SOCIETE GENERALE

A French corporation with share capital of 1,066,714,367.50 euros
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UNIVERSAL REGISTRATION DOCUMENT

2019

including the

2018 ANNUAL FINANCIAL REPORT

and the

2019 INTERIM FINANCIAL REPORT

The English language version of this document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, the original language version of the document in French prevails over the translation.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The AMF (French Financial Markets Authority) has conducted no verification of the content of this document. Only the French version of the Universal Registration Document ("*Document d'enregistrement universel*") has been controlled by the AMF.
This Universal Registration Document has been filed on 5 August 2019 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.
The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

SUMMARY

1. INCORPORATION BY REFERENCE

In accordance with Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, the information referred to, in the table below, in the columns "*Page numbers of the 2019 Registration Document incorporated in the Universal Registration Document*" and" *Page numbers of the first update to the 2019 Registration Document incorporated in the Universal Registration Document*" are incorporated by reference in this Universal Registration Document.

These pages are aimed at:

- Societe Generale's 2019 Registration Document, filed with the AMF on 11 March 2019 under filing number D.19-0133, available at the following address: https://www.societegenerale.com/sites/default/files/documents/Document%20de%20r%C3%A9f%C3%A9rence/2019/ddr-2019_societe-generale_eng_version.pdf; and

- the first update to Societe Generale's 2019 Registration Document, filed with the AMF on 6 May 2019 under filing number D.19-0133-A01, available at the following address: https://www.societegenerale.com/sites/default/files/ddr_2019_1st-update_eng_0.pdf.

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The information in section 9.1.2 "Annual financial report cross-reference table" of the 2019 Registration Document on page 560 is incorporated by reference in this Universal Registration Document.

The following information is also incorporated by reference in this Universal Registration Document:

- the parent company and consolidated accounts for the year ended 31st December 2017, the related Statutory Auditors' reports and the Group Management Report presented respectively on pages 454 to 523 and 123, 125, 147, 151 to 154, 166-167, 176, 179 to 183, 191 to 194, 198 to 202, 204 to 206, 217-218, 220 to 222, 301 to 447, on pages 524 to 529 and 448 to 453, and on pages 27 to 67 of the Registration Document D. 18-0112 filed with the AMF on 8th March 2018;

- the parent company and consolidated accounts for the year ended 31st December 2016, the related Statutory Auditors' reports and the Group Management Report presented respectively on pages 429 to 487 and 116-117, 158-159, 169, 179, 181, 183 to 187, 195 to 198, 201 to 206, 208 to 210, 221-222, 224 to 226, 301 to 426, on pages 488-489 and 427-428, and on pages 25 to 63 of the Registration Document D. 17-0139 filed with the AMF on 8th March 2017.

The Registration Document D. 17-0139 is available at the following address: https://www.societegenerale.com/sites/default/files/documents/Document%20de%20r%C3%A9f%C3%A9rence/2017/Societe-Generale-DDR-2017-15032017-ENG.pdf and the Registration Document D. 18-0112 is available at the following address: https://www.societegenerale.com/sites/default/files/documents/Document%20de%20r%C3%A9f%C3%A9rence/2018/rd-2018-societe-generale-amf-d18-0112-eng.pdf.

Any websites referred to in this Universal Registration Document are for information purposes only and the information in such websites does not form any part of this Universal Registration Document unless that information is expressly incorporated by reference into the Universal Registration Document.

2. GROUP MANAGEMENT REPORT

2.1 Press releases and events subsequent to the submission of the first update to the 2019 Registration Document

2.1.1 Press release dated 1 August 2019 : Result of the global employee share ownership plan 2019 and new share capital

See chapter 6, page 155

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See chapter 6, pages 154-155

2.1.3 Press release 21 May 2019: Annual general meeting and Board of directors dated 21 May 2019

See chapter 4, pages 65 - 66

RESULTS FOR Q2 AND H1 2019

Press release

Paris, August 1st 2019

Q2 19: FURTHER SUBSTANTIAL IMPROVEMENT IN THE LEVEL OF CAPITAL (CET1 RATIO AT 12.0%)

RESILIENT PROFITABILITY WITH A ROTE[1] AT 9.7%

HIGHLIGHTS AND KEY FINANCIAL DATA FOR Q2 AND H1 2019

- **Increase in CET1 of +52 basis points to 12.0%** (+106bp in H1 19, >200bp above the MDA)
- Underlying Group net income of **EUR 1,247 million[1,2] in Q2 19 and EUR 2,332 million[1,2] in H1 19**
- **Group underlying ROTE at 9.7% in Q2 19 and 9.1% in H1 19**
- **Resilient business revenues** (-0.9%* vs. Q2 18 and -0.5%* vs. H1 18): good trend in French Retail Banking (+2.1% excluding PEL/CEL vs. Q2 18) and International Retail Banking & Financial Services (+5.7%* vs. Q2 18)
- **Operating expenses contained** at EUR 4,270 million in Q2 19 (-3.0% vs. Q2 18) and EUR 9,059 million in H1 19 (-0.8% vs. H1 18)
- **Low cost of risk** at 25 basis points in Q2 19 and 23 basis points in H1 19
- **Continued refocusing of the Group:** finalisation of the disposal of Eurobank with an impact of +8 basis points on the CET1 ratio in Q2 19. Cumulative impact of around +47 basis points on the CET1 ratio of disposals announced to date
- **Adaptation of the operational set-up** in Global Banking & Investor Solutions **in the execution phase.**

Fréderic Oudéa, the Group's Chief Executive Officer, commented*:*

"Societe Generale has provided further evidence of the successful execution of its strategic plan with two priority financial objectives: increasing its level of capital and improving profitability. In particular, we achieved our Core Equity Tier 1 target of 12% in H1 19.

There was further confirmation of the positive trends observed in the previous quarter in French Retail Banking and International Retail Banking & Financial Services: French Retail Banking consolidated the improving trend in its revenues while International Retail Banking & Financial Services continued to enjoy robust growth and profitability. Only a few months after it was announced, Global Banking & Investor Solutions' adaptation plan has entered the execution phase. A committed and responsible player, the Group has reaffirmed its coal withdrawal strategy, with the strengthening of its sector policy and its commitments regarding the decarbonisation of maritime transport. It has thereby confirmed its contribution to the positive transformation of our economies".

*The footnote * in this document corresponds to data adjusted for changes in Group structure and at constant exchange rates.*

(1) Underlying data. See methodology note 5 for the transition from accounting data to underlying data.

(2) After restatement in accordance with the amendment to IAS 12

1. GROUP CONSOLIDATED RESULTS

In EUR m	Q2 19	Q2 18	Change		H1 19	H1 18	Change	
Net banking income	**6,284**	**6,454**	***-2.6%***	***-2.1%****	**12,475**	**12,748**	***-2.1%***	***-2.0%****
Underlying net banking income(1)	*6,284*	*6,454*	*-2.6%*	*-2.1%**	*12,475*	*12,748*	*-2.1%*	*-2.0%**
Operating expenses	**(4,270)**	**(4,403)**	***-3.0%***	***-2.5%****	**(9,059)**	**(9,132)**	***-0.8%***	***-0.5%****
Underlying operating expenses(1)	*(4,152)*	*(4,370)*	*-5.0%*	*-4.5%**	*(8,500)*	*(8,594)*	*-1.1%*	*-0.8%**
Gross operating income	**2,014**	**2,051**	***-1.8%***	***-1.2%****	**3,416**	**3,616**	***-5.5%***	***-5.9%****
Underlying gross operating income(1)	*2,132*	*2,084*	*+2.3%*	*+3.0%**	*3,975*	*4,154*	*-4.3%*	*-4.6%**
Net cost of risk	**(314)**	**(170)**	***+84.7%***	***+96.1%****	**(578)**	**(378)**	***+52.9%***	***+59.1%****
Underlying net cost of risk (1)	*(296)*	*(170)*	*+74.1%*	*+84.8%**	*(560)*	*(378)*	*+48.1%*	*+54.0%*
Operating income	**1,700**	**1,881**	***-9.6%***	***-9.4%****	**2,838**	**3,238**	***-12.4%***	***-13.0%****
Underlying operating income(1)	*1,836*	*1,914*	*-4.1%*	*-3.8%**	*3,415*	*3,776*	*-9.6%*	*-10.1%**
Net profits or losses from other assets	**(80)**	**(42)**	***-90.5%***	***-90.7%****	**(131)**	**(41)**	***n/s***	***n/s***
Income tax*(2)*	(390)	(448)	-12.9%	-12.4%*	(645)	(765)	-15.7%	-16.3%*
Reported Group net income	**1,054**	**1,224**	***-13.9%***	***-13.4%****	**1,740**	**2,127**	***-18.2%***	***-18.6%****
Underlying Group net income(1)	*1,247*	*1,333*	*-6.4%*	*-5.8%**	*2,332*	*2,590*	-10.0%	-10.3%
ROE	6.9%	8.6%			5.5%	7.5%		
ROTE	8.3%	10.4%			6.9%	8.9%		
Underlying ROTE (1)	***9.7%***	***11.2%***			***9.1%***	***11.0%***		

(1) Adjusted for exceptional items and linearisation of IFRIC 21

(2) As from January 1st, 2019, in accordance with the amendment to IAS 12 "Income Tax", the tax saving related to the payment of coupons on undated subordinated and deeply subordinated notes, previously recorded in consolidated reserves, is now recognised in income on the "income tax" line; 2018 comparative data have been restated. See Appendix 1.

Societe Generale's Board of Directors, which met on July 31st, 2019 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q2 and H1 2019.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

Net banking income: EUR 6,284m (-2.6% vs. Q2 18), EUR 12,475m (-2.1% vs. H1 18)

- French Retail Banking's net banking income (excluding PEL/CEL provision) rose +2.1% vs. Q2 18 and was stable in H1 19 (-0.6% vs. H1 18) in a continuing low interest rate environment. In Q2 19, revenues included a positive impact of EUR 61 million on adjustment on commission-related taxes.

- International Retail Banking & Financial Services' net banking income rose +2.4% (+5.7%*) in Q2 19, driven by the strong commercial momentum across all businesses and geographical regions. Accordingly, International Retail Banking revenues increased by +1.9% (+7.0%*), Insurance revenues +4.1% and Financial Services to Corporates' revenues +2.8%. The trend was identical in H1, with revenues up +3.3% (+6.1%*).

- Global Banking & Investor Solutions' net banking income decreased by -6.1% (-7.3%*) in Q2 19 vs. Q2 18 and by -2.6% (-4.6%*) in H1 19 vs. H1 18. In particular, the revenues of Global Markets and Investor Services were down -9.2% (-11.0%*) in Q2 19, due to still challenging market conditions. Financing & Advisory revenues were 2.6% (0.9%*) higher, driven by the good performance of Financing activities. Investment banking activities remained relatively sluggish in Europe over the period.

Operating expenses: EUR 4,270m (-3% vs. Q2 18), EUR 9,059m (-0.8% vs. H1 18)
Underlying operating expenses were down -5.0% vs. Q2 18 at EUR 4,152 million. They totalled EUR 8,500 million in H1 19, down -1.1% vs. H1 18.

Operating expenses were lower in French Retail Banking in Q2 19 (-1.0% vs. Q2 18) and stable in H1 19 (-0.2% vs. H1 18).

Efforts to support growth in International Retail Banking & Financial Services resulted in operating expenses increasing by +3.9% (+7.3%*) vs. Q2 18 and +3.0% (+6.5%*) vs. H1 18. When restated for the restructuring provision, operating expenses experienced a contained increase of +1.3% (+4.6%*) in Q2 19 and were 1.7% (5.1%*) higher in H1 19. The increase in costs continued to be less than the growth in revenues, both in Q2 and H1 2019, thereby confirming the positive jaws effect observed during previous quarters.

Global Banking & Investor Solutions' costs were up +10.8% (+10.0%*) in Q2 19 vs. Q2 18, including a EUR 227 million restructuring provision and EUR 21 million of EMC integration costs, and up +5.0% (+3.7%*) in H1 19. When restated for these items, operating expenses were down -3.5% in Q2 19 and -1.6% in H1 19.

Gross operating income: EUR 2,014m (-1.8% vs. Q2 18), EUR 3,416m (-5.5% vs. H1 18)
Underlying gross operating income totalled EUR 2,132 million in Q2 19 (+2.3% vs. Q2 18) and EUR 3,975 million in H1 19 (-4.3% vs. H1 18).

Cost of risk: EUR 314m in Q2 19 and EUR 578m in H1 19
The net cost of risk amounted to EUR 314 million in Q2 19, 84.7% higher than the exceptionally low level in Q2 18 (EUR 170 million) and EUR 578 million in H1 19, 52.9% higher than in H1 18.

The Group's commercial cost of risk (expressed as a fraction of outstanding loans) remained low and amounted to 25 basis points in Q2 19 (14 basis points in Q2 18 and 21 basis points in Q1 19).

- In French Retail Banking, the commercial cost of risk was higher at 27 basis points (20 basis points in Q2 18 and Q1 19)
- International Retail Banking & Financial Services' cost of risk stood at 38 basis points (23 basis points in Q2 18 and 39 basis points in Q1 19). This still low level reflects the gradual normalisation of the cost of risk.
- Global Banking & Investor Solutions' cost of risk stood at the still low level of 8 basis points. It was higher than the level in Q2 18 (2 basis points) and slightly lower than in Q1 19 (10 basis points).

The cost of risk stood at 23 basis points in H1 19. It was 16 basis points in H1 18.

The Group expects a cost of risk of between 25 and 30 basis points in 2019.

The gross doubtful outstandings ratio was lower at 3.4% at end-June 2019 (vs. 3.5% at end-March 2019). The Group's gross coverage ratio for doubtful outstandings stood at 55%(1) at end-June 2019 (it was 55% at March 31st, 2019).

Operating income: EUR 1,700m (-9.6% vs. Q2 18), EUR 2,838m (-12.4% vs. H1 18)
Underlying operating income came to EUR 1,836 million, down -4.1% vs. Q2 18 including an adjustment of operating taxes of EUR +241 million.
It amounted to EUR 3,415 million in H1 19, down -9.6% vs.H1 18.

(1) Ratio between the amount of provisions on doubtful outstandings and the amount of these same outstandings.

Net profits or losses from other assets: EUR -80m in Q2 19 and EUR -131m in H1 19

Net profits or losses from other assets totalled EUR -80 million in Q2 19, including EUR -84 million corresponding to the effect of the application of IFRS 5 as part of the implementation of the Group's refocusing plan. The Group recognised a capital loss of EUR -43 million in respect of the announced disposal of PEMA as well as additional capital losses in respect of disposals currently under way or finalised, notably in the Balkans.

Net income

In EURm	Q2 19	Q2 18	H1 19	H1 18
Reported Group net income	1,054	1,224	1,740	2,127
Underlying Group net income[2]	1,247	1,333	2,332	2,590

In %	Q2 19	Q2 18	H1 19	H1 18
ROTE (reported)	8.3%	10.4%	6.9%	8.9%
Underlying ROTE[2]	9.7%	11.2%	9.1%	11.0%

Earnings per share amounts to EUR 1.69 in H1 19 (EUR 2.22 in H1 18). The dividend provision amounts to EUR 0.85 per share in H1 19.

(2) Adjusted for exceptional items and effect of the linearisation of IFRIC 21.

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 62.5 billion at June 30th, 2019 (EUR 61.0 billion at December 31st, 2018). Net asset value per share was EUR 62.49 and tangible net asset value per share was EUR 54.46, an increase of 2.5% year-on-year.

