falling to the policyholder, and reserves for claims incurred but not settled. The risks covered are principally death, invalidity and incapacity for work.

Underwriting reserves for unit-linked policies with discretionary profit-sharing or any other significant feature are measured at the balance sheet date on the basis of the current value of the assets underlying these policies.

Non-life insurance underwriting reserves comprise reserves for unearned premiums (share of premium income relating to subsequent financial years) and for outstanding claims. The risks covered are principally risks linked to home, car and accident insurance guarantees.

Under the principles defined in IFRS 4, and in compliance with local regulations applicable with respect thereto, life insurance policies with discretionary profit-sharing features are subject to "mirror accounting", whereby any changes in the value of financial assets liable to affect policyholders are recorded in *Deferred profit-sharing*. This reserve is calculated to reflect the potential rights of policyholders to unrealised gains on financial instruments measured at fair value or their potential share of unrealised losses.

To demonstrate the recoverability of the deferred profit-sharing asset in the event of an unrealised net loss, two approaches are used to show that the liquidity requirements caused by an unfavourable economic environment would not require assets to be sold in the event of unrealised losses:

- the first consists in simulating deterministic ("standardised" or extreme) stress scenarios. This is used to show that in these scenarios no significant losses would be realised on the assets existing at the balance sheet date for the scenarios tested.

- the aim of the second approach is to ensure that in the long or medium term, the sale of assets to meet liquidity needs would not generate any significant losses. The approach is verified for projections based on extreme scenarios.

- a liability adequacy test is also carried out semi-annually using a stochastic model based on parameter assumptions consistent with those used for the MCEV (Market Consistent Embedded Value). This test takes into account all of the future cash flows from policies, including management charges, fees and policy options and guarantees.

3. PRESENTATION OF FINANCIAL STATEMENTS

ANC recommended format for banks' summary financial statements

As the IFRS accounting framework does not specify a standard model, the format used for the financial statements is consistent with the format proposed by the French Accounting Standards Board, the ANC, under Recommendation 20013-04 of November 7, 2013.

Rule on offsetting financial assets and financial liabilities

A financial asset and liability are offset and a net balance presented in the balance sheet when the Group is entitled to do so by law and intends either to settle the net amount or to realise the asset and to settle the liability at the same time.

Transfer of unrealised or deferred gains and losses

Unrealised or deferred gains and losses recognised directly in equity during the period and which will not be reclassified subsequently into income are displayed separately in the Statement of net income and unrealised or deferred gains and losses.
At the end of the period they are transferred immediately to *Retained Earnings* in the Consolidated balance sheet and in the Statement of changes in shareholders' equity.

Cash and cash equivalents

In the cash flow statement, *Cash and cash equivalents* include cash accounts, demand deposits, loans and borrowings due to and from central banks and other credit institutions.

Earnings per share

Earnings per share are measured by dividing the net income attributable to ordinary shareholders by the weighted average number of shares outstanding over the period, excluding treasury shares. The net profit attributable to ordinary shareholders takes account of dividend rights of preferred shareholders such as holders of preferred shares, subordinated securities or deeply subordinated securities classified in equity. Diluted earnings per share take into account the potential dilution of shareholders' interests in the event dilutive instruments (stock options or free share plans) are converted into ordinary shares. This dilutive effect is determined using the share buyback method.

4. ACCOUNTING STANDARDS AND INTERPRETATIONS TO BE APPLIED BY THE GROUP IN THE FUTURE

Not all of the accounting standards published by the IASB had been adopted by the European Union at December 31, 2013. These accounting standards and interpretations are required to be applied from annual periods beginning on January 1, 2014 at the earliest or on the date of their adoption by the European Union. They were therefore not applied by the Group as of December 31, 2013.

Accounting standards, amendments or interpretations adopted by the European Union

Accounting standards or Interpretations	Adoption dates by the European Union	Effective dates: annual periods beginning on or after
Amendments to IAS 32 “Presentation - Offsetting Financial Assets and Financial Liabilities”	December 13, 2012	January 1, 2014
IFRS 10 “Consolidated Financial Statements”	December 11, 2012	January 1, 2014
IFRS 11 “Joint Arrangements”	December 11, 2012	January 1, 2014
IFRS 12 “Disclosure of Interests in Other Entities”	December 11, 2012	January 1, 2014
Amendments to IAS 27 “Separate Financial Statements”	December 11, 2012	January 1, 2014
Amendments to IAS 28 “Investments in Associates and Joint Ventures”	December 11, 2012	January 1, 2014
Transition guidance (Amendments to IFRS 10, 11 and 12)	April 4, 2013	January 1, 2014
Investment entities (Amendments to IFRS 10, 12 and IAS 27)	November 20, 2013	January 1, 2014
Amendments to IAS 36 “Recoverable Amount Disclosures for Non-Financial Assets	December 19, 2013	January 1, 2014
Amendments to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	December 19, 2013	January 1, 2014

- **Amendments to IAS 32 “Presentation - Offsetting Financial Assets and Financial Liabilities”**

These amendments clarify existing application issues relating to offsetting rules: rights of set-off must be legally enforceable in all circumstances, and the Group must intend to either settle on a net basis or to realise the financial asset and settle the financial liability simultaneously. The Group is currently analysing the potential impact of these amendments on its consolidated financial statements.

- **IFRS 10 “Consolidated Financial Statements”**

This new standard modifies the definition of control in a way that will imply a more judgmental approach to assess the control over an entity. The new definition of control includes all of the following elements: power over the investee, rights or exposure to variable returns of the investee and ability to use the power over the investee to affect the amount of the investor’s returns. The Group is currently analysing the potential impact of this new standard on its consolidated financial statements. Following this new definition of control, two securitisation vehicles (Barton and Antalis – See Note 29) structured on behalf of third parties will be consolidated from January 1, 2014.

- **IFRS 11 “Joint Arrangements”**

This standard distinguishes between two forms of joint arrangement (joint operation and joint venture) by assessing the rights and obligations conferred upon the parties and removes the option of applying the proportionate consolidation method. Joint ventures must now be consolidated by applying the equity method. Newedge Group (brokerage and derivatives) is the main joint venture currently consolidated by the Group using the proportionate method (see Note 46). The application of the equity method for the consolidation of Newedge Group from January 1, 2014 will reduce by approximately EUR 20 billions the total balance sheet amount of the Group.

• **IFRS 12 “Disclosure of Interests in Other Entities”**

This standard includes all the disclosures that are required to be presented in the notes for all subsidiaries, joint arrangements, associates as well as for consolidated and unconsolidated structured entities. Accordingly, the Group will enhance its disclosures in the notes to the financial statements for annual periods beginning on or after January 1, 2014.

• **Amendments to IAS 27 “Separate Financial Statements”**

The objective of these amendments is to set standards to be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity elects to present separate financial statements.

• **Amendments to IAS 28 “Investments in Associates and Joint Ventures”**

Further to amendments to IFRS 10 and IFRS 11, IAS 28 has been amended to prescribe the accounting treatment of investments in associates and joint ventures.

• **Transition guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**

The amendments to IFRS 10, IFRS 11 and IFRS 12 concerning transition guidance limit the requirement to provide adjusted comparative information to only the preceding comparative period and eliminate the requirement to present comparative information for unconsolidated structured entities for periods before IFRS 12 is first applied.

• **Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

These amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss. It also set out disclosure requirements for investment entities.

• **Amendments to IAS 36 “Recoverable Amount Disclosures for Non-Financial Assets”**

These amendments limit to impaired assets the obligation to disclose information about the recoverable amount and the basis on which the cash-generating unit’s fair value has been determined (less costs of disposal) and including goodwill or intangible assets with indefinite useful lives.

• **Amendments to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”**

These amendments allow hedging relationships to be maintained in situations where counterparties of an hedging instrument are obliged as a consequence of regulations or laws (for example European Market and Infrastructure Regulation-EMIR in European Union) to arise a novation. As a consequence, counterparties of certain hedging instruments should agree to replace their original counterparty of the hedging transaction by a central counterparty without modifying the contractual terms of the instruments.

Amendments or interpretations not yet adopted by the European Union at December 31, 2013

Accounting standards or Interpretations	Publication dates by IASB	Effective dates: annual periods beginning on or after
IFRS 9 “Financial Instruments” (Phase 1: Classification and Measurement)	November 12, 2009 October 28, 2010 December 16, 2011 and November 19, 2013	Undetermined
IFRIC Interpretation 21 “Levies”	May 20, 2013	January 1, 2014
IFRS 9 “Financial Instruments” (Phase 3:Hedge accounting) and amendments to IFRS 9, IFRS 7 and IAS 39	November 19, 2013	Undetermined
Amendments to IAS 19 “Defined Benefit Plans : Employee Contributions”	November 21, 2013	July 1, 2014
Improvements to IFRSs (2010-2012 and 2011-2013) - December 2013	December 12, 2013	July 1, 2014

- **IFRS 9 “Financial Instruments” (Phase 1: Classification and Measurement)**

This standard aims to replace IAS 39. IFRS 9 – Phase 1 determines new requirements for classifying and measuring financial assets and financial liabilities. This standard will be completed by credit risk impairment methodology for financial assets (IFRS 9 – Phase 2 which is currently being finalised by IASB) and hedge accounting treatment (IFRS 9 – Phase 3 See below).

Financial assets are required to be classified into three categories (amortised cost, fair value through profit or loss and fair value through other comprehensive income) depending on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

All debt instruments (loans, receivables and bonds) will be measured at amortised cost only if the objective of the entity (business model) is to collect the contractual cash flows and if these cash flows consist solely of payments of principal and interest. All other debt instruments will be measured at fair value through profit or loss.

All equity instruments will be measured at fair value through profit or loss except in case of irrevocable election made at initial recognition for measurement at fair value through other comprehensive income (provided these financial assets are not held for trading purposes and not measured at fair value through profit or loss) without subsequent reclassification into income.

Embedded derivatives will no longer be recognised separately when their host contracts are financial assets and the hybrid instrument in its entirety will then be measured at fair value through profit or loss.

Requirements for the classification and measurement of financial liabilities contained in IAS 39 have been incorporated into IFRS 9 without any modifications, except for financial liabilities designated at fair value through profit or loss (using the fair value option). The amount of change in the liability’s fair value attributable to changes in credit risk is recognised in other comprehensive income without subsequent reclassification into income.

Provisions related to derecognition of financial assets and financial liabilities have been carried forward unchanged from IAS 39 to IFRS 9.

The current IFRS 9 – Phase 1 is subject to amendments relative to classification and measurement of financial assets for which IASB has issued for public comment an exposure-draft “Classification and Measurement: Limited Amendments to IFRS 9” on November 28, 2012. The final content of the standard are currently being finalised by IASB and may vary the existing version described above.

- **IFRIC Interpretation 21 “Levies”**

This interpretation of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” clarifies the accounting for a liability to pay a levy. For an entity the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. The liability to pay a lavy is recognised progressively if the obligating event occurs over a period of time. Furthermore, if an obligation to pay a levy is triggered when a minimum threshold is reached the corresponding liability is recognised when that minimum activity threshold is reached.

- **IFRS 9 “Financial Instruments” (Phase 3: Hedge accounting) and amendments to IFRS 9, IFRS7 and IAS 39**

This new standard will align hedge accounting more closely with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures.

For this purpose, the standard extends the scope of non-derivative financial instruments that could be considered as hedging instruments. Similarly, the scope of items that could be considered as hedged items is increased to include components of non-financial items. The standard also amends the approach for assessing hedge effectiveness. In addition, additional disclosures are required to explain both the effect that hedge accounting has had on the financial statements and the entity’s risk management strategy.

IFRS 9 did not address the accounting treatment for macro hedging as part of the general hedge accounting model. The IASB has launched a separate project for macro hedge accounting.

- **Amendments to IAS 19 “Defined Benefit Plans : Employee Contributions”**

These amendments apply to contributions from employees to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service.

- **Improvements to IFRSs (2010-2012 and 2011-2013) - December 2013**

As part of the annual Improvements to International Financial Reporting Standards, the IASB has published amendments to some accounting standards.

Note 2

Changes in consolidation scope

As at December 31, 2013, the Group's consolidation scope included 766 companies:

- ***620*** fully consolidated companies;
- ***79*** proportionately consolidated companies;
- ***67*** companies accounted for by the equity method.

The consolidation scope includes entities under Group's exclusive control, joint control or significant influence that are not negligible compared to the Group's consolidated financial statements, notably regarding Group consolidated total assets and gross operating income.

The main changes to the consolidation scope at December 31, 2013, compared with the scope applicable at the closing date of December 31, 2012, are as follows:

- The Group completed the sale of its stake in TCW Group Inc., i.e. 89.56%, to Carlyle Group and to the TCW Management.

- The Group's equity interest in Banque Tarneaud increased from 97.57 to 100% due to the purchase by le Crédit du Nord of shares held by minority shareholders.

- The Group completed the sale of its stake in National Societe Generale Bank, i.e. 77.17%, to Qatar National Bank.

- The Group's stake in Societe Generale Banque au Liban decreased from 19% to 16.8% due to a capital increase not subscribed by the Group.

- The Group completed the sale of its stake in Société Générale Private Banking (Japan) Ltd., i.e. 100%.

- The Group's stake in Rosbank increased by 10% to 92.4% due to the purchase of shares held by minority shareholders. As a consequence, the interest rates in LLC Rusfinance, LLC Rusfinance Bank and Commercial Bank Deltacrédit increased to 92.4%, and the interest rates in SG Strakhovanie LLC and Société Générale Strakhovanie zizhni LLC increased from 96.66% to 98.56%.

The gain before tax from disposals of consolidated investments amounted to EUR 583 million and was recorded in *Net income/expense from other assets* in the income statement.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the main items classified in *Non-current assets and liabilities held for sale* are assets and liabilities relating consumer finance in Hungary and Turkey.

Note 3

FAIR VALUE OF FINANCIAL INSTRUMENTS

This section specifies the valuation methods used by the Group to establish the fair value of the financial instruments presented in the following notes:

Notes	Description
Note 6	Financial assets and liabilities at fair value through profit or loss
Note 7	Hedging derivatives
Note 8	Available-for-sale financial assets
Note 9	Due from banks
Note 10	Customer loans
Note 11	Reclassification of financial assets
Note 12	Lease financing and similar agreements
Note 13	Held-to-maturity financial assets
Note 18	Due to banks
Note 19	Customer deposits
Note 20	Debt securities issued
Note 26	Subordinated debt

1. DEFINITION OF FAIR VALUE AND FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy:

For information purposes, in the notes to the consolidated financial statements, the fair value of the financial instruments are classified using a fair value hierarchy that reflects the significance of the inputs used, according to the following levels:

- Level 1 (L1): instruments valued on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities.

  Level 1 instruments carried at fair value on the balance sheet include in particular shares listed in an active market, government or corporate bonds priced directly by external brokers/dealers, derivatives traded on organised markets (futures, options), and units of funds (including UCITS) whose net asset value is available on the balance sheet date.

  A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and they reflect actual and regular market transactions on an arm's length basis.

  Determining whether a market is inactive requires the use of indicators such as a sharp decline in trading volume and the level of activity in the market, a sharp disparity in prices over time and between the various above-mentioned market participants, or the fact that the latest transactions conducted on an arm's length basis did not take place recently enough.

  Where a financial instrument is traded in several markets to which the Group has immediate access, its fair value is represented by the market price at which volumes and activity levels are highest for the instrument in question.

Transactions resulting from involuntary liquidations or distressed sales are usually not taken into account to determine the market price.

- Level 2 (L2): instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

  Instruments quoted in an insufficiently liquid market and those traded over-the-counter belong to this level. Prices published by an external source derived from the valuation of similar instruments are considered as data derived from prices.

  Level 2 instruments include in particular securities carried at fair value on the balance sheet that are not directly quoted (e.g. corporate bonds, mortgage-backed securities, units of funds), and firm derivatives and options traded over-the-counter: interest rate swaps, caps, floors, swaptions, equity options, index options, foreign exchange options, commodity options and credit derivatives. The maturities of these instruments are linked to ranges of terms commonly traded in the market, and the instruments themselves can be simple or offer a more complex remuneration profile (e.g. barrier options, products with multiple underlying instruments), with said complexity remaining limited however. The valuation techniques used in this category are based on common methods shared by the main market participants.
  This category also includes the fair value of loans and receivables at amortised cost granted to counterparties whose credit risk is quoted via CDS.

- Level 3 (L3): instruments valued using inputs that are not based on observable market data (referred to as unobservable inputs). Those carried at fair value on the balance sheet are predominantly instruments for which the sales margin is not immediately recognized in profit or loss.

  Accordingly, Level 3 financial instruments include derivatives with longer maturities than those usually traded and/or with specifically-tailored return profiles. Similarly, debt measured at fair value is classified as Level 3 where the valuation of the associated embedded derivatives is also based on unobservable methods.

  The main L3 complex derivatives are:

  - Equity derivatives: options with long maturities and/or incorporating bespoke remuneration mechanisms. These instruments are sensitive to market inputs (volatility, dividend rates, correlations, etc.). In the absence of market depth and of an objective approach made possible by regularly observed prices, their valuation is based on proprietary methods (e.g. extrapolation from observable data, historical analysis). Hybrid equity instruments (i.e. having at least one non-equity underlying instrument) are also classified as L3 due to the generally unobservable correlation between the different underlyings.

  - Interest rate derivatives: exotic options, products sensitive to correlation between different interest rates, different exchange rates, between interest rates and exchange rates or, for quanto products for example (in which the instrument is settled in a currency different from the one of the underlying); they are liable to be classified as L3 because the valuation parameters are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD / JPY).

  - Credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation ("N to default" products in which the buyer of the hedge is compensated as of the N^{th} default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or CDO Bespoke products, which are Collateralised Debt Obligations created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility.

  - Commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (e.g. options on commodity swaps, baskets of underlyings).

2. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE SHEET

2.1 Valuation Methods

For financial instruments recognised at fair value on the balance sheet, fair value is determined primarily on the basis of the prices quoted in an active market. These prices can be adjusted if none are available on the balance sheet date or if the clearing value does not reflect transaction prices.

However, due notably to the varied characteristics of financial instruments traded over-the-counter on the financial markets, a large number of financial products traded by the Group does not have quoted prices in the markets.

For these products, fair value is determined using models based on valuation techniques commonly used by market participants to measure financial instruments, such as discounted future cash flows for swaps or the Black & Scholes formula for certain options, and using valuation parameters that reflect current market conditions as at the balance sheet date. These valuation models are validated independently by the experts from the Market Risk Department of the Group's Risk Division.

Furthermore, the parameters used in the valuation models, whether derived from observable market data or not, are checked by the Finance Division of GBIS (Global Banking and Investor Solutions), in accordance with the methodologies defined by the Market Risk Department.

If necessary, these valuations are supplemented by additional reserves (such as bid-ask spreads and liquidity) determined reasonably and appropriately after an analysis of available information.

Derivatives in particular are subject to a Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA). The Group includes all third parties with the exception of certain clearing houses in this adjustment, which also reflects the netting agreements existing for each counterparty. CVA is determined on the basis of the Group entity's positive expected exposure to the counterparty, to the counterparty's probability of default (conditional to the entity not defaulting) and by the loss given default. The DVA is determined symmetrically based on the negative expected exposure. These calculations are carried out over the life of the potential exposure, with a focus on the use of relevant and observable market data.

Similarly, an adjustment to take into account the costs or profits linked to the financing of these transaction (FVA, "Funding Value Adjustment") is performed on certain derivatives not covered by netting agreements.

Observable data must be: independent of the bank (non-bank data), available, publically distributed, based on a narrow consensus and backed up by transaction prices.

For example, consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For high maturities, these consensus data are not observable. This is the case for the implied volatility used for the valuation of equity options with maturities of more than five years. However, when the residual maturity of the instrument falls below five years, its fair value becomes sensitive to observable parameters.

In the event of unusual tensions on the markets, leading to a lack of the usual reference data used for the valuation of a financial instrument, the Risk Division may implement a new model in accordance with pertinent available data, similar to methods used by other market players.

- **Shares and other variable-income securities**

For listed shares, fair value is taken to be the quoted price on the balance sheet date. For unlisted shares, fair value is determined depending on the type of financial instrument and according to one of the following methods:

- Valuation based on a recent transaction involving the issuing company (third party buying into the issuing company's capital, appraisal by professional valuation agent, etc.);
- Valuation based on a recent transaction in the same sector as the issuing company (income multiple, asset multiple, etc.);

- Proportion of net asset value held.

For unlisted securities in which the Group has significant holdings, valuations based on the above methods are supplemented by a discounted future cash flow valuation based on business plans or on valuation multiples of similar companies.

- **Debt (fixed-income) instruments held in portfolio, issues of structured securities measured at fair value and financial derivatives**

The fair value of these financial instruments is determined based on the quoted price on the balance sheet date or prices provided by brokers on the same date, when available. For unlisted financial instruments, fair value is determined using valuation techniques. Concerning liabilities measured at fair value, the on-balance sheet amounts include changes in the Group's issuer credit risk.

- **Other debts**

For listed financial instruments, fair value is taken as their closing quoted price on the balance sheet date. For unlisted financial instruments, fair value is determined by discounting future cash flows to present value at market rates (including counterparty risks, non-performance and liquidity risks).

2.2. Estimates of main unobservable inputs

The following table provides the valuation of L3 instruments on the balance sheet and the range of values of the most significant unobservable inputs by main product type.

	Value in balance sheet (in millions of euros) [1]					
Financial instruments	**Actif**	**Passif**	**Main products**	**Valuation techniques used**	**Significant unobservable inputs**	**Range of inputs min & max**
Equity / funds	1,247	18,574	Simple and complex instruments or derivatives on funds, equities or baskets on stocks	Various option models on funds, equities or baskets on stocks	Equity volatility	3% / 82%
					Equity dividend	0% / 8.4%
					Equity correlation	-90% / 99.9%
					Hedge funds volatility	6.5% / 17.7 %
					Mutual funds volatility	2.1% / 40.8%
Rates and Forex	2,487	5,115	Hybrid forex / interest rate derivatives	Hybrid forex interest rate option pricing models	Unobservable correlation	-56% / 99%
			Forex derivatives	Forex option pricing models	Forex volatility	1.5% / 20%
			Interest rate derivatives whose notional is indexed on the prepayment behaviour on European collateral pools	Prepayement modeling	Constant prepayment rate	0% / 50%
			Inflation instruments and derivatives	Inflation pricing models	Inflation / inflation correlation	67% / 82%
Credit	440	1,629	Collateralized Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlation	0% / 100%
					Recovery rate variance for single name underlyings	0% / 100%
			Other credit derivatives (N to default, etc)	Credit default models	Time to default correlation	0% / 100%
					Quanto correlation	-40% / 40%
Commodity	227	694	Derivatives on commodities baskets	Option models on commodities	Commodities correlation	-18% / 99%

(1) Hybrid instruments are broken down following main unobservable inputs

2.3. Sensitivity of Fair Value for Level 3 instruments

Unobservable inputs are assessed carefully, particularly in this persistently uncertain economic environment and market. However, by their very nature, unobservable inputs inject a degree of uncertainty in the valuation of Level 3 instruments.

To quantify this, fair value sensitivity was estimated at December 31, 2013 on instruments measured using unobservable inputs. This estimate was based: either on a "standardised[(1)]" variation of the unobservable inputs, calculated for each input on a net position, or on assumptions in line with the additional valuation adjustment policies for the financial instruments in question.

Sensitivity of Level 3 fair value to a reasonable variation in unobservable inputs

	December 31, 2013	
(In millions of euros)	Negative impact	Positive impact
Stocks and other equity instruments and derivatives	**(52)**	**84**
Equity instrument volatility	(4)	20
Dividends	(1)	1
Correlation	(36)	50
Hedge Fund volatility	(8)	8
Mutual Fund volatility	(3)	5
Rates and Forex instruments and derivatives	**(64)**	**64**
Correlation between exchange rates, interest rates and/or credit	(57)	57
Forex volatility	(2)	2
Constant prepayment rate	(1)	1
Inflation / inflation correlation	(4)	4
Credit instrument and derivatives	**(22)**	**22**
Time to default correlation	(17)	17
Recovery rate variance for single name underlyings	(4)	4
Quanto correlation	(2)	2
Commodity derivatives	**(4)**	**4**
Commodities correlation	(4)	4

It should be noted that, given the already conservative valuation levels, the probability attached to this uncertainty is higher for a favourable impact on results than for an unfavourable impact. The amounts shown above illustrate the uncertainty of the valuation as of the computation date, on the basis of a reasonable variation in inputs: future variations in fair value or consequences of extreme market conditions cannot be deduced or forecasted from these estimates.

(1) Meaning:

– either the standard deviation of consensus prices used to measure the input (TOTEM, etc), which are nevertheless considered unobservable;

– or the standard deviation of historical data used to measure the input.

3. FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments that are not recognised at fair value on the balance sheet, the figures given in the notes and broken down according to the fair value hierarchy, as described in paragraph 1*. Definition of fair value and fair value hierarchy*, should not be taken as an estimate of the amount that would be realised if all such financial instruments were to be settled immediately.

The fair values of financial instruments include accrued interest as applicable.

- **Loans, receivables and lease financing agreements**

The fair value of loans, receivables and lease financing transactions for large corporate and banks is calculated, in the absence of an actively- traded market for these loans, by discounting expected cash flows to present value based on the market rates (the benchmark maturity yield published by the Banque de France and the zero coupon yield) prevailing on the balance sheet date for loans with broadly similar terms and maturities. These discount rates are adjusted for borrower credit risk.

The fair value of loans, receivables and lease financing transactions for retail banking customers, essentially comprised of individuals and small or medium-sized companies, is determined, in the absence of an actively-traded market for these loans, by discounting the associated expected cash flows to present value at the market rates prevailing on the balance sheet date for similar types of loans and similar maturities.

For all floating-rate loans, receivables and lease financing transactions and fixed-rate loans with an initial maturity less than or equal to one year, fair value is taken to be the same as book value net of impairment, assuming there has been no significant change in credit spreads on the counterparties in question since they were recognised in the balance sheet.

- **Customer deposits**

The fair value of customer deposits, in the absence of an actively-traded market for these liabilities, is taken to be the same as the value of future cash flows discounted to present value at the market rates prevailing on the balance sheet date. When the debt is a listed instrument, its fair value is its market value.

For floating-rate deposits, demand deposits and borrowings with an initial maturity of less than or equal to one year, fair value is taken to be the same as book value. Similarly, the individual fair value of demand deposit accounts is equal to their book value.

Note 4

RISK MANAGEMENT LINKED TO FINANCIAL INSTRUMENTS

This note describes the main risks linked to financial instruments and the way they are managed by the Group.

Types of risks

The Group is exposed to the risks inherent in its core businesses. Given the diversity and changes in the Group's activities, its risk management focuses on the following main categories of risks, any of which could adversely affect its performance:

- credit and counterparty risk (including country risk): risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. Credit risk includes the counterparty risk linked to market transactions (replacement risk), as well as securitisation activities. Country risk arises when an exposure can be negatively affected by changing political, economic, social and financial conditions in the country of operation. Credit risk may be further amplified by concentration risk, which arises from a large exposure to a given risk, to one or more counterparties, or to one or more homogeneous groups of counterparties. Limits are set for some countries, geographical regions, sectors, products or types of customers with a view to minimising the most significant risks. In addition, major concentration risks are analysed periodically for the entire Group;
- market risk: risk of decline of the value of financial instruments arising from changes in market parameters, the volatility of these parameters and correlations between them. These parameters include but are not limited to exchange rates, interest rates, and the price of securities (equities, bonds), commodities, derivatives and other assets, including real estate assets. Positions and risks are subject to daily controls and compared to predefined limits that, for major positions, are validated by the Board of Directors on the advice of the Audit, Internal Control and Risk Committee (CACIR) in accordance with the risk appetite defined by the Board of Directors;
- structural interest and exchange rate risk: risk of loss or write-downs in the Group's assets arising from variations in interest or exchange rates. Structural interest and exchange rate risk arises from commercial activities and from transactions entered into by the Corporate Centre. The general principle for the Group is to minimise structural interest rate and exchange rate risks as much as possible within consolidated entities. Wherever possible, commercial transactions are therefore hedged against interest rate and exchange rate risks. Any residual structural interest rate risk exposure is contained by sensitivity limits set for each entity and for the overall Group as validated by the Finance policy committee. As for exchange rates, the Group's policy is to immunise its solvency ratio against fluctuations of the major currencies in which it operates.
- liquidity risk: risk of the Group not being able to meet its cash or collateral requirements as they arise and at a reasonable cost. Given that liquidity is a scarce resource, the Group's objective is to finance its activities at the best possible rates under normal conditions whilst maintaining adequate buffers to cover outflows in periods of stress. The scope of the Group's short and long-term financing plan, which supplements customer deposits, is conservative with reduced concentration in the short term while ensuring diversification in terms of products and regions. Targets are validated by the Board of Directors in accordance with Risk Appetite;
-

1. ORGANISATION, PROCEDURES AND METHODS

1.1. RISK MANAGEMENT STRATEGY

Implementing a high-performance and efficient risk management structure is a critical undertaking for Societe Generale Group, in all businesses, markets and regions in which the bank operates, as well as are maintaining a balance between strong risk culture and promoting innovation. Specifically, the main objectives of the Group's risk management strategy are:

- to contribute to the development of the Group's various businesses by optimising its overall risk-adjusted profitability in accordance with its risk appetite;
- to guarantee the Group's sustainability as a going concern, through the implementation of an efficient system for risk analysis, measurement and monitoring;
- to make risk management a differentiating factor and a competitive strength acknowledged by all.

This can take the form of:

- clear principles for governing, managing and organising risks;
- determining and formally defining the Group's risk appetite;
- effective risk management tools;
- a risk culture that is cultivated and established at each level of the Group.

These various items are currently under focus, with a series of initiatives established as part of the ERM (Enterprise Risk Management) program, which aims to improve the consistency and effectiveness of the Group's risk management system by fully integrating risk prevention and control in the day-to-day management of the bank's businesses.

1.2. RISK MANAGEMENT GOVERNANCE, CONTROL AND ORGANISATION PRINCIPLES

The Group's risk management governance is based on:

- strong managerial involvement in the risk management system and promotion of risk culture, throughout the entire organisational structure, from the Board of Directors down to operational teams;
- clearly defined internal rules and procedures;
- continuous supervision by an independent body to monitor risks and to enforce rules and procedures.

The Group's risk management is organised around two key principles:

- risk assessment departments should be independent from the operating divisions;
- the risk management approach and risk monitoring should be consistent throughout the Group.

Compliance with these principles forms part of the consolidation plans for subsidiaries acquired by the Group.

Group risk management is governed by two main bodies: the Board of Directors, via the Audit, Internal Control and Risk Committee, and the Risk Committee. The Group's Corporate Divisions, such as the Risk Division and Finance Division, which are independent from the business divisions, are dedicated to permanent risk management and control under the authority of the General Management.

Board of Directors

The Board of Directors defines the Group's strategy, by assuming and controlling risks, and ensures its implementation. In particular, the Board of Directors ensures the adequacy of the Group's risk management infrastructure, monitors changes in the portfolio and particularly in the cost of risk, and approves the market risk limits. Presentations on the main aspects and notable changes of the Group's risk management strategy are made to the Board of Directors by the General

Management at least once a year (more often if circumstances require it), in the frame of the exercise to determine the Risk Appetite.

Audit, Internal Control and Risk Committee

Within the Board of Directors, the Audit, Internal Control and Risk Committee plays a crucial role in the assessment of the quality of the Group’s internal control. More specifically it is responsible for examining the internal framework for risk monitoring to ensure its consistency and compliance with procedures, laws and regulations in force. Special presentation are made by managers to the Committee, which reviews the procedures for controlling market risks as well as the structural interest rate risk, and is consulted about the setting of risk limits. It also issues an opinion on the Group’s overall provisioning policy as well as on large specific provisions. Finally, the Group’s risk map and risk appetite indicators are presented to the Committee annually, and every year it examines the Annual Report on Internal Control, which is submitted to the Board of Directors and the French Prudential Supervisory and Resolution Authority (ACPR).

Risk Committee and Large Exposures Committee

Chaired by the General Management, the Group Risk Committee (CORISQ) is made up of members of the Group Executive Committee (COMEX), managers from the Risk Division and, where necessary, representatives from the different Divisions affected by its agenda. It meets at least once a month in order to discuss the Group's core risk strategy.

The CORISQ is globally responsible, upon the advice of the Risk Division (RISQ), for all of the main decisions pertaining to the different types of risk affecting the Group (credit risk, country risk, market and operational risks).

The Large Exposures Committee is an *ad hoc* committee which is chaired by the General Management and made up of the operational and RISQ managers in charge of analysing and overseeing the Group's main individual exposures.

Risk Division

The main responsibility of the Risk Division is to contribute to the development of the activities and the profitability of Societe Generale Group by working under the aegis of the General Management and in connection with the Finance department and the pillars to define the Group’s risk Appetite (deployed within the Group’s various businesses), and to establish a risk management and monitoring system. In exercising its functions, the Risk Division reconciles independence from and close cooperation with the business divisions, which are responsible first and foremost for the transactions they initiate.

Accordingly, the Risk Division is responsible for:

- providing hierarchical and functional supervision of the Group’s Risk structure;
- alongside the Finance Division, setting the Group's risk appetite which is then submitted to the executive body and to the Boards of Directors for their approval;
- identifying the risks borne by the Group;
- putting into practice a governance and monitoring system for these risks across all business lines, and regularly reporting on their nature and extent to the General Management, the Board of Directors and the supervisory authorities;
- contributing to the definition of risk policies, taking into account the aims of the pillars and the corresponding risk issues;
- defining or validating risk analysis, assessment, approval and monitoring methods and procedures;
- validating the transactions and limits proposed by the business managers;
- defining the “risk” information system, and ensuring its suitability for the needs of the businesses and its consistency with the Group’s information system.

- **New Product Committee**

Each division submits all new products, businesses or activities to the New Product Committee. This committee, which is jointly managed by the Risk Division and the business divisions, aims to ensure that, prior to the launch of a new product, business or activity:

- all associated risks are fully identified, understood and correctly addressed;
- compliance is assessed with respect to the laws and regulations in force, codes of good professional conduct and risks to the image and reputation of the Group;
- all the support functions are committed and have no, or no longer have, any reservations.

This process is underpinned by a very broad definition of a new product, which ranges from the creation of a new product, to the adaptation of an existing product to a new environment or the transfer of activities involving new team or new systems.

- **Finance Division**

Within the Finance Division, the Financial Management and Capital Department manages the capital requirements and the capital structure. In accordance with regulatory principles that advocate the separation of oversight and control functions, two different entities manage and monitor structural risks:

- the Balance Sheet and Global Treasury Management Department is dedicated to structural risk management. It also monitors and coordinates all Group treasury functions (external Group financing, internal entity financing, centralised collateral management). Moreover, it manages the Financial Centre and executes financial transactions;
- the ALM Risk Control Department is responsible for supervising structural risk for the entire Group. In particular, it validates structural risks models and monitors compliance with limits and management practices by the Group's divisions, business lines and entities. This Department is functionally overseen by the Risk Division.

The Finance Division is also responsible for assessing and managing the other major types of risk, including strategic risks, business risks, etc.

The Finance Policy Committee is chaired by the General Management and validates the system used to analyse and measure structural risks as well as the exposure limits for each Group entity. It also serves an advisory role for the business divisions and entities.

Societe Generale's risk measurement and assessment processes are an integral part of the bank's ICAAP (Internal Capital Adequacy Assessment Process [(1)]). Alongside capital management, ICAAP is aimed at providing guidance to both CORISQ and the Finance Committee in defining the Group's overall risk Appetite and setting risk limits.

Within the Finance Division, the steering of scarce resources and performance has been the responsibility of the new Strategic and Financial Steering department since 1st January 2013.

(1) ICAAP: Internal Capital Adequacy Assessment Process, corresponds to the Pillar II process required under the Basel Accord that enables the Group to ensure capital adequacy to support all business risks.

2. CREDIT RISK

2.1. RISK MANAGEMENT - GENERAL PRINCIPLES

2.1.1. Credit policy

Societe Generale's credit policy is based on the principle that approval of any credit risk undertaking must be based on sound knowledge of the client and the client's business, an understanding of the purpose and structure of the transaction and the sources of repayment of the debt. Credit decisions must also ensure that the structure of the transaction will minimise the risk of loss the event the counterparty defaults. Furthermore, the credit approval process takes into consideration the overall commitment of the group to which the client belongs. Risk approval forms part of the Group's risk management strategy in line with its risk Appetite.

2.1.2. Approval process

The risk approval process is based on four core principles:

- all transactions involving credit risk (debtor risk, settlement/ delivery risk, issuer risk and replacement risk) must be pre-authorised;
- responsibility for analysing and approving transactions lies with the dedicated primary customer relation unit and risk unit. They examine all authorisation requests relating to a specific client or client group, to ensure a consistent approach to risk management;
- the primary customer relation unit and the risk unit must be independent from each other;
- credit decisions are based on internal risk ratings (obligor rating), as provided by the primary customer relation unit and approved by the Risk Division.

The Risk Division submits recommendations to CORISQ on the limits it deems appropriate for certain countries, geographic regions, sectors, products or customer types, in order to reduce risks with strong correlations. The allocation of limits is subject to final approval by the Group's General Management and is based on a process that involves the Business Divisions exposed to risk and the Risk Division.

Finally, the supervision exercised by CORISQ is supplemented by the Large Exposures Committee which focuses on reviewing large individual exposures.

2.1.3. Credit and counterparty risk monitoring

Societe Generale places great emphasis on carefully monitoring its credit and counterparty risk exposure in order to minimise its losses in case of default. Furthermore, counterparty limits are assigned to all counterparties (banks, other financial institutions, corporate and public institutions).

Any significant weakening in the bank's counterparties also prompts urgent internal rating reviews. A specific supervision and approval process is implemented for the most sensitive counterparties or the most complex financial instruments.

2.2. RISK MEASUREMENT AND INTERNAL RATINGS

The Group's rating system relies on a quantitative analysis of the credit risks based on models that estimate the internal Basel parameters. In this regard, these models are used to calculate the Group's regulatory capital requirements. They also comply with the Group's risk management objectives and operational activities. As such, they are used as a tool to structure, price and approve transactions and help to determine the limits for approval decisions assigned to the operational teams and the Risk function.

Internal models, used to estimate PDs (Probability of Default) and LGDs (Loss Given Default), cover the vast majority of the Group's credit portfolios. Most were IRBA-validated (Internal Ratings Based Advanced approach) in 2007 and have since undergone regular performance assessments.

The Group's rating system makes a key distinction between customers:

- for retail customer, the Basel parameters are automatically assigned, in line with the Basel guidelines;
- for the corporate, bank and sovereign customers, the rating system relies on two main pillars: a counterparty rating system, supported by models, a rating and a system that automatically assigns LGD and CCF (Credit Conversion Factor) parameters according to the characteristics of the transactions.

In both cases a set of procedures defines the rules relating to rating process (scope, choice of the rating model, frequency of rating review, rating approval procedure, etc.), and for the supervision, back-testing and validation of models. Among other things, these procedures facilitate human judgement, which provides a critical view of the results and is an essential complement to the models for these portfolios.

All Group risk models are developed and validated on the basis of the longest available internal historical data, which must be representative (both in terms of the portfolios in question and the effects of the economic environment during the period considered) and conservative. As a result, the Group's risks estimates are not excessively sensitive to changes in the economic environment, while being able to detect any deterioration of risks. The PD modelling for large corporates has also been calibrated against long-term default statistics obtained from an external rating agency.

2.3. MANAGEMENT OF THE CREDIT PORTFOLIO AND OF COUNTERPARTY RISK

The Group uses credit risk mitigation techniques both for market and commercial banking activities. These techniques provide partial or full protection against the risk of debtor insolvency.

• Use of credit derivatives to manage corporate concentration risk

The Group uses credit derivatives in the management of its Corporate credit portfolio, primarily to reduce individual, sector and geographic concentration and to implement a proactive risk and capital management approach. Individual protection is essentially purchased under the over-concentration management policy. For example, the ten most hedged names account for 98% of the total amount of individual protections purchased.

Total outstanding purchases of protection through Corporate credit derivatives is stable at EUR 1.4 billion at end-December 2013 (EUR 1.9 billion at end-December 2012). In 2013, the spreads on Credit Default Swaps (CDS) from European investment-grade issues (Itraxx index) narrowed, reducing the portfolio's sensitivity to tightening spreads. Consequently, the credit derivatives transactions implemented in prior years to limit the earnings volatility generated by this CDS portfolio (these positions are valued at marked-to-market) have not needed to be renewed.

Almost all protection was purchased from bank counterparties with ratings of BBB+ or above, the average being A/A-. Concentration with any particular counterparty is also carefully monitored.

All credit derivatives regardless of their purpose are recognised at fair value through profit and loss and cannot be recorded as hedging instruments. Accordingly, they are recognised as trading derivatives at their notional and fair value.

• Guarantees and collateral

The Group uses credit risk mitigation techniques both for market and commercial banking activities. These techniques provide partial or full protection against the risk of debtor insolvency.

There are two main techniques:

- personal guarantees correspond to the commitment made by a third party to substitute for the primary debtor in the event of the latter's default. Guarantees encompass the protection commitments and mechanisms provided by banks and similar credit institutions, specialised institutions such as mortgage guarantors (such as Crédit Logement in France), monoline or multiline insurers, export credit agencies, etc. By extension, credit insurance and credit derivatives (purchase of protection) also belong to this category;

- collateral can consist of physical assets in the form of property, commodities or precious metals, as well as financial instruments such as cash, high-quality investments and securities and also insurance policies.

The Group proactively manages its risks by diversifying guarantees: physical collateral, personal guarantees and others (including CDS). In order to reduce its risk taking, the Group leads an active management of the guaranties and collateral by diversifying them: physical collateral, personal guaranties and other including CDS.

During the credit approval process, an assessment of the value of guarantees and collateral, their legal enforceability and the guarantor's ability to meet its obligations is undertaken. This process also ensures that the collateral or guarantee successfully meets the criteria set forth in the Capital Requirements Directive (CRD).

Guarantor ratings are reviewed internally at least once a year and collateral is subject to revaluation at least once a year.

The Risk Department is responsible for validating the operating procedures established by the business divisions for the regular valuation of guarantees and collateral, either automatically or based on an expert opinion, both during the approval phase for a new loan or upon the annual renewal of the credit application.

Mitigation of counterparty risk linked to market transactions

Societe Generale uses different techniques to reduce this risk. With regard to trading counterparties, it seeks to implement master agreements with termination-clearing clause wherever it can. In the event of default, they allow netting of all due and payable amounts. The contracts usually call for the revaluation of required collateral at regular time intervals (often on a daily basis) and for the payment of the corresponding margin calls. Collateral is largely composed of cash and high-quality liquid assets such as government bonds with a good rating. Other tradable assets are also accepted, provided that the appropriate haircuts are made to reflect the lower quality and/or liquidity of the asset.

Management of Over the Counter (OTC) collateral is monitored on an ongoing basis in order to minimise operational risk:

- the exposure value of each collateralised transaction is certified on a daily basis;
- specific controls are conducted to make sure the process goes smoothly (settlement of collateral, cash or, securities; monitoring of suspended transactions, etc.);
- all outstanding secured transactions are reconciled with those of the counterparty according to a frequency set by the regulator (mainly on a daily basis) in order to prevent and/or resolve any disputes on margin calls;
- any legal disputes are monitored daily and reviewed by a committee.

- **Credit insurance**

In addition to using export credit agencies (for example Coface and Exim) and multilateral organisations (for example the EBRD), Societe Generale has been developing relationships with private insurers over the last several years in order to hedge some of its loans against commercial and political non-payment risks.

This activity is performed within a risk framework and monitoring system validated by the Group's General Management. This system is based on an overall limit for the activity, along with sub-limits by maturity, and individual limits for each insurance counterparty which must meet strict eligibility criteria.

2.4. CREDIT PORTFOLIO ANALYSIS

2.4.1 Breakdown of on-balance-sheet credit portfolio

Outstanding loans in the on-balance-sheet credit portfolio could be broken down as follows as at December, 31 2013:

	December 31, 2013				December 31, 2012			
(In billions of euros)	Debts instruments (2)	Customer loans (3)	Due from banks	**Total**	Debts instruments (2)	Customer loans (3)	Due from banks	**Total**
Outstanding performing assets	121.65	330.94	52.51	505.10	114.26	344.25	42.44	500.95
of which including past due amount	*0.00*	*6.81*	*0.05*	*6.86*	*0.00*	*6.73*	*0.02*	*6.75*
Impaired loans and advances	0.64	27.57	0.16	28.37	0.48	26.93	0.20	27.61
Total gross outstanding loans	**122.29**	**358.51**	**52.67**	**533.47**	**114.74**	**371.18**	**42.64**	**528.56**
Impairment	(0.14)	(16.72)	(0.03)	(16.88)	(0.14)	(15.85)	(0.06)	(16.05)
Revaluation of hedged items	-	0.40	0.03	0.43	-	0.68	0.05	0.73
Total net outstanding loans	**122.15**	**342.20**	**52.67**	**517.02**	**114.60**	**356.01**	**42.63**	**513.24**
Loans secured by notes and securities and securities purchased under resale agreement	-	19.08	32.17	51.25	-	22.97	34.89	57.86
Total	**122.15**	**361.28**	**84.84**	**568.27**	**114.60**	**378.98**	**77.52**	**571.10**

(2) Debt instruments include available-for-sale and held–to-maturity assets.
(3) Including Lease Financing

Outstanding performing assets with past due amounts account for 1.8% of unimpaired on-balance sheet assets excluding debt instruments and including loans that are past due for technical reasons. The amount is stable compared to December 31, 2012 (1.7% of outstanding performing assets excluding debt/securities).

2.4.2. Information on risk concentration

The measurement used for outstanding loans in this section is EAD - Exposure At Default (on-balance sheet and off-balance sheet), excluding fixed assets, equity investments and accruals.

At December 31, 2013, the Group's Exposure at Default amounted to EUR 635 billion (including on-balance sheet assets of EUR 531 billion). Societe Generale proactively manages its risk concentrations, both at the individual and portfolio levels (geographic or industry concentration).

Individual concentration is managed upon approval of the loan and throughout its life. The counterparties representing the bank's most significant exposures are regularly reviewed by the General Management.

Global portfolio analyses, as well as geographic and sector analyses, are performed and periodically presented to the General Management.

CREDIT RISK EXPOSURE BY EXPOSURE CLASS EXCLUDING SECURITISATION AS AT DECEMBER 31, 2013 (EXPOSURE AT DEFAULT)*

Portfolio by exposure class (In millions of euros)	**December 31, 2013**	**December 31, 2012**
Sovereign	143,041	143,422
Institutions [4]	61,113	71,585
Corporate	250,248	266,682
Retail	180,646	184,282
Total	**635,048**	**665,971**

(4) Institutions: Basel classification covering banks and public sector entities.
* EAD under Standard Approach calculated net of collateral.

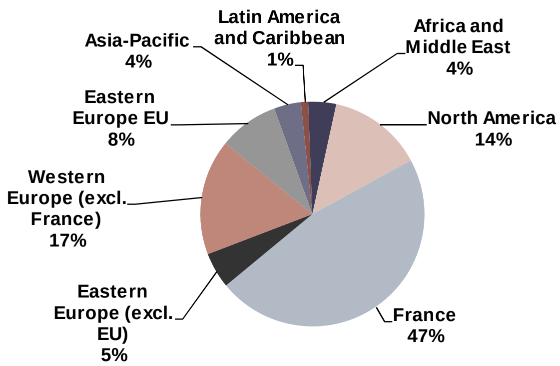
RETAIL CREDIT RISK EXPOSURE BY CLASS AS AT DECEMBER 31, 2013 (EXPOSURE AT DEFAULT)*

Retail portfolio by Exposure class (In millions of euros)	**December 31, 2013**	**December 31, 2012**
Residential mortgages	93,640	94,565
Revolving credit	8,896	9,686
Other credit to individual	53,268	54,081
Very small enterprises and self-employed	24,841	25,950
Total	**180,646**	**184,282**

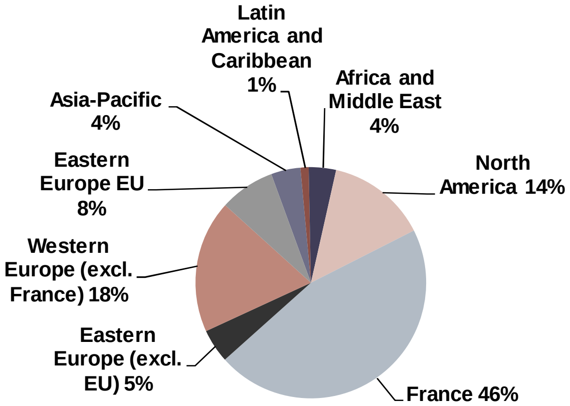
* EAD under Standard Approach calculated net of collateral.

GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK OUTSTANDING AS AT DECEMBER 31, 2013 (ALL CLIENT TYPES INCLUDED)

Balance sheet commitments (EUR 531 billion in EAD)

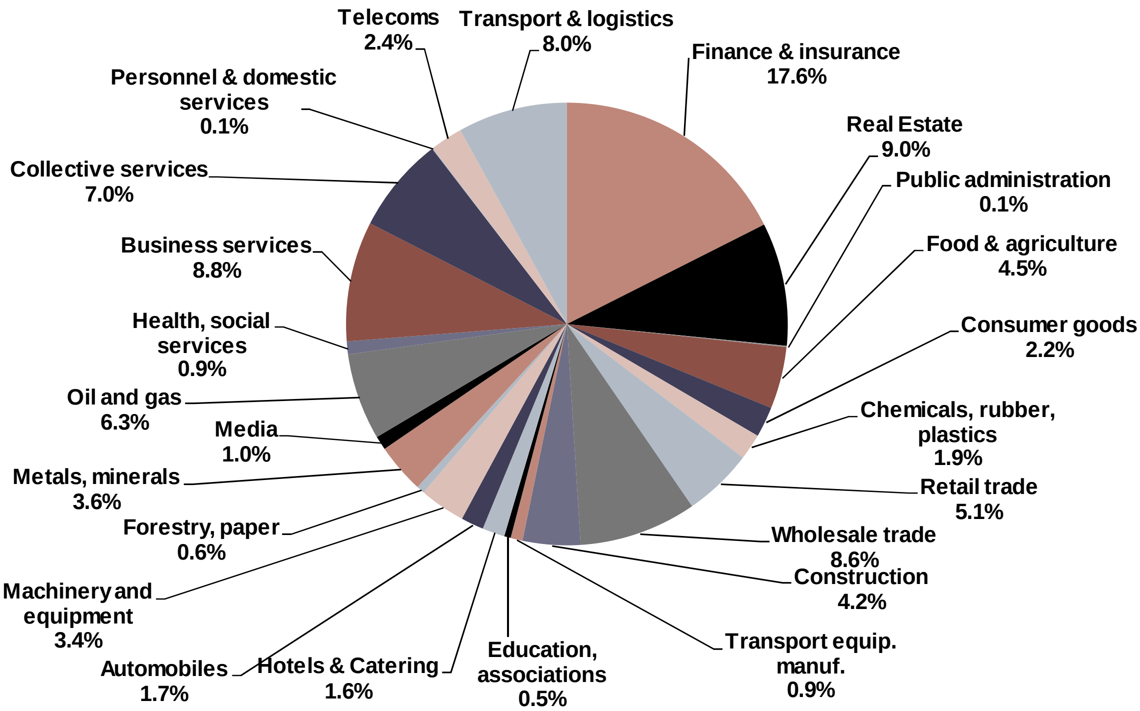


On-balance sheet and off-balance sheet commitments (EUR 635 billion in EAD)



At December 31, 2013, 86% of the Group's on and off-balance sheet outstanding loans were concentrated in the major industrialised countries. Half of the overall amount of outstanding loans was to French customers (26% to non-retail customers and 20% to individual customers).

SECTOR BREAKDOWN OF GROUP CORPORATE CREDIT RISK OUTSTANDING AT DECEMBER 31, 2013 (BASEL CORPORATE PORTFOLIO, EUR 250 BILLION in EAD)*



* On-balance sheet and off-balance sheet EAD, excluding fixed assets, accruals and equity investments.

The Group's Corporate portfolio (Large Corporates, SMEs and Specialised Financing) is highly diversified in terms of sectors.

At December 31, 2013, the Corporate portfolio amounted to EUR 250 billion (on and off-balance sheet outstanding measured in EAD). Only the Finance and Insurance sector accounts for more than 10% of the portfolio. The Group's commitments to its ten largest corporate counterparties account for 6% of this portfolio.

2.4.3. Loans and advances past due but not individually impaired

(In billions of euros)	December 31, 2013 Loans and advances to customers	Loans and advances to Banks	% of Gross outstanding loans	December 31, 2012 Loans and advances to customers	Loans and advances to Banks	% of Gross outstanding loans
Amounts including past due less than 91 days old	6.17	0.05	90.70%	6.22	0.02	92.40%
Of which less than 31 days old	*4.31*	*0.04*	*63.00%*	*3.94*	*0.01*	*58.00%*
Amounts including past due between 91 and 180 days old	0.34	-	4.90%	0.3	-	4.50%
Amounts including past due over 180 days old	0.3	-	4.40%	0.21	-	3.20%
Total	**6.81**	**0.05**		**6.73**	**0.02**	

The amounts presented in the table above include loans and advances that are past due for technical reasons, which primarily affect the “less than 31 days old” category. Loans past due for technical reasons are loans that are classified as past due on account of a delay between the value date and the date of recognition in the customer account.

Total declared past due loans not individually impaired comprise all receivables (outstanding balance, interest and past due amounts) with at least one recognised past due amount. These outstanding loans can be placed on a watch list as soon as the first payment is past due.

Once a payment has been past due for 90 days, the counterparty is deemed to be in default (excepted for retail loans secured by real estate and those relating to local authorities).

2.4.4. Restructured debt

For Societe Generale, "restructured" debt refers to loans whose amount, term or financial conditions have been contractually modified due to the borrower's insolvency (whether insolvendy has already occurred or will definitely occur unless the debt is restructured).

Restructured debt does not include commercial renegotiations involving clients for which the bank has agreed to renegotiate the debt in order to retain or develop a business relationship, in accordance with credit approval rules in force and without giving up any of the principal or accrued interest.

Any situation leading to debt restructuring entails placing the client in question in the Basel default category and classifying the loans themselves as impaired.

The clients whose loans have been restructured are maintained as defaulted, as long as the bank remains uncertain of their ability to meet their future commitments.

Debt that was restructured and reclassified from impaired to performing in 2013, totalled EUR 196 million.

2.4.5. Guarantees and collateral

The total amount of guarantees and collateral allocated for the calculation of Group capital requirements was EUR 137.9 billion as at December 31, 2013, of which EUR 89.4 billion for retail customers and EUR 48.5 billion for non-retail customers (versus EUR 90.3 billion and EUR 51.5 billion, respectively as at December 31, 2012).

Alongside the regulatory calculation of Group capital requirements, a data collection process is in place for guarantees and collateral related to past due loans not individually impaired as well as individually impaired loans. The amount of guarantees and collateral related to past due not individually impaired loans was EUR 3.1 billion (EUR 1.8 billion for retail customers and EUR 1.3 billion for non retail customers) as at December 31, 2013. The amount of guarantees and collateral related to individually impaired loans was EUR 7.3 billion (EUR 3.3 billion for retail customers and EUR 4 billion for non retail customers) as at December 31, 2013.

These amounts are capped to the individually impaired loan outstanding amount.

2.5. IMPAIRMENT

2.5.1. Individual impairment for credit risk

Where there is an objective evidence of default for certain counterparties, an individual impairment is calculated on these counterparties. The amount of the impairment depends on the probability of recovering the amounts due. The expected cash flows are based on the financial position of the counterparty, its economic outlook and the guarantees available or that may become available.

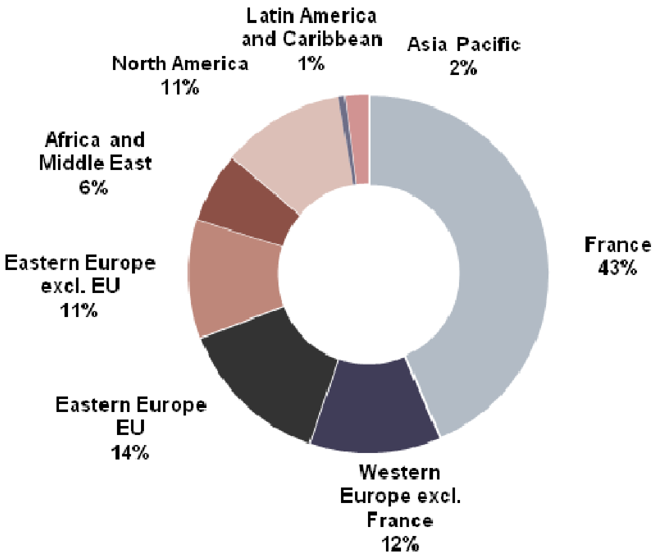
A counterparty is deemed to be in default when at least one of the following conditions is confirmed:

- a significant deterioration in the counterparty's financial situation leads to a high probability of said counterparty being unable to fulfil its overall commitments (credit obligations), thus generating a risk of loss for the bank whether or not the debt is restructured, and/or
- one or more payments more than 90 days past due are recorded (excepted for retail loans secured by real estate and those relating to local authorities); and/or
- an out–of-court settlement procedure is initiated, and/or
- a legal proceeding such as a bankruptcy, legal settlement or compulsory liquidation is in progress.

The Group applies the default contagion principle to all of a counterparty's outstandings : when a transaction exposure is assessed as defaulted, all of a counterparty's outstandings are assessed as defaulted. When a debtor belongs to a group, all of the group's outstandings are generally defaulted as well.

As at December 31, 2013, impaired outstanding loans amounted to EUR 27.8 billion (EUR 27.1 billion as at December 31, 2012), including EUR 3 billion on legacy assets within the Global Banking and Investor Solutions Division. They can be broken down as follows:

BREAKDOWN OF IMPAIRED OUTSTANDING LOANS BY GEOGRAPHIC REGION AT DECEMBER 31, 2013



As at December 31, 2012, impaired outstanding loans were broken down as follows: 39% France, 10% Western Europe, 14% Eastern Europe EU, 12% Eastern Europe, 12% North America, 9% Africa and Middle East, 3% Asia and 1% Latin America and Caribbean.

As at December 31, 2013, the impairment of these loans amounted to EUR 15.5 billion, including EUR 2.5 billion for legacy assets.

2.5.2. Impairment on groups of homogenous assets

Impairment on groups of homogenous assets are collective impairment booked for portfolios that are homogenous and have a deteriorated risk profile although no objective evidence of default can be observed at an individual level.

These homogeneous groups can include sensitive counterparties industrial sectors or countries. They are identified through regular analyses of the portfolio by industrial sector, country or counterparty type.

These provisions are calculated on the basis of assumptions on default rates and loss rates after default. These assumptions are calibrated by homogeneous groups based on their specific characteristics, sensitivity to economic environment and historical data. They are reviewed periodically by the Risk Division.

As at December 31, 2013, provisions on groups of homogeneous assets amounted to EUR 1.2 billion versus EUR 1.1 billion as at December 31, 2012.

2.5.3. Impairment

Impairment on assets are broken down as follows:

(In millions of euros)	Amounts as at December 31, 2012	**Net impairment allowance**	Reversal used	Exchange and scope effects	**Amounts as at December 31, 2013**
Specific impairments (Bank loan + Customer loan + lease financing)	14,774	**3,177**	(1,896)	(520)	**15,535**
Impairments on groups of homogenous assets	1,132	**91**	-	(12)	**1,211**
Impairments on available-for-sale assets and held to maturity securities, fixed income instruments	145	**9**	(20)	3	**137**
Other impairments	239	**30**	(33)	(11)	**225**
Total	16,290	**3,307**	(1,949)	(540)	**17,108**

3. MARKET RISKS

Market risk is the risk of losses resulting from unfavourable changes in market parameters. It concerns all the trading book transactions as well as some of the banking book portfolios.

3.1. MARKET RISK MANAGEMENT STRUCTURE

Although primary responsibility for managing risk exposure lies with the front office managers, the supervision system is based on an independent structure, the Market Risk Department of the Risk Division.

This Department carries out the following tasks:

- ensuring the existence and the implementation of an effective market risk framework based on suitable limits;
- assessment of the limit applications submitted by the different businesses within the framework of the overall set of limits authorised by the Board of Directors and the General Management, and based on their consumption;
- proposal to the Group Risk Committee of appropriate market risks limits by Group activity;
- definition of risk measurement methods, approval of the valuation models used to calculate risks and results, and definition of provisions for market risks (reserves and adjustments to earnings);

To carry out these different tasks, the Market Risk Department uses the data and analysis provided by the Finance Department of GBIS, which monitors the Group's market positions on a permanent, daily and independent basis, notably via:

- daily calculation and certification of market risk indicators based on a formal and secure procedure;
- reporting and the first-level analysis of these indicators;
- daily monitoring of the limits set for each activity;
- verification of the market parameters used to calculate risks and results in line with the methodology defined by the Market Risk Department;
- monitoring and control of the gross nominal value of positions. This system is based on alert levels applied to all instruments and desks, which are defined in collaboration with the Market Risk Department, and contributes to the detection of possible rogue trading operations

Accordingly, the Finance Department of GBIS, in conjunction with the Market Risk Department, defines the architecture and functionalities of the information system used to produce the risk indicators for market operations to ensure it meets the needs of the different business lines.