The **consolidated balance sheet** totalled EUR 1,389 billion at June 30th, 2019 (EUR 1,309 billion at December 31st, 2018). The net amount of customer loan outstandings at June 30th, 2019, including lease financing, was EUR 421 billion (EUR 421 billion at December 31st, 2018) – excluding assets and securities sold under repurchase agreements. At the same time, customer deposits amounted to EUR 405 billion, vs. EUR 399 billion at December 31st, 2018 (excluding assets and securities sold under repurchase agreements).

At end-June 2019, the parent company had issued EUR 21.2 billion of medium/long-term debt, having an average maturity of 4.3 years and an average spread of 54.7 basis points (vs. the 6-month mid-swap, excluding subordinated debt). The subsidiaries had issued EUR 0.9 billion. At June 30th, 2019, the Group had issued a total of EUR 22.1 billion of medium/long-term debt. The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 145% at end-June 2019 vs. 129% at end-December 2018. At the same time, the NSFR (Net Stable Funding Ratio) was over 100% at end-June 2019. At end-June 2019, the Group had achieved 69% of its long-term financing programme scheduled for 2019.

The Group's **risk-weighted assets** (RWA) amounted to EUR 361.1 billion at June 30th, 2019 (vs. EUR 376.0 billion at end-December 2018) according to CRR/CRD4 rules. Risk-weighted assets in respect of credit risk represent 81.5% of the total, at EUR 294.2 billion, down -2.8% vs. December 31st, 2018.

At June 30th, 2019, the Group's **Common Equity Tier 1** ratio stood at 12.0% and 12.2% pro forma for the announced disposals (for around 19 basis points), the residual impact of the integration of EMC (for around -5 basis points) and the estimated result of the Global Employee Share Ownership Plan (for 3 basis points). The Tier 1 ratio stood at 14.8% at end-June 2019 (13.7%(1) at end-December 2018) and the total capital ratio amounted to 17.9% (16.7%(1) at end-December 2018).
With a level of 25.8%(2) of RWA and 7.5% of leveraged exposure at end-June 2019, the Group's TLAC ratio is already above the FSB's requirements for 2019. At June 30th, 2019, the Group was also above its MREL requirements of 8% of the TLOF(3) (which, in December 2016, represented a level of 24.36% of RWA), which were used as a reference for the SRB calibration.
The **leverage ratio** stood at 4.3% at June 30th, 2019, stable vs. end-December 2018.

The Group is rated by five rating agencies: (i) DBRS - long-term rating (senior preferred debt) "A (high)", positive trends, short-term rating "R-1 (middle)"; (ii) FitchRatings - long-term rating "A", stable outlook, senior preferred debt rating "A+", short-term rating "F1"; (iii) Moody's – long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1"; (iv) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (v) S&P Global Ratings - long-term rating (senior preferred debt) "A", positive outlook, short-term rating "A-1".

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(1)Taking into account the option of a dividend payment in shares, with the assumption of a 50% subscription rate (impact of +24bp on the CET1 ratio)
(2) Including 2.5% of senior preferred debt
(3) TLOF: Total Liabilities and Own Funds

3. FRENCH RETAIL BANKING

In EUR m	Q2 19	Q2 18	Change	H1 19	H1 18	Change
Net banking income	1,994	1,991	*+0.2%*	3,910	3,999	*-2.2%*
Net banking income excl. PEL/CEL	*2,021*	*1,980*	*+2.1%*	*3,949*	*3,971*	*-0.6%*
Operating expenses	(1,348)	(1,361)	*-1.0%*	(2,834)	(2,841)	*-0.2%*
Gross operating income	**646**	**630**	***+2.5%***	**1,076**	**1,158**	***-7.1%***
Gross operating income excl. PEL/CEL	*673*	*619*	*+8.8%*	*1,115*	*1,130*	*-1.4%*
Net cost of risk	(129)	(93)	*+38.7%*	(223)	(227)	*-1.8%*
Operating income	**517**	**537**	***-3.7%***	**853**	**931**	***-8.4%***
Reported Group net income	**356**	**365**	***-2.5%***	**590**	**635**	***-7.1%***
RONE	**12.6%**	**13.2%**		**10.5%**	**11.3%**	
Underlying RONE (1)	**12.6%**	**12.1%**		**11.5%**	**11.5%**	

(1) Adjusted for the linearisation of IFRIC 21, PEL/CEL provision

French Retail Banking delivered a solid performance in Q2 19 against the backdrop of a low interest rate environment and the transformation of the French networks. Underlying RONE stood at 12.6% in Q2 19.

Activity and net banking income

French Retail Banking's three brands, Societe Generale, Crédit du Nord and Boursorama, enjoyed a healthy commercial momentum during the quarter.

Boursorama gained around 137,000 new clients in Q2 19 and consolidated its position as the leading online bank in France, with nearly 1.9 million clients at end-June, an increase of +29% year-on-year.

Moreover, the Societe Generale and Crédit du Nord networks strengthened their franchises on the Group's target customers (companies, professionals, mass affluent and high-potential clients, wealthy clients).

In the individual customer segment, French Retail Banking expanded its business among mass affluent and wealthy clients, with the number of customers increasing by 2% vs. Q2 18. Net inflow for wealthy clients remained robust at EUR 1.1 billion, taking assets under management to EUR 66.7 billion (including Crédit du Nord) at end-June 2019, up 5.1% vs. Q2 18.

Bancassurance continued to enjoy buoyant activity: life insurance experienced net inflow of EUR 684 million. Outstandings were up +1.5% at EUR 94.8 billion, with the unit-linked share accounting for 24.5% of outstandings.

Societe Generale was ranked companies' favourite bank in a survey published by Challenges magazine. On the back of this success, Societe Generale continued to roll out its specific facilities for the corporate sector and professionals. At end-June 2019, Societe Generale had 13 regional business centres, 110 "Pro Corners" (espaces pro) in branches and 10 dedicated "Pro Corners".

Overall, the commercial momentum remained robust: average loan outstandings rose +4.7% vs. Q2 18 (to EUR 194.1 billion) and average outstanding balance sheet deposits +3.6% (to EUR 205.5 billion), still driven by sight deposits (+7.7%). As a result, the average loan/deposit ratio stood at 94.4% in Q2 19 (an increase of one point vs. Q2 18).

Housing loan production totalled EUR 6.3 billion in Q2 19 and consumer loan production came to EUR 1.2 billion in Q2 19. Outstanding loans to individuals totalled EUR 113.9 billion in Q2 19, up +3.3% vs. Q2 18.
Corporate investment loan production (including leasing) came to EUR 4.3 billion in Q2 19. Average investment loan outstandings amounted to EUR 69.6 billion in Q2 19, up +7.7% vs. Q2 18.

French Retail Banking posted revenues (excluding PEL/CEL) of EUR 2,021 million in Q2 19, up +2.1% vs. Q2 18 and +4.9% vs. Q1 19.

Although still adversely affected by the low interest rate environment, there was an improvement in net interest income (excluding PEL/CEL), with an increase of 1.7% vs. Q2 18 (+2.8% vs. Q1 19).

Commissions (which included a EUR +61 million adjustment on commission-related taxes) were 1.2% lower in Q2 19 compared to the high level in Q2 18 (+2.9% vs. Q1 19), due to the decline in financial commissions in a challenging stock market environment and the impact of the banking industry's commitments in relation to vulnerable populations (effect of the "gilets jaunes" (yellow vest) movement).

Revenues (excluding PEL/CEL) were down -0.6% in H1 19 vs. H1 18, with a decrease of -0.8% in net interest income (excluding PEL/CEL) and commissions down -1.9%.

The Group has confirmed that it expects a decline in revenues of between 0% and -1% in 2019 vs. 2018, after neutralising the impact of PEL/CEL provisions.

Operating expenses

French Retail Banking's operating expenses totalled EUR 1,348 million in Q2 19, down -1.0% vs. Q2 18. The cost to income ratio stood at 67.9% in Q2 19 (excluding PEL/CEL and after linearisation of the IFRIC 21 charge). Operating expenses were stable in H1 19 (-0.2% vs. H1 18).

The digital transformation process continued with the enhanced use of digital services by the Group's customers. Accordingly, nearly 70% of the increases in card ceilings were carried out online over the last 12 months in the Societe Generale network. The Group also closed 32 Societe Generale branches in Q2 19. There are now 1,844 branches nationwide, in line with the 2020 target of around 1,700 branches.

The Group expects an increase in operating expenses of between 1% and 2% in 2019 vs. 2018.

Operating income

The cost of risk increased to 27bp in Q2 19 (vs. 20bp in Q2 18). Operating income came to EUR 517 million in Q2 19 (EUR 537 million in Q2 18).
The cost of risk amounted to 23bp in H1 19 (vs. 24bp in H1 18). Operating income totalled EUR 853 million in H1 19 (EUR 931 million in H1 18).

Contribution to Group net income

French Retail Banking's contribution to Group net income amounted to EUR 356 million in Q2 19 (EUR 365 million in Q2 18) and RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at the robust level of 12.6% (vs. 12.1% in Q2 18).
The contribution to Group net income came to EUR 590 million in H1 19 (EUR 635 million in H1 18) and RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 11.5%.

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EUR m	Q2 19	Q2 18	Change		H1 19	H1 18	Change	
Net banking income	2,124	2,075	+2.4%	+5.7%*	4,200	4,064	+3.3%	+6.1%*
Operating expenses	(1,145)	(1,102)	*+3.9%*	*+7.3%**	(2,349)	(2,281)	*+3.0%*	*+6.5%**
Gross operating income	**979**	**973**	***+0.6%***	***+3.9%****	**1,851**	**1,783**	***+3.8%***	***+5.8%****
Net cost of risk	(133)	(75)	*+77.3%*	*x 2.1*	(261)	(166)	*+57.2%*	*+73.1%**
Operating income	**846**	**898**	***-5.8%***	***-3.4%****	**1,590**	**1,617**	***-1.7%***	***-0.3%****
Net profits or losses from other assets	0	0	*n/s*	*-100.0%*	1	4	*-75.0%*	*-74.8%**
Reported Group net income	**515**	**541**	***-4.8%***	***-2.2%****	**979**	**970**	***+0.9%***	***+2.7%****
RONE	18.6%	18.9%			17.3%	17.0%		
Underlying RONE (1)	***18.9%***	***18.3%***			***18.2%***	***17.7%***		

(1) Adjusted for the linearisation of IFRIC 21 and the restructuring provision of EUR 29 million

Net banking income totalled EUR 2,124 million in Q2 2019, up +2.4% vs. Q2 18 and +5.7%* excluding the structure and exchange rate effect, driven by an excellent commercial momentum in all regions and businesses. Operating expenses were 3.9% (7.3%*) higher over the period including the restructuring provision (EUR 29 million) related to the simplification of the head office structure. When restated for this item, operating expenses experienced a contained increase of +1.3% (+4.6%*), generating a positive jaws effect. The cost to income ratio stood at 53.9% in Q2 19. Gross operating income was EUR 979 million in Q2 19 (+0.6% vs. Q2 18). The net cost of risk came to EUR 133 million in Q2 19, vs. EUR 75 million in Q2 18 and EUR 128 million in Q1 19. The contribution to Group net income totalled EUR 515 million in Q2 19, down -4.8% vs. Q2 18. Underlying RONE stood at 18.9% in Q2 19.

Revenues amounted to EUR 4,200 million in H1 2019, up +3.3% and +6.1%* when adjusted for changes in Group structure and at constant exchange rates. Operating expenses increased by +3.0% (+6.5%*) to EUR 2,349 million. When restated for the restructuring provision, they were 1.7% (5.1%*) higher. Gross operating income totalled EUR 1,851 million (+3.8% vs. H1 18). The net cost of risk was 57.2% higher than in H1 2018 which included the receipt of an insurance payout in Romania. The contribution to Group net income came to EUR 979 million (+0.9% vs. H1 18).

International Retail Banking

International Retail Banking's outstanding loans totalled EUR 91.6 billion at end-June 2019. They rose +0.6% (+6.3%* when adjusted for changes in Group structure and at constant exchange rates) vs. Q2 18. Outstanding deposits were up +2.6% (+7.9%* when adjusted for changes in Group structure and at constant exchange rates) vs. Q2 18, at EUR 83.6 billion, with a healthy momentum in all regions, especially in Russia in a buoyant banking market.

International Retail Banking revenues were up +1.9% (+7.0%* when adjusted for changes in Group structure and at constant exchange rates) vs. Q2 18, at EUR 1,412 million, while operating expenses were down -0.6% (+4.0%* when adjusted for changes in Group structure and at constant exchange rates) vs. Q2 18, resulting in a positive jaws effect in Q2 19. Gross operating income came to EUR 630 million, up +5.4% (+11.0%*) vs. Q2 18. International Retail Banking's contribution to Group net income amounted to EUR 297 million in Q2 19 (-5.1% vs. Q2 18 and -0.8%* when restated for the exchange rate and structure effect). RONE, adjusted for the linearisation of IFRIC 21, came to 17.1% in Q2 19.

International Retail Banking's net banking income totalled EUR 2,799 million in H1 19, up +3.2% (+7.5%*) vs. H1 18. The contribution to Group net income amounted to EUR 543 million vs. EUR 542 million in H1 18 (+0.2% and +3.2%*).

Europe

For the Europe scope, outstanding loans were up +5.2%* vs. Q2 18, at EUR 59 billion, and outstanding deposits were up +3.9%*. The healthy commercial momentum is also reflected in non-interest income, which was 6%* higher than in Q2 18. The increase in revenues (+6.2%*) in a buoyant macro-economic environment and the decrease in operating expenses (-0.1%*) over the period resulted in a positive jaws effect. Accordingly, the contribution to Group net income was 8.3% higher than in Q2 18 at EUR 223 million.

In Western Europe, outstanding loans were up +10.9% vs. Q2 18, at EUR 21.3 billion, with car financing remaining buoyant. Q2 revenues totalled EUR 223 million and gross operating income EUR 125 million, up +8.7% vs. Q2 18. The net cost of risk amounted to EUR 36 million, up +16.1%. The contribution to Group net income came to EUR 67 million, an increase of +4.7% vs. Q2 18.

In the Czech Republic, outstanding loans rose +3.0% (+0.7%*) vs. Q2 18 to EUR 25.5 billion. Outstanding deposits climbed +6.3% (+3.9%*) year-on-year to EUR 33.2 billion. Revenues grew by +6.3% (+6.6%*) vs. Q2 18 to EUR 289 million. At EUR 140 million in Q2 19, operating expenses were 6.0% (5.7%*) lower than in Q2 18, which included a EUR 11.5 million restructuring provision. The contribution to Group net income came to EUR 78 million, up +18.2% vs. Q2 18, with a write-back in the net cost of risk of EUR 9 million in Q2 19.

In Romania, outstanding loans totalled EUR 6.5 billion at end-June 2019, down -2.8% in absolute terms but up +2.8%* when adjusted for changes in Group structure and at constant exchange rates vs. end-June 2018. Outstanding deposits rose +0.9% (+2.5%* when adjusted for changes in Group structure and at constant exchange rates) to EUR 9.6 billion. Net banking income climbed +8.3% vs. Q2 18 (+10.5%*) to EUR 157 million in Q2 19. Operating expenses were 3.7% higher at current exchange rates (+5.6%*) at EUR 84 million in Q2 19. There was a write-back in the net cost of risk of EUR 25 million in Q2 19 compared with a zero net cost of risk in Q2 18. The contribution to Group net income came to EUR 50 million, up +61.3% vs. Q2 18.