A daily report on use of limits on VaR and Stress Tests (extreme *scenarios*) is submitted to General Management and the managers of the business lines, in addition to a monthly report which summarises key events in the area of market risk management and specifies the use of the limits set by General Management and the Board of Directors.

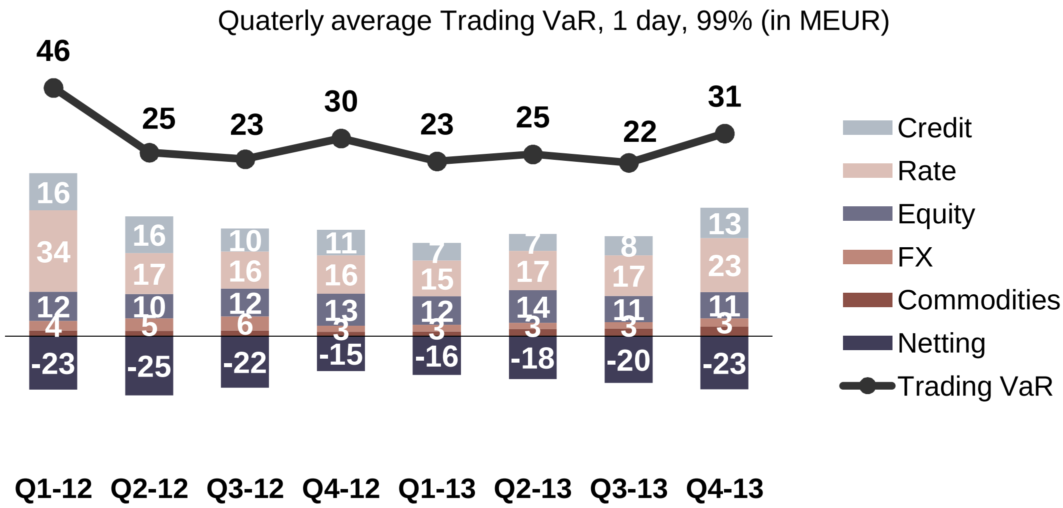
3. 2. METHODS FOR MEASURING MARKET RISK AND DEFINING EXPOSURE LIMITS

The Group's market risk assessment is based on the combination of three main indicators, which are frames by limits:

- the 99% Value-at-Risk (VaR) method: in accordance with the regulatory internal model, this global indicator is used for the day-to-day monitoring of the market risks incurred by the Bank, notably on the scope of its trading activities;
- a stress test measurement, based on a decennial shock-type indicator. Stress Test measurements allow to restrict and monitor the Group's exposure to systemic risk and exceptional market shocks;
- complementary metrics (sensitivity, nominal, concentration or holding period, etc.), which ensure consistency between the overall risk limits and the operational thresholds used by the front office. These limits also allow to oversee risks that are only partially detected by VaR or Stress Test measurements.

In accordance with CRD 3 (Capital Requirement Directive), the following indicators are also calculated on a weekly basis: stressed VaR, IRC (Incremental Risk Charge) and CRM (Comprehensive Risk Measure). The capital charges arising from these new internal models complement the previous measure (VaR) so as to better take into account extreme risks (in particular rating migration and default) and to limit the procyclical nature of capital requirements.

BREAKDOWN BY RISK FACTOR OF TRADING VAR - CHANGES IN QUARTERLY AVERAGE OVER THE 2012-2013 PERIOD (IN MILLIONS OF EUROS)



3.2.1. Average VaR

Average VaR amounted to EUR 25 million for 2013 compared to EUR 31 million in 2012. VaR, which on average remained relatively low throughout 2013, was subject to the following changes:

- drop until mid-May, with a return to the historic lows seen in Q3-12 despite a relatively favorable market backdrop (ample liquidity linked to proactive central bank policies), which is explained by the removal from the window used to calculate VaR of the scenarios at the end of 2011 when credit spreads were particularly volatile;
- spike from mid-May to June following the repurchase of positions and new scenarios linked to volatility on the fixed-income and credit markets;
- new decrease during the summer triggered by a drop in positions and the implementation of defensive strategies in an uncertain market environment following tensions on the emerging markets and the Fed's announcement of a possible tapering in monetary policy;

- lastly, a gradual increase in risk which accelerated in mid-September and at the end of the year due to a more favorable market environment: drop in tensions on the emerging markets, deferral in the tapering of the Fed's monetary policy until the start of 2014, and increase in the US debt ceiling.

3.2.2. VaR calculation method

This method was introduced at the end of 1996 and the Internal VaR Model has been approved by the French regulator within the scope of the Regulatory Capital requirements.

The method used is the "historical simulation" method, which implicitly takes into account the correlation between all risk factors and is based on the following principles:

- storage in a database of the risk factors that are representative of Societe Generale's positions (i.e. interest rates, share prices, exchange rates, commodity prices, volatility, credit spreads, etc.);
- definition of 260 scenarios, corresponding to one-day variations in these market parameters over a rolling one-year period;
- application of these 260 scenarios to the market parameters of the day;
- revaluation of daily positions, on the basis of the 260 sets of adjusted daily market parameters.

The 99% Value-at-Risk is the largest loss that would occur after eliminating the top 1% of the most adverse occurrences over a one-year historical period. Within the framework described above, it corresponds to the average of the second and third largest losses computed.

The VaR assessment is based on a model and a certain number of conventional assumptions whose main limitations are as follows:

- the use of "1-day" shocks assumes that all positions can be unwound or hedged within one day, which is not the case for certain products and crisis situations;
- the use of the 99% confidence interval does not take into account losses arising beyond this point; VaR is therefore an indicator of losses under normal market conditions and does not take into account exceptionally large fluctuations;
- VaR is computed using closing prices, so intra-day fluctuations are not taken into account;
- there are a number of approximations in the VaR calculation. For example, benchmark indices are used as opposed to more detailed risk factors and not all of the relevant risk factors are taken into account, in particular due to difficulties in obtaining historical daily data.

The Market Risk Department of the Risk Division mitigates these limitations by:

- performing stress tests and other additional measurements;
- assessing the relevance of the model through ongoing backtesting to verify whether the number of days for which the negative result exceeds the VaR complies with the 99% confidence interval.

Daily profit and loss used for backtesting includes, in particular, changes in value of the portfolio held at the end of the day before (book value), the impact of new transactions or transactions, changed during the day (including their sales margins), refinancing costs, the various related commissions (brokerage fees, custody fees, etc.), as well as provisions and parameters adjustments made for market risk. Some components (for example, some adjustements for market risk) calculated at various frequencies are allocated on a daily basis.

In 2013, the VaR model has been continuously improved. In particular, the shocks applied to sovereign bonds are now based on historic yield curve spreads (Z-spread), instead of shocks observed on CDS. This treatment allows capturing the basis between bond and CDS.

Today, the market risks for almost all of Corporate and Investment Banking's activities including those related to the most complex products, as well as the main market activities of Retail Banking and Private Banking outside France, are monitored using the VaR method. The few activities not covered by the VaR method, either for technical reasons or because the stakes are too low, are monitored using stress tests and give rise to capital requirements using the standard method or through alternative in-house methods.

3.2.3. Stressed VaR (SVaR)

Societe Generale has been authorised by the French Prudential Supervisory Authority (Autorité de Contrôle Prudentiel et de Résolution) to complement its internal models with the new CRD3 measurements, in particular Stressed VaR, for the same scope as VaR.

The calculation method used is the same as under the VaR approach. This consists in carrying out a historical simulation with 1-day shocks and a 99% confidence interval. Contrary to VaR, which uses 260 scenarios for one-day fluctuations over a rolling one-year period, Stressed VaR uses a fixed one-year historical window corresponding to a period of significant financial tension.

The historical window, which is determined using a method approved by the regulator, captures significant shocks on all risk factors (risks related to equity, interest rates, foreign exchange rates and commodities). It is subject to an annual review.

3.2.4. Stress Test assessment

Alongside the internal VaR model, Societe Generale monitors its exposure using stress test simulations to take into account exceptional market occurrences.

A stress test estimates the loss resulting from an extreme change in market parameters over a period corresponding to the time required to unwind or hedge the positions affected (5 to 20 days for most trading positions).

This stress test risk assessment is applied to all of the Bank's market activities. It is based on a set of historical and theoretical scenarios that include the "Societe Generale hypothetical Financial Crisis Scenario" (or “Generalised” scenario) based on the events observed in 2008. These scenarios apply shocks to all substantial risk factors including exotic parameters. Together with the VaR model, this stress test risk assessment methodology is one of the main pillars of the risk management system. The underlying principles are as follows:

- risks are calculated every day for each of the Bank’s market activities (all products together), using each of the historical and hypothetical scenarios;
- stress test limits are established for the Group’s activity as a whole and then for the Bank’s various business lines. They frame the most adverse result arising from the set of historical and hypothetical scenarios;
- the various stress test scenarios are revised and improved by the Risk Division on a regular basis, in conjunction with the Group’s teams of economists and specialists. In 2013 this stress test assessment was based on a set of 34 scenarios, 26 that are historical scenarios and 8 that are hypothetical scenarios

3.2.5. Historical Stress Tests

This method consists of an analysis of the major economic crises that have affected the financial markets since 1995 (a period since which the financial markets have become global and subject to increased regulatory requirements): the changes in the prices of financial assets (equities, interest rates, exchange rates, credit spreads, etc.) during each of these crises have been analysed in order to define scenarios for potential variations in these risk factors which, when applied to the bank’s trading positions, could generate significant losses.

Using this methodology, Societe Generale has defined 26 historical scenarios.

3.2.6. Hypothetical Stress Tests

The hypothetical scenarios are defined with the Bank’s economists and are designed to simulate possible sequences of events that could lead to a major crisis in the financial markets (e.g. a major terrorist attack, political instability in the main oil-producing countries, etc.). The Bank’s aim is to select extreme but nonetheless plausible events which would have major repercussions on all the international markets. Societe Generale has therefore adopted 8 hypothetical scenarios.

4. STRUCTURAL INTEREST RATE AND EXCHANGE RATE RISKS

Structural exposure to interest rate and exchange rate risks encompasses exposures resulting from commercial activities and their hedging and the proprietary transactions of all of the Group's consolidated entities.

The interest rate and exchange rate risks linked to trading activities are excluded from the structural risk measurement scope as they belong to the category of market risks. The structural and market exposures constitute the total interest rate and exchange rate exposure of the Group.

The general principle is to reduce structural interest rate and exchange rate risks to the greatest possible extent within the consolidated entities. Wherever possible, commercial transactions are hedged against interest rate and exchange rate risks, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within a treasury department). Interest rate and exchange rate risks linked to proprietary transactions must also be hedged as far as possible excepted for some foreign exchange positions kept to immunise the Tier 1 ratio against foreign exchange rate fluctuation.

4.1. ORGANISATION OF THE MANAGEMENT OF STRUCTURAL INTEREST RATE AND EXCHANGE RATE RISKS

The principles and standards for managing these risks are defined at the Group level. The entities are first and foremost responsible for managing these risks. The ALM (Asset and Liability Management) Risks Control Departments of the Group Business divisions conducts Level 2 controls over the entities' structural risk management.

- **The Group Finance Committee, a General Management body:**

  - validates and reviews the appropriateness the structural risk monitoring, management and supervision processes;
  - reviews changes in the Group's structural risks through consolidated reporting by the Finance Division;
  - examines and validates the measures proposed by the Group Finance Division.

- **The Balance Sheet and Global Treasury Management Department, which is part of the Finance Division, is responsible for:**

  - defining the structural interest rate, exchange rate and liquidity risk policies for the Group and in particular evaluating and planning the Group's funding;
  - defining the steering indicators and overall stress test scenarios of the different types of structural risks and setting the main limits for the business divisions and the entities;
  - analysing the Group's structural risk exposure and defining hedging strategies;
  - monitoring the regulatory environment concerning structural risks.

- **The ALM Risk Control Department, which is part of the Finance Division is responsible for:**

  - defining the ALM principles for the Group and monitoring the regulatory environment concerning ALM;
  - defining the normative framework of the structural risk metrics;
  - validating the models used by the Group entities with regard to structural risks;
  - inventorying, consolidating and reporting on Group structural risks;
  - performing controls of structural risk limits.

The ALM Risk Control Department reports to the Chief Financial Officer of the Group and is functionally supervised by the Chief Risk Officer, to whom it reports its activities and who validates its working plan jointly with the Chief Financial Officer. The ALM Risk Control Department is integrated in the Group Risk function in compliance with regulation CRBF 97-02.

- **Entities are responsible for structural risk management**

In this respect, entities apply the standards defined at the Group level, develop their models, measure their risk exposure and implement the required hedges.

Each entity has its own structural risk manager, who reports to the entity's Finance Department and is responsible for conducting first level controls and for reporting the entity's structural risk exposure to the Group Finance Division via a shared IT system.

Retail banking entities both in France and abroad generally have an ad-hoc ALM (Asset Liability Management) Committee responsible for validating the models used, managing their exposures to interest rate and exchange rate risks and implementing the hedging programmes in compliance with the principles set out by the Group and the limits validated by the Finance Committee.

4.2. STRUCTURAL INTEREST RATE RISK

Structural interest rate risk is measured within the scope of structural activities (transactions with clients, the associated hedging transactions and proprietary transactions).

Structural interest rate risk arises mainly from the residual gaps (surplus or deficit) in each entity's fixed-rate forecasted positions.

4.2.1. Objective of the Group

The Group's main aim is to reduce each Group entity's exposure to structural interest rate risk as much as possible.

To this end, any residual structural interest rate risk exposure must comply with the sensitivity limits set for each entity and for the overall Group as validated by the Finance Committee. Sensitivity is defined as the variation in the net present value of future (maturities of up to 20 years) residual fixed-rate positions (surplus or deficit) for a 1% parallel increase in the yield curve (i.e. this sensitivity does not relate to the sensitivity of the annual net interest margin). The limit set at Group level is EUR 1 billion, representing an amount equal to 2.1% of its regulatory capital.

4.2.2. Measurement and monitoring of structural interest rate risks

In order to quantify its exposure to structural interest rate risks, the Group assesses the interest rate gaps generated by all fixed-rate assets and liabilities over the coming maturities. These positions come from transactions bearing fixed interest rates and from their maturities.

Assets and liabilities are analysed independently, without any a priori matching. The maturities of outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models based on clients' historic behaviour patterns (particularly for regulated savings accounts, early loan repayments, etc.), as well as conventional assumptions relating to certain balance sheet items (principally shareholders' equity and sight deposits).

Once the Group has identified its fixed-rate positions (surplus or deficit), it calculates the sensitivity (as defined above) to interest rate variations. This sensitivity is defined as the variation of the net present value of the fixed-rate positions for a 1% instantaneous parallel increase in the yield curve.

In addition to this analysis, the Group also analyses the sensitivity to different yield curve configurations of the fixed rate position (steepening and flattening of the yield curve). The measurement of the net interest income sensitivity is also used by the Group to quantify the structural interest rate risk of significant entities.

Throughout 2013, the Group's overall sensitivity to interest rate risk remained below 1.5% of Group regulatory capital and within the EUR 1 billion limit.

The following observations can be made with regard to the business lines' structural interest rate risk:

- within the Societe Generale French retail networks, the outstanding amounts of customer deposits, generally considered to be fixed-rate, exceed fixed-rate loans for maturities over 1 year. Thanks to macro-hedging essentially through the use of interest rate swaps, the French retail networks' sensitivity to interest rate risk (on the basis of the adopted scenarios) has been kept inside its limits. At end of December 2013, the sensitivity of the French retail networks' economic value, based on their essentially euro-denominated assets and liabilities, was EUR 304 million;
- transactions with large corporates are generally micro-hedged and therefore present no residual interest rate risk;
- transactions with clients of the Specialised Financial Services subsidiaries are generally macro-hedged and therefore present only a very low interest rate risk;
- client transactions performed by our subsidiaries and branches located in countries with weak currencies can generate structural interest rate risk, which remains limited at the Group level. These entities may have problems in optimally hedging interest rate risk due to the weak development of the financial markets in some countries;
- proprietary transactions are generally well hedged. Residual positions are limited and arise primarily from shareholders' equity that has not been fully reinvested at expected maturities.

Sensitivity to interest rate variations of the Group's main entities represented EUR 291 million as at December 31, 2013 (for a 1% parallel and instantaneous rise in the yield curve). These entities account for 90% of the Group's outstanding loans.

Table 1: Measurement of the entities' sensitivity to a 1% interest rate shift, at December 31st, 2013, splitted by maturity*(In millions of euros)*

Less than one year	between 1 and 5 years	More than 5 years	**Total sensitivity**
70	(260)	481	**291**

4.3. STRUCTURAL EXCHANGE RATE RISK

Structural exchange rate risk is mainly caused by:

- foreign-currency denominated capital contributions and equity investments financed through the purchase of foreign currencies;
- retained earnings in foreign subsidiaries;
- investments made by some subsidiaries in a currency other than the one used for their equity funding for regulatory reasons.

4.3.1. Objective of the Group

The Group's policy is to immunise its solvency ratio against fluctuations in the currencies it operates. To this end, it may decide to purchase currencies to finance very long-term foreign currency-denominated investments, thus creating structural foreign exchange positions. Any differences in the valuation of these structural positions are subsequently booked as translation differences.

4.3.2. Measurement and monitoring of structural foreign exchange rate risks

The Group quantifies its exposure to structural foreign exchange rate risks by analysing all assets and liabilities denominated in foreign currencies, arising from commercial transactions and the corporate center.

The Balance Sheet and Global Treasury Management Department monitors structural exchange rate positions and manages the immunisation of the solvency ratio to exchange rate fluctuations.

In 2013, the Group successfully neutralised the sensitivity of its solvency ratio to currency fluctuations by monitoring the structural positions in these currencies (the sensitivity of the solvency ratio is managed with limits per currency set according to the Group's risk Appetite in these currencies).

4.4. Hedging interest rate and exchange rate risk

In order to hedge certain market risks inherent to Societe Generale's Corporate and Investment Banking arm, the Group has set up hedges which, in accounting terms, are referred to as fair value hedges or cash flow hedges depending on the risks and/or financial instruments to be hedged.

In order to qualify these transactions as accounting hedges, the Group documents said hedge transactions in detail, specifying the risk covered, the risk management strategy and the method used to measure the effectiveness of the hedge from its inception. This effectiveness is verified when changes in the fair value or cash flow of the hedged instrument are almost entirely offset by changes in the fair value or cash flow of the hedging instrument – the expected ratio between the two changes in fair value being within the range of 80%-125%. Effectiveness is measured each quarter on a prospective (discounted over future periods) and retrospective (booked in past periods) basis. Where the effectiveness falls outside the range specified above, hedge accounting is discontinued.

4.4.1. Fair value hedging

Within the framework of its activities and in order to hedge its fixed-rate financial assets and liabilities against fluctuations in long-term interest rates (essentially loans/borrowings, securities issued and fixed-income securities), the Group enters into hedging transactions qualified as fair value hedges for accounting purpose, using primarily interest rate swaps.

The purpose of these hedges is to protect the Group against an adverse fluctuation of the fair value of an instrument which does not affect the income statement in principle but would do so if the instrument were derecognised from the balance sheet.

Prospective effectiveness is assessed via a sensitivity analysis based on probable market trends or via a regression analysis of the statistical relation (correlation) between certain components of the hedged and hedging instruments.

Retrospective effectiveness is assessed by comparing any changes in the fair value of the hedging instrument with any changes in the fair value of the hedged instrument.

• 4.4.2 Cash flow hedging

Cash flow hedges on interest rates are used to hedge against the risk of fluctuation in the future cash flow of a floating-rate financial instrument due to variation in market interest rates.

The purpose of these hedges is to protect the Group against adverse fluctuations of the future cash-flows of an instrument which would affect the income statement.

Societe Generale's Corporate and Investment Banking arm is exposed to future variations in cash flow by virtue of its short and medium-term financing needs. Its highly probable refinancing needs are determined according to the historical data drawn up for each activity and which reflects balance sheet assets. This data may be revised upwards or downwards depending on how management styles evolve.

The effectiveness of the hedge is assessed using the hypothetical derivative method, which consists in creating a hypothetical derivative which bears exactly the same characteristics as the instrument being hedged (in notional terms, in terms of the date on which the rates are reset, in terms of the rates themselves, etc.) but which works in the opposite way and whose fair value is nil when the hedging is set up, then comparing the expected changes in the fair value of the hypothetical derivative with those of the hedging instrument (sensitivity analysis) or performing a regression analysis on the prospective effectiveness of the hedge. Here, only any "over-hedging" is deemed ineffective.

The following table specifies the amount of cash flow that is subject to a cash flow hedge relationship (broken down by expected due date) and the amount of highly probable forecast transactions hedged.

At December 31, 2013 *(In millions of euros)*	**Less than 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Floating cash flows hedged	160	745	968	1 276	3 149
Highly probable forecast transaction	100	275	427	- 0	802
Other	1	249	161	-	411
Total flows covered by cash flow hedge	261	1 269	1 556	1 276	4 363

At December 31, 2012 *(In millions of euros)*	**Less than 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Floating cash flows hedged	302	375	843	745	2 265
Highly probable forecast transaction	20	398	863	39	1 320
Other	-	-	624	-	624
Total flows covered by cash flow hedge	322	773	2 330	784	4 209

• 4.4.3 Hedging of a net investment in a foreign company

The purpose of a hedge of a net investment in a foreign company is to protect against exchange rate risk.

The item hedged is an investment in a country whose currency differs from the Group's functional currency. The hedge therefore serves to protect the net position of a foreign subsidiary against an exchange rate risk linked to the entity's functional currency.

5. LIQUIDITY RISK

Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price.

The Group manages this exposure using a specific framework designed to manage liquidity risk both under normal day-to-day conditions and in the event of a potential liquidity crisis.

5.1. GOVERNANCE AND ORGANISATION

The principles and standards applicable to the management of liquidity risks are defined at the Group's governing bodies level. The functions of the Group's governing bodies in the area of liquidity are listed below:

- The Group's Board of Directors:
  - meets on a quarterly basis to examine the Group's liquidity risk situation;
  - conducts an annual review of the liquidity risk management and steering system;
  - establishes the level of liquidity-related risk tolerance, including the time period during which the Group can operate under conditions of stress ("survival horizon") as part of determining the Group's Risk Appetite;
  - monitors the compliance to the main liquidity limits.

- General Management:
  - presents a framework of Group-wide liquidity risk tolerance levels to the Board of Directors for validation in line with the Group's Risk Appetite;
  - sets liquidity limits for each business division and major Group entity;
  - monitors the compliance to liquidity limits for the Group and for each business division;
  - validates remedial action plans in the event that liquidity limits are exceeded at the Group or business division level.

- The Finance Committee:
  - meets at least quarterly under the chairmanship of the Chairman and Chief Executive Officer or a Deputy Chief Executive Officer with the representatives from the different corporate divisions and business divisions;
  - prepares the decisions of General Management in the areas of general policy, liquidity risk tolerance and liquidity limits;
  - ensures the adequacy of the risk management and control system;
  - examines and validates the measures advocated by the Departments;
  - monitors developments in the liquidity situation within the Group's scope of management.

The business divisions and major Group entities manage liquidity under the direct supervision of the Group Finance Division. The other operating entities are responsible for managing their own liquidity and for complying with applicable regulatory constraints, under the supervision of the core business to which they report. The entities submit reports on their structural liquidity risk to the Group via a shared IT system.

The Group Finance Division provides liquidity risk management, steering and monitoring via three distinct entities in compliance with the principles advocating a separation of risk steering, execution and control functions.

- The Financial and Strategic Steering Department, responsible for:
  - establishing the Group's liquidity framework in compliance with its strategic objectives, regulatory

requirements and market expectations;
- ensuring that liquidity steering is in line with the Group's other objectives in the areas of profitability and scarce resources;
- establishing targets and limits for the businesses and monitoring their compliance,
- monitoring the regulatory environment and developing steering standards for the core businesses.

- The Balance Sheet and Global Treasury Management Department, responsible for:
  - the operational implementation of the Group's financing through long-term issuances;
  - supervising and coordinating the Group's Treasury functions;
  - providing market monitoring and providing its operational expertise when establishing targets in the area of liquidity steering;
  - managing the collateral used in refinancing operations (Central Banks, covered bonds, securitisation);
  - managing the Group's central funding department (management of liquidity and regulatory capital within the Group).

- The Structural Risk Monitoring and Control Department, responsible for:
  - supervising and managing the structural risks (interest rates, foreign exchange rates, liquidity) to which the Group is exposed;
  - in particular, monitoring models and the follow-up of the compliance with limit restrictions and management practices by the divisions, business lines and entities of the Group;
  - reporting hierarchically to the Chief Financial Officer and reporting functionally to the Group Chief Risk Officer.

In addition, several Risk Division departments contribute, together with the Finance Division, to the operational supervision of liquidity risk. Their actions are coordinated by the Cross-Business Risk Monitoring Department shared by the Group Chief Risk Officer. Specifically, they relate to:

– the independent review of capital market models;

– the validation of all the Group's liquidity models within the framework of centralised governance;

– the examination of requests for risk limits relating to liquidity risk metrics and the monitoring of any limit breaches.

5.2. LIQUIDITY RISK MANAGEMENT

The Group's primary objective is to ensure the funding of its activities in the most cost-effective way by managing liquidity risk by adhering to regulatory limits. The liquidity steering system is aimed at providing a balance sheet framework with an asset and liability target structure that is consistent with the risk appetite defined by the Board of Directors.

- The target asset structure should allow the businesses to develop their activities in a way that is liquidity-efficient and compatible with the target liability structure. This development must comply with the liquidity gaps defined on the Group level (under static and stress scenarios) as well as regulatory requirements.
- The target liability structure is based on the ability of the businesses to collect financial resources from customers and the ability of the Group to sustainably raise financial resources on the markets, in accordance with its risk appetite.

This steering system requires measuring and determining the limits of the businesses' liquidity gaps under reference and stress scenarios, their need for funding raised from the Group, the Group's fundraising on the market, the eligible assets and the businesses' contribution to regulatory ratios.

- The businesses must observe zero or low static liquidity gaps within the operating limits of their activities through a back-to-back with the Group's Central Treasury, which can, if needed, run a transformation/antitransformation position, and manage it within the framework of the established risk limits.

- Internal liquidity stress tests, established on the basis of the systemic, specific and combined scenarios, are controlled on the Group level. They are used to ensure compliance with the survival horizon established by the Board of Directors and to calibrate liquidity reserves. They are accompanied by a Contingency Funding Plan that foresees measures to be taken in the event of a liquidity crisis.

  The Group's liquidity reserve contain cash and assets that can be used to face treasury outflows under a stress scenario. The reserve assets are available, i.e. not used as a guarantee or as collateral on any transaction. They are included in the reserves after application of a haircut to reflect their expected valuation under stress. The Group's liquidity reserve contain assets that can be freely transferred within the Group or used to face liquidity outflows at the level of subsidiaries in the event of a crisis.
- The composition of the liquidity reserves is reviewed regularly by a special committee bringing together the Finance Division, the Risk Division and the Management of the GBIS business division, and is adjusted by delegation from the Finance Committee.

- The funding needs of businesses (short-term and long-term) are determined on the basis of the franchises' development objectives and in line with the Group's fundraising targets and capabilities.

- A plan for long term funding, which complements the resources raised by the business divisions, is designed to ensure the repayments of upcoming maturities and finance the growth of the businesses. It takes into account the Group's investment capabilities and aims to optimise the cost of fundraising whilst complying with limits in terms of market concentration. Diversification in terms of issuers and investor pools is also examined and managed.

  Regarding the assets given as collateral in the framework of collateralised financing, with respect to market financing, the Group remains attentive to the proportion of collateralised financing and the associated overcollateralisation ratio. The objective is to optimise the use of collateral available within the Group, comply with existing obligations and reduce the overall refinancing cost.

- The Group's short-term resources are designed to finance the short-term needs of the businesses over periods appropriate to their management and in line with market concentration limits. As outlined above, they are proportioned under the asset liquidity reserve on the basis of the established stress survival horizon as well as the Group's LCR objective (cf below).

- The Group's steering takes into account compliance with the target regulatory ratios, the framework for the businesses being based on their contribution to these ratios.

  It is mainly the "Liquidity Coverage Ratio" (LCR), the ratio defined by the Basel Committee that is aimed to ensure that banks have a sufficient safety buffer consisting of liquid or cash assets to withstand severe stress for a duration of one month, involving a combination of a market crisis and a specific crisis. The minimum ratio will be set at January 1, 2015 with a gradual increase of 10% per year, reaching 100% on January 1, 2019. At December 31, 2013, the Group's LCR is above 100%.

  The steering of the Group also includes the adherence to the standard ACPR liquidity ratio (defined in the framework of the current French regulation) which remained systematically above the minimum requirement of 100% in 2013.

Finally, liquidity is framed in terms of cost via the *Group's internal transfer pricing scheme*. Funding allocated to the businesses is charged to them based on scales that must reflect the average liquidity cost for the Group. This system is aimed at optimising the use of external financing sources by businesses and is used to steer financing balances on the balance sheet.

Societe Generale has undertaken a specific review of its liquidity risks and believes that it is able to meet its upcoming maturities.

6. CAPITAL MANAGEMENT AND COMPLIANCE WITH REGULATORY RATIOS

6.1. QUALITATIVE INFORMATION

- **Description of the approach to capital management**

Group policy on the use of shareholders' equity meets the following three priorities: for a given market capitalisation objective, 1) to ensure internal growth, 2) the management and optimisation of the portfolio of the Group and 3) to maintain a clear and consistent policy with respect to its shareholders (principally on matters of dividend pay-outs).

To this end, Societe Generale Group establishes a capital objective based on a combination of factors specific to the Group (target rating, business mix, risk profile and Group strategy) and external factors (competitors' level of shareholders' equity, market expectations, minimum capitalisation expected by the supervisory authorities). The capital is also sized to cover extreme losses calculated through global stress tests taking into account the whole risk profile of the Group and allowing the measurement of its resilience to macroeconomic crisis scenarios.

Financial planning is used to maintain this objective, which consists in simulating the balance of resources in relation to capital requirements and capital transactions. Capital management is monitored through data collected within the framework of the Group budget and strategic plan, which are periodically updated

- **Compliance with ratios**

The solvency ratio (Basel 2.5 solvency ratio) complies with the calculation methods established by the French Prudential Supervisory Authority. This ratio is based on the Group's consolidated banking activities, thus eliminating the contributions of the insurance entities.

Prudential capital is comprised of the following: Tier 1 capital, upper Tier 2 capital and lower Tier 2 capital are calculated in accordance with Regulation No. 90-02 relating to capital. Supplementary capital (Tier 2) is taken into account only within the limit of 100% of Tier 1 capital. Furthermore, additional Tier 2 capital may not exceed the limit of 50% of Tier 1 capital. Hybrid equity instruments (both innovative and non-innovative) are limited to 35% of the consolidated bank's Tier 1 capital, innovative hybrid equity instruments being subject to stringent conditions and limited to a maximum of 15% of this Tier 1 capital.

The solvency ratio represents the level of capital in reserve on a permanent basis, in order to cover all the risks to which Societe Generale Group is exposed. The minimum capital requirement is 8% of risks expressed as risk-weighted assets for credit risks and as capital requirements multiplied by 12.5 for market risks and operational risks, calculated using internal models for which Societe Generale obtained authorisation from the French Banking Commission (Commission bancaire) in 2007.

Basel 2 introduced new deductions to be made 50% from Tier 1 capital and 50% from Tier 2 capital (equity investments in financial institutions, negative amount resulting from the difference between provisions and expected losses, securitisation positions, etc.).

The default and rating migration risk for assets in the trading portfolio is taken into account to reduce the procyclicality of Value at Risk (VaR). The risk of rating migration and default with regard to issuers in trading portfolios lead to two capital charges for specific market risk: IRC (Incremental Risk Charges), and CRM (Comprehensive Risk Measurement, specific to correlation trading portfolios). Finally, the regulator requires an estimated stressed VaR calculation, similar to the VaR, but estimated for a past crisis period. These proposals have been rolled out in the European Capital Requirements Directive (CRD 3) in July 2010 and are applied since December 31, 2011.

During 2013, Société Générale Group complied with all of the prudential solvency ratios applicable to its activities.

As of 31 December 2013, the Core Tier One ratio , the Core Tier One ratio (calculated in accordance with the methodology set out in the EBA recommendation published on December 8, 2011), reached 11.3%.

The Basel 3 reform, transposed into European regulation by the Capital Requirements Directive IV (CRD IV) and the Capital Requirements Regulation (CRR), came into force on January 1, 2014. Within this new framework, the Group was able to reach a fully loaded Basel 3 Common Equity Tier One ration, above its initial target of 9% at the end of 2013.

Finally, the Group is also subject to a 1% capital buffer under the systemic risk (level confirmed by the Financial Stability Board – FSB - in November 2013), largely covered by its fully loaded Common Equity Tier One ratio.

6.2. QUANTITATIVE DATA

At the end of 2013, the total regulatory capital was EUR 46,363 million.

Prudential capital – Basel 2 (*In millions of euros*)	**December 31, 2013**	**December 31, 2012**
Group shareholders' equity	51,008	49,809
Estimated and forecast dividends	(911)	(508)
Non-controlling interests including preferred shares	2,958	4,115
Estimated and forecast dividends related to non-controlling interests	(170)	(182)
Prudential deductions	(9,191)	(10,609)
Tier 1 capital	**43,694**	**42,625**
Basel 2 deductions	(1,364)	(2,126)
Total Core tier 1 capital	**35,569**	**34,609**
Total tier 1 capital	**42,330**	**40,499**
Tier 2 capital	6,924	7,738
Other deductions	(2,891)	(6,929)
Total regulatory capital	**46,363**	**41,308**

Note 5

Cash, due from central banks

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Cash	2,740	2,595
Due from central banks	63,862	64,996
Total	**66,602**	**67,591**

Note 6

Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss

(In millions of euros)	December 31, 2013				December 31, 2012			
	Valuation on the basis of quoted prices in active markets (L1) [2]	Valuation using observable inputs other than quoted prices included in L1 (L2) [2]	Valuation using mainly inputs that are not based on observable market data (L3) [2]	Total	Valuation on the basis of quoted prices in active markets (L1) [2]	Valuation using observable inputs other than quoted prices included in L1 (L2) [2]	Valuation using mainly inputs that are not based on observable market data (L3) [2]	Total
Trading portfolio								
Bonds and other debt securities	74,378	2,458	480	77,316	55,821	6,019	894	62,734
Shares and other equity securities [1]	112,736	4,426	1	117,163	69,059	3,341	98	72,498
Other financial assets	2	89,161	303	89,466	2	91,165	318	91,485
Sub-total trading portfolio	**187,116**	**96,045**	**784**	**283,945**	**124,882**	**100,525**	**1,310**	**226,717**
o/w securities on loan				*31,150*				*14,382*
Financial assets measured using fair value option through P&L								
Bonds and other debt securities	8,379	164	70	8,613	8,370	171	45	8,586
Shares and other equity securities [1]	11,499	2,252	216	13,967	10,577	1,994	131	12,702
Other financial assets	-	14,831	198	15,029	12	17,497	283	17,792
Separate assets for employee benefit plans	-	177	-	177	-	104	1	105
Sub-total of financial assets measured using fair value option through P&L	**19,878**	**17,424**	**484**	**37,786**	**18,959**	**19,766**	**460**	**39,185**
o/w securities on loan				-				-
Interest rate instruments	**205**	**105,894**	**1,920**	**108,019**	**48**	**158,774**	**1,273**	**160,095**
Firm instruments								
Swaps				80,118				119,453
FRA				99				517
Options								
Options on organised markets				34				4
OTC options				20,601				30,753
Caps, floors, collars				7,167				9,368
Foreign exchange instruments	**827**	**17,244**	**33**	**18,104**	**398**	**21,023**	**59**	**21,480**
Firm instruments				*13,650*				*16,554*
Options				*4,454*				*4,926*
Equity and index instruments	**60**	**21,621**	**414**	**22,095**	**8**	**17,393**	**879**	**18,280**
Firm instruments				*1,809*				*1,109*
Options				*20,286*				*17,171*
Commodity instruments	**5**	**3,276**	**226**	**3,507**	**4**	**4,231**	**43**	**4,278**
Firm instruments-Futures				*2,794*				*3,420*
Options				*713*				*858*
Credit derivatives	**38**	**10,117**	**440**	**10,595**	**-**	**12,542**	**1,066**	**13,608**
Other forward financial instruments	**11**	**224**	**100**	**335**	**9**	**236**	**138**	**383**
On organised markets				*162*				*175*
OTC				*173*				*208*
Sub-total trading derivatives	**1,146**	**158,376**	**3,133**	**162,655**	**467**	**214,199**	**3,458**	**218,124**
Total financial instruments at fair value through P&L [3]	**208,140**	**271,845**	**4,401**	**484,386**	**144,308**	**334,490**	**5,228**	**484,026**

(1) Including UCITS.
(2) See Note 3 for valuation level definitions.
(3) O/w EUR 88,758 million in securities purchased under resale agreements at December 31, 2013 versus EUR 89,745 million at December 31, 2012.

Note 6 (continued)

Financial assets and liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss

(In millions of euros)	December 31, 2013				December 31, 2012			
	Valuation on the basis of quoted prices in active markets (L1) (4)	Valuation using observable inputs other than quoted prices included in L1 (L2) (4)	Valuation using mainly inputs that are not based on observable market data (L3) (4)	Total	Valuation on the basis of quoted prices in active markets (L1) (4)	Valuation using observable inputs other than quoted prices included in L1 (L2) (4) *	Valuation using mainly inputs that are not based on observable market data (L3) (4) *	Total
Trading portfolio								
Debt securities issued	-	13,797	9,904	23,701	-	14,472	11,374	25,846
Amounts payable on borrowed securities	44,229	56,882	13	101,124	20,684	40,230	29	60,943
Bonds and other debt instruments sold short	4,760	17	-	4,777	6,900	32	-	6,932
Shares and other equity instruments sold short	1,321	-	2	1,323	1,308	182	-	1,490
Other financial liabilities	-	98,918	120	99,038	-	79,294	325	79,619
Sub-total trading portfolio	**50,310**	**169,614**	**10,039**	**229,963**	**28,892**	**134,210**	**11,728**	**174,830**
Interest rate instruments	**191**	**102,781**	**1,856**	**104,828**	**40**	**152,085**	**1,738**	**153,863**
Firm instruments								
Swaps				75,296				112,070
FRA				177				331
Options								
Options on organised markets				25				21
OTC options				21,343				31,073
Caps, floors, collars				7,987				10,368
Foreign exchange instruments	**706**	**18,636**	**162**	**19,504**	**1,003**	**21,908**	**111**	**23,022**
Firm instruments				*14,866*				*17,613*
Options				*4,638*				*5,409*
Equity and index instruments	**192**	**24,484**	**2,414**	**27,090**	**96**	**20,087**	**711**	**20,894**
Firm instruments				*1,955*				*1,712*
Options				*25,135*				*19,182*
Commodity instruments	**-**	**3,700**	**91**	**3,791**	**43**	**4,506**	**80**	**4,629**
Firm instruments-Futures				*2,762*				*3,454*
Options				*1,029*				*1,175*
Credit derivatives	**53**	**9,644**	**360**	**10,057**	**-**	**12,143**	**676**	**12,819**
Other forward financial instruments	**5**	**798**	**1**	**804**	**4**	**868**	**1**	**873**
On organised markets				*60*				*73*
OTC				*744*				*800*
Sub-total trading derivatives	**1,147**	**160,043**	**4,884**	**166,074**	**1,186**	**211,597**	**3,317**	**216,100**
Sub-total of financial liabilities measured using fair value option through P&L (6)	**485**	**19,145**	**11,089**	**30,719**	**632**	**14,037**	**5,789**	**20,458**
Total financial instruments at fair value through P&L (5)	**51,942**	**348,802**	**26,012**	**426,756**	**30,710**	**359,844**	**20,834**	**411,388**

** Restated amounts of the financial statement published at December 31, 2012*
(4) See Note 3 for valuation level definitions.
(5) O/w EUR 99,019 million in securities sold under repurchase agreements at December 31, 2013 versus EUR 78,951 million at December 31, 2012.

Financial liabilities measured using fair value option through profit or loss

(In millions of euros)	December 31, 2013			December 31, 2012		
	Fair value	Amount repayable at maturity	Difference between fair value and amount repayable at maturity	Fair value	Amount repayable at maturity	Difference between fair value and amount repayable at maturity
Total financial liabilities measured using fair value option through P&L (6) (7)	**30,719**	**31,308**	**(589)**	**20,458**	**20,089**	**369**

(6) The change in fair value attributable to the Group's own credit risk generated an expense of EUR 1,594 million as at December 31, 2013.
The revaluation differences attributable to the Group's issuer credit risk are determined using valuation models taking into account the Societe Generale Group's actual financing terms and conditions on the markets and the residual maturity of the related liabilities.

(7) Mainly indexed EMTNs.

Variation in financial assets at fair value through profit or loss whose valuation is not based on observable market data (Level 3 [8])

(In millions of euros)	Trading portfolio			Financial assets measured using fair value option through profit or loss			Trading derivatives						
	Bonds and other debt securities	Shares and other equity securities	Other financial assets	Bonds and other debt securities	Shares and other equity securities	Other financial assets	Interest rate instruments	Foreign exchange instruments	Equity and index instruments	Commodity instruments	Credit derivatives	Other forward financial instruments	Total financial instruments at fair value through P&L
Balance at January 1, 2013	**894**	**98**	**318**	**45**	**131**	**284**	**1,273**	**59**	**879**	**43**	**1,066**	**138**	**5,228**
Acquisitions	354	1	-	22	84	94	781	19	86	(84)	20	-	1,377
Disposals / redemptions	(701)	(5)	-	(8)	-	(193)	(747)	(4)	(31)	(72)	(629)	-	(2,390)
Transfer to Level 2 [8]	(120)	-	-	-	-	-	(15)	(2)	(274)	-	-	-	(411)
Transfer to Level 1 [8]	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Level 2 [8]	-	-	-	-	-	6	5	-	2	-	-	-	13
Gains and losses on changes in fair value during the period [9]	(24)	(93)	(28)	(1)	2	1	547	(36)	(273)	385	6	(31)	455
Translation differences	9	-	13	-	(3)	6	76	(3)	25	(4)	(37)	(7)	75
Change in scope and others	68	-	-	12	2	-	-	-	-	(42)	14	-	54
Balance at December 31, 2013	**480**	**1**	**303**	**70**	**216**	**198**	**1,920**	**33**	**414**	**226**	**440**	**100**	**4,401**

(8) See Note 3 for valuation level definitions.
(9) Gains and losses for the year are recognised in "Net gains and losses on financial instruments at fair value through profit or loss" in P&L.

Variation in financial liabilities at fair value through profit or loss whose valuation is not based on observable market data (Level 3 [10])

(In millions of euros)	Trading portfolio				Trading derivatives							
	Debt securities issued *	Amounts payable on borrowed securities	Shares and other equity instruments sold short	Other financial liabilities	Interest rate instruments	Foreign exchange instruments	Equity and index instruments	Commodity instruments	Credit derivatives	Other forward financial instruments	**Financial liabilities measured using fair value option through P&L ***	Total financial instruments at fair value through P&L
Balance at January 1, 2013	**11,374**	**29**	**-**	**325**	**1,738**	**111**	**711**	**80**	**676**	**1**	**5,789**	**20,834**
Issues	3,304	-	-	-	-	-	198	-	-	-	6,184	9,686
Acquisitions / disposals	(689)	-	1	(161)	213	1	966	(45)	(380)	-	(166)	(260)
Redemptions	(2,912)	-	-	-	-	-	-	-	-	-	(1,253)	(4,165)
Transfer to Level 2 [10]	(435)	-	-	(5)	(191)	-	(179)	-	-	-	(89)	(899)
Transfer from Level 2 [10]	196	-	-	2	16	1	43	-	-	-	11	269
Gains and losses on changes in fair value during the period [11]	(1,118)	(16)	1	(31)	30	44	637	19	65	-	844	475
Translation differences	184	-	-	(10)	50	5	38	(1)	(1)	-	(231)	34
Change in scope and others	-	-	-	-	-	-	-	38	-	-	-	38
Balance at December 31, 2013	**9,904**	**13**	**2**	**120**	**1,856**	**162**	**2,414**	**91**	**360**	**1**	**11,089**	**26,012**

** Restated amounts of the financial statement published at December 31, 2012*
(10) See Note 3 for valuation level definitions.
(11) Gains and losses for the year are recognised in "Net gains and losses on financial instruments at fair value through profit or loss" in P&L.

Note 7

Hedging derivatives

(In millions of euros)	December 31, 2013 Assets	December 31, 2013 Liabilities	December 31, 2012 Assets	December 31, 2012 Liabilities
FAIR VALUE HEDGE				
Interest rate instruments				
Firm instruments				
Swaps	10,711	9,364	14,836	13,199
Options				
Caps, floors, collars	33	-	84	-
Foreign exchange instruments				
Firm instruments				
Currency financing swaps	48	30	151	20
Forward foreign exchange contracts	-	1	17	-
Equity and index instruments				
Equity and stock index options	*2*	*3*	-	*3*
CASH FLOW HEDGE				
Interest rate instruments				
Firm instruments				
Swaps	488	219	808	576
Foreign exchange instruments				
Firm instruments				
Currency financing swaps	10	163	16	118
Forward foreign exchange contracts	63	33	13	9
Other forward financial instruments				
On organised markets	*128*	*6*	*9*	*50*
Total	**11,483**	**9,819**	**15,934**	**13,975**

Note 8

Available-for-sale financial assets

(In millions of euros)	December 31, 2013 Valuation on the basis of quoted prices in active markets (L1) [2]	Valuation using observable inputs other than quoted prices included in L1 (L2) [2]	Valuation using mainly inputs that are not based on observable market data (L3) [2]	Total	December 31, 2012 Valuation on the basis of quoted prices in active markets (L1) [2]	Valuation using observable inputs other than quoted prices included in L1 (L2) [2]	Valuation using mainly inputs that are not based on observable market data (L3) [2]	Total
Current assets								
Bonds and other debt securities	104,022	16,891	247	**121,160**	101,113	12,090	206	**113,409**
o/w provisions for impairment				*(132)*				*(139)*
Shares and other equity securities [1]	9,945	1,162	134	**11,241**	10,838	903	284	**12,025**
o/w impairment losses				*(1,570)*				*(1,873)*
Sub-total current assets	**113,967**	**18,053**	**381**	**132,401**	**111,951**	**12,993**	**490**	**125,434**
Long-term equity investments	395	380	1,388	**2,163**	430	570	1,280	**2,280**
o/w impairment losses				*(463)*				*(518)*
Total available-for-sale financial assets	**114,362**	**18,433**	**1,769**	**134,564**	**112,381**	**13,563**	**1,770**	**127,714**
o/w securities on loan				*601*				-

(1) Including UCITS.
(2) See Note 3 for valuation level definitions.

Changes in available-for-sale financial assets

(In millions of euros)	2013	2012
Balance at January 1	**127,714**	**124,738**
Acquisitions	141,712	141,504
Disposals / redemptions [3]	(130,275)	(145,852)
Reclassifications and changes in scope	(657)	(313)
Gains and losses on changes in fair value recognised directly in equity	(2,036)	7,713
Change in impairment on fixed income securities recognised in P&L	6	771
O/w: increase	*(19)*	*(259)*
write-backs	*28*	*1,079*
others	*(3)*	*(49)*
Impairment losses on variable income securities recognised in P&L	(21)	(281)
Change in related receivables	72	1
Translation differences	(1,951)	(567)
Balance at December 31	**134,564**	**127,714**

(3) Disposals are valued according to the weighted average cost method.

Variation of Available-for-sale assets whose valuation method is not based on observable market data (Level 3 [4])

(In millions of euros)	Bonds and other debt securities	Shares and other equity securities	Long-term equity investments	Total
Balance at January 1, 2013	**206**	**284**	**1,280**	**1,770**
Acquisitions	78	105	81	264
Disposals / redemptions	(26)	(53)	(86)	(165)
Transfer to Level 2 [4]	-	-	(9)	(9)
Transfer to Level 1 [4]	(4)	-	-	(4)
Transfer from Level 2 [4]	-	-	-	-
Gains and losses recognised directly in equity during the period	(2)	-	1	(1)
Changes in impairment on fixed income securities recognised in P&L	-	-	-	-
Impairment losses on variable income securities recognised in P&L	-	-	(9)	(9)
Changes in related receivables	2	-	-	2
Translation differences	-	(1)	(46)	(47)
Change in scope and others	(7)	(201)	176	(32)
Balance at December 31, 2013	**247**	**134**	**1,388**	**1,769**

(4) See Note 3 for valuation level definitions.

Breakdown of unrealised gains and losses on available-for-sale assets

(In millions of euros)	Unrealised gains	Unrealised losses	Unrealised gains and losses [5]
Unrealised gains and losses on available-for-sale equity instruments	622	(32)	590
Unrealised gains and losses on available-for-sale debt instruments	754	(588)	166
Unrealised gains and losses on assets reclassified in Loans and receivables	-	-	-
Unrealised gains and losses of insurance companies	116	(56)	60
o/w available-for-sale equity instruments	*1,222*	*(136)*	
o/w available-for-sale debt instruments and assets reclassified in Loans and receivables	*4,117*	*(736)*	
o/w deferred profit-sharing	*(5,223)*	*816*	
Total	**1,492**	**(676)**	**816**

(5) The difference versus " Gains and losses on changes in fair value recognised directly in equity" mainly results from the effect of the fair value hedge on fixed income securities.

Note 9

Due from banks

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Deposits and loans		
Demand and overnights		
Current accounts	27,124	21,199
Overnight deposits and loans and others	2,270	2,346
Loans secured by overnight notes	-	35
Term		
Term deposits and loans [(1)]	22,436	17,980
Subordinated and participating loans	588	580
Loans secured by notes and securities	-	287
Related receivables	252	219
Gross amount	**52,670**	**42,646**
Impairment		
Impairment of individually impaired loans	(31)	(60)
Revaluation of hedged items	31	48
Net amount	**52,670**	**42,634**
Securities purchased under resale agreements	32,172	34,570
Total	**84,842**	**77,204**
Fair value of amounts due from banks [(2)]	**85,656**	**77,190**

(1) As at December 31, 2013, the amount of receivables with incurred credit risk was EUR 162 million compared with EUR 202 million as at December 31, 2012.

(2) Breakdown of the fair value of amounts due from banks determined using a level valuation method (see note 3 for valuation level definitions).

(In millions of euros)	**December 31, 2013**
Level 1	-
Level 2	76,888
Level 3	8,768
TOTAL	**85,656**

Note 10

Customer loans

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Customer loans		
Trade notes	10,328	11,528
Other customer loans [1]	301,450	311,601
o/w short-term loans	*83,619*	*86,078*
o/w export loans	*11,072*	*10,795*
o/w equipment loans	*53,325*	*57,801*
o/w housing loans	*106,401*	*107,042*
o/w other loans	*47,033*	*49,885*
Overdrafts	16,938	17,168
Related receivables	1,292	1,448
Gross amount	**330,008**	**341,745**
Impairment		
Impairment of individually impaired loans	(14,744)	(14,027)
Impairment of groups of homogenous receivables	(1,209)	(1,128)
Revaluation of hedged items	400	680
Net amount	**314,455**	**327,270**
Loans secured by notes and securities	251	394
Securities purchased under resale agreements	18,829	22,577
Total amount of customer loans	**333,535**	**350,241**
Fair value of customer loans [2]	**339,243**	**353,525**

(1) As at December 31, 2013, the amount of receivables with incurred credit risk was EUR 25,697 million compared with EUR 25,300 million as at December 31, 2012.

(2) Breakdown of the fair value of customer loans determined using a level valuation method (see note 3 for valuation level definitions).

(In millions of euros)	**December 31, 2013**
Level 1	2,058
Level 2	107,832
Level 3	229,353
TOTAL	**339,243**

Note 11

Reclassification of financial assets

On October 1, 2008, the Group reclassified non-derivative financial assets out of the *Financial assets at fair value through profit or loss* and the *Available-for-sale financial assets* categories. These reclassifications were decided and then performed in accordance with the provisions of the amendments to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures" adopted by the European Union on October 15, 2008.

The Group identified in its trading and available-for-sale portfolios certain financial assets that were no longer quoted in an active market at October 1, 2008. Having the ability and intent to hold these financial assets for the foreseeable future or until their maturity, the Group then decided to reclassify them at this date into the *Loans and receivables* category.

Furthermore, due to the exceptional deterioration of the world's financial markets, the Group decided on October 1, 2008 to reclassify into the *Available-for-sale financial assets* category certain financial instruments initially measured at fair value through profit or loss, insofar as these instruments were no longer held for trading purposes.

No financial asset has been reclassified into the *Held-to-maturity financial assets* category according to these amendments.

Financial assets that have been reclassified have been recognised in their new category at their fair value on the date of reclassification.

No reclassification was performed in 2013.

The amounts of reclassified financial assets and the related consequences are as follows:

(In millions of euros)	**Fair value on December 31, 2013 ***	**Book value on December 31, 2013 ***	**Fair value on December 31, 2012**	**Book value on December 31, 2012**	**Book value on the date of reclassification (October 1, 2008)**
Available-for-sale financial assets	134	134	190	190	969
Due from banks	4,867	4,586	4,515	4,518	6,345
Customer loans	2,581	2,660	3,716	4,496	21,293
Total	**7,582**	**7,380**	**8,421**	**9,204**	**28,607**

** Net reimbursements and disposals that have been received since January 1, 2013: EUR 980 million and EUR 353 million.*

Contribution of reclassified financial assets over the period *(In millions of euros)*	**2013**
recognised in Shareholders' equity	29
recognised in Net banking income	198
recognised in Net cost of risk	(294)

Changes in fair value *(In millions of euros)*	**2013**	**2012**
that would have been recognised in Shareholders' equity if the financial assets had not been reclassified **	348	649
that would have been recognised in Net banking income if the financial assets had not been reclassified **	346	223

The effective interest rates on December 31, 2013 of reclassified financial assets ranged from 0.62% to 5.67%.

Expected recoverable cash flows on reclassified financial assets are EUR 8,460 million.

*** Including insurance activity reclassifications whose impact would have been neutralised by deferred profit-sharing for EUR 333 million in shareholders' equity and for EUR 23 million in Net banking income.*

Note 12

Lease financing and similar agreements

(In millions of euros)	December 31, 2013	December 31, 2012
Real estate lease financing agreements	8,157	8,230
Non-real estate lease financing agreements	20,280	21,145
Related receivables	67	61
Gross amount [(1)]	**28,504**	**29,436**
Impairment of individually impaired loans	(760)	(687)
Impairment of groups of homogenous receivables	(3)	(4)
Revaluation of hedged items	-	-
Net amount	**27,741**	**28,745**
Fair value of receivables on lease financing and similar agreements [(2)]	**28,088**	**29,388**

(1) As at December 31, 2013, the amount of individually impaired loans with incurred credit risk was EUR 1,870 million compared to EUR 1,632 million as at December 31,2012.

(2) Breakdown of the fair value of receivables on lease financing and similar agreements determined using a level valuation method (see note 3 for valuation level definitions).

(In millions of euros)	December 31, 2013
Level 1	-
Level 2	1,521
Level 3	26,567
TOTAL	**28,088**

(In millions of euros)	December 31, 2013	December 31, 2012
Gross investments	**31,591**	**32,666**
less than one year	7,937	8,066
1-5 years	16,360	16,858
more than five years	7,294	7,742
Present value of minimum payments receivable	**26,971**	**27,859**
less than one year	7,242	7,375
1-5 years	14,011	14,359
more than five years	5,718	6,125
Unearned financial income	**3,087**	**3,230**
Unguaranteed residual values receivable by the lessor	**1,533**	**1,577**

Note 13

Held-to-maturity financial assets

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Bonds and other debt securities	993	1,192
Impairment	(4)	(6)
Total held-to-maturity financial assets	**989**	**1,186**
Fair value of held-to-maturity financial assets (1)	**1,000**	**1,217**

(1) Breakdown of the fair value of held-to-maturity financial assets determined using a level valuation method (see note 3 for valuation level definitions).

(In millions of euros)	**December 31, 2013**
Level 1	863
Level 2	99
Level 3	38
TOTAL	**1,000**

Note 14

Tax assets and liabilities

(In millions of euros)	**December 31, 2013**	**December 31, 2012***
Current tax assets	1,241	789
Deferred tax assets	6,096	5,365
o/w deferred tax assets on tax loss carryforwards	*3,635*	*4,519*
o/w deferred tax assets on temporary differences	*2,461*	*846*
Total	**7,337**	**6,154**

(In millions of euros)	**December 31, 2013**	**December 31, 2012***
Current tax liabilities	1,275	711
Deferred tax liabilities	364	439
Total	**1,639**	**1,150**

Deferred tax on unrealised or deferred gains and loss:

(In millions of euros)	**December 31, 2013**	**December 31, 2012***
On items that will be reclassified subsequently into income	**(129)**	**(125)**
Available-for-sale financial assets	(92)	(105)
Hedging derivatives	(33)	(16)
Unrealised or deferred gains and loss accounted for by the equity method and that will be reclassified subsequently into income	(4)	(4)
On items that will not be reclassified subsequently into income	**158**	**228**
Actuarial gain / (loss) on post-employments benefits	158	228
Total (1)	**29**	**103**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

(1) O/w EUR 121 million as at December 31, 2013 included in deferred tax assets and EUR 92 million in deferred tax liabilities versus EUR 238 million and EUR 135 million, respectively, as at December 31, 2012.

Deferred tax assets recognised on tax loss carryforwards:

As at December 31, 2013, based on the tax system of each entity and a realistic projection of their tax income or expense, the projected period for deferred tax asset recovery is indicated in the table below:

(In millions of euros)	**December 31, 2013**	**Statutory time limit on carryforwards**	**Expected recovery period**
Total deferred tax assets relating to tax loss carryforwards	3,635	-	-
o/w French tax group	*3,089*	*unlimited* (2)	*12 years*
o/w US tax group	*437*	*20 years*	*7 years*
others	*109*	-	-

(2) In accordance with the 2013 Finance Law, the deduction of previous loss is limited to EUR 1 million plus 50% of the fraction of the taxable income for the fiscal year exceeding this limit. The non-deductible portion of loss may be carried forward to the following fiscal years with no time limit and under the same conditions.

Note 15

Other assets

(In millions of euros)	December 31, 2013	December 31, 2012*
Guarantee deposits paid [1]	27,530	33,470
Settlement accounts on securities transactions	5,728	2,610
Prepaid expenses	564	607
Miscellaneous receivables	22,322	17,224
Gross amount	**56,144**	**53,911**
Impairment	(249)	(265)
Net amount	**55,895**	**53,646**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

(1) Mainly concerns guarantee deposits paid on financial instruments.

Note 16

Tangible and intangible fixed assets

(In millions of euros)	Gross book value at December 31, 2012	Acquisitions	Disposals	Changes in translation, consolidation scope and reclassifications	Gross value at December 31, 2013	Accumulated depreciation and amortisation of assets at December 31, 2012	Allocations to amortisation and depreciation in 2013	Impairment of assets 2013	Write-backs from amortisation and depreciation in 2013	Changes in translation, consolidation scope and reclassifications	Net book value at December 31, 2013	Net book value at December 31, 2012
Intangible assets												
Software, EDP development costs	1,566	93	(21)	(27)	1,611	(1,264)	(124)	-	20	32	275	302
Internally generated assets	1,691	69	(41)	246	1,965	(1,181)	(236)	-	39	(3)	584	510
Assets under development	375	265	(1)	(290)	349	-	-	-	-	-	349	375
Others	759	6	(1)	(47)	717	(295)	(32)	(7)	-	42	425	464
Sub-total	**4,391**	**433**	**(64)**	**(118)**	**4,642**	**(2,740)**	**(392)**	**(7)**	**59**	**71**	**1,633**	**1,651**
Operating tangible assets												
Land and buildings	4,716	96	(24)	509	5,297	(1,540)	(164)	-	8	11	3,612	3,176
Assets under development	767	270	(3)	(695)	339	-	-	-	-	-	339	767
Lease assets of specialised financing companies	14,225	4,455	(3,768)	73	14,985	(4,321)	(2,436)	(18)	2,009	(6)	10,213	9,904
Others	5,281	340	(136)	(134)	5,351	(4,009)	(358)	(1)	93	234	1,310	1,272
Sub-total	**24,989**	**5,161**	**(3,931)**	**(247)**	**25,972**	**(9,870)**	**(2,958)**	**(19)**	**2,110**	**239**	**15,474**	**15,119**
Investment property												
Land and buildings	398	4	(29)	19	392	(160)	(8)	-	8	-	232	237
Assets under development	183	102	-	-	285	-	-	-	-	-	285	183
Sub-total	**581**	**106**	**(29)**	**19**	**677**	**(160)**	**(8)**	**-**	**8**	**-**	**517**	**420**
Total tangible and intangible fixed assets	**29,961**	**5,700**	**(4,024)**	**(346)**	**31,291**	**(12,770)**	**(3,358)**	**(26)**	**2,177**	**310**	**17,624**	**17,190**

Operational leasing

(In millions of euros)	December 31, 2013	December 31, 2012
Breakdown of minimum payments receivable		
due in less than one year	2,829	2,762
due in 1-5 years	4,270	5,096
due in more than five years	26	26
Total minimum future payments receivable	**7,125**	**7,884**

Note 17

Goodwill

The table below shows the changes in the gross and net values of goodwill recorded by the Cash Generating Units (CGUs) in force as at December 31, 2012:

(In millions of euros)	**Gross value at December 31, 2012**	**Acquisitions and other increases**	**Disposals and other decreases**	**Translation differences**	**Gross value at December 31, 2013**	**Impairment of goodwill at December 31, 2012**	**Impairment losses**	**Disposals, translation differences and other changes**	**Impairment of goodwill at December 31, 2013**	**Net goodwill at December 31, 2012**	**Net goodwill at December 31, 2013**
French Networks	**752**	**-**	**-**	**(1)**	**751**	**-**	**-**	**-**	**-**	**752**	**751**
Societe Generale Network	241			(1)	240				-	241	240
Crédit du Nord	511				511				-	511	511
International Retail Banking	**3,136**	**-**	**(49)**	**(224)**	**2,863**	**(537)**	**-**	**59**	**(478)**	**2,599**	**2,385**
International Retail Banking - European Union and Pre-European Union	1,917		(49)	(92)	1,776				-	1,917	1,776
Russian Retail Banking	1,142			(125)	1,017	(537)		59	(478)	605	539
Other International Retail Banking	77			(7)	70				-	77	70
Specialised Financial Services and Insurance	**1,282**	**-**	**(22)**	**(61)**	**1,199**	**(243)**	**-**	**17**	**(226)**	**1,039**	**973**
Insurance Financial Services	11	-	(1)	-	10	-	-	-	-	11	10
Individual Financial Services	691	-	(21)	(53)	617	(243)	-	17	(226)	448	391
Business Financial Services	402	-	-	(7)	395	-	-	-	-	402	395
Auto Leasing Financial Services	178	-	-	(1)	177	-	-	-	-	178	177
Corporate and Investment Banking	**50**	**-**	**-**	**(2)**	**48**	**-**	**-**	**-**	**-**	**50**	**48**
Corporate and Investment Banking	50	-	-	(2)	48	-	-	-	-	50	48
Private Banking	**359**	**-**	**(9)**	**(6)**	**344**	-	-	-	-	**359**	**344**
Private Banking	359	-	(9)	(6)	344	-	-	-	-	359	344
SGSS and Brokers	**978**	**-**	**-**	**(8)**	**970**	**(457)**	**(50)**	**8**	**(499)**	**521**	**471**
SGSS	533				533	(12)	(50)		(62)	521	471
Brokers	445			(8)	437	(445)		8	(437)	-	-
TOTAL	**6,557**	**-**	**(80)**	**(302)**	**6,175**	**(1,237)**	**(50)**	**84**	**(1,203)**	**5,320**	**4,972**

Note 17 (continued)

Goodwill

After the Societe Generale Group was restructured into three strategic pillars in 2013, the CGUs were redefined: the former International Retail Banking CGUs (European Union and pre-European Union, Russian Retail Banking; Other International Retail Banking) were replaced with three new CGUs housed within the International Retail Banking & Financial Services pillar (Europe, Russia, and Africa, Asia, Mediterranean Basin and Overseas territories). The former Individual Financial Services CGU was eliminated and its activities divided up between the three above-mentioned CGUs and the Societe Generale Network CGU.