In other European countries, outstanding loans and deposits were down by respectively -46.8% and -44.9% given the disposals finalised in H1 19 (SG Albania, Express Bank in Bulgaria and Eurobank in Poland). When adjusted for changes in Group structure and at constant exchange rates, there was a healthy commercial momentum with growth in outstanding loans of +8.5%* and deposits of +8.0%* vs. end-June 2018. Revenues declined -41.8% (-4.1%*) vs. Q2 18, while operating expenses were 41.7% (2.4%*) lower than in Q2 18. The net cost of risk amounted to EUR 3 million. The contribution to Group net income came to EUR 28 million, down -37.8% vs Q2 18.

Russia

In Russia, commercial activity was robust in a buoyant banking market. At end-June 2019, outstanding loans were up +12.7%* at constant exchange rates (+15.2% at current exchange rates) while outstanding deposits climbed +36.1%* (+39.2% at current exchange rates). Net banking income for SG Russia[(1)] was 13%* higher than in Q2 18 (+15.2% at current exchange rates) at EUR 227 million. The strong growth in non-interest income (+22%* vs. Q2 18) illustrates the healthy commercial momentum. Operating expenses were up +9.2%* (+11.2% at current exchange rates) at EUR 149 million. The net cost of risk amounted to EUR 20 million vs. EUR 4 million in Q2 18. SG Russia made a contribution to Group net income of EUR 45 million, slightly lower (-1.8%) than in Q2 18. RONE stood at 15.4% in Q2 19.

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(1) *SG Russia encompasses the entities Rosbank, Delta Credit Bank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive and their consolidated subsidiaries*

Africa

In Africa and the other regions where the Group operates, commercial activity was generally healthy especially in Sub-Saharan Africa. Outstanding loans rose +7.2% (+6.5%*) vs. Q2 18 to EUR 21.9 billion. Outstanding deposits were up +6.4% (+5.6%*) at EUR 21.7 billion, with a good momentum in Sub-Saharan Africa. Net banking income totalled EUR 438 million, up +6.3% (+5.2%*) with, in particular, a good performance by non-interest income (+7%* vs. Q2 18). Operating expenses rose +8.7% (+6.9%*), in conjunction with the commercial expansion and organisational changes. The net cost of risk came to EUR -86 million. The contribution to Group net income amounted to EUR 37 million in Q2 19, down -46.4% vs. Q2 18.

Insurance

The life insurance savings business saw outstandings increase +3.9% in Q2 19 vs. Q2 18. The share of unit-linked products in outstandings was 28% at end-June 2019, up +0.8 points vs. Q2 18.

Personal Protection and Property/Casualty insurance enjoyed robust growth, with premiums increasing by respectively +9.9%* and +14.6%* vs. Q2 18.

International activity continued to experience strong growth in H1 19 vs. H1 18 (+34%* for life insurance savings, +27%* for Personal Protection insurance and +32%* for Property/Casualty insurance) and accounted for 18% of insurance business. Activity was buoyant in France in H1 19 (+2% for life insurance savings, +4% for Protection insurance).

The Insurance business posted a good financial performance in Q2 19, with net banking income increasing +4.1% to EUR 229 million in Q2 19 (+3.6%*). Operating expenses rose +3.8% (+4.3%*) vs. Q2 18 to EUR 81 million, in conjunction with the Insurance business' commercial expansion ambitions. The contribution to Group net income was 7.4% higher at EUR 102 million. RONE, adjusted for the linearisation of IFRIC 21, came to 25.8% in Q2 19.

Net banking income was up +3.1% (+3.2%*) in H1 19 at EUR 460 million. The contribution to Group net income was 5.6% higher at EUR 189 million.

Financial Services to Corporates

Financial Services to Corporates enjoyed a good commercial momentum in Q2 19.

Operational Vehicle Leasing and Fleet Management saw an increase in its vehicle fleet (+7.2% vs. end of Q2 18) to 1.70 million vehicles at end-June 2019, primarily through organic growth.

Equipment Finance's outstanding loans were up +2.6%* in Q2 19 vs. Q2 18 at EUR 18.2 billion (excluding factoring), driven by a good level of new business.

Financial Services to Corporates' net banking income rose +2.8% (+2.6%*) in Q2 19 vs. Q2 18 to EUR 483 million. Operating expenses increased by +6.8% (+6.4%*) vs. Q2 18 to EUR 253 million. The net cost of risk amounted to EUR 22 million, an increase of EUR 4 million vs. Q2 18. The contribution to Group net income was EUR 135 million, up +1.5% vs. Q2 18. RONE, adjusted for the linearisation of IFRIC 21, came to 18.9% in Q2 19.

Financial Services to Corporates' net banking income totalled EUR 941 million in H1 2019, up +4.0% (+3.9%*) vs. H1 2018. The contribution to Group net income amounted to EUR 266 million (+6.8%).

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EUR m	Q2 19	Q2 18	Change		H1 19	H1 18	Change	
Net banking income	2,266	2,412	*-6.1%*	*-7.3%**	4,505	4,627	*-2.6%*	*-4.6%**
Operating expenses	(1,915)	(1,728)	*+10.8%*	*+10.0%**	(3,941)	(3,752)	*+5.0%*	*+3.7%**
Gross operating income	**351**	**684**	***-48.7%***	***-50.1%****	**564**	**875**	***-35.5%***	***-39.0%****
Net cost of risk	**(33)**	(7)	*x 4.7*	*x 4.4*	**(75)**	20	*n/s*	*n/s*
Operating income	**318**	**677**	***-53.0%***	***-54.4%****	**489**	**895**	***-45.4%***	***-48.2%****
Reported Group net income	**274**	**507**	***-46.0%***	***-47.5%****	**414**	**673**	***-38.5%***	***-41.8%****
RONE	7.1%	13.6%			5.2%	9.1%		
Underlying RONE (1)	***10.0%***	***11.7%***			***8.9%***	***11.0%***		

(1) Adjusted for the linearisation of IFRIC 21 and the restructuring provision of EUR 227 million

Q2 19 was characterised by a mixed performance in Global Markets (resilience of Equities and Prime Services and decline in Fixed Income, Currencies & Commodities); a good performance in Financing and Global Transaction Banking activities and weak investment banking activity in Europe. This trend reflects the Group's strategic priorities, notably the refocusing on Equities and Prime Services as well as the development of Financing & Advisory activities.

Global Banking & Investor Solutions posted net banking income of EUR 2,266 million, down -6.1% vs. Q2 18 (-7.3%*), and up +1.2% vs. Q1 19. Net banking income declined by -2.6% (-4.6%*) in H1 19 to EUR 4,505 million.

The adjustment of the operational set-up announced in May has entered the execution phase. The new organisational structures in the businesses and their support functions have been in place since July 1st. In Global Markets, the proprietary trading subsidiary (Descartes Trading) is in run-off and the OTC commodities business is in the process of being closed. The voluntary departure plan was also launched in France on July 1st and reductions in the workforce were initiated during the second quarter outside France. A restructuring provision was recognised for EUR 227 million in operating expenses (the Group had announced restructuring costs of EUR 250-300 million in 2019).
As part of the adaptation of its operational set-up in Global Markets, the Group has reduced its risk-weighted assets (RWA) by EUR 2.6 billion, taking the decline to EUR 4.9 billion out of a total target of EUR 8 billion.
Concerning the acquisition of Equity Markets & Commodities (EMC), Commerzbank's market activities, an initial transfer of structured products and ETFs was implemented in Q2 19. Integration costs amounting to EUR 21 million were recorded in Q2 19.

Global Markets & Investor Services

Global Markets & Investor Services' revenues were down -9.2% in Q2 19 vs. Q2 18, at EUR 1,353 million, impacted by still challenging market conditions. Revenues were 6.3% higher than in Q1 19.
Revenues totalled EUR 2,626 million in H1 19, down -8.2% vs. H1 18 and up +12.0% vs. H2 18.

At EUR 524 million, the revenues of Fixed Income, Currencies & Commodities were down -9.7% in Q2 19 vs. Q2 18, and up +16.4% vs. Q1 19. The low interest rate environment in Europe and low volatility observed in currency activities adversely affected Rate and Currency activities in Q2 19. These declines in revenue were mitigated by the good performance of Credit and emerging market activities.

Equities and Prime Services' revenues were down -6.6% vs. Q2 18 at EUR 650 million, against a backdrop of low volumes on flow activities. Revenues were up +4.2% vs. Q1 19, benefiting from better market conditions at the beginning of Q2.

Securities Services' assets under custody amounted to EUR 4,158 billion at end-June 2019, up +1.8% vs. end-March 2019. Over the same period, assets under administration were stable at EUR 631 billion. Revenues were down -16.4% in Q2 19 vs. Q2 18 at EUR 179 million. However, they were stable when restating the Q2 18 results for the impact of the revaluation of Euroclear securities amounting to EUR 33 million.

Financing & Advisory

Financing & Advisory's revenues totalled EUR 682 million in Q2 2019, up +2.6% (+0.9%*) vs. Q2 2018. Revenues amounted to EUR 1,393 million in H1 2019 and were 10.1% (8.0%*) higher than in H1 2018.

Q2 2019 was marked by the good momentum of Financing Activities and a sluggish market in investment banking in Europe. All Asset Financing businesses enjoyed buoyant commercial activity, with a good level of origination (particularly in aircraft and property financing). The natural resources division provided further evidence of its robust momentum in energy project financing, and in the mining and metal industry sector. The Asset Backed Product franchise continued to grow.

Global Transaction Banking's earnings were substantially higher in Q2 19 (+18.7%), with a strong commercial momentum in Cash Management and Correspondent Banking.

Asset and Wealth Management

The net banking income of the Asset and Wealth Management business line totalled EUR 231 million in Q2 19, down -10.1% vs. Q2 18 and -5% when restated for the sale of the Private Banking activities in Belgium in Q2 18. Net banking income amounted to EUR 486 million in H1 2019, down -2.8% vs. H1 2018. It remained stable if H1 2018 is restated for the sale of the Private Banking activities in Belgium.

Private Banking's assets under management totalled EUR 114 billion at end-June 2019, slightly higher (+0.9%) than in March 2019. Net banking income was down -14.6% in Q2 19 vs. Q2 18 at EUR 175 million. Inflow remained buoyant in France, Switzerland and Luxembourg and the business benefited from an improvement in transactional activity compared to Q1 19.

Lyxor's assets under management came to EUR 135 billion at end-June 2019, 12% higher than in March 2019, due primarily to the inclusion of EUR 12 billion related to the integration of an EMC fund (Commerz Fund Solutions). Revenues totalled EUR 51 million in Q2 19, up +8.5% (+6% excluding EMC's revenues) vs. Q2 18.

Operating expenses

Global Banking & Investor Solutions' operating expenses were up +10.8% vs. Q2 18, at EUR 1,915 million, and up +5.0% vs. H1 18. They included a EUR 227 million restructuring provision (broken down into EUR 160 million for Global Markets & Investor Services, EUR 45 million for Financing & Advisory and EUR 22 million for Asset and Wealth Management) and EUR 21 million of integration costs in respect of EMC activities.
When restated for these items, operating expenses were down -3.5% vs. Q2 18 and -1.6% vs. H1 18.

The cost to income ratio came to 77.9% (75.7% in Q2 18) when linearising IFRIC 21 and restating the restructuring provision.

Gross operating income

Gross operating income totalled EUR 351 million in Q2 19, down -48.7% vs. Q2 18, and EUR 564 million in H1 19, down -35.5% vs. H1 18.

The net cost of risk amounted to EUR -33 million (compared to a net cost of risk of EUR -7 million in Q2 18).

Operating income

Global Banking & Investor Solutions' operating income totalled EUR 318 million in Q2 19, down -53.0% vs. Q2 18, and EUR 489 million in H1 2019, down -45.4% vs. H1 2018.

Net income

The pillar's contribution to Group net income amounted to EUR 274 million in Q2 19, down -46.0% vs. Q2 18, and EUR 414 million in H1 19, down -38.5% vs. H1 18.

When restated for IFRIC 21 and the restructuring provision, the pillar's RONE stood at 10.0%, an increase of 2 points compared to Q1 19.

6. CORPORATE CENTRE

In EUR m	Q2 19	Q2 18	H1 19	H1 18
Net banking income	(100)	(24)	(140)	58
Operating expenses	138	(212)	65	(258)
Gross operating income	**38**	**(236)**	**(75)**	**(200)**
Net cost of risk	(19)	5	(19)	(5)
Net profits or losses from other assets	(81)	(28)	(134)	(32)
Reported Group net income	**(91)**	**(189)**	**(243)**	**(151)**

The Corporate Centre includes:

- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to cross-functional projects and certain costs incurred by the Group and not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR -100 million in Q2 19 vs. EUR -24 million in Q2 18 and EUR -140 million in H1 19 vs. EUR +58 million in H1 18.

Operating expenses totalled EUR 138 million in Q2 19 vs. EUR -212 million in Q2 18 and EUR +65 million in H1 19 vs. EUR -258 million in H1 18. In Q2 19, operating expenses included an adjustment of operating taxes of EUR +241 million. In Q2 18, operating expenses included an allocation to the provision for disputes of EUR 200 million.

Gross operating income amounted to EUR 38 million in Q2 19 vs. EUR -236 million in Q2 18 and EUR -75 million in H1 19 vs. EUR -200 million in H1 18.

Net profits or losses from other assets totalled EUR -81 million and included in particular, in respect of the application of IFRS 5, an expense related to the disposal of PEMA amounting to EUR -43 million and an expense of EUR -27 million representing the residual impact of the disposal of the Group's activities in the Balkans.

The income tax expense was adjusted for Q2 18 and H1 18 in respect of the application of the amendment to IAS 12. Accordingly, the contribution to Group net income was adjusted for the tax effect of interest paid to holders of deeply subordinated notes and undated subordinated notes (EUR +68 million in Q2 18 and EUR +121 million in H1 18) which was recognised in income over the period. This effect amounts to EUR +63 million in Q2 19 and EUR +118 million in H1 19.

The Corporate Centre's contribution to Group net income was EUR -91 million in Q2 19 vs. EUR -189 million in Q2 18 and EUR -243 million in H1 19 vs. EUR -151 million in H1 18.

7. CONCLUSION

During Q2 and H1 2019, the Group demonstrated its ability to achieve its CET1 target of 12% by 2020 as quickly as possible and to improve its profitability. There was a further increase in the CET1 ratio (+52 basis points) compared with the last quarter to 12.0% at end-June 2019. Underlying Group net income amounted to EUR 1,247 million in Q2 19 (EUR 2,332 million in H1 19) and underlying ROTE stood at 9.7% (9.1% in H1 19).

International Retail Banking & Financial Services delivered durable and profitable growth and saw a further improvement in its operating leverage in H1, excluding the restructuring provision. In a low interest rate environment, French Retail Banking posted a rise in revenues with rigorous cost control, resulting in resilient profitability. Global Banking & Investor Solutions is fully engaged in the adaptation of its operational set-up (reduction of risk-weighted assets, reduction of costs) while at the same time improving its profitability in Q2 19 vs. Q1 19. Costs, excluding the restructuring provision and EMC integration costs, were down -3.5% in Q2 19 vs. Q2 18.

The Group's cost saving programme (EUR 1.6 billion by 2020) is also well under way with, to date, an achievement rate of nearly 35%.

The refocusing programme continued, with the finalisation of the disposal of Eurobank in Poland in Q2 19 and the announcement of the disposal of PEMA in Germany in July. Overall, the expected impact of the disposals announced to date is around 47 basis points (including 28 basis points already finalised) based on a target of 80-90 basis points.

Engaged in the positive transformation of economies and society, the Group has achieved a major milestone in its coal withdrawal strategy by working for the decarbonisation of maritime transport and strengthening its sector policy. It has also confirmed its pioneering role in positive impact financing, is investing in the development of Africa and supporting the transition towards sustainable cities.