As at December 31, 2013, goodwill recorded by the 12 CGUs can be broken down as follows:

Pillar	Activities
French Retail Banking	
Societe Generale Network	Societe Generale's retail banking network, online banking activities (Boursorama), consumer and equipment financing in France and transaction and payment management services
Crédit Du Nord	Retail banking network of Crédit du Nord and its 8 regional banks
International Retail Banking & Financial Services	
Europe	Retail banking and consumer finance services, notably in Germany (Hanseatic Bank, BDK), Italy (Fiditalia), Romania (BRD), Czech Republic (KB, Essox) and Poland (Eurobank), etc.
Russia	Integrated banking group including Rosbank and its subsidiaries DeltaCredit and Rusfinance
Africa, Asia, Mediterranean Basin and Overseas territories	Retail banking and consumer finance in Africa, Asia, the Mediterranean Basin and the Overseas territories, including in Morocco (SGMB), Algeria, Tunisia (UIB), Cameroon (SGBC), Ivoria Coast (SGBCI), China (SG China) and Senegal
Insurance	Life and non-life insurance activities in France and abroad (Sogecap, Sogessur, Oradéa Vie and Sogecap Risques Divers)
Professional Equipment Financing	Financing of sales and professional equipment by Societe Generale Equipment Finance
Auto Leasing Financial Services	Operational vehicle leasing and fleet management services (ALD Automotive)
Global Banking and Investor Solutions	
Corporate and Investment Banking	Advisory, financing and investment solutions for businesses, financial institutions, the public sector and family offices
Private Banking	Wealth management solutions in France and abroad
Securities Services	Comprehensive range of securities solutions (SGSS)
Brokerage	Clearing services and execution of transactions in derivatives (Newedge)

This reallocation was based on the normative equity of the entities comprising the CGUs. Normative equity is the main value driver in an entity's valuation because it is representative of banking activities, with their associated risks and benefits. Capital allocation is also one of the biggest sources of leverage for monitoring performance in that strengthens capital in the most profitable activities and in activities with greater potential for development. This method was deemed the most appropriate by the Group and was thus used for the reallocation.

The table below gives a detailed breakdown of the reallocation of the net values between the former CGUs (in the columns) and the new CGUs (on the lines):

	French Networks		**International Retail Banking**			**Specialised Financial Services and Insurance**				
(In millions of euros)	Societe Generale Network	Crédit du Nord	International Retail Banking - European Union and Pre-European Union	Russian Retail Banking	Other International Retail Banking	Insurance Financial Services	Individual Financial Services	Business Financial Services	Auto Leasing Financial Services	**Net value of CGUs in force at December 2013**
French Retail Banking	**240**	**511**	**-**	**-**	**-**	**-**	**26**	**60**	**-**	**837**
Societe Generale Network	240						26	60		326
Crédit du Nord		511								511
International Retail Banking & Financial Services	**-**	**-**	**1,776**	**539**	**70**	**10**	**365**	**335**	**177**	**3,272**
Europe			1,617				293			1,910
Russia				539			40			579
Africa, Asia, Mediterranean Basin and Overseas territories			159		70		32		2	263
Insurance						10				10
Professional Equipment Financing								335		335
Auto Leasing Financial Services									175	175
Net value of reallocated goodwill	**240**	**511**	**1,776**	**539**	**70**	**10**	**391**	**395**	**177**	**4,109**
Net goodwill of unchanged CGUs										**863**
TOTAL										**4,972**

Note 17 (continued)
Goodwill

At December 31, 2013, net goodwill recorded by the new CGUs can be broken down as follows:

(In millions of euros)	**Net value at December 31, 2013**
French Retail Banking	**837**
Societe Generale Network	326
Crédit du Nord	511
International Retail Banking & Financial Services	**3,272**
Europe	1,910
Russia	579
Africa, Asia, Mediterranean Basin and Overseas territories	263
Insurances	10
Business Financial Services	335
Auto Leasing Financial Services	175
Global Banking and Investor Solutions	**863**
Corporate and Investment Banking	**48**
Corporate and Investment Banking	48
Private Banking, Securities Services and Brokerage	**815**
Private Banking	344
Securities Services	471
Brokerage	-
TOTAL	**4,972**

The Group performed an annual impairment test at December 31, 2013 for each cash-generating unit (CGU) to which goodwill has been allocated. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from the Group's other assets or groups of assets.
The impairment tests consist in determining the recoverable value of each CGU and comparing it with its net carrying value. An impairment loss is recorded in the income statement if the carrying value of a CGU, including goodwill, exceeds its recoverable value. This loss is primarily booked to the impairment of goodwill.

At the end of 2013, in order to neutralise any scope effect caused by the reallocation of goodwill to new CGUs, impairment tests were carried out on the former and new CGUs alike.

The recoverable amount of a cash-generating unit is calculated using the most appropriate method, generally the discounted cash flow (DCF) method applied to the entire cash-generating unit. Cash flows used in this calculation are income available for distribution generated by all the entities included in the cash-generating unit, taking into account the targeted equity allocated to each CGU. These cash flows are determined on the basis of the CGU's business plan, which is derived from the prospective three-year budgets approved by Management, extrapolated over a period of sustainable growth (usually six more years), which is consistent with the economic cycle of the banking industry, then extended to infinity using a long-term growth rate (terminal value).
• Allocated equity at December 31, 2013 amounted to 10% of risk-weighted assets, i.e. an increase in capital requirements of 100 basis points compared to the 2012 tests;
• The discount rate is calculated using a risk-free interest rate grossed up by a risk premium that is based on the CGU's underlying activities. This risk premium, specific to each activity, is calculated from series of equity risk premiums published by SG Cross Asset Research and from its specific estimated volatility (beta). Where appropriate, the risk-free interest rate is also grossed up by a sovereign risk premium, representing the difference between the risk-free interest rate available in the area of monetary assignment (mainly US dollar area or Euro area) and the interest rate observed on liquid long-term treasury bonds issued in the currency of assignment, or their average weighted by normative equity for CGUs covering several countries;
• The growth rate used to calculate the terminal value is determined using forecasts on long-term economic growth and sustainable inflation.

The table below presents discount rates and long-term growth rates specific for the CGUs of the three 3 Groups' pillar businesses:

Assumptions as at December 31, 2013	**Discount rate**	**Long-term growth rate**
French Retail Banking		
Societe Generale Network and Crédit du Nord	8%	2%
International Retail Banking & Financial Services		
Retail Banking and Consumer Finance	10.2% à 11.6%	3% à 3.5%
Insurance	8.8%	2.5%
Professional Equipment Financing and Auto Leasing Financial Services	9.9%	2%
Global Banking and Investor Solutions		
Corporate and Investment Banking	11.2%	2%
Private Banking, Securities Services and Brokerage	9.1% à 10.2%	2% à 3%

Note 17 (continued)
Goodwill

Budget projections are based on the following main business line and macroeconomic assumptions:

French Retail Banking	
Societe Generale Network and Crédit du Nord	• Solid business in Retail networks despite sluggish growth in France and a strict regulatory environment • Growth in NBI despite downside pressure on fee income triggered by the stepped-up operational transformation and investment in the digital transition • Strong discipline applied to operating expenses and risk control
International Retail Banking & Financial Services	
Europe	• Slow exit from recession, tensions kept under control by ECB interventions and institutional advances • Business expanded, cost of risk normalised, and operating expenses under control
Russia	• Growth slowed by the expected drop in energy prices, which should nevertheless remain 1.5% to 2% higher than in the euro zone • Ongoing transformation of Rosbank centred on the efficiency of the retail network, information systems, quality of customer service and pooling of resources across the Russian network
Africa, Asia, Mediterranean Basin and Overseas territories	• Supportive economic environment with highly resilient growth and the opportunity to capture the potential of the emerging middle class • Development of the online product range in line with local demand and enhanced security of operational risk
Insurance	• Ongoing dynamic growth and international development of the bank insurance model, in synergy with International Retail Banking & Financial Services
Professional Equipment Financing and Auto Leasing Financial Services	• Leadership maintained in business financing activities • Continued momentum for Auto Leasing Financial Services while maintaining strict risk control • Resilient new lending for Professional Equipment Financing activity in connection with the economic environment
Global Banking and Investor Solutions	
Corporate and Investment Banking	• Sustainable funding requirements, increased disintermediation and financial market reform • Leading franchises maintained in capital market activities (equities) and financing (commodities, structured loans) • Development of growth drivers, particularly in customer income and synergies with a focus on investments
Private Banking, Securities Services and Brokerage	• Growth in Private Banking driven by positive inflows and persistently solid margin, development of synergies with retail banking and corporate & investment banking • Stronger sales momentum for Securities Services in Europe and investments in information systems.

Sensitivity tests are carried out to measure in particular the impact on each CGU's recoverable value of the variation in certain assumptions such as profitability, long-term growth or discount rate. As at December 31, 2013, taking into account business-related risks in the economic environment, impairment tests were performed using cautious assumptions or sensitivity tests.

Due to the outcome of the impairment tests in both the former and new structure, impairments were recorded in the amount of EUR 50 million for the Securities Services, which was subject to a specific operational sensitivity test based on the delayed benefits of the transformation plan, which has just begun to be implemented. Impairment is recognised in order to maintain a recoverable value exceeding the carrying value even in this challenging climate.

Due to the impairments booked in 2013, recoverable values are not very sensitive to additional changes in the assumptions of long-term growth and discount rates. Accordingly:

• an increase of 50 basis points applied to all the discount rates of the CGUs disclosed in the table above would lead to a decrease of 6.8% in the recoverable value and would not generate any additional impairment;

• similarly, a decrease of 50 basis points in long-term growth rates would lead to a decrease of 2.3% in the recoverable value and would not generate any additional impairment.

Note 18

Due to banks

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Demand and overnight deposits		
Demand deposits and current accounts	15,987	12,008
Overnight deposits and borrowings and others	2,776	10,214
Sub-total	**18,763**	**22,222**
Term deposits		
Term deposits and borrowings	45,331	68,978
Borrowings secured by notes and securities	103	182
Sub-total	**45,434**	**69,160**
Related payables	217	319
Revaluation of hedged items	144	219
Securities sold under repurchase agreements	26,540	30,129
Total	**91,098**	**122,049**
Fair value of amounts due to banks (1)	**90,930**	**121,107**

(1) Breakdown of the fair value of amounts due to banks determined using a level valuation method (see note 3 for valuation level definitions).

(In millions of euros)	**December 31, 2013**
Level 1	2,474
Level 2	86,746
Level 3	1,710
TOTAL	**90,930**

Note 19

Customer deposits

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Regulated savings accounts		
Demand	57,764	55,471
Term	20,754	19,322
Sub-total	**78,518**	**74,793**
Other demand deposits		
Businesses and sole proprietors	58,560	53,269
Individual customers	48,666	46,217
Financial customers	25,739	31,548
Others (1)	13,738	13,014
Sub-total	**146,703**	**144,048**
Other term deposits		
Businesses and sole proprietors	45,425	42,894
Individual customers	17,543	17,814
Financial customers	21,529	16,336
Others (1)	9,165	6,925
Sub-total	**93,662**	**83,969**
Related payables	1,012	1,694
Revaluation of hedged items	313	534
Total customer deposits	**320,208**	**305,038**
Borrowings secured by notes and securities	209	115
Securities sold to customers under repurchase agreements	24,270	32,077
Total	**344,687**	**337,230**
Fair value of customer deposits (2)	**344,416**	**336,901**

(1) Including deposits linked to governments and central administrations.

(2) Breakdown of the fair value of customer deposits determined using a level valuation method (see note 3 for valuation level definitions).

(In millions of euros)	**December 31, 2013**
Level 1	1,379
Level 2	316,834
Level 3	26,203
TOTAL	**344,416**

Note 20

Debt securities issued

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Term savings certificates	790	798
Bond borrowings	21,214	17,964
Interbank certificates and negotiable debt instruments	107,066	113,481
Related payables	1,096	940
Sub-total	**130,166**	**133,183**
Revaluation of hedged items	1,568	2,561
Total	**131,734**	**135,744**
O/w floating-rate securities	*40,513*	*32,913*
Fair value of securitised debt payables (1)	**131,593**	**137,431**

(1) Breakdown of the fair value of debt securities issued determined using a level valuation method (see note 3 for valuation level definitions).

(In millions of euros)	**December 31, 2013**
Level 1	20,844
Level 2	110,519
Level 3	230
TOTAL	**131,593**

Note 21

Other liabilities

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Guarantee deposits received [1]	25,681	31,258
Settlement accounts on securities transactions	7,195	3,075
Other securities transactions	22	23
Expenses payable on employee benefits	2,662	2,513
Deferred income	1,713	1,803
Miscellaneous payables	22,488	19,491
Total	**59,761**	**58,163**

(1) Mainly concerns guarantee deposits received on financial instruments.

Note 22

PEL/CEL mortgage savings accounts

1. Outstanding deposits in PEL/CEL accounts

(In millions of euros)	December 31, 2013	December 31, 2012
PEL accounts	**14,801**	**13,849**
less than 4 years old	5,793	4,853
between 4 and 10 years old	3,166	2,806
more than 10 years old	5,842	6,190
CEL accounts	**1,666**	**1,828**
Total	**16,467**	**15,677**

2. Outstanding housing loans granted with respect to PEL/CEL accounts

(In millions of euros)	December 31, 2013	December 31, 2012
less than 4 years old	99	174
between 4 and 10 years old	121	117
more than 10 years old	16	18
Total	**236**	**309**

3. Provisions for commitments linked to PEL/CEL accounts

(In millions of euros)	December 31, 2012	Allocations	Reversals	December 31, 2013
PEL accounts	**77**	**76**	**(33)**	**120**
less than 4 years old	39	1	(32)	8
between 4 and 10 years old	4	6	(1)	9
more than 10 years old	34	69	(0)	103
CEL accounts	**24**	**0**	**(17)**	**7**
Total	**101**	**76**	**(50)**	**127**

"Plans d'Epargne-Logement" (PEL or housing savings plans) entail two types of commitment that have the potentially negative effect of generating a PEL/CEL provision for the Group: a commitment to lend at an interest rate that had been established at the inception of the plan and a commitment to remunerate the savings at an interest rate also established at the inception of the plan.

The level of provisions is sensitive to long-term interest rates. Since long-term rates were low during 2013, the provisions for PEL and CEL mortgage savings accounts are mainly linked to the risks attached to the commitment to remunerate the deposits. Provisioning for PEL/CEL savings amounted to 0.77% of total outstandings as at December 31, 2013.

4. Methods used to establish the parameters for valuing provisions

The parameters used for estimating the future behavior of customers are derived from historical observations of customer behavior patterns over a long period (more than 10 years). The values of these parameters can be adjusted whenever changes are made to regulations that may undermine the effectiveness of past data as an indicator of future customer behaviour.

The values of the different market parameters used, notably interest rates and margins, are calculated on the basis of observable data and constitute a best estimate, at the date of valuation, of the future value of these items for the period in question, in line with the retail banking division's policy of interest rate risk management.

The discount rates used are derived from the zero coupon swaps vs. Euribor yield curve at the valuation date, averaged over a 12-month period.

Note 23

Provisions and impairments

1. Asset impairments

(In millions of euros)	Asset impairments as at December 31, 2012	Allocations	Write-backs available	Net impairment losses	Reversals used	Currency and scope effects	Asset impairments as at December 31, 2013
Banks	60	6	(34)	**(28)**	(1)	-	**31**
Customer loans	14,027	5,355	(2,291)	**3,064**	(1,828)	(519)	**14,744**
Lease financing and similar agreements	687	416	(279)	**137**	(67)	3	**760**
Groups of homogeneous assets	1,132	527	(436)	**91**	-	(11)	**1,212**
Available-for-sale assets (1) (2)	2,530	41	(334)	**(293)**	(20)	(52)	**2,165**
Others (1)	557	163	(117)	**46**	(36)	(116)	**451**
Total	**18,993**	**6,508**	**(3,491)**	**3,017**	**(1,952)**	**(695)**	**19,363**

(1) Including a EUR 39 million net allowance for counterparty risks.
(2) O/w write-down on variable-income securities, excluding insurance activities, of EUR 19 million, which can be broken down as follows:
● EUR 6 million: impairment loss on securities not written down as at December 31, 2012;
● EUR 13 million: additional impairment loss on securities already written down as at December 31, 2012.

2. Provisions

(In millions of euros)	Provisions as at December 31, 2012*	Allocations	Write-backs available	Net allocation	Write-backs used	Actuarial gains and losses	Currency and scope effects	Provisions as at December 31, 2013
Provisions for off-balance sheet commitments to banks	7	4	-	**4**	-	-	(1)	**10**
Provisions for off-balance sheet commitments to customers	280	214	(174)	**40**	(6)	-	(32)	**282**
Provisions for employee benefits	1,739	392	(233)	**159**	-	(187)	(60)	**1,651**
Provisions for tax adjustments	351	78	(88)	**(10)**	(107)	-	(52)	**182**
Other provisions (3)	1,146	804	(197)	**607**	(87)	-	38	**1,704**
Total	**3,523**	**1,492**	**(692)**	**800**	**(200)**	**(187)**	**(107)**	**3,829**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

(3) Including :
● a EUR 567 million net allocation for net cost of risk, predominantly comprising allocations to provisions for disputes;
● a EUR 26 million net allocation for PEL/CEL provisions for the French Networks (See Note 22).

Note 24

Exposures to sovereign risk

1. Banking activities

The table below shows the Societe Generale Group's significant exposures to European sovereign risk by country as at December 31, 2013, in accordance with the methodology defined by the European Banking Authority (EBA) for the European bank capital requirements tests:

(In millions of euros)	Banking book	Trading book	CDS - Faire value of net positions (1)	Net direct exposures (2)
France	18,533	(159)	40	**18,414**
Germany	4,571	260	(89)	**4,742**
Czech Republic	3,806	582	4	**4,392**
Italy	944	1,313	46	**2,303**
Spain	828	1,041	77	**1,946**
Romania	1,476	123	(4)	**1,595**
Total	**30,158**	**3,160**	**74**	**33,392**

(1) Difference between the market value of short positions and long positions.
(2) After allocation for write-down and excluding direct exposures to derivatives.

	CDS - Nominal amounts		
(In millions of euros)	CDS - Long positions (3)	CDS - Short positions (3)	CDS - Net positions (4)
France	15	48	33
Germany	1,341	1,523	182
Czech Republic	45	34	(11)
Italy	1,624	1,819	195
Spain	613	776	163
Romania	99	99	-
Total	**3,737**	**4,299**	**562**

(3) These positions are offset by counterparty and by country of exposures, in accordance with the applicable rules for determining risk-based capital requirements.

(4) Difference between the nominal value of short positions and long positions.

At December 31, 2013, sovereign risk exposures of Cyprus, Greece, Portugal and Slovenia are not significant.

2. Insurance activities

The insurers of the Societe Generale Group mainly hold government bonds for the investment purposes of life insurance policies. Net exposure to the bonds equals the insurer's residual exposures after the application of contractual tax and profit-sharing rules, in the event of the issuer's total default.
At December 31, 2013, exposure to the countries that have been subject to a European Union rescue plan is presented below:

(In millions of euros)	Gross exposures (5)	Net exposures
Spain	1,277	57
Ireland	367	18
Portugal	28	3
Total	**1,672**	**78**

(5) Gross exposures (net book value) to EUR-denominated vehicles.

At December 31, 2013, sovereign risk exposures of Cyprus, Greece, and Slovenia are not significant.

Note 25

Employee benefits

1. Defined contribution plans

Defined contribution plans limit the Group's liability to the contributions paid to the plan but do not commit the Group to a specific level of future benefits.

Main defined contribution plans provided to employees of the Group are located in France. They include state pension plans and other national pension plans such as ARRCO and AGIRC, as well as pension schemes put in place by some entities of the Group for which the only commitment is to pay annual contributions (PERCO).

2. Post-employment benefit plans (defined benefit plans)

2.1. Reconciliation of assets and liabilities recorded in the balance sheet

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
A - Present value of funded defined benefit obligations	2,496	2,714
B - Fair value of plan assets	(2,009)	(1,971)
C = A + B Deficit (surplus)	**487**	**743**
D - Present value of unfunded defined benefit obligations	373	407
E - Change in asset ceiling	(2)	(0)
F - Separate assets	(71)	(1)
C + D - E - F = Net balance recorded in the balance-sheet	**933**	**1,151**

Notes:

1. Post-employment benefit plans include annuity payments , end-of-career indemnities as well as mixed plans (cash balance). Annuity payments are added to pension plans payed by State and mandatory benefit plans. In France, the supplementary pension allocation plan for senior managers, set up in 1991, provides to the beneficiaries an annual allowance covered by Société Générale, such as described in the "corporate governance" section. This allowance is a function in particular of the seniority within Société Générale and the proportion of fixed salaries exceeding "Tranche B" of the Agirc pension. In the UK, the defined benefit plan has been closed to new employees, who are now offered defined contribution plans.

2. The present value of defined benefit obligations have been valued by independent qualified actuaries.

2.2. Components of the cost of the defined benefits

(In millions of euros)	**2013**	**2012**
Current service cost including social security contributions	94	88
Employee contributions	(5)	(7)
Past service cost / curtailments	47	7
Settlement	(1)	(6)
Net interest	29	36
Transfer from unrecognised assets	0	0
Components recognised in income statement	*164*	*118*
Expected return on plan assets (1)	(39)	(93)
Actuarial gains and losses due to changes in demographic assumptions	1	2
Actuarial gains and losses due to changes in economical and financial assumptions	(181)	411
Actuarial gains and losses due to experience	5	9
Change in asset ceiling	1	-
Components recognised in unrealised or deferred gains and losses (2)	*(213)*	*329*
Total components of the cost of the defined benefits	**(49)**	**447**

(1) Return on plan assets from which the expected return on plan assets included in the net interest cost is deducted

(2) The difference with Actuarial gains and losses on post-employment defined benefits plans *of the* Statement of net income and unrealized or deferred gains and losses *mainly comes from the variation of assets and liabilities reclassified in non-current assets and non-current liabilities held for sale, as well as assets of entities consolidated by applying the equity method.*

Note 25 (continued)

Employee benefits

2.3. Changes in net liabilities of post-employment benefit plans recorded in the balance sheet

2.3.1. Changes in the present value of defined benefit obligations

(In millions of euros)	2013	2012
Balance at January 1, 2013	**3,121**	**2,676**
Current service cost including social security contributions	94	88
Employee contributions	-	-
Past service cost / curtailments	47	8
Settlement	(2)	(6)
Net interest	92	115
Actuarial gains and losses due to changes in demographic assumptions	1	2
Actuarial gains and losses due to changes in economical and financial assumptions	(181)	411
Actuarial gains and losses due to experience	5	9
Foreign exchange adjustment	(44)	2
Benefit payments	(168)	(147)
Acquisition/(Sale) of subsidiaries (1)	(74)	(19)
Transfers and others	(22)	(17)
Balance at December 31, 2013	**2,869**	**3,121**

(1) Mainly due to the sale of NSGB for an amount of EUR 75 million.

2.3.2. Changes in fair value of plan assets and separate assets

(In millions of euros)	2013	2012
Balance at January 1, 2013	**1,971**	**1,806**
Expected return on plan assets	63	78
Expected return on separate assets	0	0
Actuarial gains and losses due to assets	39	93
Foreign exchange adjustment	(32)	9
Employee contributions	5	7
Employer contributions to plan assets	119	92
Benefit payments	(132)	(113)
Acquisition/(Sale) of subsidiaries	(39)	(0)
Transfers and others	15	(1)
Balance at December 31, 2013	**2,009**	**1,971**

2.4. Information regarding funding assets

2.4.1. General information regarding-funding assets
(for all benefits and future contributions)

The breakdown of the fair value of plan assets is as follows: 44% bonds, 44% equities, 1% money market instruments and 11% others. Directly held Societe Generale shares are not significant.

For pension plans with a fair value of plan assets in excess of defined benefit obligations, the aggregate of plan assets is EUR 54 million.

Employer contributions to be paid to post-employment defined benefit plans for 2013 are estimated at EUR 32 million.

The hedging strategies of the plans are defined locally in connection with Finance and Human Resources departments of the entities, by ad hoc structures (Trustees, Foundations, …) if necessary. Besides, investment or financing strategies of liabilities are followed at the Group level through a global governance. Committees, in the presence of management representatives of the human resources, the finance department and the Risk Division have for object to define the guidelines of the Group as regards investment and management of the liabilities, to validate the decisions, and to follow the risks associated for the Group.
According to the durations of the plans and the local regulations, hedging assets are invested in equities and/or in bond products, guaranteed or not.
Finally, the schemes are globally hedged at the level of 67 %, but according to the entities and the plans, the hedging rate varies between 0 % and 100 %.

Note 25 (continued)

Employee benefits

2.4.2. Actual returns on funding assets

The actual returns on plan and separate assets were:

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Plan assets	102	171
Separate assets	(0)	0

The assumptions on return on assets are presented in section 2.5.

2.5. Main assumptions detailed by geographical area

	December 31, 2013	**December 31, 2012**
Discount rate		
Europe	3.41%	3.15%
Americas	5.08%	4.00%
Asia-Oceania-Africa	2.59%	3.16%
Long-term inflation		
Europe	2.14%	2.14%
Americas	2.00%	2.00%
Asia-Oceania-Africa	1.67%	1.82%
Future salary increase		
Europe	0.67%	0.66%
Americas	2.00%	2.00%
Asia-Oceania-Africa	2.29%	2.27%
Average remaining working lifetime of employees (in years)		
Europe	9.76	10.10
Americas	9.02	9.01
Asia-Oceania-Africa	13.48	12.76
Duration (in years)		
Europe	14.25	14.13
Americas	18.81	18.50
Asia-Oceania-Africa	9.73	13.75

Notes:
1. TThe assumptions by geographical area are averages weighted by the present value of the liabilities (DBO).

2. The yield curves used to discount the liabilities are corporate AA yield curves (source: Merrill Lynch) observed in the end of October for USD, GBP and EUR, and corrected at the end of December if the decrease in discount rates had a significant impact.
Inflation rates used are the long-term targets of the central banks of the monetary areas above.

3. The average remaining working lifetime of employees is calculated taking into account withdrawal assumptions.

4, The assumptions described above have been applied on post employment benefit plans.

2.6. Obligations sensitivities to main assumptions ranges

(Percentage of item measured)	**December 31, 2013**	**December 31, 2012**
Variation of +1% in discount rate		
Impact on the present value of defined benefit obligations at December 31, N	-12%	-13%
Variation of +1% in long terme inflation		
Impact on the present value of defined benefit obligations at December 31, N	11%	11%
Variation of +1% in future salary increases		
Impact on the present value of defined benefit obligations at December 31, N	4%	4%

Note:
1. TThe disclosed sensitivities are averages of the variations weighted by the present value of liabilities (impact on the defined benefit obligation at December 31, 2013).

3. Other long-term benefits

Group companies may award their employees other long-term benefits, like long-term deferred variable remunerations, time saving accounts (French Term) Comptes Epargne Temps or long service awards. They are different from post-employment benefits and termination benefits, which are not fully due whithin twelve months following the financial year during which the services are rendered by the employees.
The amount of net balance of other long-term benefits is EUR 556 million.
The total amount of charges for other long-term benefits is EUR 178 million.

Note 26

Subordinated debt

(In millions of euros)	Maturity dates							
Currency of issue	**2014**	**2015**	**2016**	**2017**	**2018**	**Other**	**Outstanding at December 31, 2013**	**Outstanding at December 31, 2012**
Subordinated Capital notes								
EUR	355	789	767	193	1,397	2,087	5,588	4,948
USD	-	54	376	-	-	-	430	450
GBP	-	-	-	-	331	-	331	339
Other currencies	9	-	-	-	-	-	9	9
Sub-total	**364**	**843**	**1,143**	**193**	**1,728**	**2,087**	**6,358**	**5,746**
Dated subordinated debt								
EUR	-	-	-	-	-	50	50	50
Other currencies	-	-	-	-	-	222	222	224
Sub-total	**-**	**-**	**-**	**-**	**-**	**272**	**272**	**274**
Related payables	**178**	**-**	**-**	**-**	**-**	**-**	**178**	**166**
Total excluding revaluation of hedged items	**542**	**843**	**1,143**	**193**	**1,728**	**2,359**	**6,808**	**6,186**
Revaluation of hedged items							587	866
Total							**7,395**	**7,052**

The fair value of subordinated debt securities stood at EUR 7,675 million at December 31, 2013 (EUR 7,615 million at December 31, 2012) and it can be broken down as follows (see note 3 for valuation level definitions):

(In millions of euros)	**December 31, 2013**
Level 1	-
Level 2	7,666
Level 3	9
TOTAL	**7,675**

Note 27

Offsetting financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount presented on the balance sheet when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In this respect, the Group recognises more particularly, in its balance sheet, the net amount of derivative financial instruments that are traded with some exchange or clearing houses which effectively accomplish net settlement through a daily cash margining process.

Besides, the Group also recognises in its balance sheet the net value of agreements to repurchase securities given and received where they fulfill the following conditions:

- the counterparty to the agreement is the same legal entity ;
- they have the same firm maturity date from the start of the transaction;
- they are covered by a framework agreement that grants permanent entitlement, enforceable against third parties, to offset amounts for same-day settlement;
- they are settled through a clearing system that guarantees delivery of securities against payment of the cash sums.

The following tables present the amounts of financial assets and financial liabilities set off on the Group consolidated balance sheet, as well as the impact of amounts which could be offset as they are subject to Master Netting Agreements or similar agreements but which are not eligible to offsetting on the consolidated balance sheet.

Net positions resulting from these various offsettings are not intended to represent the Group's actual exposure to credit risk upon these financial instruments, as far as credit risk management makes use of other credit mitigation strategies in addition to netting and collateral agreements.

The gross amounts of financial assets and financial liabilities subject to these offsettings are reconciled with the consolidated amounts presented on the balance sheet (Total of balance sheet assets and liabilities) after identification of amounts offset on the balance sheet for these various instruments (Amounts offset) and of amounts of other financial assets and liabilities which are neither subject to offsetting nor subject to Master netting Agreements and similar agreements (Assets and Liabilities not subject to offsetting).

As at 31 December 2013

ASSETS

	Financial Assets subject to offsetting							Assets not subject to offsetting	Total of balance sheet assets (2)
	Impact of offsetting on the balance sheet		Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements (1)			Net amount	Amounts	
(In millions of euros)	Gross amounts	Amounts offset		Financial instruments recognised in the balance sheet	Cash collateral received	Financial instruments received as collateral			
Derivative financial instruments (See Notes 6 and 7)	277,857	129,111	148,746	124,719	13,231	-	10,796	25,392	174,138
Securities borrowed (See Notes 6 and 8)	9,826	-	9,826	9,075	-	-	751	21,925	31,751
Securities purchased under resale agreements (See Notes 6,9 and 10)	122,042	18,534	103,508	21,939	318	71,127	10,124	36,251	139,759
Guarantee deposits pledged (See Note 15)	18,156	-	18,156	-	18,156	-	-	9,374	27,530
Other assets not subject to offsetting	-	-	-	-	-	-	-	862,084	862,084
Total assets	**427,881**	**147,645**	**280,236**	**155,733**	**31,705**	**71,127**	**21,671**	**955,026**	**1,235,262**

LIABILITIES

	Financial Liabilities subject to offsetting							Liabilities not subject to offsetting	Total of balance sheet liabilities (3)
	Impact of offsetting on the balance sheet		Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements (1)			Net amount	Amounts	
(In millions of euros)	Gross amounts	Amounts offset		Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments pledged as collateral			
Derivative financial instruments (See Notes 6 and 7)	278,770	129,111	149,659	124,719	17,501	173	7,266	26,234	175,893
Securities loaned (See Note 6)	22,479	-	22,479	9,075	9	6,347	7,048	78,645	101,124
Securities sold under repurchase agreements (See Notes 6, 18 and 19)	122,405	18,534	103,871	21,939	646	68,944	12,342	45,958	149,829
Guarantee deposits received (See Note 21)	13,549	-	13,549	-	13,549	-	-	12,132	25,681
Other liabilities not subject to offsetting	-	-	-	-	-	-	-	728,634	728,634
Total liabilities	**437,203**	**147,645**	**289,558**	**155,733**	**31,705**	**75,464**	**26,656**	**891,603**	**1,181,161**

(1) Fair value of financial instruments and collaterals, capped to the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect.

(2) The Total of balance sheet assets is equal to the sum of:
- Net amounts presented on the balance sheet, and
- Amounts of Assets not subject to offsetting.

(3) The Total of balance sheet liabilities is equal to the sum of:
- Net amounts presented on the balance sheet, and
- Amounts of Liabilities not subject to offsetting.

Note 27 (continued)

Offsetting of financial assets and financial liabilities

As at 31 December 2012

ASSETS

(In millions of euros)	Financial Assets subject to offsetting							Assets not subject to offsetting	Total of balance sheet assets (5)
	Impact of offsetting on the balance sheet		Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements (4)			Net amount	Amounts	
	Gross amounts	Amounts offset		Financial instruments recognised in the balance sheet	Cash collateral received	Financial instruments received as collateral			
Derivative financial instruments (See Notes 6 and 7)	429,626	218,762	210,864	181,650	19,230	-	9,984	23,194	234,058
Securities borrowed (See Notes 6 and 8)	4,467	-	4,467	3,679	-	-	788	9,915	14,382
Securities purchased under resale agreements (See Notes 6,9 and 10)	110,577	4,990	105,587	29,511	97	73,551	2,428	41,305	146,892
Guarantee deposits pledged (See Note 15)	22,612	-	22,612	-	22,612	-	-	10,858	33,470
Other assets not subject to offsetting	-	-	-	-	-	-	-	822,087	822,087
Total assets	**567,282**	**223,752**	**343,530**	**214,840**	**41,939**	**73,551**	**13,200**	**907,359**	**1,250,889**

LIABILITIES

(In millions of euros)	Financial Liabilities subject to offsetting							Liabilities not subject to offsetting	Total of balance sheet liabilities (6)
	Impact of offsetting on the balance sheet		Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements (4)			Net amount	Amounts	
	Gross amounts	Amounts offset		Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments pledged as collateral			
Derivative financial instruments (See Notes 6 and 7)	426,188	218,762	207,426	181,650	22,430	351	2,995	22,649	230,075
Securities loaned (See Note 6)	11,270	-	11,270	3,679	-	5,788	1,803	49,673	60,943
Securities sold under repurchase agreements (See Notes 6, 18 and 19)	99,239	4,990	94,249	29,511	182	59,446	5,110	46,908	141,157
Guarantee deposits received (See Note 21)	19,327	-	19,327	-	19,327	-	-	11,931	31,258
Other liabilities not subject to offsetting	-	-	-	-	-	-	-	733,905	733,905
Total liabilities	**556,024**	**223,752**	**332,272**	**214,840**	**41,939**	**65,585**	**9,908**	**865,066**	**1,197,338**

(4) Fair value of financial instruments and collaterals, capped to the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect.

(5) The Total of balance sheet assets is equal to the sum of:
- *Net amounts presented on the balance sheet, and*
- *Amounts of Assets not subject to offsetting.*

(6) The Total of balance sheet liabilities is equal to the sum of:
- *Net amounts presented on the balance sheet, and*
- *Amounts of Liabilities not subject to offsetting.*

Note 28

Societe Generale ordinary shares, treasury stock, shares held by employees and shareholders' equity issued by the Group

1. Ordinary shares issued by Societe Generale S.A.

(Number of shares)	December 31, 2013	December 31, 2012
Ordinary shares	798,716,162	780,273,227
Including treasury stock with voting rights (1)	22,509,704	26,270,956
Including shares held by employees	59,599,036	59,344,358

(1) Societe Generale shares held for trading excluded.

As at December 31, 2013, Societe Generale S.A.'s capital amounted to EUR 998,395,202 and was made up of 798,716,162 shares with a nominal value of EUR 1.25.

In the first half of 2013, Societe Generale S.A. carried out two capital increases, one reserved for employees as part of the free share allocation plan, amounting to EUR 1 million, and the other relating to the exercise by the shareholders of the option to pay 2012 dividends in Societe Generale shares, amounting to EUR 11 million with additional paid-in capital of EUR 215 million.

In the second half of 2013, Societe Generale S.A. carried out a capital increase reserved for employees as part of the free share allocation plan, amounting to EUR 11 million, with additional paid-in capital of EUR 174 million, and two capital increases totaling EUR 0.094 million with additional paid-in capital of EUR 2 million, resulting from the exercise of stock-options granted in 2009.

2. Shareholders' equity issued

2.1. Perpetual subordinated notes

Perpetual subordinated notes (TSDI) issued by the Group and that include some discretionary features governing the payment of interest are classified as equity.

As at December 31,2013, the amount of perpetual subordinated notes (TSDI) issued by the Group and recognised under Group shareholder's equity in the other equity instruments totalled EUR 423 million.
This amount changed due to the partial repurchase for USD 1,285 million and the redemption as par for USD 215 million of the perpetual subordinated note amounting to USD 1,500 million issued in December 2012.

Issuance Date	Amount in local currency as at December 31, 2012	Repurchases and redemptions in 2013	Amount in local currency as at December 31, 2013	Amount in millions of euros at historical rate	Remuneration
July 1, 1985	EUR 63 M		EUR 63 M	63	BAR -0.25% with BAR = Bond Average Rate for the period from June 1 to May 31 before each due date
November 24, 1986	USD 248 M		USD 248 M	182	Average 6-month Euro/Dollar deposit rates communicated by reference banks +0.075%
June 30, 1994	JPY 15,000 M		JPY 15,000 M	107	5.385% until December 2014 and for next due dates: the more favourable rate between the fixed rate and a variable rate + spread defined as follow: JPY 5-year Mid Swap Rate +1.25% until December 2019 and JPY 5-year Mid Swap +2% for subsequent due dates
December 30, 1996	JPY 10,000 M		JPY 10,000 M	71	3.936% until September 2016 and for subsequent due dates: the more favourable rate between the fixed rate and a variable rate + spread defined as follows: JPY 5-year Mid Swap Rate +2.0%
December 11, 2012	USD 1,500 M	USD 1,500 M	-	-	6.625% until June 2018 and for subsequent due dates: USD 5-year Mid Swap Rate +5.754%

2.2. Preferred shares issued by subsidiaries

Due to the discretionary nature of the decision to pay dividends to shareholders, preferred shares issued by the Group's subsidiaries are classified as equity.

On November 10, 2013, preferred shares issued by the Group's subsidiaries and recognised under non-controlling interests were fully redeemed.
As a result, non-controlling interests decreased by EUR 420 million.

Societe Generale ordinary shares, treasury stock, shares held by employees and shareholders' equity issued by the Group

2.3. Deeply subordinated notes

Given the discretionary nature of the decision to pay dividends to shareholders, deeply subordinated notes have been classified as equity and recognised under *Equity instruments and associated reserves* .

As at December 31, 2013, the amount of deeply subordinated notes issued by the Group and recognised under Group shareholders' equity in other equity instruments totalled EUR 6,652 million.

This amount changed due to the issuance of two new deeply subordinated notes in the second half of 2013, partially compensated with the redemption of a deeply subordinated note in the first half of 2013.

Issuance Date	Amount in local currency as at December 31, 2012	Repurchases and redemptions in 2013	Amount in local currency as at December 31, 2013	Amount in millions of euros at historical rate	Remuneration
January 26, 2005	EUR 728 M		EUR 728 M	728	4.196%, from 2015 3-month Euribor +1.53% annually
April 5, 2007	USD 63 M		USD 63 M	47	3-month USD Libor +0.75% annually, from 2017 3-month USD Libor +1.75% annually
April 5, 2007	USD 808 M		USD 808 M	604	5.922%, from 2017 3-month USD Libor +1.75% annually
December 19, 2007	EUR 463 M		EUR 463 M	463	6.999%, from 2018 3-month Euribor +3.35% annually
May 22, 2008	EUR 795 M	EUR 795 M	-	-	7.756%, from 2013 3-month Euribor +3.35% annually
June 16, 2008	GBP 506 M		GBP 506 M	642	8.875%, from 2018 3-month GBP Libor +3.4% annually
February 27, 2009	USD 450 M		USD 450 M	356	9.5045%, from 2016 3-month USD Libor +6.77% annually
September 4, 2009	EUR 905 M		EUR 905 M	905	9.375%, from 2019 3-month Euribor +8.901% annually
October 7, 2009	USD 1,000 M		USD 1,000 M	681	8.75%
September 6, 2013			USD 1,250 M	953	8.25%, from November 29, 2018 USD 5-year Mid Swap Rate +6.394%
December 18, 2013			USD 1,750 M	1,273	7.875%, from December 18, 2023, USD 5-year Mid Swap Rate + 4,979 %

Changes related to the perpetual subordinated notes and to the deeply subordinated notes included in *Retained earnings* are detailed below:

(In millions of euros)	Deeply subordinated notes	Perpetual subordinated notes	Total
Remuneration paid booked under dividends (2013 Dividends paid line)	(414)	(78)	(492)
Changes in nominal values in 2013	1,431	(1,137)	294
Tax savings on the remuneration payable to shareholders and recorded under reserves	133	26	159
Issuance fees relating to perpetual subordinated note issued in 2013	(13)	-	(13)
Net result related to the redemption of the perpetual subordinated note in 2013	-	(19)	(19)

3. Dividends paid

Dividends paid by the Societe Generale Group in 2013 amounted to EUR 1,047 million and are detailed in the following table:

(In millions of euros)	Group Share	Non-controlling interests	Total
Ordinary shares	(341)	(191)	(532)
o/w paid in shares	*(226)*	-	*(226)*
o/w paid in cash	*(115)*	*(191)*	*(306)*
Other equity instruments	(492)	(23)	(515)
Total	**(833)**	**(214)**	**(1,047)**

Note 29

Commitments

1. Commitments granted and received

Commitments granted

(In millions of euros)	December 31, 2013	December 31, 2012
Loan commitments		
To banks	11,166	8,623
To customers [1]		
Issuance facilities	-	-
Confirmed credit lines	116,824	119,079
Others	1,973	2,442
Guarantee commitments		
On behalf of banks	10,515	6,831
On behalf of customers [1] [2]	52,050	53,181
Securities commitments		
Securities to be delivered	30,362	21,382

Commitments received

(In millions of euros)	December 31, 2013	December 31, 2012
Loan commitments		
From banks	65,326	42,697
Guarantee commitments		
From banks	67,582	63,776
Other commitments [3]	72,644	73,440
Securities commitments		
Securities to be received	31,105	21,135

(1) As at December 31, 2013, credit lines and guarantee commitments granted to securisation vehicles and other special purpose vehicles amounted to EUR 8,922 million and EUR 657 million respectively.

(2) Including capital and performance guarantees given to the holders of units in mutual funds managed by entities of the Group.

(3) Including guarantees granted by government and official agencies and other guarantees granted by customers for EUR 35,743 million as at December 31, 2013 versus 33,204 million as at December 31, 2012. The remaining balance mainly comprises securities and assets pledged as a guarantee for EUR 1,341 million as at December 31, 2013 versus EUR 1,343 million as at December 31, 2012.

2. Forward financial instrument commitments (notional amounts)

	December 31, 2013		December 31, 2012	
(In millions of euros)	Trading transactions	Hedging transactions	Trading transactions	Hedging transactions
Interest rate instruments				
Firm transactions				
Swaps	10,894,293	265,291	10,014,755	263,815
Interest rate futures	2,183,548	854	2,028,168	1,438
Options	*2,281,077*	*5,053*	*2,546,427*	*5,311*
Foreign exchange instruments				
Firm transactions	*1,966,691*	*7,604*	*1,996,807*	*8,904*
Options	*508,241*	-	*494,730*	-
Equity and index instruments				
Firm transactions	*74,793*	-	*59,538*	-
Options	*744,734*	*49*	*543,795*	*2*
Commodity instruments				
Firm transactions	*140,509*	-	*126,604*	-
Options	*54,022*	-	*60,327*	-
Credit derivatives	**905,947**	**-**	**1,073,793**	**-**
Other forward financial instruments	**12,469**	**285**	**6,108**	**393**

Securitisation transactions on behalf of external counterparties

The Societe Generale Group carries out securitisation transactions on behalf of customers and investors and as such provides credit enhancement and liquidity facilities to the securitisation vehicles.

As at December 31, 2013, there were 2 non-consolidated vehicles (Barton and Antalis) structured by the Group on behalf of external counterparties. Total assets held by these vehicles and financed through the issuance of commercial papers amounted to EUR 6,654 million (EUR 6,938 million as at December 31, 2012).

The default risk on the assets held by these vehicles is borne by the transferers of the underlying receivables or by third parties. The Societe Generale Group provides an additional guarantee as a credit enhancement through the issuance of letters of credit in the amount of EUR 657 million (EUR 649 million as at December 31, 2012). Furthermore, the Group granted these vehicles short-term loan facilities in the amount of EUR 8,922 million at this date (EUR 9,180 million as at December 31, 2012).

Note 30

Assets pledged and received as security

1. Assets pledged as security

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Book value of assets pledged as security for liabilities [1]	172,146	183,080
Book value of assets pledged as security for transactions in financial instruments [2]	25,432	32,291
Book value of assets pledged as security for off-balance sheet commitments	750	614
Total	**198,328**	**215,985**

(1) Assets pledged as security for liabilities mainly include loans given as guarantees for liabilities (guarantees notably provided to the central banks).

(2) Assets pledged as security for transactions in financial instruments mainly include surety deposits.

2. Assets received as security and available for the entity

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Fair value of reverse repos	**140,061**	**146,913**

Note 31

Transferred financial assets

1. Transferred financial assets not derecognised

Transferred financial assets that are not derecognised include securities lending and repurchase agreements as well as certain loans transferred to consolidated securitisation vehicles.

The tables below show securities lending and repurchase agreements that only concern securities recognised on the asset side of the balance sheet in the categories indicated.
The accounting treatment of securities lending and repurchase agreements is presented in note 1 - Significant accounting principles.
With securities lending and repurchase agreements, the Group remains exposed to issuer default (credit risk) and to the increase or decrease of securities prices (market risk). The financial assets underlying securities lending and repurchase agreements cannot simultaneously be used as collateral in other transactions.

In 2013, four securitisations of customer loans have been subject to partial refinancing with external investors. The vehicles carrying these loans are consolidated by the Group.
The Group remains exposed to the majority of the risks and rewards associated with these loans. Furthermore, the loans can neither be used as collateral or sold outright in other transactions.

1.1. Repurchase agreements

	December 31, 2013		December 31, 2012	
(In millions of euros)	Carring amount of transferred assets	Carrying amount of associated liabilities	Carring amount of transferred assets	Carrying amount of associated liabilities
Available-for-sale securities	3,444	3,377	3,888	3,723
Securities at fair value through profit or loss	44,883	43,372	44,487	41,646
Total	**48,327**	**46,749**	**48,375**	**45,369**

1.2. Securities lending

	December 31, 2013		December 31, 2012	
(In millions of euros)	Carring amount of transferred assets	Carrying amount of associated liabilities	Carring amount of transferred assets	Carrying amount of associated liabilities
Securities at fair value through profit or loss	8,091	509	9,195	266
Total	**8,091**	**509**	**9,195**	**266**

1.3. Securitisation for which the counterparties to the associated liabilities have recourse only to the transferred assets

As at 31 December 2013

(In millions of euros)	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Customer loans	1,860	1,485	1,872	1,489	383
Total	**1,860**	**1,485**	**1,872**	**1,489**	**383**

As at 31 December 2012

(In millions of euros)	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Customer loans	1,055	835	1,073	840	233
Total	**1,055**	**835**	**1,073**	**840**	**233**

2. Transferred financial assets partially or fully derecognised

The Group has no material transferred financial assets that are either partially or fully derecognised.

Note 32

Breakdown of assets and liabilities by term to maturity

Contractual maturities of financial liabilities [1]

(In millions of euros at December 31, 2013)	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Undetermined	Total
Due to central banks	3,567	-	-	-	-	**3,567**
Financial liabilities at fair value through profit or loss, except derivatives	187,810	17,636	21,998	44,742	-	**272,186**
Due to banks	68,722	8,967	8,578	3,660	-	**89,927**
Customer deposits	288,811	22,183	28,219	5,326	-	**344,539**
Debt securities issued	42,939	25,719	37,800	16,470	-	**122,928**
Subordinated debts	145	364	3,942	2,059	-	**6,510**
Total Liabilities	**591,994**	**74,869**	**100,537**	**72,257**	**-**	**839,656**
Loan commitment granted	45,378	23,750	53,569	6,753	-	**129,450**
Guarantee commitments granted	28,201	7,132	12,592	12,341	-	**60,266**
Total commitments granted	**73,579**	**30,882**	**66,161**	**19,094**	**-**	**189,716**

(1) The displayed amounts are the contractual amounts except provisional interest and except derivatives.

Insurance company underwriting reserves [2]

(In millions of euros at December 31, 2013)	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Undetermined	Total
Insurance company underwriting reserves	7,480	6,522	24,843	58,322	-	**97,167**

(2) Breakdown of carrying accounting amounts.

Notional maturities of commitments in financial derivatives [3]

	ASSETS				LIABILITIES			
(In millions of euros at December 31, 2013)	Less than 1 year	1 to 5 years	More than 5 years	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest rate instruments								
Firm instruments								
Swaps	2,377,099	4,575,225	4,207,260	**11,159,584**	-	-	-	**-**
Interest rate futures	812,414	205,584	371	**1,018,369**	895,543	264,268	6,223	**1,166,034**
Options	309,002	484,528	316,810	**1,110,340**	338,607	521,102	316,081	**1,175,790**
Forex instruments								
Firm instruments	*1,236,710*	*524,171*	*213,413*	***1,974,294***	-	-	-	**-**
Options	*158,379*	*73,553*	*21,510*	***253,442***	*160,252*	*73,415*	*21,132*	***254,799***
Equity and index instruments								
Firm instruments	*17,433*	*3,271*	*876*	***21,580***	*42,977*	*6,488*	*3,748*	***53,213***
Options	*227,375*	*128,453*	*16,186*	***372,014***	*212,496*	*144,838*	*15,435*	***372,769***
Commodity instruments								
Firm instruments	*63,477*	*7,647*	*43*	***71,167***	*61,257*	*8,016*	*70*	***69,343***
Options	*15,452*	*10,302*	*21*	***25,775***	*17,228*	*10,916*	*103*	***28,247***
Credit derivatives	86,708	353,062	12,522	**452,292**	89,673	351,437	12,545	**453,655**
Other forward financial instruments	2,062	1,476	64	**3,602**	5,911	3,068	173	**9,152**

(3) These items are presented according to the contractual maturity of the financial instruments.

Note 33

Foreign exchange transactions

(In millions of euros)	December 31, 2013 Assets	Liabilities	Currencies bought, not yet received	Currencies sold, not yet delivered	December 31, 2012* Assets	Liabilities	Currencies bought, not yet received	Currencies sold, not yet delivered
EUR	759,501	798,551	18,745	17,329	775,855	812,717	20,499	14,189
USD	274,042	235,627	44,610	42,048	238,438	210,808	30,975	35,509
GBP	45,940	33,880	3,179	7,667	50,243	51,228	4,144	3,231
JPY	41,283	43,911	9,847	8,458	36,984	36,260	6,705	5,844
AUD	4,307	4,168	6,232	4,887	6,549	6,527	2,154	1,626
CZK	27,335	29,064	157	403	29,107	30,361	91	331
RUB	4,762	6,515	221	96	18,230	14,697	205	414
RON	15,752	13,567	84	150	5,588	6,279	124	96
Other currencies	62,340	69,979	10,620	11,318	89,895	82,012	15,812	9,085
Total	**1,235,262**	**1,235,262**	**93,695**	**92,356**	**1,250,889**	**1,250,889**	**80,709**	**70,325**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

Note 34

Insurance activities

Underwriting reserves of insurance companies

(In millions of euros)	December 31, 2013	December 31, 2012
Underwriting reserves for unit-linked policies	17,771	16,521
Life insurance underwriting reserves	74,767	70,043
Non-life insurance underwriting reserves	1,007	854
Deferred profit-sharing booked in liabilities	3,622	3,413
Total	**97,167**	**90,831**
Attributable to reinsurers	(501)	(440)
Underwriting reserves of insurance companies (including provisions for deferred profit-sharing) net of the share attributable to reinsurers	**96,666**	**90,391**

Statement of changes in underwriting reserves of insurance companies

(In millions of euros)	Underwriting reserves for unit-linked policies	Life insurance underwriting reserves	Non-life insurance underwriting reserves
Reserves at January 1, 2013 (except provisions for deferred profit-sharing)	**16,521**	**70,043**	**854**
Allocation to insurance reserves	253	2,568	127
Revaluation of unit-linked policies	1,294	-	-
Charges deducted from unit-linked policies	(102)	-	-
Transfers and arbitrage	(273)	265	-
New customers	2	84	-
Profit-sharing	93	1,892	-
Others	(17)	(85)	26
Reserves at December 31, 2013 (except provisions for deferred profit-sharing)	**17,771**	**74,767**	**1,007**

In accordance with IFRS 4 and Group accounting standards, the Liability Adequacy Test (LAT) was performed as at December 31, 2013. This test assesses whether recognised insurance liabilities are adequate, using current estimates of future cash flows under insurance policies. It is carried out on the basis of stochastic modelling similar to the one used for asset/liability management. The result of the test as at December 31, 2013 was conclusive.

Net investments of insurance companies

(In millions of euros before elimination of intercompany transactions)	December 31, 2013	December 31, 2012
Financial assets at fair value through Profit or Loss	**23,012**	**21,841**
Debt instruments	9,266	9,233
Equity instruments	13,746	12,608
Due from Banks	**10,648**	**9,888**
Available-for-sale financial assets	**78,555**	**70,484**
Debt instruments	67,652	59,020
Equity instruments	10,904	11,464
Investment property	**430**	**331**
Total [(1)]	**112,645**	**102,544**

(1) Investments in other Group companies that are made in representation of unit-linked liabilities are kept in the Group's consolidated balance sheet without any significant impact thereon.

Note 34 (continued)

Technical income from insurance companies

(In millions of euros)	2013	2012
Earned premiums	11,352	10,183
Cost of benefits (including changes in reserves)	(12,161)	(11,297)
Net income from investments	4,914	5,301
Other net technical income (expense)	(3,396)	(3,533)
Contribution to operating income before elimination of intercompany transactions	**709**	**654**
Elimination of intercompany transactions (2)	534	478
Contribution to operating income after elimination of intercompany transactions	**1,243**	**1,132**

(2) This essentially concerns the elimination of fees paid by the insurance companies to the distribution networks and the elimination of financial income on investments made in other Group companies.

Net Fee Income

(In millions of euros before elimination of intercompany transactions)	2013	2012
Received Fees		
Acquisition fees	526	413
Management fees	741	666
Others	36	33
Paid Fees		
Acquisition fees	(566)	(420)
Management fees	(328)	(322)
Others	(49)	(47)
Total Fees	**360**	**323**

Management of insurance risks

There are two main types of insurance risks:
• technical risks, mainly pricing risks and risks of discrepancies in total fluctuations in claim experience: in non-life insurance and individual personal protection alike, profits are exposed to risks of deterioration in claim rate observed compared to claim rate anticipated at the time the price schedule is established. Discrepancies can be linked to multiple complex factors such as changes in the behaviour of the policyholders (lapses), changes in the macroeconomic environment, pandemics, natural disasters, mortality, morbidity, longevity, etc.
• risks linked to the financial markets and ALM: in life insurance, insurers are exposed to the instabilities of the financial markets (changes in interest rates and stock market fluctuations) which can be made worse by the behaviour of policyholders.

Managing these risks is key to the insurance business line's activity. It is carried out by qualified and experienced teams, with major bespoke IT resources. Risks undergo regular monitoring and are reported to the General Management of both the entities concerned and the business lines.

In the area of pricing risks and risks of discrepancies in total loss experience, a number of guidelines are applied:
• heightened security for the risk acceptance process, with the aim of guaranteeing that the price schedule matches the policyholder’s risk profile from the very beginning. Proper application of these procedures is verified via Quality Audits and multi-annual Internal Audits. These processes have been ISO-certified;
• monitoring of claim/premium ratios on a regular basis, based on statistics developed per year of occurrence. This analysis (expansion of the portfolio, level of provisions for reported claims and for incurred but not reported claims) allows pricing adjustments to be made, where applicable, for the subsequent financial years;
• implementation of a reinsurance plan to protect the Group from major/serial claims.
Management of risks linked to the financial markets is just as much an integral part of the investment strategy as the aim of long-term performance. The optimisation of these two factors is highly influenced by the asset/liability balance. Liability commitments (guarantees offered to customers, maturity of policies), as well as the amounts booked under the major items on the balance sheet (shareholders’ equity, income, provisions, reserves, etc.) are analysed by the Finance and Risk Department of the insurance business line. Societe Generale’s overall asset and liability management policy is validated by the Group’s General Management at the ALM Committee meetings held every six months.

Risk management and analysis are based on the following key principles:

- Asset/liability risk management:
• monitoring of long-term cash flows: the term of a liability is matched against the term of an asset, and cash flow peaks are strictly controlled in order to minimise liquidity risks,
• close monitoring of the redemption flows and stress scenarios simulations,
• close monitoring of the equity markets and stress scenarios simulations,
• hedging of exchange rate risks (in the event of rise or drop in the markets) using financial instruments.

- Financial risk management via the establishment of limits:
• counterparty limits (e.g. limits according to the issuer’s country of domiciliation, distinction between sovereign issuers and private issuers),
• rating limits by issuer,
• limits per type of asset (e.g. equities, private equity).

All of these strategies are assessed by simulating various scenarios of financial market behaviour and insured party behaviour using stress tests and stochastic modelling.

Note 35

Interest income and expense

(In millions of euros)	2013	2012
Transactions with banks	**1,368**	**1,880**
Demand deposits and interbank loans	1,147	1,172
Securities purchased under resale agreements and loans secured by notes and securities	221	708
Transactions with customers	**14,587**	**16,245**
Trade notes	625	675
Other customer loans (1)	13,152	14,716
Overdrafts	680	715
Securities purchased under resale agreements and loans secured by notes and securities	130	139
Transactions in financial instruments	**9,947**	**10,233**
Available-for-sale financial assets	3,251	3,521
Held-to-maturity financial assets	43	52
Securities lending	6	11
Hedging derivatives	6,647	6,649
Finance leases	**1,369**	**1,546**
Real estate finance leases	255	278
Non-real estate finance leases	1,114	1,268
Total interest income	**27,271**	**29,904**
Transactions with banks	**(1,158)**	**(1,550)**
Interbank borrowings	(1,008)	(1,286)
Securities sold under resale agreements and borrowings secured by notes and securities	(150)	(264)
Transactions with customers	**(6,658)**	**(7,271)**
Regulated savings accounts	(1,292)	(1,385)
Other customer deposits	(5,261)	(5,699)
Securities sold under resale agreements and borrowings secured by notes and securities	(105)	(187)
Transactions in financial instruments	**(9,365)**	**(9,770)**
Debt securities issued	(2,444)	(2,614)
Subordinated and convertible debt	(351)	(375)
Securities borrowing	(22)	(35)
Hedging derivatives	(6,548)	(6,746)
Other interest expense	**-**	**(1)**
Total interest expense (2)	**(17,181)**	**(18,592)**
Including interest income from impaired financial assets	504	588

(1) Breakdown of other customer loans

(In millions of euros)	2013	2012
Short-term loans	4,733	5,659
Export loans	226	291
Equipment loans	2,205	2,464
Housing loans	4,491	4,614
Other customer loans	1,497	1,688
Total	**13,152**	**14,716**

(2) These expenses include the refinancing cost of financial instruments at fair value through P&L, which is classified in net gain or loss (See Note 37). Insofar as income and expenses booked in the income statement are classified by type of instrument rather than by purpose, the net income generated by activities in financial instruments at fair value through P&L must be assessed as a whole.