8. 2019/2020 FINANCIAL CALENDAR

2019/2020 Financial communication calendar

November 6th, 2019	Third quarter and nine-month 2019 results
February 6th, 2020	Fourth quarter and FY 2019 results
May 6th, 2020	First quarter 2020 results
August 3rd, 2020	Second quarter and first half 2020 results
November 5th, 2020	Third quarter and nine-month 2020 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, (commercial) cost of risk in basis points, ROE, ROTE, RONE, net assets, tangible net assets, and the amounts serving as a basis for the different restatements carried out (in particular the transition from published data to underlying data) are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

9. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME AFTER TAX BY CORE BUSINESS

In EUR m	Q2 19	Q2 18	Change	H1 19	H1 18	Change
French Retail Banking	356	365	-2.5%	590	635	-7.1%
International Retail Banking & Financial Services	515	541	-4.8%	979	970	+0.9%
Global Banking & Investor Solutions	274	507	-46.0%	414	673	-38.5%
Core Businesses	1,145	1,413	-19.0%	1,983	2,278	-12.9%
Corporate Centre	(91)	(189)	+51.8%	(243)	(151)	-61.0%
Group	1,054	1,224	-13.9%	1,740	2,127	-18.2%

TABLE FOR THE TRANSITION FROM PUBLISHED DATA TO DATA RESTATED FOR THE APPLICATION OF THE AMENDMENT TO IAS 12

	Income Tax			Group Net Income		
	Reported	IAS 12 impact	Adjusted	Reported	IAS 12 impact	Adjusted
2017	(1,708)	**198**	(1,510)	2,806	**198**	3,004
Q1 18	(370)	**53**	(317)	850	**53**	903
Q2 18	(516)	**68**	(448)	1,156	**68**	1,224
H1 18	(886)	**121**	(765)	2,006	**121**	2,127
Q3 18	(539)	**75**	(464)	1,234	**75**	1,309
Q4 18	(136)	**61**	(75)	624	**61**	685
2018	(1,561)	**257**	(1,304)	3,864	**257**	4,121
Q1 19	(310)	**55**	(255)	631	**55**	686

CONSOLIDATED BALANCE SHEET

(ASSETS - In millions of euros)	30.06.2019	31.12.2018
Central banks	99,479	96,585
Financial assets at fair value through profit or loss	420,968	365,550
Hedging derivatives	17,765	11,899
Financial assets measured at fair value through other comprehensive income	53,124	50,026
Securities at amortised cost	12,151	12,026
Due from banks at amortised cost	70,173	60,588
Customer loans at amortised cost	438,251	447,229
Revaluation differences on portfolios hedged against interest rate risk	69	338
Investment of insurance activities	157,907	146,768
Tax assets	5,475	5,819
Other assets	70,361	67,446
Non-current assets held for sale	9,008	13,502
Investments accounted for using the equity method	243	249
Tangible and intangible assets(1)	28,986	26,751
Goodwill	4,649	4,652
Total	**1,388,609**	**1,309,428**

(1) As a result of the application of IFRS 16 "Leases" as from 1 January 2019, the Group has recorded a right-of-use asset under "Tangible and intangible fixed assets" that represents its rights to use the underlying leased assets.

(LIABILITIES - In millions of euros)	30.06.2019	31.12.2018
Central banks	7,740	5,721
Financial liabilities at fair value through profit or loss	406,254	363,083
Hedging derivatives	9,703	5,993
Debt securities issued	127,276	116,339
Due to banks	101,269	94,706
Customer deposits	412,941	416,818
Revaluation differences on portfolios hedged against interest rate risk	7,563	5,257
Tax liabilities(1)	1,237	1,157
Other liabilities(2)	82,620	76,629
Non-current liabilities held for sale	7,070	10,454
Liabilities related to insurance activities contracts	138,577	129,543
Provisions	4,575	4,605
Subordinated debts	14,565	13,314
Total liabilities	**1,321,390**	**1,243,619**
SHAREHOLDERS' EQUITY		
Shareholders' equity, Group share		
Issued common stocks, equity instruments and capital reserves	31,353	29,856
Retained earnings*	30,042	28,085
Net income*	1,740	4,121
Sub-total	**63,135**	**62,062**
Unrealised or deferred capital gains and losses	(643)	(1,036)
Sub-total equity, Group share	**62,492**	**61,026**
Non-controlling interests	4,727	4,783
Total equity	**67,219**	**65,809**
Total	**1,388,609**	**1,309,428**

** The amounts have been restated following the first-time application of an amendment to IAS 12 "Income taxes".*
(1) Since 1 January 2019, provisions for income tax adjustments are presented under "Tax liabilities" as a consequence of the application of IFRIC 23 "Uncertainty over income tax treatments".
(2) As a result of the application of IFRS 16 "Leases" as from 1 January 2019, the Group has recorded a lease liability under "Other Liabilities" that represents the obligation to make lease payments.

10. APPENDIX 2: METHODOLOGY

1 - The financial information presented in respect of Q2 and H1 2019 was examined by the Board of Directors on July 31st, 2019 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. The limited review procedures carried out by the Statutory Auditors are in progress on the condensed interim consolidated financial statements as at June 30th, 2019.

2 – Net banking income

The pillars' net banking income is defined on page 40 of Societe Generale's 2019 Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 – Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2018 (pages 416 et seq. of Societe Generale's 2019 Registration Document). The term "costs" is also used to refer to Operating Expenses.
The Cost/Income Ratio is defined on page 40 of Societe Generale's 2019 Registration Document.

4 – IFRIC 21 adjustment

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

5 – Exceptional items – Transition from accounting data to underlying data

It may be necessary for the Group to present underlying indicators in order to facilitate the understanding of its actual performance. The transition from published data to underlying data is obtained by restating published data for exceptional items and the IFRIC 21 adjustment.
Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar **for PEL/CEL provision allocations or write-backs**. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

The reconciliation enabling the transition from published accounting data to underlying data is set out in the table below:

Q2 19 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
Reported	**(4,270)**	**(314)**	**(80)**	**1,054**	
(+) IFRIC 21 linearisation	*(138)*			*(101)*	
*(-) Restructuring provision**	*(256)*			*(192)*	*GBIS (EUR -227m) / IBFS (EUR -29m)*
(-)Group refocusing plan		*(18)*	*(84)*	*(102)*	*Corporate Centre*
Underlying	**(4,152)**	**(296)**	**4**	**1,247**	

Q2 18 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
Reported	**(4,403)**	**(170)**	**(42)**	**1,224**	
(+) IFRIC 21 linearisation	*(167)*			*(118)*	
(-) Provision for disputes	*(200)*			*(200)*	*Corporate Centre*
(-)Group refocusing plan			*(27)*	*(27)*	*Corporate Centre*
Underlying	**(4,370)**	**(170)**	**(15)**	**1,333**	

H1 19 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
Reported	**(9,059)**	**(578)**	**(131)**	**1,740**	
(+) IFRIC 21 linearisation	*303*			*222*	
*(-) Restructuring provision**	*(256)*			*(192)*	*GBIS (EUR -227m) / IBFS (EUR -29m)*
(-)Group refocusing plan		*(18)*	*(137)*	*(177)*	*Corporate Centre*
Underlying	**(8,500)**	**(560)**	**6**	**2,332**	

H1 18 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
Reported	**(9,132)**	**(378)**	**(41)**	**2,127**	
(+) IFRIC 21 linearisation	*338*			*236*	
(-) Provision for disputes	*(200)*			*(200)*	*Corporate Centre*
(-)Group refocusing plan			*(27)*	*(27)*	*Corporate Centre*
Underlying	**(8,594)**	**(378)**	**(14)**	**2,590**	

* Breakdown of the restructuring provision for GBIS: Global Markets & Investor Services (EUR -160m), Financing & Advisory (EUR -45m), Asset and Wealth Management (EUR -22m)

6 – Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk or commercial cost of risk is defined on pages 42 and 562 of Societe Generale's 2019 Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

	(In EUR m)	Q2 19	Q2 18	H1 19	H1 18
French Retail Banking	Net Cost Of Risk	129	93	223	227
	Gross loan Outstandings	192,896	186,245	192,159	185,727
	Cost of Risk in bp	**27**	**20**	**23**	**24**
International Retail Banking and Financial Services	Net Cost Of Risk	133	75	261	166
	Gross loan Outstandings	139,634	132,749	134,747	132,190
	Cost of Risk in bp	**38**	**23**	**39**	**25**
Global Banking and Investor Solutions	Net Cost Of Risk	33	7	75	(20)
	Gross loan Outstandings	164,162	149,283	164,512	148,499
	Cost of Risk in bp	**8**	**2**	**9**	**(3)**
Corporate Centre	Net Cost Of Risk	19	(4)	19	5
	Gross loan Outstandings	8,705	6,614	8,977	6,849
	Cost of Risk in bp	**86**	**(24)**	**42**	**15**
Societe Generale Group	Net Cost Of Risk	314	170	578	378
	Gross loan Outstandings	505,397	474,891	500,395	473,264
	Cost of Risk in bp	**25**	**14**	**23**	**16**

The gross coverage ratio for doubtful outstandings is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

7 – ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 42 and 43 of Societe Generale's 2019 Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 43 of Societe Generale's 2019 Registration Document.

Group net income used for the ratio numerator is book Group net income adjusted for "interest payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves" (see methodology note No. 9). For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to book equity in order to calculate ROE and ROTE for the period are given in the table below:

ROTE calculation: calculation methodology

End of period	Q2 19	Q2 18	H1 19	H1 18
Shareholders' equity Group share	**62,492**	**58,959**	**62,492**	**58,959**
Deeply subordinated notes	(9,861)	(9,197)	(9,861)	(9,197)
Undated subordinated notes	(280)	(274)	(280)	(274)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(39)	(213)	(39)	(213)
OCI excluding conversion reserves	(636)	130	(636)	130
Dividend provision	(717)	(892)	(717)	(892)
ROE equity end-of-period	**50,959**	**48,513**	**50,959**	**48,513**
Average ROE equity	**50,250**	**47,967**	**49,842**	**47,745**
Average Goodwill	(4,541)	(5,152)	(4,619)	(5,155)
Average Intangible Assets	(2,194)	(2,010)	(2,194)	(1,988)
Average ROTE equity	**43,515**	**40,805**	**43,029**	**40,602**
Group net Income (a)	**1,054**	**1,224**	**1,740**	**2,127**
Underlying Group net income (b)	**1,247**	**1,333**	**2,332**	**2,590**
Interest on deeply subordinated notes and undated subordinated notes (c)	(192)	(189)	(357)	(344)
Cancellation of goodwill impairment (d)	41	22	108	22
Adjusted Group net Income (e) = (a)+ (c)+(d)	**903**	**1,057**	**1,491**	**1,805**
Adjusted Underlying Group net Income (f)=(b)+(c)	**1,056**	**1,144**	**1,975**	**2,246**
Average ROTE equity (g)	**43,515**	**40,805**	**43,029**	**40,602**
ROTE [quarter: (4*e/g), 6M: (2*e/g)]	8.3%	10.4%	6.9%	8.9%
Average ROTE equity (underlying) (h)	**43,612**	**40,859**	**43,325**	**40,833**
Underlying ROTE [quarter: (4*f/h), 6M: (2*f/h)]	9.7%	11.2%	9.1%	11.0%

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EUR m	Q2 19	Q2 18	Change	H1 19	H1 18	Change
French Retail Banking	**11,306**	11,066	+2.2%	**11,281**	11,226	+0.5%
International Retail Banking & Financial Services	**11,051**	11,452	-3.5%	**11,334**	11,440	-0.9%
Global Banking & Investor Solutions	**15,543**	14,965	+3.9%	**16,062**	14,856	+8.1%
Core Businesses	**37,900**	37,483	+1.1%	**38,677**	37,522	+3.1%
Corporate Centre	**12,350**	10,484	+17.8%	**11,165**	10,223	+9.2%
Group	**50,250**	47,967	+4.8%	**49,842**	47,745	+4.4%

8 – Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 45 of the Group's 2019 Registration Document. The items used to calculate them are presented below.

End of period	H1 19	Q1 19	2018	H1 18
Shareholders' equity Group share	**62,492**	**61,830**	**61,026**	**58,959**
Deeply subordinated notes	(9,861)	(9,473)	(9,330)	(9,197)
Undated subordinated notes	(280)	(283)	(278)	(274)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(39)	(37)	(14)	(213)
Bookvalue of own shares in trading portfolio	431	550	423	500
Net Asset Value	**52,743**	**52,587**	**51,827**	**49,775**
Goodwill	(4,548)	(4,544)	(4,860)	(5,140)
Intangible Assets	(2,226)	(2,162)	(2,224)	(2,027)
Net Tangible Asset Value	**45,969**	**45,881**	**44,743**	**42,608**
Number of shares used to calculate NAPS**	**844,026**	**804,211**	**801,942**	**801,924**
Net Asset Value per Share	**62.5**	**65.4**	**64.6**	**62.1**
Net Tangible Asset Value per Share	**54.5**	**57.1**	**55.8**	**53.1**

*** The number of shares considered is the number of ordinary shares outstanding as at June 30th, 2019, excluding treasury shares and buybacks, but including the trading shares held by the Group.*
In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction.

9 – Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 44 of Societe Generale's 2019 Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE. As specified on page 44 of Societe Generale's 2019 Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5 (underlying EPS).

The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	H1 19	Q1 19	2018	H1 18
Existing shares	**821,189**	**807,918**	**807,918**	**807,918**
Deductions				
Shares allocated to cover stock option plans and free shares awarded to staff	4,214	4,467	5,335	5,059
Other own shares and treasury shares	249	374	842	1,252
Number of shares used to calculate EPS**	**816,726**	**803,077**	**801,741**	**801,607**
Group net Income	**1,740**	**686**	**4,121**	**2,127**
Interest on deeply subordinated notes and undated subordinated notes	(357)	(165)	(719)	(344)
Capital gain net of tax on partial buybacks				
Adjusted Group net income	**1,383**	**521**	**3,402**	**1,783**
EPS (in EUR)	**1.69**	**0.65**	**4.24**	**2.22**
Underlying EPS* (in EUR)	**2.42**	**1.12**	**5.00**	**2.80**

** Excluding exceptional items and including linearisation of the IFRIC 21 effect.*
*** The number of shares considered is the average number of shares over the period, excluding treasury shares and buybacks, but including the trading shares held by the Group.*
Q1 19, 2018 and H1 18 data restated for the application of IAS 12 on Group net income and "interest on deeply subordinated notes and undated subordinated notes"

10 – The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR/CRD4 rules. The fully-loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is calculated according to applicable CRR/CRD4 rules including the provisions of the delegated act of October 2014.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

2.3 Societe Generale main activities

Societe Generale main activities

Simplified chart as of end-June 2019

Societe Generale Group

Corporate Centre

FRANCE

- ► Société Générale*
- ► Généfinance 100%
- ► SG Financial SH 100%
- ► Sogéparticipations 100%
- ► Société Générale SFH 100%
- ► Société Générale SCF 100%
- ► Sogefim Holding 100%
- ► Galybet 100%
- ► Genevalmy 100%
- ► Valminvest 100%
- ► Sogemarché 100%
- ► Sogecampus 100%

International Retail Banking and Financial Services (IBFS)

FRANCE

- ► Sogessur 100%
- ► Sogecap 100%
- ► CGL 99.9%
- ► Banque Française Ocean Indien 50%
- ► SGEF SA 100%
- ► ALD 79.82%

EUROPE

- ► Hanseatic Bank *Germany* 75%
- ► Komercni Banka A.S *Czech Republic* 60.73%
- ► SKB Banka *Slovenia* 99.7%
- ► SG Banka SRBIJA *Serbia* 100%
- ► BRD-Groupe SG *Romania* 60.2%
- ► PJSC Rosbank *Russia* 99.99%
- ► Fiditalia S.P.A, *Italy* 100%