Note 36

Fee income and expense

(In millions of euros)	**2013**	**2012**
Fee income from		
Transactions with banks	152	211
Transactions with customers	2,697	2,739
Securities transactions	534	452
Primary market transactions	183	208
Foreign exchange transactions and financial derivatives	743	844
Loan and guarantee commitments	778	797
Services	3,667	3,961
Others	302	303
Total fee income	**9,056**	**9,515**
Fee expense on		
Transactions with banks	(133)	(151)
Securities transactions	(579)	(495)
Foreign exchange transactions and financial derivatives	(701)	(686)
Loan and guarantee commitments	(98)	(143)
Others	(1,038)	(1,063)
Total fee expense	**(2,549)**	**(2,538)**

Fee income and expense includes:

(In millions of euros)	**2013**	**2012**
Fee income excluding the effective interest rate linked to financial instruments which are not booked at fair value through profit or loss	3,863	3,980
Fee income linked to trust or similar activities	1,883	2,051
Fee expense excluding the effective interest rate linked to financial instruments which are not booked at fair value through profit or loss	(97)	(144)
Fee expense linked to trust or similar activities	(922)	(880)

Note 37

Net gains and losses on financial instruments at fair value through profit or loss

(In millions of euros)	2013	2012
Net gain/loss on non-derivative financial assets held for trading	14,252	7,025
Net gain/loss on financial assets measured using fair value option	1,332	(743)
Net gain/loss on non-derivative financial liabilities held for trading	(4,142)	(8,074)
Net gain/loss on financial liabilities measured using fair value option	(420)	3
Net gain/loss on derivative instruments	(6,698)	2,713
Net gain/loss on fair value hedging instruments	(1,330)	1,815
Revaluation of hedged items attributable to hedged risks	1,078	(1,202)
Ineffective portion of cash flow hedge	4	(4)
Net gain/loss on foreign exchange transactions	(274)	1,033
Total (1) (2) (3)	**3,802**	**2,566**

(1) Insofar as income and expenses booked in the income statement are classified by type of instrument rather than by purpose, the net income generated by activities in financial instruments at fair value through P&L must be assessed as a whole. It should be noted that the income shown here does not include the refinancing cost of these financial instruments, which is shown under interest expense and interest income.

(2) See Note 6 for the amount of financial instruments at Level 3 valuation.

(3) IFRS 13 « Fair value measurement » is applicable since January 1, 2013. The consequences of this standard concern essentially how the Group is considering its own credit risk in the fair value of derivative financial liabilities (Debt Value Adjustment – DVA). Besides, the precisions brought by this standard have led the Group to adjust how it considers the counterpart risk in the fair value of derivative financial assets (Credit Value Adjustment – CVA). The first application of IFRS 13 shall be prospective as from January 1, 2013, accordingly, the impact of these amendments on the Group's consolidated financial statements have been recorded in the income statement among Net gains and losses on financial instruments at fair value through profit or loss for an amount of EUR -120 million on December 31, 2013 that is made of a gain of EUR 85 million for DVA and a loss of EUR -205 million for CVA.

The remaining amount to be recorded in the income statement resulting from the difference between the transaction price and the amount which would be established at this date using valuation techniques, minus the amount recorded in the income statement after initial recognition in the accounts, breaks down as follows:

(In millions of euros)	2013	2012
Remaining amount to be recorded in the income statement as at January 1	834	765
Amount generated by new transactions within the period	599	372
Amount recorded in the income statement within the period	(421)	(303)
Amortisation	*(192)*	*(169)*
Switch to observable parameters	*(19)*	*(19)*
Expired or terminated	*(210)*	*(115)*
Remaining amount to be recorded in the income statement as at December 31	**1,012**	**834**

This amount is recorded in the income statement over time or when the valuation techniques switch to observable parameters.

Note 38

Net gains and losses on available-for-sale financial assets

(In millions of euros)	**2013**	**2012**
Current activities		
Gains on sale [(1)]	1,041	1,403
Losses on sale [(2)]	(388)	(359)
Impairment losses on variable-income securities	(4)	(54)
Deferred profit-sharing on available-for-sale financial assets of insurance subsidiaries	(445)	(312)
Sub-total	**204**	**678**
Long-term equity investments		
Gains on sale	99	116
Losses on sale	(5)	(14)
Impairment losses on variable-income securities	(16)	(145)
Sub-total	**78**	**(43)**
Total	**282**	**635**

(1) O/w EUR 784 million for Insurance activities as at December 31, 2013.

(2) O/w EUR -288 million for Insurance activities as at December 31, 2013.

Note 39

Income and expenses from other activities

(In millions of euros)	**2013**	**2012**
Income from other activities		
Real estate development	81	70
Real estate leasing	81	69
Equipment leasing	6,683	6,547
Other activities (1) (2)	52,243	32,134
Sub-total	**59,088**	**38,820**
Expenses from other activities		
Real estate development	(3)	-
Real estate leasing	(48)	(36)
Equipment leasing	(4,506)	(4,566)
Other activities (2) (3)	(52,848)	(32,912)
Sub-total	**(57,405)**	**(37,514)**
Net total	**1,683**	**1,306**

(1) O/w EUR 12,551 million for Insurance activities as at December 31, 2013.

(2) The increase of income and expenses from other activities is mainly due to the development of activities on non-ferrous metals on the London Metal Exchange in 2013.

(3) O/w EUR -12,052 million for Insurance activities as at December 31, 2013.

Note 40

Personnel and other operating expenses

Personnel expenses

(In millions of euros)	**2013**	**2012***
Employee compensation	(6,511)	(6,858)
Social security charges and payroll taxes	(1,600)	(1,663)
Net pension expenses - defined contribution plans	(665)	(626)
Net pension expenses - defined benefit plans	(168)	(119)
Employee profit-sharing and incentives	(281)	(227)
Total	**(9,225)**	**(9,493)**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

Other operating expenses

(In millions of euros)	**2013**	**2012**
Other operating expenses (1)	**(6,253)**	**(6,000)**

(1) Including EUR -446 million at December 31, 2013 in respect of the agreement with the European Commission following the Euribor investigations.

Note 41

Share-based payment plans

1. Expenses recorded in the income statement

(In millions of euros)	2013			2012		
	Cash settled plans	Equity settled plans	Total plans	Cash settled plans	Equity settled plans	Total plans
Net expenses from stock purchase plans *	-	61.0	**61.0**	-	-	**-**
Net expenses from stock option and free share plans	200.8	83.8	**284.6**	160.5	133.0	**293.5**

* See paragraph 4. Allocation of Societe Generale shares with a discount.

The charge described above relates to equity-settled plans and to cash-settled plans.

2. Main characteristics of Societe Generale stock-option plans and free share plans

2.1. Equity-settled stock option plans for Group employees for the year ended December 31, 2013 are briefly described below:

2.1.1 Stock options (purchase and subscription)

For plans 2006 to 2008, the information provided is limited due to the situation of the plans.

Issuer	Societe Generale	Societe Generale	Societe Generale	Societe Generale	Societe Generale
Year of allocation	**2006**	**2007**	**2008**	**2009**	**2010**
Type of plan				subscription stock option	subscription stock option
Shareholders agreement				05.27.2008	05.27.2008
Board of Directors' decision	01.18.2006	01.19.2007	03.21.2008	03.09.2009	03.09.2010
Number of stock-options granted (1)				1 344 552 (3)	1,000,000
O/w number of stock-options granted to Executive Committee members				155,289	415,596
Number of Executive Committee beneficiaries				7	10
Contractual life of options granted	7 years	7 years	7 years	7 years	7 years
Settlement				Societe Generale shares	Societe Generale shares
Vesting period				03.09.2009 - 03.31.2012	03.09.2010 - 03.31.2014
Performance conditions				yes (2)	yes (2)
Resignation from the Group				forfeited	forfeited
Redundancy				forfeited	forfeited
Retirement				maintained	maintained
Death				maintained for 6 months	maintained for 6 months
Share price at grant date (in euros) (1) (4)				23.18	43.64
Discount				0%	not applicable
Exercise price (in euros) (1)	93.03	115.6	63.6	23.18	41.2
Options authorised but not allocated				-	-
Options exercised as at December 31, 2013				77,290	-
Options forfeited as at December 31, 2013				910,675	649,762
Options outstanding as at December 31, 2013	-	1,087,738	1,002,539	356,587	350,238
Number of shares reserved as at December 31, 2013				-	-
Share price of shares reserved (in euros)				-	-
Total value of shares reserved (in millions of euros)				-	-
First authorised date for selling shares				03.31.2013	03.31.2014
Delay for selling after vesting period				1 year	-
Fair value (% of the share price at grant date)				27%	26% (5)
Valuation method used to determine the fair value				Monte-Carlo	Monte-Carlo

(1) In accordance with IAS 33, as a result of the detachment of Societe Generale share preferential subscription right, the historical share data have been adjusted for the coefficients given by Euronext which reflect the portion attributable to the share after detachment following the capital increases which took place in the fourth quarter of 2009.

(2) The performance conditions are described in the "corporate governance" section. For the options granted in 2009, the performance conditions on the arithmetic average EPS 2009-2011 were not met.

(3) Of which 320,000 options initially granted to the Chief Executive Officer and his deputies who gave them up. These options have thus been forfeited.

(4) Average share price of 20 days prior to grant date for the 2009 plan and closing share price at grant date for the 2010 plan.

(5) Given that the condition related to the ROE is not met, the options with such condition have a fair value which includes the condition on the TSR and is equal to 7%.

Note 41 (continued)

Share-based payment plans

2.1.2. Free shares

Issuer	Societe Generale	Societe Generale	Societe Generale	Societe Generale	Societe Generale
Year	**2009**	**2010**	**2011**	**2012**	**2013**
Shareholders agreement	05.27.2008	05.27.2008	05.25.2010	05.25.2010	05.22.2012
Board of Directors' decision	01.20.2009	03.09.2010	03.07.2011	03.02.2012	03.14.2013
Number of free shares granted (6)	3,155,781	4,200,000	2,351,605	2,975,763	1,846,313
Number of beneficiaries	4,760	5,617	5,969	6,363	6,338
O/w number of free shares granted to Executive Committee members	16,140	20,873	190,009	-	-
Number of Executive Committee beneficiaries	7	10	14	-	-
Settlement	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares	Societe Generale shares
Vesting period	01.20.2009 - 03.31.2012 (8)	Sub-plan n°1 : 03.09.2010 - 03.31.2013 (8) Sub-plan n°2 : 03.09.2010 - 03.31.2012 03.09.2010 - 03.31.2013 (10)	03.07.2011 - 03.31.2013 (10) (11)	03.02.2012 - 03.31.2014 (10) (11)	03.14.2013 - 03.31.2015 (10)(11)
Performance conditions	yes (7)	performance condition for certain recipients (7)	yes (7)	yes (7)	yes (7)
Resignation from the Group	forfeited	forfeited	forfeited	forfeited	forfeited
Redundancy	forfeited	forfeited	forfeited	forfeited	forfeited
Retirement	maintained	maintained	maintained	maintained	maintained
Death	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months	maintained for 6 months
Share price at grant date (6)	23.36	43.64	46.55	25.39	30.50
Shares delivered as at December 31, 2013	2,248,553	2,796,586	1,533,893	3,923	-
Shares forfeited as at December 31, 2013	907,228	1,192,480	527,841	81,545	9,686
Shares outstanding as at December 31, 2013	-	210,934	289,871	2,890,295	1,836,627
Number of shares reserved as at December 31, 2013	-	210,934	289,871	2,890,295	1,836,627
Share price of shares reserved (In euros)	59.70	47.71	45.67	29.75	18.94
Total value of shares reserved (In millions of euros)	-	10	13	86	35
First authorised date for selling the shares	03.31.2014	Sub-plan n°1 : 03.31.2015 Sub-plan n°2 : 03.31.2014 03.31.2015	03.31.2015	04.01.2016	04.01.2017
Delay for selling after vesting period	2 years	2 years	2 years (11)	2 years (11)	2 years (11)
Fair value (% of share price at grant date)	78%	vesting period 2 years : 86% vesting period 3 years : 82% (9)	86% (12)	86%	86% for french tax residents 89% for non-french tax residents
Valuation method used to determine fair value	Arbitrage	Arbitrage	Arbitrage	Arbitrage	Arbitrage

(6) In accordance with IAS 33, as a result of the detachment of Societe Generale share preferential subscription right, the historical share data have been adjusted for the coefficients given by Euronext which reflect the portion attributable to the share after detachment following the capital increase which took place in the fourth quarter of 2009.

(7) The performance conditions are described in the "corporate governance" section. For the shares granted in 2009, the performance conditions on the arithmetic average EPS 2009-2011 were not met.

(8) For non-French tax residents, the vesting period is increased by one year and there is no mandatory holding period.

(9) Given that the condition related to the ROE is not met, the shares with such condition have a fair value which includes the condition on the TSR and is equal to 16%.

(10) In accordance with the provision of the Ministerial Order issued in France on November 3, 2009 and related to the remuneration of employees whose activities may have consequences on the risk exposure of banks and investment companies, the expense related to share-based payments granted to employees in financial markets is recorded in the income statement over the vesting period beginning on January 1 of the preceding year.

(11) For non-French tax residents, the vesting period is increased by two years and there is no mandatory holding period.

(12) Given that the conditions related to the ROE and EPS are not met, the shares with such conditions have a fair value which includes the condition on the TSR and is equal to 31% and 68% respectively.

2.2. Statistics concerning Societe Generale stock-option plans

Main figures concerning Societe Generale stock-option plans, for the year ended December 31, 2013:

	Options outstanding as at January 01, 2013	Options granted in 2013	Options forfeited in 2013	Options exercised in 2013	Options expired in 2013	Outstanding options as at December 31, 2013	Exercisable options as at December 31, 2013
Options granted in 2009	435,557	-	3,970	75,000	-	356,587	356,587
Options granted in 2010	976,354	-	626,116	-	-	350,238	-
Weighted average remaining contractual life						13 months	
Weighted average fair value at grant date (In euros)						15.2	
Weighted average share price at exercise date (In euros)				35.87			
Range of exercise prices (In euros)				25,50-42,35			

Note 41 (continued)

Share-based payment plans

Notes

* The main assumptions used to value Societe Generale stock-option plans are as follows:

	2009	2010
Risk-free interest rate	3.0%	2.9%
Implied share volatility	55%	29%
Forfeited rights rate	0%	0%
Expected dividend (yield) (% of the exercise price)	3.5%	1.3%
Expected life (after grant date)	5 years	5 years

The implied volatility used is that of Societe Generale 5-year share options traded OTC (TOTEM parameters), which was 29% in 2010. This implied volatility reflects the future volatility of the share.

3. Main characteristics of the free share plan granted to all employees of the Group

In order to involve all employees of the Group in the success of the Ambition SG 2015 program, the Board of Directors decided at a meeting on November 2, 2010 to grant 40 Societe Generale shares to each Group employee (nearly 159,000 employees in 79 countries). The grants are subject to presence and performance conditions. The vesting period and the holding period depend on the location of the entity in which the employee works:
- in France: the vesting period ends on March 29, 2013 for the first section i.e. 16 shares and on March 31, 2014 for the second section i.e. 24 shares. The shares are subject to a holding period of 2 years;
- International: the vesting period ends on March 31, 2015 for the first section i.e. 16 shares and on March 31, 2016 for the second section i.e. 24 shares. There is no holding period.

The performance conditions are described in chapter 6 "Human Resources".

There were no shares reserved at December 31, 2013 for the plan because it is a subscription plan.

The share price at the grant date is equal to EUR 42.1. The valuation method used to determine the fair values is the arbitrage model. These fair values (expressed as a % of the share price at the grant date) amount to:
- for France: 85% for the first section and 82% for the second section;
- International: 82% for the first section and 79% for the second section.

In countries where the granting of free shares is not possible or too complex, Societe Generale share cash equivalents are granted under the same presence and performance conditions applicable to free shares granted.

An assumption on annual withdrawal rate is applied for the determination of the plan expense; it amounts to 3.5% per year on average for employees eligible for the plan in France and to 11% per year on average for employees eligible for the plan outside France.

4. Information on other plans

Allocation of SG shares with a discount rate - Global employee share ownership plan

As part of the Group employee shareholding policy, on April 16, 2013 Societe Generale offered its employees the opportunity to subscribe to a reserved capital increase at a share price of EUR 21.33, with a discount of 20% compared of the average of the 20 Societe Generale share prices before this date.
The number of shares subscribed was 8,665,630, representing an 2013 expense of EUR 61.0 million for the Group taking into account the qualified 5-year holding period.
The valuation model used, which complies with the recommendation of the National Accounting Board on the accounting treatment of company savings plans, compares the gain the employee would have obtained if he had been able to sell the shares immediately and the notional cost that the 5-year holding period represents to the employee.
This notional 5-year holding period cost is valuated as the net cost of the Societe Generale shares cash purchase financed by a non affected and non revolving 5 years credit facilities and by a forward sale of these same 5 years maturity shares.
The main market parameters to valuate these 5-year holding period cost at the subscription date are :
- average SG share price retained for the subscription period: EUR 31.238,
- interest rate of a non-affected five years facilities credit applicable to market actors which are benefiting of non-transferable shares: 6.93%.
The notional 5-year holding period cost is valued at 9.2% of the reference price before discount.

Shares granted to each chief executive director

These shares are either granted as payment of part of the deferred annual variable pay, as required by the CRD III European Directive, or these shares are awarded within the chief executive directors' long term incentive plan. These plans are described in the "corporate governance" section.

Note 42

Cost of risk

(In millions of euros)	**2013**	**2012**
Counterparty risk		
Net allocation to impairment losses	(3,347)	(3,228)
Losses not covered	(289)	(466)
on bad loans	*(227)*	*(423)*
on other risks	*(62)*	*(43)*
Amounts recovered	151	151
on bad loans	*147*	*132*
on other risks	*4*	*19*
Other risks		
Net allocation to other provisions [(1)]	(567)	(392)
Total [(2)]	**(4,052)**	**(3,935)**

(1) To take into account the developments in a number of legal risks, including in particular the ongoing judicial investigations and proceedings with the US and European authorities, as well as the French "Conseil d'Etat" ruling on the "precompte", the Group has recognised a provision for disputes among its liabilities that has been adjusted at December 31, 2013 by an additional allowance of EUR 400 to raise it to EUR 700 million.

(2) Allocations to provisions for legacy assets amounted to EUR -382 million as at December 31, 2013 versus EUR -262 million as at December 31, 2012.

Note 43

Income tax

(In millions of euros)	2013	2012*
Current taxes	(1,207)	(1,128)
Deferred taxes	674	787
Total taxes (1)	**(533)**	**(341)**

(1) Reconciliation of the difference between the Group's standard tax rate and its effective tax rate:

	2013	2012*
Income before tax excluding net income from companies accounted for by the equity method and impairment losses on goodwill (in millions of euros)	2,955	2,254
Normal tax rate applicable to French companies (including 3.3% tax contributions)	34.43%	34.43%
Permanent differences	3.83%	12.11%
Differential on securities tax exempt or taxed at reduced rate	-4.34%	-15.27%
Tax rate differential on profits taxed outside France	-10.72%	-13.57%
Impact of non-deductible losses and use of tax losses carried forward	-5.17%	-2.55%
Group effective tax rate (2)	**18.03%**	**15.15%**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

(2) The variation of the Group effective tax rate compared to December 31, 2012 is mainly attributable to the relative share of profits made outside France.

In France, the standard Corporate Income Tax rate is 33.33%. A Contribution Sociale (national contribution payment based on pre-tax earnings) was introduced in 2000 equal to 3.3% (after a deduction from basic taxable income of EUR 0.76 million). In 2011, an additional contribution of 5% was introduced, in respect of fiscal years 2011 and 2012 and subsequently renewed for fiscal years 2013 and 2014 at a tax rate of 10.7%, applicable to profitable companies generating revenue in excess of EUR 250 million.

Long-term capital gains on equity investments are exempt, subject to taxation of a portion of fees and expenses at the full statutory tax rate. Since December 31, 2012, in accordance with the 2013 Finance Law, this portion of fees and expenses has been 12% of gross capital gains, versus 10% of net capital gains previously.

Dividends from companies in which Societe Generale's equity interest is at least 5% are tax exempt, subject to taxation of a 5% portion of fees and expenses at the full statutory tax rate.

The standard tax rate applicable to French companies to determine their deferred tax is 34.43%. The reduced rate is 4.13% taking into account the nature of the taxed transactions.

Note 44

Earnings per share

(In millions of euros)	**2013**	**2012***
Net income, Group share	2,175	790
Net attributable income to deeply subordinated notes	(254)	(266)
Net attributable income to perpetual subordinated notes shareholders	(49)	(16)
Issuance fees relating to perpetual subordinated notes	-	(11)
Issuance fees relating to deeply subordinated notes	(13)	-
Net gain related to the redemption of the deeply subordinated notes at a price below the issuance value	-	2
Net result related to the redemption of the perpetual subordinated notes at a price above the issuance value	(19)	-
Net attributable income to ordinary shareholders	**1,840**	**499**
Weighted average number of ordinary shares outstanding (1)	766,489,330	751,736,154
Earnings per ordinary share (In EUR)	**2.40**	**0.66**
Average number of ordinary shares used in the dilution calculation (2)	339,295	1,023,545
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	766,828,625	752,759,699
Diluted earnings per ordinary share (In EUR)	**2.40**	**0.66**

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

(1) Excluding treasury shares.

(2) The number of shares used in the dilution calculation is computed using the "shares buy-back" method and takes into account free shares and stock-options plans.
Stock-option plans' dilutive effect depends on the average stock-market price of Societe Generale which is EUR 33.24 for 2013.
In this context, as at December 31, 2013, free shares without performance condition of 2009 and 2010 plans are considered as dilutive.The characteristics of the stock-option and free shares plans can be found in Note 41 "Share-base payment plans".

Note 45

Transactions with related parties

1. Definition

In accordance with the definitions provided under IAS 24, the Group's related parties include the following: members of the Board of Directors, corporate officers (the Chairman and Chief Executive Officers and the three Deputy Chief Executive Officers), their respective spouses and any children residing in the family home, and the subsidiaries which are either controlled exclusively or jointly by the Group, i.e. companies over which Societe Generale exercises significant influence.

1.1. Remuneration of the Group's managers

This includes amounts effectively paid by the Group to Directors and Chief Executive Officer and his deputies as remuneration (including employer contributions), and other benefits under IAS 24 - paragraph 17 - as indicated below.

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Short-term benefits	9.1	8.0
Post-employment benefits	0.4	0.4
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	2.5	0.4
Total	**12.0**	**8.8**

The Registration Document contains a detailed description of the remuneration and benefits of the Group's senior managers.

1.2. Related party transactions

The transactions with members of the Board of Directors, corporate officers and members of their families included in this note comprise loans and guarantees outstanding as at December 31, 2013, for a total amount of EUR 0.5 million. All other transactions with these individuals were insignificant.

1.3. Total amounts provisioned or booked by the Societe Generale Group for the payment of pensions and other benefits

The total amount provisioned or booked by the Societe Generale Group at December 31, 2013 under IAS 19 for the payment of pensions and other benefits to Societe Generale's Deputy Chief Executive Officers (Mr Cabannes, Mr Sammarcelli and Mr Sanchez Incera) and the two staff-elected Directors was EUR 8.6 million.

Note 45 (continued)

Transactions with related parties

2. Principal subsidiaries and affiliates [1]

Outstanding assets with related parties

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Financial assets at fair value through profit or loss	98	61
Other assets	1,392	1,490
Total outstanding assets	**1,490**	**1,551**

Outstanding liabilities with related parties

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Liabilities at fair value through profit or loss	339	117
Customer deposits	719	487
Other liabilities	1,362	1,237
Total outstanding liabilities	**2,420**	**1,841**

Net banking income from related parties

(In millions of euros)	**2013**	**2012**
Interest and similar income	(3)	(6)
Fees	171	131
Net income from financial transactions	35	27
Net income from other activities	(4)	(11)
Net banking income	**199**	**141**

Commitments to related parties

(In millions of euros)	**December 31, 2013**	**December 31, 2012**
Loan commitments granted	-	-
Guarantee commitments granted	754	902
Forward financial instrument commitments	4,987	8,005

(1) Entities consolidated using the proportionate method and equity method.

Note 46
Companies included in the consolidation scope

	COUNTRY	METHOD *	Group ownership interest		Group voting interest	
			December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
FRANCE						
BANKS						
. BANQUE FRANCAISE COMMERCIALE OCEAN INDIEN	France	FULL	49.99	49.99	49.99	49.99
. SOCIETE ANONYME DE CREDIT A L'INDUSTRIE FRANCAISE (CALIF)	France	FULL	100.00	100.00	100.00	100.00
. CREDIT DU NORD(1)	France	FULL	100.00	100.00	100.00	100.00
. GENEBANQUE	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE DE BANQUE AUX ANTILLES	France	FULL	100.00	100.00	100.00	100.00
FINANCIAL COMPANIES						
. SOCIETE GENERALE SECURITIES SERVICES FRANCE	France	FULL	100.00	100.00	100.00	100.00
. INTER EUROPE CONSEIL	France	FULL	100.00	100.00	100.00	100.00
. INTERGA(8)	France	FULL	-	100.00	-	100.00
. LYXOR ASSET MANAGEMENT	France	FULL	100.00	100.00	100.00	100.00
. LYXOR INTERNATIONAL ASSET MANAGEMENT	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE HOLDING DE PARTICIPATIONS(7)	France	FULL	-	100.00	-	100.00
. SG EUROPEAN MORTGAGE INVESTMENTS	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE SCF	France	FULL	100.00	100.00	100.00	100.00
. AMUNDI GROUP(1)	France	EQUITY	25.00	24.97	25.00	25.00
. FCT CODA(9)	France	FULL	-	-	-	-
. FCT BLANCO(9)	France	FULL	-	-	-	-
. FCT RED & BLACK CONSUMER 2008-1 (5)	France	FULL	-	100.00	-	100.00
. FCT WATER DRAGON(2) (9)	France	FULL	-	-	-	-
. FQA FUND(2) (9)	France	FULL	-	-	-	-
SPECIALIST FINANCING						
. AIR BAIL	France	FULL	100.00	100.00	100.00	100.00
. TEMSYS(1)	France	FULL	100.00	100.00	100.00	100.00
. ALD INTERNATIONAL(1)	France	FULL	100.00	100.00	100.00	100.00
. COMPAGNIE FINANCIERE DE BOURBON	France	FULL	99.99	99.99	100.00	100.00
. COMPAGNIE GENERALE DE LOCATION D'EQUIPEMENTS(1)	France	FULL	99.88	99.88	99.88	99.88
. DISPONIS	France	FULL	99.94	99.94	100.00	100.00
. EVALPARTS	France	FULL	100.00	100.00	100.00	100.00
. FENWICK LEASE	France	FULL	99.99	99.99	100.00	100.00
. FRANFINANCE	France	FULL	99.99	99.99	99.99	99.99
. FRANFINANCE LOCATION	France	FULL	99.99	99.99	100.00	100.00
. GENECAL FRANCE	France	FULL	100.00	100.00	100.00	100.00
. GENECOMI	France	FULL	99.70	99.70	99.70	99.70
. ORPAVIMOB	France	FULL	100.00	100.00	100.00	100.00
. RUSFINANCE SAS	France	FULL	100.00	100.00	100.00	100.00
. SAGEMCOM LEASE	France	FULL	99.99	99.99	100.00	100.00
. SOCIETE GENERALE EQUIPMENT FINANCE S.A.	France	FULL	99.99	100.00	99.99	100.00
. SG SERVICES	France	FULL	100.00	100.00	100.00	100.00
. SOGEFIMUR(1)	France	FULL	100.00	100.00	100.00	100.00
. SOGEFINANCEMENT(1)	France	FULL	100.00	100.00	100.00	100.00
. SOGEFINERG SG POUR LE FINANCEMENT DES INVESTISSEMENTS ECONOMISANT L'ENERGIE	France	FULL	100.00	100.00	100.00	100.00
. SOGELEASE FRANCE	France	FULL	100.00	100.00	100.00	100.00
. SOLOCVI	France	FULL	99.99	99.99	100.00	100.00
. FCT RED & BLACK FRENCH SMALL BUSINESS	France	FULL	100.00	100.00	100.00	100.00
. LA BANQUE POSTALE FINANCEMENT	France	EQUITY	35.00	35.00	35.00	35.00
. SOCIETE GENERALE SFH	France	FULL	100.00	100.00	100.00	100.00
. PHILIPS MEDICAL CAPITAL FRANCE	France	FULL	59.99	59.99	60.00	60.00
PORTFOLIO MANAGEMENT						
. FCT R&B BDDF PPI(9)	France	FULL	-	-	-	-
. FCC ALBATROS	France	FULL	100.00	100.00	51.00	51.00
. FINAREG	France	FULL	100.00	100.00	100.00	100.00
. GENE ACT 1	France	FULL	100.00	100.00	100.00	100.00
. GENEFINANCE	France	FULL	100.00	100.00	100.00	100.00
. GENEVAL(1)	France	FULL	100.00	100.00	100.00	100.00
. GENINFO	France	FULL	100.00	100.00	100.00	100.00
. LIBECAP	France	FULL	100.00	100.00	100.00	100.00
. LA FONCIERE DE LA DEFENSE	France	FULL	99.99	99.99	100.00	100.00
. SG CAPITAL DEVELOPPEMENT	France	FULL	100.00	100.00	100.00	100.00
. SG CONSUMER FINANCE(1)	France	FULL	100.00	100.00	100.00	100.00
. SG FINANCIAL SERVICES HOLDING	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE SECURITIES SERVICES HOLDING(1)	France	FULL	100.00	100.00	100.00	100.00
. SOGEFIM HOLDING	France	FULL	100.00	100.00	100.00	100.00
. SOGENAL PARTICIPATIONS	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE DE PARTICIPATIONS	France	FULL	100.00	100.00	100.00	100.00
. SOGEPARTICIPATIONS(1)	France	FULL	100.00	100.00	100.00	100.00
. SOGEPLUS(8)	France	FULL	-	100.00	-	100.00
. SOCIETE GENERALE CAPITAL PARTENAIRES	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE DE LA RUE EDOUARD VII	France	FULL	99.91	99.91	99.91	99.91
. VOURIC	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE PARTICIPATIONS INDUSTRIELLES	France	FULL	100.00	100.00	100.00	100.00
BROKERS						
. BOURSORAMA SA(1)	France	FULL	57.24	57.31	57.24	57.31
. SOCIETE GENERALE ENERGIE	France	FULL	100.00	100.00	100.00	100.00
. SG EURO CT	France	FULL	100.00	100.00	100.00	100.00
. SG OPTION EUROPE	France	FULL	100.00	100.00	100.00	100.00
. SG SECURITIES (PARIS) SAS	France	FULL	100.00	100.00	100.00	100.00
. NEWEDGE GROUP (1)	France	PROP	50.00	50.00	50.00	50.00
REAL ESTATE AND REAL ESTATE FINANCING						
. GALYBET	France	FULL	100.00	100.00	100.00	100.00
. GENEFIM(1)	France	FULL	100.00	100.00	100.00	100.00
. GENEFIMMO HOLDING(1)	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE POUR LE DEVELOPPEMENT DES OPERATIONS DE CREDIT-BAIL IMMOBILIER "SOGEBAIL"	France	FULL	100.00	100.00	100.00	100.00
. SOGEPROM(1)	France	FULL	100.00	100.00	100.00	100.00
. SOPHIA-BAIL	France	FULL	51.00	51.00	51.00	51.00