AFRICA - MEDITERRANEAN

- ► SG Marocaine de Banques, *Morocco* 57.5%
- ► SG Algérie 100%
- ► Société Générale de Banques Côte d'Ivoire 73.2%

AMERICAS

ASIA - AUSTRALIA

Societe Generale Group

French Retail Banking (RBDF)

FRANCE

- ► Société Générale*
- ► Crédit du Nord 100%
- ► Boursorama 100%
- ► Franfinance 99.99%
- ► Sogefinancement 100%
- ► Sogelease France 100%
- ► Sogeprom 100%

EUROPE

AFRICA - MEDITERRANEAN

AMERICAS

ASIA - AUSTRALIA

Global Banking and Investor Solutions

FRANCE

- ► Société Générale*
- ► Lyxor Asset Management 100%
- ► CALIF 100%
- ► Descartes Trading 100%
- ► Société Générale Capital Partenaires 100%

EUROPE

- ► Société Générale Bank&Trust *Luxembourg* 100%
- ► SG Kleinwort Hambros Bank Limited *United Kingdom* 100%
- ► SG Investments (U.K.) Ltd *United Kingdom* 100%
- ► Société Générale International Ltd Londres *United Kingdom* 100%
- ► Société Générale Effekten, *Germany* 100%
- ► SG Issuer, *Luxembourg* 100%
- ► SGKBB Limited *United Kingdom* 100%
- ► SGSS Spa *Italy* 100%
- ► SG Private Banking *Switzerland* 100%
- ► SG Private Banking *Monaco* 100%
- ► Société Générale* succursales de :
  - Londres *United Kingdom*
  - Milan *Italy*
  - Francfort *Germany*
  - Madrid *Spain*

AFRICA - MEDITERRANEAN

AMERICAS

- ► Banco SG Brazil SA, *Brazil* 100%
- ► SG Americas, Inc. *United States* 100%
- ► SG Americas Securities Holdings, LLC *United States* 100%
- ► Société Générale* branches in :
  - New York *United States*
  - Montréal *Canada*

ASIA - AUSTRALIA

- ► Société Générale (China) Ltd *China* 100%
- ► SG Securities Asia International Holdings Ltd *Hong Kong* 100%
- ► SG Securities Korea Co, Ltd *South Korea* 100%
- ► SG Securities Japan Limited *Japan* 100%
- ► Société Générale* branches in :
  - Séoul *South Korea*
  - Taipei *Taiwan*
  - Singapour
  - Munbaï
  - Sydney

* Parent company

Notes:

- the percentages given indicate the percentage of capital held by the Group in the subsidiary

2.4 Significant new products or services

Business Unit		New product or service
Banque de détail en France	**Instant Payment** (January 2019, Societe Generale)	Instant Payment now possible through the retail customers website, the App or the Mobile site, within customers' usual payment limits. The beneficiary is credited within 10 seconds and the funds can be used immediately. This service is available 365 days a year, 24/7. The fee for issuing an Instant Payment is 0.80€; it is free for the beneficiary.
	Sliding scale card fees (January 2019, Societe Generale)	A simple, effective system that gives professional customers an additional discount on their upcoming card fees, proportional to usage of their Business cards for Jazz Pro cardholders.
	WELCOME PROF LIB (April 2019, Societe Generale)	A financing package for all our Liberal Professional prospects (new and existing activities). The package includes an overdraft authorization (in the form of a Short-Term Credit Facility) for a pre-agreed 5 KE and a tangible investment credit of up to 50 KE with no personal guarantee; the entire package includes preferential rates.
	Fizen (January 2019, Societe Generale)	Partnership with Fizen, providing our PRO customers with a new management and accounting tool. This service offers automatic bank statement importing, cash flow monitoring, a business activity dashboard, quote and invoice generation and expense account management.
	Instant Payment (May 2019, Societe Generale)	Instant Payment is now available for Pro customers, directly through their online account. Unlike regular SEPA transfers, Instant Payments are irrevocable and can be made 365 days a year, 24/7, with systematic funds verification.
	Digital bank statements (May 2019, Societe Generale)	PRO remote banking services now include new digital bank statements, as well as digital business card statements.
	Electronic banking fees for Health Care Professionals (June 2019, Societe Generale)	Electronic banking fees for Health Care Professionals correspond to the needs of general practitioners and other health care specialists, with preferential rates and an unlimited number of transactions.
	Self-care cards (May 2019, Societe Generale)	Customers can automatically lock and unlock their cards through the retail customers website, the App or the Mobile website, thereby temporarily limiting card usage, especially in the case of a lost card. If the lost card is subsequently found, the customer can unlock it and use it immediately
	Sogecormmerce Lite (April 2019, Societe Generale)	The LITE version of our Sogecommerce secure online deposit service allows all our business, merchant and professional customers who do not have their own websites or who have only showcase websites, to offer online payment services to their customers. This package includes the 4 following functions: sends payment requests by email, SMS, link or hosted payment form.
	Instant Payment (June 2019, Societe Generale)	Instant Payment is now available for Business customers through their Sogecash Net remote banking service. Unlike regular SEPA transfers, Instant Payments are irrevocable and can be made 365 days a year, 24/7, with systematic funds verification.
	Partnership with EXPENSYA (end of 2018, Credit du Nord group)	An expense account management solution. A Web and Mobile platform that enables complete, digital management of professional expenses. No data input, no paper and 100% mobile.

Business Unit		New product or service
Banque de détail en France	**Partnership with AON/SWISSLIFE** (Launched in January 2019, Credit du Nord group)	Borrower's insurance for health care professionals.
	Partnership with CAPTAIN CONTRAT (Launched in March 2019, Credit du Nord group)	A legal services startup offering comprehensive, digital services to accompany VSBs and SMEs with all their legal and administrative needs.
	Partnership with SIMPLEBO (Launched in May 2019, Credit du Nord group)	Setting up or revamping websites without payment platforms for professional customers.
	CSR personal loan (January 2019, Credit du Nord group)	No administrative fees for new or used hybrid or electric vehicles.
	Electronic signatures on Group borrower's insurance policies for housing loans (March 2019, Credit du Nord group)	Digitalization of the Group borrower's insurance application process for customers: a medical page where customers can fill out health questionnaires and electronically sign contractual documents.
	Etoile Banking Agreement (April 2019, Credit du Nord group)	A package made up of basic, essential services including a payment card, payment protection insurance, online banking services, as well as an exemption on account management fees. The Etoile Banking Agreement also offers 3 personalization modules: Family / Savings and International
	Digital files for housing loans (April 2019, Credit du Nord group)	Automatically generated when the housing loan application is filled out, the digital files replace paper files. They can be shared among in-house players and assist in effective application completion.
	Self-service cards (June 2019, Credit du Nord group)	An addition to the temporary card-locking/unlocking function, limits cancellation processes when the theft or loss of a card has not yet been completely confirmed.
	Customer dashboard (June 2019, Credit du Nord group)	A personalized overview of retail and professional customers' banking situations; replaces the homepage after identity verification on our websites, Mobile sites and Apps.
	Instant Payment (January 2019, Boursorama)	Boursorama Banque provides free access to Instant Payment, the new instant interbank funds transfer system, available on all fixed and mobile interfaces for retail and professional customers.
	Performance Bourse (May 2019, Boursorama)	Boursorama Banque launched new tools and exclusive content to help retail banking customers manage their stock exchange portfolios: A new service for monitoring the net and real performance of equity portfolios, a New Trading Board that can be personalized for active investors, exclusive advice from the publishers of *Investir* and *Le Revenu*, webinar videos exclusively reserved for customers who want a better understanding of financial markets.
	ULTIM Card (June 2019, Boursorama)	Boursorama Banque has launched ULTIM, a premium card that is completely free (on the condition that it is used; 15€/month if no payment operations were carried out the previous month). It can be used for payments and withdrawals throughout the world. The ULTIM card is accessible to all, no revenue justification required, an initial deposit of 500€ is immediately available on the account, overdraft authorization from 100€ and adjustable starting at sign-up, card usage limits of 3000€ for payments and 920€ for withdrawals at sign-up, an exclusive cap of up to 20,000€ in payments depending on card usage patterns. ULTIM is an immediate debit card that is compatible with ApplePay, GooglePay, SamsungPay

Business Unit		New product or service
International Retail Banking and Financial Services	**AUKAPAY** (July 2018 ; KB – Czech Rep) (International Retail Banking)	In cooperation with AUKA, the Norwegian number one in mobile payments, a team of Komerční banka experts from Payment Services, Marketing, and Information Technology is testing AUKAPAY. It is a pilot version of AUKA's payment application custom tailored for the Czech subsidiary's clientèle. The application enables its users to pay each other simply based on contact, without knowing the number of the beneficiary's account. Payments to merchants for goods are equally convenient; you can even order your goods in advance, pay for them, and then collect them without waiting.The full version of the application from AUKA is capable of doing much more, including invoice payments, the up of standing orders, etc.
	VISA transactions control (June 2018 ; Hanseatic Bank – Germany) (International Retail Banking)	Visa and Hanseatic Bank have partnered up to give consumers better control over their spendings. The updated version of the Hanseatic Bank app has integrated Visa Transaction Controls APIs for credit card transactions. With this innovative feature, customers can block or unblock their card themselves, as long as there is no suspected fraud or outstanding payment.
	Moja banka (June 2018; OBSG – Macedonia) (International Retail Banking)	OBSG now presents its newest application, called Moja banka – the "mobile bank", open to all clients of the bank who already use its e-bank services.
	Account aggregation (October 2018 ; BRD - Romania) (International Retail Banking)	BRD clients can now have access to their various banks accounts on one application (the BRD one).
	KAYAMB by BFC (July 2018, BFCOI – La Réunion) (International Retail Banking)	Multi-channel package dedicated to over 25-year-old people who need minimum banking services, want a low-cost offer, without overdraft or credit, and already use multi-channel or are willing to think about it.
	La Maison des PME (SME House) (November 2018, SGBS – Senegal) (International Retail Banking)	A multi-dimensional approach to support the needs of SME managers: Societe Generale brings together in a single space local and international players (ADPME, Réseau Entreprendre, AFD-Proparco, Investors & Partners, Bpifrance, the Bureau de Mise à Niveau (Upgrading Office) and APIX) to cooperate and remove the main obstacles to the creation and development of companies - by providing accounting, technical or legal expertise, advice, training, monitoring or awareness on environmental and social issues, and by studying financing solutions at all stages of the company's life cycle.
	Synoé (November 2018 : Sogecap – France) (Financial Services to Corporates and Insurance)	Launch of a digital offer of investment advices, allowing a dynamic and reactive management of investments realized within life insurance contracts, from any devices (smartphone, tablet and computer).
	Offer for executives liabilities (November 2018 : Sogessur – France) (Financial Services to Corporates and Insurance)	A complete coverage to help SME's executives to protect their own assets in case of any personal liabilities concurrent with a fault in the exercice of their responsabilities
	Estate facility for beneficiary (July 2018 : Sogecap – France) (Financial Services to Corporates and Insurance)	Beneficiaries, clients or not of Société Générale, have access to a dedicated web site in order to follow the latest situation of their files, upload needed documents and to consult guides for the constitution of their file.
	Online subscription of credit life Insurance (September 2018 : Société Générale Insurance – Russia) (Financial Services to Corporates and Insurance)	Clients of Delta Credit can realised a subscription demand for a credit life insurance and filled an online medical questionnaire 24/7

Business Unit		New product or service
International Retail Banking and Financial Services	**ALD Switch** (February 2018 ; ALD Automotive France) (Financial Services to Corporates and Insurance)	Combining flexibility and sustainability, ALD Switch is a modular leasing solution that lets clients benefit from an electric vehicle, but allows switching to a petrol/hybrid vehicle whenever necessary (up to 60 days per year)
	Leasing Auto **(October 2018 ;** ALD Automotive France) (Financial Services to Corporates and Insurance)	Boursorama launched a fully digital full-service leasing offering for its clients in partnership with ALD Automotive. Available in the Boursoshop, via the "Leasing Auto avec Boursorama Banque" platform developed by ALD Automotive, Boursorama provides clients with a fully digital offering to subscribe and manage their contract for full services leasing.
	Update of MOI ALD web-portal of ALD (September 2018; ALD Automotive Russia) (Financial Services to Corporates and Insurance)	ALD Automotive updated design and functionality of MOI ALD web-portal: more convinient format of the reports, new sections with useful information.
	Apple PAY for Visa cardholders (December 2018 ; Rosbank) (International Retail Banking)	Rosbank Visa cardholders got the opportunity to use Apple Pay, an easy, secure and personal payment tool that makes complete changes in the sphere of mobile payments by offering speed and convenience.
	Automated investment service SMARTINVEST (October 2018; Rosbank) (Financial Services to Corporates and Insurance)	Rosbank and FinEx developed a joint automated investment service called SmartInvest. It will help to choose investment assets, to forecast the expected profitability and it will manage the whole investment portfolio. The service is available not only for Rosbank clients, but also for the private investors that are interested in smart investments of their savings.
	New digital service of POS-loans approval (October 2018; Rusfinance Bank) (International Retail Banking)	Rusfinance Bank presented new online lending opportunities: approval of POS loans based on a short online application posted on store websites. A new digital service reduces the time for processing a loan to buy goods to a few minutes.

Business Unit	New product or service	
Global Banking and Investor Solutions	**SG Equity Machine Learning Indices Range** (March 2019, Global Markets)	Leveraging on a Machine Learning algorithm developed by Microsoft, the SG Quantitative Research team developed a comprehensive model taking as an input 80 common equity factors. Using these factors, the model assesses a stocks' probability of it outperforming in the next month on 3 universe (US, Europe and Japan). These probabilities are then used to rank the stocks and to go long the top quantile. Alongside with rebalancing (monthly), the model undergoes training on a new set of data every month to continuously improve its accuracy and to adapt to changing market conditions.
	SGI Swap Carry G6 (June 2019, Global Markets)	SGI launched on June 2019 the SGI Swap Carry G6 (and G8) aiming to provide exposure to a cross sectional duration neutral carry strategy based on swap, complete the Bond Carry strategy launch in Nov. 2018). The strategy takes a long position on the 10-year swaps with the highest carry (adjusted by their duration), and a short position on the ones with the lowest carry. Universe: EUR, USD, JPY, CHF, AUD, GBP. The Strategy offers a unique combination of diversification features vs traditional and Risk Premia portfolios as well as vs. the Bond carry Strategy: - A persitent positive carry. - A minimal duration risk. - A low correlation to equity and risk premia.
	SG Equity US Intraday Trend (April 2019, Global Markets)	The SGI Equity US Intraday Trend Index is a rules-based index that aims to capture the intraday trend of the US equity market by taking long or short positions on the S&P 500 Index based on an observable signal. The strategy takes positions on S&P 500 futures contracts during the day (several times a day) according to trend signals. The trend signal is based on the intra-day returns versus the close of the day before: If the return is positive, the strategy takes a long position on the underlying If the return is negative, the strategy takes a short position on the underlying The size of the position is depending on the strength of the trend, as measured at this point of time (i.e. the higher/lower the return, the higher the long or short exposure), with a cap and smoothed using TWAP. Any position is unwound at the end of day as smoothly as possible to limit market impact.
	Depositary and Safekeeping services to UK domiciled property funds (May 2019, Societe Generale Securities Services)	This service supports authorised fund managers who have UK domiciled property funds. The service includes depositary and safekeeping/record keeping for property funds including Property Authorised Investment Funds (PAIFs) investing in properties directly. This extends the SGSS service proposition in the UK to include real estate funds.
	Supplier on boarding web platform for Supply Chain Finance (Payables) (February 2019, Global Transaction & Payment Services)	Societe Generale Factoring has launched on February 2019 a new web platform to facilitate the enrolment of Suppliers onto Supply Chain Finance Programs. For the client, the platform is fully customizable to align to its brand image, or program specificities (logo, colours, contents, videos, photos, contacts, etc.). Easy to handle & very flexible in its design, the website can also be multi-lingual if necessary. For the suppliers, the platform is simple to access, navigate and use. It leads to a section where they can then fully onboard. If help is needed, there is a thorough FAQ section and an enrolment contact email.

End-to-end invoice digitalization service (May 2019, Global Transaction & Payment Services)	Launched on May 2019, a new service in the in'fact transactional website allows for PRO customers with an "Avenir Plus" contract to upload and submit their invoices directly online. Thanks to a simple and intuitive user experience and a new OCR functionality, this innovation makes it possible to accelerate the funding to the customer (elimination of mail delays, optimized customer journey).
Instant Payment for Corporates (June 2019, Global Transaction & Payment Services)	Available since January for Societe Generale's individual customers, Instant payment service has been extended to business customers in June via the web banking platform «Sogecash Net». Instant Payment allows our customers to make payment from their online account in just 10 seconds in France and Monaco. As soon as he/she receives the notification, the beneficiary is credited and can immediately reuse the fund. Available 24/7/365, instant payment simplifies money transfer in many situations.
SWIFT gpi, product coverage extention (March 2019, Global Transaction & Payment Services)	After France and Monaco in 2018, Societe Generale announced the extension of the SWIFT gpi extention to nine new countries: Germany, Belgium, Spain, Italy, Netherlands, United Kingdom and Switzerland in Europe, as well as Hong Kong and Singapore in Asia. SWIFT gpi enables the bank to grant clients access to the best experience for tracking and managing their cross-border payments. Benefits of SWIFT gpi include increased processing speed, fee transparency, real-time payment tracking and end-to-end payment information transfer.
Marathon Emerging Markets Bond Fund (March 2019, Lyxor)	This fund is a long only emerging market debt strategy focused on Emerging Markets Sovereign & Quasi Sovereign bonds denominated in USD with additional diversification in corporate credit. EM may provide a diversified, uncorrelated return to a number of more traditional fixed income investments.
GARI Euro Equity Dynamic Overlay (June 2019, Lyxor)	Shares offer long-term earnings prospects. They are also inherently risky, with episodes of volatility that can have a lasting impact on portfolios. The Fund has a dual investment objective: exposure to Eurozone equities selected by Lyxor through a proprietary strategy ("GARI Euro") and reducing equity risk through the use of dynamic hedging. owner, initially developed for our insurance customers.
Club deal Immobilier EXTENDAM (February 2019, Private Banking**)**	Partnership between SGPB France and the Société de Gestion EXTENDAM allowing the marketing to our customers of shares of funds invested mainly in real estate assets ("Club Deal Real Estate"). The investor may invest through a feeder fund. The investment vehicle is an FPCI
Partenariat U'Wine (April 2019, Private Banking**)**	Partnership between SGPB France and the Bordeaux trading company U'Wine to offer 2 types of offers to our customers (individuals or legal entities): - "U'Wine Mandat Offer": Offer allowing our customers to build a cellar of vintage wines in time, for consumption purposes or for heritage purposes. It offers an individual winery management in the *grands crus en primeur* - "U'Wine Grands Crus Offer": Offer allowing our customers to benefit from the valuation of Grands Crus through an offer of financial securities, for wealth management purposes (investment and transmission). This is private equity in extent where it is about offering securities of investment company and not wine even if underlying investment company.

2.5 Analysis of the consolidated balance sheet

2.5.1 Consolidated balance sheet

ASSETS

(In billions of euros)	30.06.2019	31.12.2018
Cash, due from central banks	99.5	96.6
Financial assets at fair value through profit or loss	421.0	365.6
Hedging derivatives	17.8	11.9
Financial assets at fair value through other comprehensive income	53.1	50.0
Securities at amortised cost	12.2	12.0
Due from banks at amortised cost	70.2	60.6
Customer loans at amortised cost	438.3	447.2
Revaluation differences on portfolios hedged against interest rate risk	0.1	0.3
Investments of insurance companies	157.9	146.8
Tax assets	5.5	5.8
Other assets	70.4	67.4
Non-current assets held for sale	9.0	13.5
Investments accounted for using the equity method	0.2	0.2
Tangible and intangible fixed assets	29.0	26.8
Goodwill	4.6	4.7
Total	**1,388.6**	**1,309.4**

(In billions of euros)	30.06.2019	31.12.2018
Due to central banks	7.7	5.7
Financial liabilities at fair value through profit or loss	406.3	363.1
Hedging derivatives	9.7	6.0
Debt securities issued	127.3	116.3
Due to banks	101.3	94.7
Customer deposits	412.9	416.8
Revaluation differences on portfolios hedged against interest rate risk	7.6	5.3
Tax liabilities	1.2	1.2
Other liabilities	82.6	76.6
Non-current liabilities held for sale	7.1	10.5
Insurance contracts related liabilities	138.6	129.5
Provisions	4.6	4.6
Subordinated debt	14.6	13.3
Sub-total equity, Group share	62.5	61.0
Non-controlling interests	4.7	4.8
Total equity	67.2	**65.8**
Total	1,388.6	**1,309.4**

At 30th June 2019, the Group's consolidated balance sheet totalled EUR 1,388.6 billion increase of EUR 79.2 billion (+6.1%) compared to 31st December 2018 (EUR 1,309.4 billion).

2.5.2 Main changes in the scope of consolidation

The main changes to the consolidation scope at 30 June 2019, compared with the scope applicable at the closing date of 31 December 2018, are as follows:

EUROBANK

On 31 May 2019, the Group sold all its participation in Eurobank, its Polish subsidiary, to Bank Millennium. The sale reduced the Group's balance sheet by EUR 3.4 billion, mainly through a decrease of EUR 2.9 billion in customer loans and of EUR 1.8 billion in customer deposits, reported respectively under Non-current assets held for sale and Non-current liabilities held for sale at 31 December 2018.

BANKA SG ALBANIA

On 29 March 2019, the Group sold all its participation in Banka SG Albania, its Albanian subsidiary, to OTP Bank. The sale reduced the Group's balance sheet by EUR 0.7 billion, mainly through a decrease of EUR 0.4 billion in customer loans and a decrease of EUR 0.6 billion in customer deposits, reported respectively under *Non-current assets held for sale* and *Non-current liabilities held for sale* at 31 December 2018.

SG EXPRESS BANK

On 15 January 2019, the Group sold all its participation in SG Express Bank, its Bulgarian subsidiary, to OTP Bank. The sale reduced the Group's balance sheet by EUR 3.4 billion, mainly through a decrease of EUR 2.4 billion in customer loans and a decrease of EUR 2.7 billion in customer deposits, reported respectively under *Non-current assets held for sale* and *Non-current liabilities held for sale* at 31 December 2018.

SOCIETE GENERALE PRIVATE BANKING NV/SA

On 28 February 2019, the Group sold all its participation in Societe Generale Private Banking NV/SA, its Belgian private banking subsidiary, to ABN AMRO. The sale reduced the Group's balance sheet by EUR 1.1 billion due to a decrease of EUR 1.1 billion in *Non-current assets held for sale* (o/w EUR 0.4 billion in cash, due from central banks and EUR 0.5 billion in customer loans) and a decrease of EUR 1.1 billion in *Non-current liabilities held for sale* (o/w EUR 1 billion in customer deposits).

LA BANQUE POSTALE FINANCEMENT

On March 2019, the Group sold to La Banque Postale its investment in La Banque Postale Financement (35%) accounted for using the equity method.

2.5.3 Changes in major consolidated balance sheet items

Financial assets and liabilities at fair value through profit or loss, increased by EUR 55.4 billion (+15.1%) and EUR 43.2 billion (+11.9%) respectively, compared to 31 December 2018.
The increase in financial assets at fair value through profit or loss is mainly attributable to the growth of interest rates derivatives and other capitals instruments. The increase in financial liabilities at fair value through profit or loss is mainly attributable to the growth of interest rates derivatives, borrowing and repurchase.

Debt securities issued increased by EUR 11.0 billion (+9.4%) compared to 31 December 2018 mainly due to the growth of interbank certificates and negotiable debt instruments.

Customer loans, including securities purchased under resale agreements recognised at amortised cost, decreased by EUR 9 billion (-2.0%) compared to 31 December 2018, mainly attributable to the decrease of securities purchased under resale agreements.

Customer deposits, including securities sold under repurchase agreements recognised at amortised cost, decreased by EUR 3.9 billion (-0.9%) compared to 31 December 2018 mainly due to a decline of securities sold to customer under repurchase agreements partially offset by other term deposits.

Due from banks, including securities purchased under resale agreements recognised at amortised cost, increased by EUR 9.6 billion (+15.8%) relative to 31 December 2018, explained by the growth of securities purchased under resale agreements and current accounts.

Due to banks, including securities sold under repurchase agreements recognised at amortised cost, increased by EUR 6.6 billion (+6.9%) compared to 31 December 2018 mainly due to the increase of securities sold under repurchase agreements.

The investment of insurance company are increased by EUR 11.1 billion (+17.6%) compared to 31 December 2018 due to the financier asset at fair value through profit or loss and available for sale financial assets.

The insurance contracts related liabilities are increased by EUR 9.1 billion (+7.0%) compared to 31 December 2018 due to underwriting reserves of insurance companies.

Other assets and liabilities, are increased respectively by EUR 3.0 billion (+4.4%) and EUR 6 billion (+7.9%) included 2 Md EUR due to the record of a lease liability linked at the application of IFRS 16.

No-current assets and liabilities held for sale, are decreased respectively by EUR -4.5 billion (- 33.3%) and EUR -3.4 billion (-32.4%) compared to 31 December 2018 mainly due to the sold of SG Express Bank & Eurobank.

Group shareholders' equity amounted to EUR 62.5 billion at 30th June 2019 versus EUR 61 billion at 31 December 2018. This variation was attributable primarily to the following items:

- Net income group share for the financial year at 30th June 2019: EUR +1.7 billion;
- Dividend payment: EUR -1.7 billion;
  Remuneration of other equity instruments: EUR -0.3 billion;
- Issue of one deeply subordinated notes in Singapour Dollar: EUR +0.5 billion;
- Capital increase due to dividend distribution in shares: EUR +0.9 billion

After taking into account non-controlling interest (EUR 4.7 billion), Group shareholders' equity came to EUR 67.2 billion at 30th June 2019.

2.6 Property and equipment

The gross book value of Societe Generale Group's tangible operating fixed assets amounted to EUR 40.3 billion at 30th June 2019. This figure comprises land and buildings (EUR 5.4 billion), the right of use (EUR 2.2 billion) due to IFRS 16 first time application, assets leased by specialised financing companies (EUR 27 billion) and other tangible assets (EUR 5.7 billion).

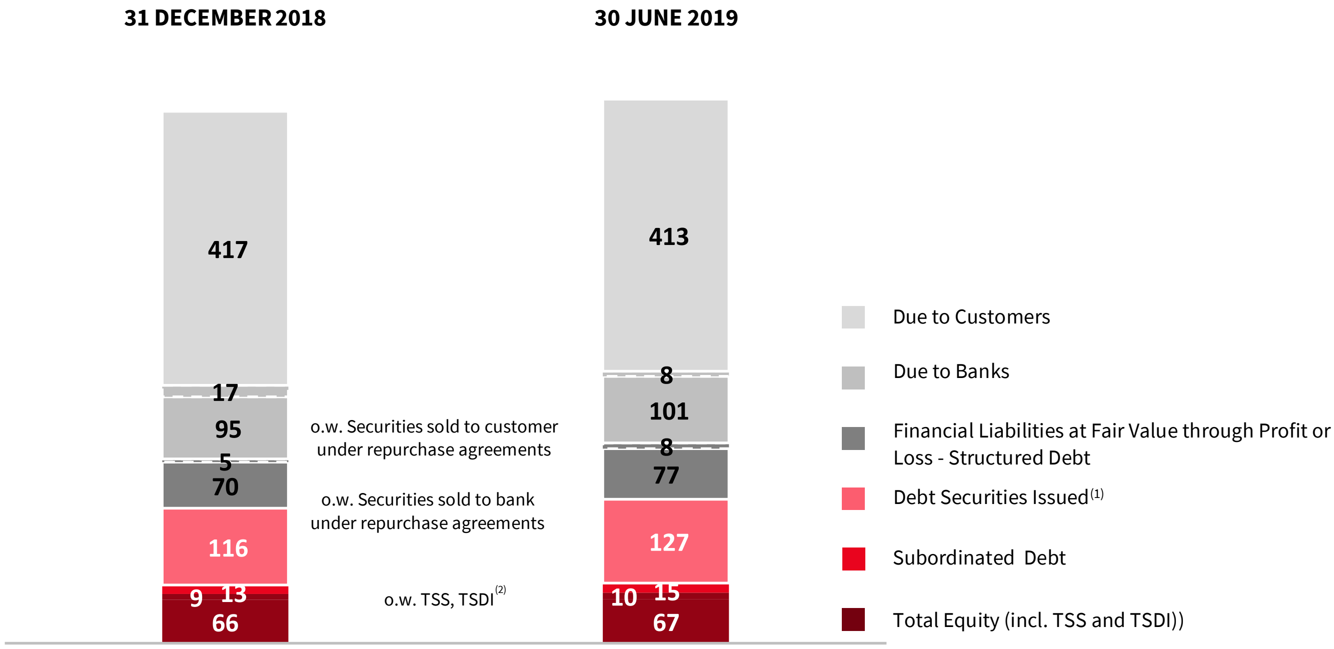
The net book value of tangible operating assets and investment property amounted to EUR 26.8 billion, representing 1.9 % of the consolidated balance sheet at 30th June 2019.

Due to the nature of Societe Generale's activities, property and equipment are not material at the Group level.