Note 46

Companies included in the consolidation scope

	COUNTRY	METHOD *	Group ownership interest		Group voting interest	
			December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
SERVICES						
. COMPAGNIE GENERALE D'AFFACTURAGE	France	FULL	100.00	100.00	100.00	100.00
. PAREL	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE SECURITIES SERVICES NET ASSET VALUE	France	FULL	99.88	100.00	99.88	100.00
GROUP REAL ESTATE MANAGEMENT COMPANIES						
. COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)(1)	France	FULL	100.00	100.00	100.00	100.00
. ELEAPARTS	France	FULL	100.00	100.00	100.00	100.00
. GENEGIS I	France	FULL	100.00	100.00	100.00	100.00
. GENEGIS II	France	FULL	100.00	100.00	100.00	100.00
. GENEVALMY	France	FULL	100.00	100.00	100.00	100.00
. SOGEMARCHE	France	FULL	100.00	100.00	100.00	100.00
. SOGECAMPUS	France	FULL	100.00	100.00	100.00	100.00
. SC ALICANTE 2000	France	FULL	100.00	100.00	100.00	100.00
. SC CHASSAGNE 2000	France	FULL	100.00	100.00	100.00	100.00
. OPERA 72	France	FULL	99.99	99.99	100.00	100.00
. SOCIETE IMMOBILIERE DU 29 BOULEVARD HAUSSMANN	France	FULL	100.00	100.00	100.00	100.00
. SOGE PERIVAL I	France	FULL	100.00	100.00	100.00	100.00
. SOGE PERIVAL II	France	FULL	100.00	100.00	100.00	100.00
. SOGE PERIVAL III	France	FULL	100.00	100.00	100.00	100.00
. SOGE PERIVAL IV	France	FULL	100.00	100.00	100.00	100.00
. SOGEFONTENAY	France	FULL	100.00	100.00	100.00	100.00
. SOGINFO - SOCIETE DE GESTION ET D'INVESTISSEMENTS FONCIERS(1)	France	FULL	100.00	100.00	100.00	100.00
. SOCIETE DES TERRAINS ET IMMEUBLES PARISIENS (STIP)	France	FULL	99.99	99.99	100.00	100.00
. VALMINVEST	France	FULL	100.00	100.00	100.00	100.00
INSURANCE						
. GENECAR - SOCIETE GENERALE DE COURTAGE D'ASSURANCE ET DE REASSURANCE	France	FULL	100.00	100.00	100.00	100.00
. ORADEA VIE	France	FULL	100.00	100.00	100.00	100.00
. SOGECAP(1)	France	FULL	100.00	100.00	100.00	100.00
. SOGESSUR	France	FULL	100.00	100.00	100.00	100.00
. SOGECAP RISQUES DIVERS	France	FULL	100.00	100.00	100.00	100.00
EUROPE						
BANKS						
. OHRIDSKA BANKA AD SKOPJE	Macedonia	FULL	70.02	70.02	72.68	72.76
. COMMERCIAL BANK DELTACREDIT(1)	Russia	FULL	92.40	82.40	100.00	100.00
. BRD - GROUPE SOCIETE GENERALE(1)	Romania	FULL	60.17	60.17	60.17	60.17
. BANKA SOCIETE GENERALE ALBANIA SH.A.	Albania	FULL	88.64	88.64	88.64	88.64
. BANK REPUBLIC(1)	Georgia	FULL	93.64	93.64	93.64	93.64
. KOMERCNI BANKA A.S(1)	Czech Republic	FULL	60.73	60.73	60.73	60.73
. SOCIETE GENERALE BANK NEDERLAND N.V.	Netherlands	FULL	100.00	100.00	100.00	100.00
. SG EXPRESS BANK(1)	Bulgaria	FULL	99.74	99.74	99.74	99.74
. SG HAMBROS LIMITED (HOLDING)(1)	United Kingdom	FULL	100.00	100.00	100.00	100.00
. SG PRIVATE BANKING SUISSE SA(1)	Switzerland	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE BANKA SRBIJA	Serbia	FULL	100.00	100.00	100.00	100.00
. SOCIÉTÉ GÉNÉRALE BANK AND TRUST LUXEMBOURG(1)	Luxembourg	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE PRIVATE BANKING (MONACO)	Monaco	FULL	100.00	100.00	100.00	100.00
. SKB BANKA(1)	Slovenia	FULL	99.72	99.72	99.72	99.72
. SOCIETE GENERALE PRIVATE BANKING NV/SA	Belgium	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE-SPLITSKA BANKA D.D.(1)	Croatia	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE SECURITIES SERVICES S.P.A.	Italy	FULL	100.00	100.00	100.00	100.00
. ROSBANK(1)	Russia	FULL	92.40	82.40	92.40	82.40
. MOBIASBANCA GROUPE SOCIETE GENERALE	Moldova	FULL	79.93	79.93	87.90	87.90
. SOCIETE GENERALE BANKA MONTENEGRO A.D.	Montenegro	FULL	90.56	90.56	90.56	90.56
FINANCIAL COMPANIES						
. SGSS (IRELAND) LIMITED	Ireland	FULL	100.00	100.00	100.00	100.00
. SOLENTIS INVESTMENT SOLUTIONS PCC	Jersey	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE HEDGING LIMITED(9)	Ireland	FULL	-	-	-	-
. SG LDG	Luxembourg	FULL	100.00	100.00	100.00	100.00
. BRD FINANCE IFN S.A.	Romania	FULL	80.48	80.48	100.00	100.00
. BRIGANTIA INVESTMENTS B.V.	Netherlands	FULL	100.00	100.00	100.00	100.00
. CLARIS IV LTD(9)	Jersey	FULL	-	-	-	-
. SOCIETE GENERALE SECURITIES SERVICES LUXEMBOURG	Luxembourg	FULL	100.00	100.00	100.00	100.00
. HALYSA S.A..	Luxembourg	FULL	100.00	100.00	100.00	100.00
. IRIS II SPV LIMITED(9)	Ireland	FULL	-	-	-	-
. IVEFI SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
. LYXOR MASTER FUND	Jersey	FULL	100.00	100.00	100.00	100.00
. LYXOR ASSET MANAGEMENT (IRELAND) LIMITED	Ireland	FULL	100.00	100.00	100.00	100.00
. SG ISSUER	Luxembourg	FULL	100.00	100.00	100.00	100.00
. SGBF S.A.(5)	Belgium	FULL	-	100.00	-	100.00
. SOCIETE GENERALE CONSUMER FINANCE HOLDING HELLAS S.A.(1)	Greece	FULL	100.00	100.00	100.00	100.00
. SG EFFEKTEN	Germany	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE IMMOBEL(1)	Belgium	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED(1)	United Kingdom	FULL	100.00	100.00	100.00	100.00
. SOCIETE EUROPEENNE DE FINANCEMENT ET D'INVESTISSEMENT(5)	Luxembourg	FULL	-	100.00	-	100.00
. CODEIS SECURITIES S.A.	Luxembourg	FULL	100.00	100.00	100.00	100.00
. THE TURQUOISE FUND (4)	Luxembourg	FULL	-	100.00	-	100.00
. THE TURQUOISE II FUND(4)	Luxembourg	FULL	-	100.00	-	100.00
. PILLAR CAPITAL LIMITED PARTNERSHIP(4)	United Kingdom	FULL	-	100.00	-	100.00
. EUROPEAN FUND SERVICES SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
. CONDORCET OPPORTUNITY LIMITED(9)	Ireland	FULL	-	-	-	-
. CONDORCET VOLATILITY ARBITRAGE LIMITED(2) (9)	Ireland	FULL	-	-	-	-
. ARAMIS CORP. LIMITED(2) (9)	Guernsey	FULL	-	-	-	-
. CONDORCET CAPITAL STRUCTURE ARBITRAGE LIMITED(2) (9)	Ireland	FULL	-	-	-	-
. SOCIETE GENERALE FINANCING AND DISTRIBUTION(2) (9)	Luxembourg	FULL	-	-	-	-
. ARAMIS II SECURITIES CO, LTD (2) (9)	Guernsey	FULL	-	-	-	-
. COMPTOIR DE VALEURS DE BANQUE(1) (3)	Luxembourg	FULL	100.00	-	100.00	-

Note 46

Companies included in the consolidation scope

	COUNTRY	METHOD *	Group ownership interest		Group voting interest	
			December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
SPECIALIST FINANCING						
. ALD AUTOMOTIVE SRL	Romania	FULL	92.03	92.03	100.00	100.00
. SG EQUIPMENT FINANCE IBERIA, E.F.C, S.A.	Spain	FULL	100.00	100.00	100.00	100.00
. LLC RUSFINANCE(1)	Russia	FULL	92.40	82.40	100.00	100.00
. LLC RUSFINANCE BANK	Russia	FULL	92.40	82.40	100.00	100.00
. SG EQUIPMENT FINANCE ITALY S.P.A.	Italy	FULL	100.00	100.00	100.00	100.00
. AXUS SA/NV	Belgium	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE A/S(1)	Denmark	FULL	100.00	100.00	100.00	100.00
. AXUS FINLAND OY(1)	Finland	FULL	100.00	100.00	100.00	100.00
. AXUS ITALIANA SRL	Italy	FULL	100.00	100.00	100.00	100.00
. AXUS NEDERLAND BV	Netherlands	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE AS(1)	Norway	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE AB(1)	Sweden	FULL	100.00	100.00	100.00	100.00
. ALD AUTOLEASING D GMBH(1)	Germany	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE GROUP PLC(1)	United Kingdom	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE SRO	Czech Republic	FULL	100.00	100.00	100.00	100.00
. ALD INTERNATIONAL SAS & CO. KG(1)	Germany	FULL	100.00	100.00	100.00	100.00
. ALD LEASE FINANZ GMBH(1)	Germany	FULL	100.00	100.00	100.00	100.00
. SGALD AUTOMOTIVE SOCIEDADE GERAL DE COMERCIO E ALUGUER DE BENZ SA	Portugal	FULL	100.00	100.00	100.00	100.00
. ALD AUTOMOTIVE S.A.U	Spain	FULL	100.00	100.00	100.00	100.00
. AXUS LUXEMBOURG SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
. THE EIFFEL LIMITED PARTNERSHIP	United Kingdom	FULL	100.00	100.00	100.00	100.00
. ESSOX SRO	Czech Republic	FULL	80.00	80.00	100.00	100.00
. EURO BANK S.A.	Poland	FULL	99.52	99.52	99.52	99.52
. FIDITALIA S.P.A(1)	Italy	FULL	100.00	100.00	100.00	100.00
. FRAER LEASING SPA	Italy	FULL	73.85	73.85	73.85	73.85
. SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O.	Czech Republic	FULL	80.33	80.33	100.00	100.00
. SG LEASING SPA	Italy	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT LEASING POLSKA SP Z.O.O.	Poland	FULL	100.00	100.00	100.00	100.00
. GEFA GESELLSCHAFT FUR ABSATZFINANZIERUNG MBH(1)	Germany	FULL	100.00	100.00	100.00	100.00
. GEFA LEASING GMBH	Germany	FULL	100.00	100.00	100.00	100.00
. HANSEATIC BANK GMBH & CO KG(1)	Germany	FULL	75.00	75.00	75.00	75.00
. MONTALIS INVESTMENT BV	Netherlands	FULL	100.00	100.00	100.00	100.00
. SGBT FINANCE IRELAND LIMITED	Ireland	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE BENELUX BV	Netherlands	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE INTERNATIONAL GMBH(1)	Germany	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE SCHWEIZ AG	Switzerland	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE SA & CO KG(1)	Germany	FULL	100.00	100.00	100.00	100.00
. SG FACTORING SPA	Italy	FULL	100.00	100.00	100.00	100.00
. SG FINANS AS	Norway	FULL	100.00	100.00	100.00	100.00
. SG HOLDING DE VALORES Y PARTICIPATIONES S.L.	Spain	FULL	100.00	100.00	100.00	100.00
. SG LEASING XII	United Kingdom	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE ITALIA HOLDING S.P.A	Italy	FULL	100.00	100.00	100.00	100.00
. SOGELEASE B.V.(1)	Netherlands	FULL	100.00	100.00	100.00	100.00
. PEMA GMBH(1)	Germany	FULL	100.00	100.00	100.00	100.00
. MILFORD	Belgium	FULL	100.00	100.00	100.00	100.00
. SGSS DEUTSCHLAND KAPITALANLAGEGESELLSCHAFT MBH	Germany	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE EQUIPMENT FINANCE LIMITED(1)	United Kingdom	FULL	100.00	100.00	100.00	100.00
BROKERS						
. SG ENERGIE UK LIMITED(5)	United Kingdom	FULL	-	100.00	-	100.00
. SOCIETE GENERALE SECURITIES SERVICES UK LIMITED	United Kingdom	FULL	100.00	100.00	100.00	100.00
. SOCGEN INVERSIONES FINANCIERAS SA	Spain	FULL	100.00	100.00	100.00	100.00
INSURANCE						
. GENERAS SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
. INORA LIFE LTD	Ireland	FULL	100.00	100.00	100.00	100.00
. KOMERCNI POJISTOVNA A.S	Czech Republic	FULL	80.76	80.76	100.00	100.00
. SOGELIFE	Luxembourg	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE STRAKHOVANIE ZHIZNI LLC	Russia	FULL	98.56	96.66	100.00	100.00
. SOCIETE GENERALE RE SA	Luxembourg	FULL	100.00	100.00	100.00	100.00
. SG STRAKHOVANIE LLC	Russia	FULL	98.56	96.66	100.00	100.00
AFRIQUE ET MOYEN-ORIENT						
BANKS						
. SOCIETE GENERALE TCHAD	Tchad	FULL	55.19	55.19	66.16	66.16
. BANKY FAMPANDROSOANA VAROTRA SG	Madagascar	FULL	70.00	70.00	70.00	70.00
. SOCIETE GENERALE BURKINA FASO	Burkina faso	FULL	51.27	51.27	52.61	52.61
. SG DE BANQUES EN GUINEE EQUATORIALE	Equatorial Guinea	FULL	52.44	52.44	57.24	57.24
. NATIONAL SOCIETE GENERALE BANK(1) (6)	Egypt	FULL	-	77.17	-	77.17
. SOCIETE GENERALE ALGERIE	Algeria	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE DE BANQUES AU CAMEROUN	Cameroon	FULL	58.08	58.08	58.08	58.08
. SG DE BANQUES EN COTE D'IVOIRE(1)	Ivory Coast	FULL	73.25	73.25	73.25	73.25
. SG DE BANQUES EN GUINEE	Guinea	FULL	57.94	57.94	57.94	57.94
. SG DE BANQUE AU LIBAN(1)	Lebanon	EQUITY	16.80	19.00	16.80	19.00
. SG DE BANQUES AU SENEGAL	Senegal	FULL	64.45	64.45	64.87	64.87
. SG MAROCAINE DE BANQUES(1)	Morocco	FULL	57.01	56.91	57.01	56.91
. SOCIETE GENERALE GHANA LIMITED	Ghana	FULL	52.24	52.24	52.24	52.24
. UNION INTERNATIONALE DE BANQUES	Tunisia	FULL	57.20	57.20	52.34	52.34
. SOCIETE GENERALE-BENIN	Benin	FULL	79.33	78.83	80.00	79.50
SPECIALIST FINANCING						
. ALD AUTOMOTIVE SA MAROC	Morocco	FULL	43.55	43.54	50.00	50.00
. SOCIETE D' EQUIPEMENT DOMESTIQUE ET MENAGER "EQDOM	Morocco	FULL	45.65	45.63	53.72	53.72
. SOGELEASE EGYPT(6)	Egypt	FULL	-	86.29	-	99.99
INSURANCE						
. LA MAROCAINE VIE	Morocco	FULL	88.88	88.86	99.98	99.98
AMERIQUE						
BANKS						
. BANCO SOCIETE GENERALE BRASIL S.A.(1)	Brazil	FULL	100.00	100.00	100.00	100.00
. BANCO PECUNIA S.A.(1)	Brazil	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE (CANADA)(1)	Canada	FULL	100.00	100.00	100.00	100.00
. BANCO CACIQUE S.A.(1)	Brazil	FULL	100.00	100.00	100.00	100.00
. SG AMERICAS SECURITIES HOLDINGS, LLC(1)	United States	FULL	100.00	100.00	100.00	100.00
. SG EQUIPMENT FINANCE S.A. ARRENDAMENTO MERCANTIL	Brazil	FULL	100.00	100.00	100.00	100.00
FINANCIAL COMPANIES						
. SGFP MEXICO, S. DE R.L. DE C.V.	Mexico	FULL	100.00	100.00	100.00	100.00
. SGE HOLDINGS INC.(1)	Canada	FULL	100.00	100.00	100.00	100.00
. SG AMERICAS, INC.(1)	United States	FULL	100.00	100.00	100.00	100.00
. THE TCW GROUP, INC(6)	United States	FULL	-	89.56	-	89.56
. THE TURQUOISE FUND LIMITED (4)	Cayman islands	FULL	-	100.00	-	100.00
. SGA SOCIETE GENERALE ACCEPTANCE N.V. ("SGA")	Curacao	FULL	100.00	100.00	100.00	100.00

Note 46

Companies included in the consolidation scope

	COUNTRY	METHOD *	Group ownership interest		Group voting interest	
			December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
SPECIALIST FINANCING						
. SG CONSTELLATION CANADA LTD.	Canada	FULL	100.00	100.00	100.00	100.00
. SG PREFERRED CAPITAL III, L.L.C.(5)	United States	FULL	-	100.00	-	100.00
. SG EQUIPMENT FINANCE USA CORP.	United States	FULL	100.00	100.00	100.00	100.00
. BENNINGTON STARK CAPITAL COMPANY, LLC(9)	United States	FULL	-	-	-	-
PORTFOLIO MANAGEMENT						
. LYXOR ASSET MANAGEMENT HOLDING CORP.(1)	United States	FULL	100.00	100.00	100.00	100.00
INSURANCE						
. CATALYST RE INTERNATIONAL LTD.	Bermuda	FULL	100.00	100.00	100.00	100.00
ASIE ET OCEANIE						
BANKS						
. SOCIETE GENERALE PRIVATE BANKING (JAPAN) LTD(6)	Japan	FULL	-	100.00	-	100.00
. SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD	Japan	FULL	100.00	100.00	100.00	100.00
. SOCIETE GENERALE (CHINA) LIMITED	China	FULL	100.00	100.00	100.00	100.00
. BANQUE DE POLYNESIE(1)	Polynesia	FULL	72.10	72.10	72.10	72.10
. SOCIETE GENERALE CALEDONIENNE DE BANQUE(1)	New Caledonia	FULL	90.10	90.10	90.10	90.10
FINANCIAL COMPANIES						
. FORTUNE SG FUND MANAGEMENT CO. , LTD.	China	PROP	49.00	49.00	49.00	49.00
. SOCIETE GENERALE ASIA LTD	Hong-Kong	FULL	100.00	100.00	100.00	100.00
. TH INVESTMENTS (HONG KONG) 1 LIMITED	Hong-Kong	FULL	100.00	100.00	100.00	100.00
. TH INVESTMENTS (HONG KONG) 3 LIMITED(1)	Hong-Kong	FULL	100.00	100.00	100.00	100.00
BROKERS						
. SG SECURITIES ASIA INTERNATIONAL HOLDINGS LTD (HONG-KONG)(1)	Hong-Kong	FULL	100.00	100.00	100.00	100.00
. SG SECURITIES KOREA CO, LTD.(2)	South Korea	FULL	100.00	-	100.00	-
SERVICES						
. SOCIETE GENERALE GLOBAL SOLUTION CENTRE PRIVATE	India	FULL	100.00	100.00	100.00	100.00
SPECIALIST FINANCING						
. SOCIETE GENERALE LEASING AND RENTING CO. LTD	China	FULL	100.00	100.00	100.00	100.00
PORTFOLIO MANAGEMENT						
. LYXOR ASSET MANAGEMENT JAPAN CO LTD	Japan	FULL	100.00	100.00	100.00	100.00

** FULL: full consolidation - PROP: proportionate consolidation - EQUITY: equity method*

(1) Companies carrying out sub-consolidation. Sub-consolidated entities are not mentioned in this note.
(2) Consolidated for the first time in 2013.
(3) Companies now consolidated directly.
(4) Entities deconsolidated during 2013.
(5) Entities wound up in 2013.
(6) Entities sold in 2013.
(7) Dissolution by transfer of assets with Société Générale S.A.
(8) Dissolution by transfer of assets with GENEFINANCE
(9) Special purpose vehicles substantially controlled by the Group.

Note 47

Segment information

Segment information by business lines

(In millions of euros)	Societe Generale Group 2013	Societe Generale Group 2012*	French Retail Banking 2013	French Retail Banking 2012*	Corporate Centre [2] 2013	Corporate Centre [2] 2012*
Net banking income	22,831	23,110	8,235	8,162	(2,126)	(1,832)
Operating Expenses [1]	(16,399)	(16,418)	(5,267)	(5,264)	(251)	(141)
Gross operating income	**6,432**	**6,692**	**2,968**	**2,898**	**(2,377)**	**(1,973)**
Cost of risk	(4,052)	(3,935)	(1,152)	(931)	(411)	(329)
Operating income	**2,380**	**2,757**	**1,816**	**1,967**	**(2,788)**	**(2,302)**
Net income from companies accounted for by the equity method	153	154	7	10	3	6
Net income / expense from other assets	575	(504)	2	(3)	563	(505)
Impairment of goodwill	(50)	(842)	-	-	-	(13)
Earnings before tax	**3,058**	**1,565**	**1,825**	**1,974**	**(2,222)**	**(2,814)**
Income tax	(533)	(341)	(654)	(669)	1,026	1,108
Net income before non-controlling interests	**2,525**	**1,224**	**1,171**	**1,305**	**(1,196)**	**(1,706)**
Non-controlling interests	350	434	7	14	150	174
Net income, Group share	**2,175**	**790**	**1,164**	**1,291**	**(1,346)**	**(1,880)**

	International retail Banking & Financial Services					
	International Retail Banking		Corporate Financial Services		Insurance	
(In millions of euros)	2013	2012*	2013	2012*	2013	2012*
Net banking income	5,894	6,503	1,368	1,245	750	684
Operating Expenses [1]	(3,482)	(3,963)	(705)	(699)	(280)	(259)
Gross operating income	**2,412**	**2,540**	**663**	**546**	**470**	**425**
Cost of risk	(1,818)	(1,910)	(123)	(125)	-	-
Operating income	**594**	**630**	**540**	**421**	**470**	**425**
Net income from companies accounted for by the equity method	11	(15)	25	38	-	-
Net income / expense from other assets	7	(5)	(1)	(12)	-	-
Impairment of goodwill	-	(250)	-	-	-	-
Earnings before tax	**612**	**360**	**564**	**447**	**470**	**425**
Income tax	(129)	(127)	(170)	(129)	(150)	(135)
Net income before non-controlling interests	**483**	**233**	**394**	**318**	**320**	**290**
Non-controlling interests	170	218	5	4	2	2
Net income, Group share	**313**	**15**	**389**	**314**	**318**	**288**

	Global Banking and Investor Solutions							
	Asset Management		Private Banking		Investor Services		Corporate and Investment Banking [3]	
(In millions of euros)	2013	2012*	2013	2012*	2013	2012*	2013	2012*
Net banking income [2]	242	536	858	757	945	1,065	6,665	5,990
Operating Expenses [1]	(216)	(452)	(642)	(624)	(966)	(992)	(4,590)	(4,024)
Gross operating income	**26**	**84**	**216**	**133**	**(21)**	**73**	**2,075**	**1,966**
Cost of risk	-	1	(27)	(6)	(2)	(5)	(519)	(630)
Operating income	**26**	**85**	**189**	**127**	**(23)**	**68**	**1,556**	**1,336**
Net income from companies accounted for by the equity method	106	115	-	-	-	-	1	-
Net income / expense from other assets	-	-	-	-	1	11	3	10
Impairment of goodwill	-	(200)	-	-	(50)	(379)	-	-
Earnings before tax	**132**	**-**	**189**	**127**	**(72)**	**(300)**	**1,560**	**1,346**
Income tax	(8)	(28)	(42)	(34)	9	(25)	(415)	(302)
Net income before non-controlling interests	**124**	**(28)**	**147**	**93**	**(63)**	**(325)**	**1,145**	**1,044**
Non-controlling interests	-	5	1	1	-	1	15	15
Net income, Group share	**124**	**(33)**	**146**	**92**	**(63)**	**(326)**	**1,130**	**1,029**

* Amounts restated with respect to the financial statements published in 2012:
- due to the structuring of the Group in the fourth quarter of 2013;
- and according to the retrospective application of the IAS19 amendments.

(1) Including depreciation and amortisation.
(2) Income and expense not directly related to the business line activities are recorded in the Corporate Centre's profit and loss. Thus the debt revaluation differences linked to own credit risk (EUR -1,594 million at December 31, 2013), are allocated to the Corporate Centre.

(3) Breakdown of Net banking income by business for "Corporate and Investment Banking":

(In millions of euros)	2013	2012
Global Markets	4,718	4,676
Financing and Advisory	1,797	1,583
Legacy Assets	150	(269)
Total Net banking income	**6,665**	**5,990**

(In millions of euros)	Societe Generale Group December 31, 2013	Societe Generale Group December 31, 2012*	French Retail Banking December 31, 2013	French Retail Banking December 31, 2012*	Corporate Centre [5] December 31, 2013	Corporate Centre [5] December 31, 2012*
Segment assets	1,235,262	1,250,889	206,251	211,915	116,586	97,114
Segment liabilities [4]	1,181,161	1,197,338	191,043	172,933	100,751	86,957

	International retail Banking & Financial Services					
	International Retail Banking		Corporate Financial Services		Insurance	
(In millions of euros)	December 31, 2013	December 31, 2012*	December 31, 2013	December 31, 2012*	December 31, 2013	December 31, 2012*
Segment assets	113,010	120,725	32,077	32,702	100,422	90,940
Segment liabilities [4]	81,838	85,252	10,604	7,164	94,571	88,476

	Global Banking and Investor Solutions							
	Asset Management		Private Banking		Investor Services		Corporate and Investment Banking	
(In millions of euros)	December 31, 2013	December 31, 2012*	December 31, 2013	December 31, 2012*	December 31, 2013	December 31, 2012*	December 31, 2013	December 31, 2012*
Segment assets	1,580	2,655	22,666	23,872	67,372	56,997	575,298	613,969
Segment liabilities [4]	7	517	24,503	25,723	84,566	69,997	593,278	660,319

* Amounts restated with respect to the financial statements published in 2012:
- due to the structuring of the Group in the fourth quarter of 2013;
- and according to the retrospective application of the IAS19 amendments.

(4) Segment liabilities correspond to debts (i.e. total liabilities excluding equity).
(5) Assets and liabilities not directly related to the business lines activities are recorded on the Corporate Centre's balance sheet. Thus the debt revaluation differences linked to own credit risk and the revaluation differences of the credit derivative instruments hedging the loans and receivables portfolios are allocated to the corporate center.

Note 47 (continued)

Segment information

Segment information by geographical region

Geographical breakdown of Net banking income

(In millions of euros)	France		Europe		Americas	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Net interest and similar income	4,784	5,570	4,281	4,325	502	425
Net fee income	4,103	4,191	1,695	1,654	212	470
Net income / expense from financial transactions	1,110	(257)	1,462	1,951	542	677
Other net operating income	420	331	1,237	1,012	(6)	1
Net banking income	**10,417**	**9,835**	**8,675**	**8,942**	**1,250**	**1,573**

(In millions of euros)	Asia		Africa		Oceania		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Net interest and similar income	155	98	763	1,123	72	85	10,557	11,626
Net fee income	129	178	317	435	51	49	6,507	6,977
Net income / expense from financial transactions	929	773	35	53	6	4	4,084	3,201
Other net operating income	19	(50)	7	10	6	2	1,683	1,306
Net banking income	**1,232**	**999**	**1,122**	**1,621**	**135**	**140**	**22,831**	**23,110**

Geographical breakdown of balance sheet items

(In millions of euros)	France		Europe		Americas	
	December 31, 2013	**December 31, 2012 ***	**December 31, 2013**	**December 31, 2012 ***	**December 31, 2013**	**December 31, 2012 ***
Segment assets	936,312	959,778	158,740	147,509	99,519	94,416
Segment liabilities (6)	887,786	915,343	153,697	139,332	101,274	96,695

(In millions of euros)	Asia		Africa		Oceania		Total	
	December 31, 2013	**December 31, 2012 ***	**December 31, 2013**	**December 31, 2012 ***	**December 31, 2013**	**December 31, 2012 ***	**December 31, 2013**	**December 31, 2012 ***
Segment assets	20,627	21,568	17,445	25,007	2,619	2,611	1,235,262	1,250,889
Segment liabilities (6)	19,732	20,866	16,218	22,645	2,454	2,457	1,181,161	1,197,338

* Restated amounts of the financial statement published at December 31, 2012 according to the retrospective application of the IAS 19 amendments.

(6) Segment liabilities correspond to debts (i.e. total liabilities excluding equity).

Note 48

Fees to statutory auditors

Fees to statutory auditors recorded in the income statement are:

(In millions of euros)	**2013**	**2012**
Fees related to statutory audit, certification, examination of parent company and consolidated statements	30	30
Fees related to audit services and related assignments	4	6
Total	**34**	**36**