2.7 Financial policy

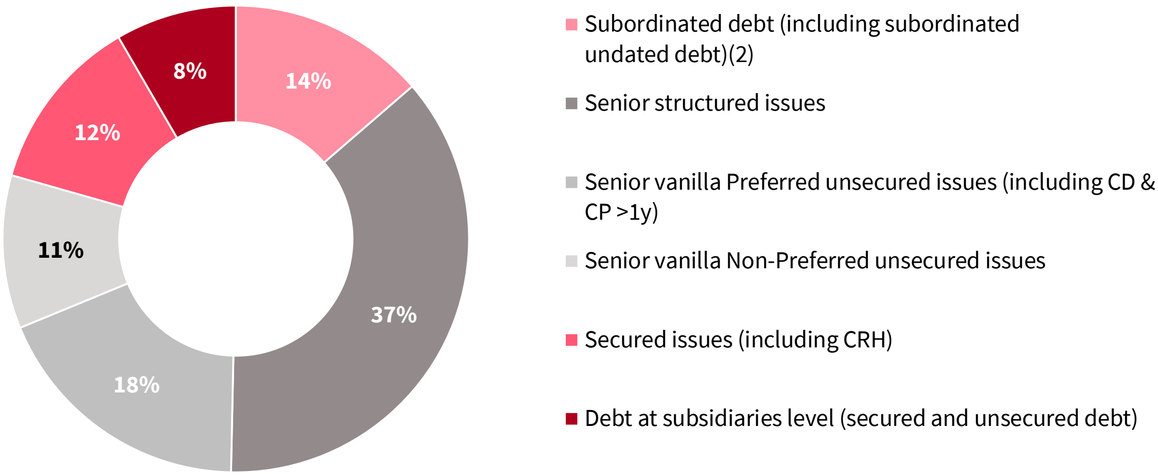
Group debt policy – update of the 2019 Registration Document, pages 56 -58

Group funding structure



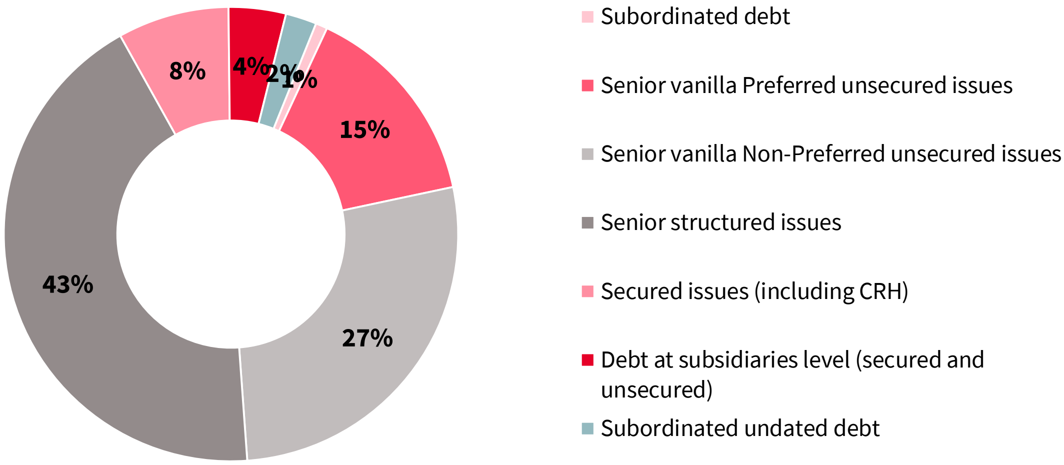
(1) o.w. SGSCF: EUR 3.4bn, SGSFH: EUR 12.8bn, CRH: EUR 5.3bn, securitisation and other secured issuances: EUR 2.7bn, conduits: EUR 10.9bn at end-June 2019 (and SGSCF: EUR 5.7bn, SGSFH: EUR 13.3bn, CRH: EUR 5.9bn, securitisation and other secured issuances: EUR 3.1bn, conduits: EUR 10.6bn at end-December 2018).
(2) TSS: Deeply Subordinated Notes, TSDI: Undated Subordinated notes. Notional amount excluding notably fx differences, original issue premiums/discounts, and accrued interest

GROUP LONG-TERM SECURITIES DEBT AT 30.06.2019[(1)]: EUR 176.4 bn



(1) Group short-term securities outstanding totaled EUR 51.9bn as of 30 June 2019, of which EUR 10.9bn issued by conduits
(2) Of which EUR 10.2bn accounted as "other equity instruments"

COMPLETION OF THE FINANCING PROGRAMME AT END-JUNE 2019 : EUR 22.1 bn



2.8 Major investments and disposals

The Group maintained a targeted acquisition and disposal policy, in line with its strategy focused on its core businesses and the management of scarce resources.

Business division	Description of investments
2019	
International Retail Banking and Financial Services	Acquisition of Sternlease by ALD (fleet leasing in Netherlands).
Global Banking and Investor Solutions	Acquisition of Equity Capital Markets and Commodities activies from Commerzbank
French Retail Banking	Acquisition of Treezor, Franch Bank-As-A-Service pioneer platform
2018	
International Retail Banking and Financial Services	Acquisition of a stake by CGI in Reezocar, a French start-up specialising in the sale of used cars to private individuals..
International Retail Banking and Financial Services	Acquisition of Reflex (flexible rental of vehicles in Spain).
Global Banking and Investor Solutions	Acquisition of Lumo (pioneering renewable energy crowdfunding platform).
2017	
International Retail Banking and Financial Services	Acquisition of BBVA Autorenting (long-term vehicle rental in Spain) and Merrion Fleet (long-term vehicle rental in Ireland).
International Retail Banking and Financial Services	Acquisition of 50% and exclusive control of Antarius (Insurance).

Business division	Description of disposals
2019	
International Retail Banking and Financial Services	Disposal of Eurobank in Poland.
Banque de Grande Clientèle et Solutions Investisseurs	Disposal of SG Private Banking Belgium.
French Retail Banking	Disposal of SelfTrade Bank S.A.U. in Spain.
French Retail Banking	Disposal of the entire stake in La Banque Postale Financement (35%)
International Retail Banking and Financial Services	Disposal of Express Bank in Bulgaria.
International Retail Banking and Financial Services	Disposal of SG Albania.
2018	
Corporate Centre	Disposal of the 2.05% stake in Euroclear.
2017	
International Retail Banking and Financial Services	Disposal of 20% of ALD at the time of the company's stock market listing.
International Retail Banking and Financial Services	Disposal of Splitska Banka in Croatia.
Global Banking and Investor Solutions	Disposal of the entire stake in Fortune (49%) in China..
French Retail Banking	Disposal of Onvista in Germany.

2.9 Pending acquisitions and major contracts

Financing of the main ongoing investments

The investments currently underway will be financed using the Group's usual sources of funding.

Pending acquisitions

No significant acquisition is pending.

Ongoing disposals

On 20 December 2018, the Group announced that it had signed an agreement to sell Societe Generale Serbia to OTP Bank. The finalization of the transaction is subject to authorization from the National Bank of Serbia and competent competition authorities. It is expected in the coming months.

On 18th January 2019 the Group announced that it had signed an agreement for the sale to Absa of custody, depository and clearing activities carried out by Societe Generale in South Africa. The transaction is subject to the approval of the competent authorities and should be finalised in 2019.

Finally, on 28th February 2019 the Group signed an agreement for the disposal of its majority stake in Ohridska Banka Societe Generale in Macedonia to the Erste Group. The transaction is expected to be finalised in the coming months, following approval from the competent authorities.

The Group has announced on 27 March 2019 the signing of an agreement for the disposal of Inora Life in Ireland to Monument Re. The transaction is expected to be finalized before end of 2019, subject to approval of competent authorities.

On 2 May 2019, the Group has signed an agreement for the disposal of SKB Banka in Solvenia to OTP Bank Group. The transaction is expected to be finalized in the coming months, subject to approval of competent authorities.

2.10 Post-closing events

On 15 July 2019, Societe Generale and Promontoria MMB enter into exclusive discussions for the acquisition of Société Générale de Banque aux Antilles by Promontoria MMB.

On 16 July 2019, the Group has finalized the disposal of its entire stake in SG Montenegro to OTP.

On 18 July 2019, the Group entered in exclusive discussion for the acquisition by Societe Generale of Socalfi, a subsidiary of My Money Bank in New Caledonia.

On 25 July 2019, the Group has finalized the disposal of its entire stake in Mobiasbanka Moldavie to OTP.

The Group has announced on 26 July 2019 the signing of an agreement for the sale of Pema GmbH, a truck and trailer rental company to TIP Trailer Services. The transaction is expected to be finalized in the coming months, subject to approval from competent authorities.

2.11 Main risks and uncertainties over the next six months – Update of page 14 of the 2019 Registration document

Societe Generale continues to be subject to the usual risks and the risks inherent in its business mentioned in Chapter 4 of the Registration Document filed on 11 March 2019, and in its updated version filed on 6 May 2019.

Despite a welcome bounce back on the GDP figures of the first quarter of 2019 in many of the advanced economies, most signals still point to a slowdown of the global economy ahead, amidst heightened tariff tensions between the United States and China, on-going Brexit uncertainty and various country-specific headwinds.

Financial markets have become more focused on the political risks amidst concerns that these are now biting into the growth outlook. Tensions on the markets related to the uncertainties mentioned cannot be excluded as well as a more pronounced slowdown in investment, which could in turn precipitate a more pronounced slowdown. In addition the oil market remains highly volatile.

Against a backdrop of low inflation and signs of slowing growth, central banks have shifted to a more accommodative tone in their forward guidance.

The fiscal stance is set to turn less favourable in the US heading into 2020 but should remain supportive in China. Within the euro area, the fiscal policy varies by member state.

Regarding the evolution of the financial markets, the six-month extension announced in early April for the Brexit had provided an initial reprieve after a difficult start to 2019, but the escalation of trade tensions in May, fears of technological supply chain disruption and geopolitical tensions (for example, US sanctions against Iran) again undermined market confidence in the second quarter of the year.

Concerning the specific trajectories of the world's major economies:

- US growth remains dynamic driven by private and public consumption, but we have doubts about the durability of such performance. The fading of fiscal stimulus as of mid-2019 and lower corporate earnings —as margins deteriorate with higher import tariffs and rising labour costs— will weaken the economy going forward.
- Economic activity in the euro area is underpinned by firm domestic consumption and strong labour markets, but growth is set to decelerate in 2019 and 2020 amidst weakening exports and lower investment.
- The UK economy has lost significant momentum on the back of Brexit uncertainty.
- Japan’s economic growth accelerated in the first quarter of 2019 but private consumption and capital expenditure are now contracting.
- Faced with the risk of a sharp slowdown, China has engaged policy easing using a mix of fiscal and monetary measures.
- Growth prospects are uneven among emerging markets. While financial conditions remain benign, especially following the pullback in US hike rates expectations, emerging markets face large corporate debt repayments in 2019-2021 and are still vulnerable to changing market sentiment.

From a regulatory perspective, H1 2019 was marked by the adoption of the CRR2/CRD5 banking package. This group of texts entered into force on 27 June 2019. Most provisions apply in 2 years, from June 2021, but some of them such as the TLAC (Total Loss Absorbing Capacity) apply as of the end of June 2019. The CRD5 directive will apply once it will be transposed into French law, expected by the end of 2020 at the latest. However, the transposition into European law of the agreement finalizing the Basel III reforms is not yet on the agenda as regards European legislative institutions

3. RISKS FACTORS AND CAPITAL ADEQUACY

3.1 Risks factors

This section identifies the main risk factors that the Group estimates could have a significant impact on its business, profitability, solvency or access to financing.

3.1.1 Risks related to the macroeconomic, market and regulatory environments

1. The global economy and financial markets continue to display high levels of uncertainty, which may materially and adversely affect the Group's business, financial position and results of operations.

As part of a global financial institution, the Group's businesses are sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The Group could face a significant deterioration in market and economic conditions resulting from, in particular, crises affecting capital or credit markets, liquidity constraints, regional or global recessions, sharp fluctuations in commodity prices (notably oil), currency exchange rates or interest rates, inflation or deflation, sovereign or private debt rating downgrades, restructuring or defaults, or adverse geopolitical events (including acts of terrorism and military conflicts). Such events, which may develop quickly and thus potentially may not be anticipated and hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on the Group's financial position, cost of risk and results of operations.

Consequently, financial markets have in recent years experienced significant disruptions as a result of concerns regarding the sovereign debt of various Eurozone countries and uncertainty relating to the pace of US monetary policy tightening, as well as fears related to a slowdown of the economy in China. The level of interest rates observed in recent years, particularly in the Eurozone, has affected and could continue to affect the net interest margin and therefore the results of operations of the Group's retail banking activities.

A long period of low interest rates in the Eurozone and the United States, driven by accommodating monetary policies, has led to an increased risk appetite of some participants in the banking and financial system. This could result in excessive risk-taking, with a loosening of credit approval requirements, lower risk premiums compared to their historical average and high valuation levels of certain assets. This situation increases the risk of financial disruption related to the conduct of monetary policy, such as if an unexpected rise in inflation and the tightening of monetary policy in the United States and the Eurozone lead to a poorly-controlled rise in interest rates. Furthermore, the environment of abundant liquidity that has been at the origin of the upturn in credit growth in the Eurozone and particularly in France could lead to additional regulatory measures from the supervisory authorities in order to limit the granting of credit or to further protect banks against a financial cycle downturn. In this scenario, the Group could be affected by a sudden revaluation of risks on the capital and credit markets and the decline in value and liquidity in certain asset markets. In addition, in a context of sharply rising public and private indebtedness in recent years in certain developed and emerging countries, a rapid rise in interest rates could affect exchange rates, the ability of some borrowers to meet their financial obligations and, more generally, adversely impact the prospects for economic growth and could also have a material adverse effect on the Group's business, financial position and results of operations.

Furthermore, the increase or accumulation of geopolitical or political risks (in particular in the Middle East) is another source of uncertainty which could impact economic activity and credit demand, while increasing the volatility of financial markets. The implementation of strong protectionist measures (or threats thereof), notably under the influence of US policy, could affect the strength of international trade in goods and services and have repercussions on the economic environment in which the Group operates, which could have a material adverse effect on the Group's businesses, financial position and results of operations.

2. The Group's results may be adversely affected by regional market exposures.

The Group's results are significantly exposed to economic, financial and political conditions in the principal markets in which it operates (namely France, Europe and the United States).

At June 30 2019, the Group's credit exposures mainly concerned France (accounting to 43%), Western Europe excluding France (accounting to 22%), Eastern European members of the European Union (accounting to 7%) and the United States (accounting to 13%).

In France, the Group's principal market, recovery in growth and low interest rates have fostered an upturn in the housing market, but a relapse of activity in this area could have a material adverse impact on the Group's business, resulting in decreased demand for loans, higher rates of non-performing loans and decreased asset values.

Given its geographical diversification, the Group operates in emerging markets, in particular in Russia and other Central and Eastern European countries, as well as in Africa. It is likely that uncertainties, and thus the related risks, will persist in relation to these markets. These uncertainties may arise from the evolution of oil prices, which may affect the financial health of producing countries, the evolution of the sanctions regime towards Russia, and the twin deficits in Romania whose correction could be imposed by the markets with an impact on growth and on the exchange rate. Capital markets and securities trading activities in emerging markets may be more volatile than those in developed markets and may also be vulnerable to certain specific risks, such as political instability and currency volatility. A significant adverse change in the political, macroeconomic or financial environments of these countries could negatively impact the Group's financial position and results of operations.

As a result of geopolitical and political tensions, the United States, the European Union and other countries and international organisations imposed several rounds of sanctions on Russian individuals and corporates in March 2014, and which were strengthened in 2018. The sanctions have adversely impacted the value of the rouble, as well as financing conditions and economic activity in Russia. There is a risk of further adverse developments in the event of increased geopolitical tensions and/or additional sanctions from Western countries and/or Russia, as well as in the event of a further drop in oil prices.

In the Eurozone, the economic and financial situation could be affected by adverse economic developments in one or more Member States. In particular, in Italy, the combination of a high level of public debt, low growth and a banking sector still affected by a significant proportion of outstanding non-performing loans, increases the risk of tightening of financing conditions. Excessive tensions could then cause contagion in the peripheral countries of the Eurozone and adversely impact the regional economy and, ultimately, the stability of the monetary zone. This could lead the ECB to further loosen monetary conditions through unconventional policies in order to avoid a systemic crisis, which could have an adverse effect on the results of some of the Group's activities. Finally, an increase in trade tensions with protectionist US measures extending to the Eurozone, could negatively affect certain sectors.

3. Increased competition, by both banking and non-banking actors, is likely to have an adverse effect on the Group's businesses and results, both in its domestic French market and internationally.

All of the Group's activities are subject to intense competition in the global and local markets in which it operates, whether from banking or non-banking actors. As such, the Group is exposed to the risk of not being able to maintain or develop its market share in its various activities. This competition may also lead to pressure on margins, which is detrimental to the profitability of the Group's activities.

In France and in the other main markets in which the Group operates, the presence of major domestic banking and financial actors, as well as new market participants (such as online banking and financial services providers), has increased competition for virtually all products and services proposed by the Group. Driven by new market participants such as "fintechs", new services that are automated, scalable and based on new technologies are developing rapidly and are fundamentally changing the relationship between consumers and financial service providers, as well as the function of traditional retail bank networks. The Group's strategy for addressing these challenges, particularly in terms of developing digital technologies, could, if it proves ineffective or poorly executed, lead to a weakened competitive position.

Consolidation in the financial services industry could result in the Group's remaining competitors benefiting from greater capital, resources and ability to offer a broader range of products and services. In addition, competition is increasing with the emergence of non-banking actors that, in some cases, may benefit from a regulatory framework that is more flexible and in particular less demanding in terms of equity capital requirements.

4. The Group is subject to an extensive supervisory and regulatory framework in each of the countries in which it operates and changes in this regulatory framework could have a significant effect on the Group's businesses, position, costs, as well as on the financial and economic environment in which it operates.

General regulatory framework

The Group is subject to extensive regulation and supervision in all jurisdictions in which it operates. The rules applicable to banks seek principally to limit their risk exposure, preserve their stability and financial solidity and protect clients, depositors, creditors and investors. Compliance with these regulations requires significant resources. Non-compliance could lead to fines, damage to the Group's reputation, forced suspension of its operations or the withdrawal of operating licences.

This regulatory framework is characterized by its evolving nature and increasing complexity, which increases uncertainty about the future impacts on the Group's business and profitability. Since the onset of the financial crisis, a variety of measures have been proposed, discussed and adopted by numerous national and international legislative and regulatory bodies, as well as other entities. Certain of these measures have already been implemented, while others are still under discussion. It therefore remains difficult to accurately estimate the future effects or, in some cases, the likely consequences of these measures for the Group.

French and European laws and regulations

The Group applies the Basel 3 regulations, which relate to capital and liquidity requirements with the goal of promoting a more resilient banking sector in the event of a crisis, implemented in the European Union through the CRR as modified by the CRR2 and the CRD4 as modified by the CRD5. These European texts are and will continue to be subject to modification to reflect changes to the Basel 3 framework.

These regulations increase as from 2022 the regulatory capital requirements to which banks in general, and the Group in particular, are subject, including constraints on internal models for Internal Ratings-Based (IRB) credit risk, the redesign of the Fundamental Review of the Trading Book (FRTB) models and the disappearance of the internal model for operational risk, replaced by a Standard approach.

They provide for a global output floor: the banking Risk-Weighted Assets (RWA) calculated according to the bank's internal models will be subject to a floor corresponding to a percentage of the base RWA that would result from the application of the Standardised Approach method (credit, market and operational). The output floor level will then increase progressively from 50% in 2022 to 72.5% in 2027. Nonetheless, these regulations will not apply to the Group before their implementation into European Union law (CRR3/CRD6).

The timetable for effective applicability of these regulations to the Group is likely to change depending on the final transposition of the Basel Committee's regulations into European law. Despite the measures taken by the Group to adapt its activities to new regulations and thus reduce their adverse impact, the completion of the Basel 3 regulatory framework is likely to increase the capital requirements applicable to certain of the Group's activities and thus reduce return on equity.

In addition to changes in regulatory provisions, the ECB has undertaken important initiatives to strengthen internal models for calculating capital requirements and their comparability. This concerns the strategy for deploying internal models on entities currently using a standard approach, harmonizing the internal definition of default, the launch in 2017 of a three-year program to review internal models (TRIM or Targeted Review of Internal Models), and the valuation of illiquid assets on the balance sheet. The impact of these measures is still uncertain. In particular, the TRIM program launched in 2017, to which the Group is subject, has not yet been completed and could result in increases in capital requirements as well as in the costs associated with adapting Group's internal systems and processes.

Furthermore, in April 2019 the European Union adopted a rule requiring banks to make a prudential deduction in equity on the basis of a possible inadequacy in their provisions covering Non-Performing Loans (NPLs). This coverage is assessed against reference levels established according to the seniority of the "default" classification of the outstanding amounts concerned. This rule applies to the Group for new loans originated and classified as NPLs since 26 April 2019. In practice, such prudential deductions would not apply until 2021 which may have a significant impact on the Group's solvency.

The Group is also exposed to a financial risk (and in particular on its share price) related to the potential limitation of its ability to distribute dividends upon the supervisor's decision. This may impose additional constraints on the bank's own funds management, motivated by the level of the various capital requirements or by any other element.

The MREL ratio ("Minimum Requirement for own funds and Eligible Liabilities") is defined in the European Directive of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (Bank Recovery and Resolution Directive or "BRDD") and has been implemented into French law by ordinance dated 20 August 2015 (the "Ordinance"). The MREL ratio is a minimum requirement for own funds and eligible liabilities that are available to absorb losses and recapitalise the bank according to the conditions stated in the BRRD. This requirement is calculated as the minimum amount of own funds and qualifying liabilities expressed as a percentage of total liabilities and own funds of the institution.

The Ordinance requires credit institutions that are subject to direct supervision by the ECB (which is the case of Société Générale) to prepare and communicate a preventive recovery plan to the ECB describing the recovery measures address a material deterioration in their financial situation.

The TLAC ("Total Loss Absorbing Capacity") ratio applies to G-SIB systemic institutions. TLAC-eligible instruments must notably be subordinated (structurally, contractually or statutorily) to senior preferred debt. However, EU banks will be allowed to include a limited amount of senior preferred debt (2.5% of RWA in 2019, 3.5% of RWA in 2022), subject to regulatory approval. In order to reduce the risk of contagion, G-SIBs will be required to deduct exposures to eligible TLAC instruments and liabilities issued by other G-SIBs from the numerator of their own TLAC position.

The MREL and TLAC requirements involve similar risks. They constrain the structure of liabilities and require the use of subordinated debt markets, which have an impact on cost and potentially on the Group's financing capacity. Directive (EU) 2019/879 ("BRRD II"), amending the BRRD, modifies the definition of the MREL so as to converge this ratio with the TLAC.

Furthermore, on 27 June 2019, a series of legislative measures called the "banking package" was published in the Official Journal of the European Union, including, inter alia, the CRR2 and CRD5 texts. Member States have 18 months to transpose these texts into national law.

The existing regulatory framework as well as the future reforms, may have an impact on capital requirements, cost of funding and other activities that will have to adapt to these new constraints as well as on the way in which the operates its activities. Nevertheless, the extent of this impact remains uncertain at this stage.

The EMIR (European Market Infrastructure Regulation) and the Dodd Frank Act aim (see US laws and regulations below), among other things, to impose the widespread use of clearing through clearing houses for so-called "standard" OTC derivative transactions, and for non-standard transactions, to subject them to obligatory bilateral variation margin.

In 2019, the European Parliament and the Council adopted a draft Regulation and is finalising the adoption of one other Regulation amending EMIR, which, once implemented, could have an impact on the Group's activities and results of operations:

- The EU draft Regulation, commonly referred to as "EMIR 2.2", concerns the strengthening of the supervisory powers over third-country central counterparties by European Union authorities. Under this Regulation, third-country central counterparties of substantial systemic importance will have to be established in the European Union. It will be up to the European Securities and Markets Authority to assess whether a central counterparty possesses this characteristic, with the final decision being taken by the European Commission. Any decisions regarding location in the European Union could, if implemented, generate operational risks and result in additional costs, negatively impacting the results of the Group.
- EU Regulation 2019/834 of 20 May 2019, commonly referred to as "EMIR Refit", aims, among other things, to exempt financial counterparties that do not exceed certain position thresholds on “OTC derivatives" from the clearing obligation and to reduce the reporting requirements for certain non-financial counterparties.

The entry into force in 2018 of the European General Data Protection Regulation (GDPR) increases non-compliance risk due to the large volume of personal data that the Group processes in the normal course of its businesses, particularly in retail banking.

In addition, the Group is subject to complex tax rules in the countries in which it operates. Changes in applicable tax rules, uncertainty regarding the interpretation of such changes or their impact on the Group may have a material adverse effect on the Group's business, results and financial position.

US laws and regulations

The US Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”) provides a general framework of important financial regulation reforms in order to enhance banking supervision and regulation and contribute to financial stability. The Dodd-Frank Act contains new measures enhancing systemic risk oversight, prudential norms for banks, provisions regarding the orderly resolution of systemically-important financial institutions, regulation of over-the-counter derivatives and consumer and investor protection, as well as regulating the ability of banking organisations and their affiliates (subsidiaries and branches) to engage in activities related to proprietary trading activities and certain transactions involving hedge funds and private equity funds.

All the necessary regulations for the application of the Dodd-Frank law have not yet been finalized and additional regulations can be expected. The Dodd-Frank Act and other similar post-financial-crisis regulations implemented in the US have increased compliance costs, restricted activities and resulted in greater prudential supervision as well as an increased risk linked to compliance with additional regulations that may also negatively affect banks (including the Group). The Dodd-Frank Act has also provided the US market regulators, mainly the CFTC and the SEC, with enhanced regulatory and jurisdictional authority over Société Générale, and subjected the Group to additional control and monitoring measures.

The current Presidential administration has expressed different policy goals, which could alter these provisions but without substantially amending the Dodd-Frank Act.

Although certain rules and regulations are still in draft form, or yet to be proposed, the majority of the rules relevant to the Group have already been finalised and have resulted or will result in additional costs as well as the imposition of restrictions on certain activities of the Group. The new policies, tone from the top, and any proposed new regulations or legislation, once adopted, could affect the activities of the Group and the value and liquidity of securities issued by Société Générale.

As an international bank, handling transactions with "US persons", denominated in US dollars, or involving US financial institutions, the Group is subject to US laws and regulations relating in particular to compliance with economic sanctions, the fight against corruption and market abuses. In 2018, the Group entered into several agreements with US authorities notably in order to suspend for three years the criminal proceedings initiated for violating the above-mentioned US laws and regulations. Under these agreements, the Group has undertaken to implement, through a dedicated program and organisation, corrective actions to address identified deficiencies, the cost of which may be significant. In the event of a new failure to comply with relevant US laws and regulations, or a breach of the Group's commitments under these agreements, the Group could be exposed to the risk of (i) administrative sanctions, including fines, suspension of access to US markets, or even withdrawals of banking licences, (ii) reactivation of the criminal proceedings risk, and (iii) damage to its reputation.

5. The Group may generate lower revenues from brokerage and other commission- and fee-based businesses during market downturns.

During the market downturn, the Group experienced a decline in the volume of transactions executed for its clients, resulting in lower revenues from this activity. There is no guarantee that the Group will not experience a similar trend in future market downturns, which may occur periodically and unexpectedly. Furthermore, changes in applicable regulations could also impact the volume of transactions that the Group executes for its clients, resulting in lower revenues from these activities. In addition, because the fees that the Group charges for managing its clients' portfolios are in many cases based on the value or performance of the portfolios in question, a market downturn reducing the value of its clients' portfolios or increasing the amount of withdrawals could reduce the revenues the Group generates from its Asset Management, custodial and Private Banking businesses, which would have a material adverse effect on the Group's financial position and results of operations.

6. Brexit and its impact on financial markets and the economic environment could have an adverse impact on the Group's activities and results of operations.

The United Kingdom and the European Union have agreed to a "flexible extension" of the UK's withdrawal from the European Union until 31 October 2019. However, the terms of the United Kingdom's withdrawal agreement from the European Union have yet to be approved by the British Parliament. Negotiations are ongoing with an increasing probability of a "no-deal" Brexit. This in turn will have an impact on the possibility of a transition period up to 31 December 2020, and the nature of future relations between the United Kingdom and the European Union remains unclear.

According to the scenarios that have been considered, the withdrawal of the United Kingdom from the European Union is likely to cause considerable disruption to the economy and the European and global financial markets. These disruptions could have repercussions on the Group's business and results, as well as on the regulatory framework governing some of its activities.

At 30 June 2019, the Group had an exposure at default of up to EUR 48 billion in the United Kingdom.

7. Risks related to the implementation of the Group's strategic plan.

The Group's new strategic and financial plan for 2017-2020 includes a number of strategic objectives, in particular a plan to accelerate the digital transformation of its model, the streamlining of its French Retail Banking network, the strengthening of its internal control function and the embedding of a culture of corporate responsibility. It also includes a certain number of financial objectives related to return on equity, net income, cost savings and regulatory ratios.

This strategic plan is based on a number of assumptions, in particular relating to the macroeconomic environment and the development of activities. Failure to achieve these objectives or the occurrence of unexpected events could compromise the achievement of the strategic plan and have a material adverse effect on the Group's business, results of operations and financial position.

3.1.2 Credit and counterparty risks

Weighted assets subject to credit and counterparty risks amounted to EUR 294 billion at 30 June 2019.

8. The Group is exposed to counterparty and concentration risks, which may have a material adverse effect on the Group's business, results of operations and financial position.

The Group is exposed to credit risk with respect to numerous counterparties in the ordinary course of its trading, lending, issuing and deposit-taking, clearing, settlement and other activities. These counterparties include, among others, institutional clients, brokers and dealers, commercial and investment banks, corporates, clearing houses, hedge funds, and sovereign states. The Group may realise losses if a counterparty defaults on its obligations, if the Group encounters legal or other difficulties in enforcing its collateral or/and if the value of the collateral is not sufficient to fully recover the exposure.

Many of the Group's hedging and other risk management strategies also involve transactions with financial services counterparties. Any default or insolvency on the part of these counterparties may impair the effectiveness of the Group's hedging and other risk management strategies.

Following the financial crisis, regulators have encouraged or imposed the mandatory netting of certain financial instruments formerly traded over-the-counter, which has increased the exposure of the Group and other financial market participants to the clearing houses: the default of any one of them or of one of their members could affect the financial markets and could have negative consequences for the Group.

Consequently, the default of one or more significant counterparties of the Group could have a material adverse effect on the Group's cost of risk, results of operations and financial position.

This risk is increased if exposures are concentrated on a particular counterparty, borrower or issuer (including sovereign issuers), or on a particular country or industry. The devices and methods the Group uses to ensure the diversification of its credit and counterparty risks may prove insufficient or defective in preventing the concentration of credit risk. Such a concentration of risk could result in losses for the Group, even when economic and market conditions are generally favourable for its competitors, and may have a material adverse impact on the Group's business, results of operations and financial position.

At 30 June 2019, the main sectors to which the Group was exposed in its Corporate portfolio included financial activities (accounting for 18% of exposure), real estate (10%) and commercial services (10%)

9. The financial soundness and conduct of other financial institutions and market participants could adversely affect the Group.

The Group's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding and other relationships. As a result, defaults by, or even rumours or questions about, one or more financial services institutions, or a loss of confidence in the financial services industry generally, may result in market-wide liquidity scarcity and could lead to further losses or defaults. The Group has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. It should be noted that the number of cleared transactions is increasing and will continue to do so, thereby increasing our exposure to clearing houses while reducing our bilateral positions. Many of these transactions expose the Group to credit risk in the event of default by counterparties or clients and may have a material adverse impact on the Group's business, results of operations and financial position.

10. The Group's results of operations and financial position could be adversely affected by a late or insufficient provisioning of credit exposures.

The Group regularly records provisions for loan losses in connection with its lending activities in order to anticipate the occurrence of losses and moderate the volatility of its results. The amount of loan loss provisions is based on the most accurate assessment to date of the recoverability of the debts in question. This assessment relies on an analysis of the current and prospective situation of the borrower as well as an analysis of the value and recovery prospects of the debt, taking into account any security interests. In some cases (loans to individual customers), the provisioning method may call for the use of statistical models based on the analysis of loss and recovery historical data.

The Group could be required to substantially increase its provisions for loan losses, following an increase in defaults or a re-evaluation of recovery prospects. A significant increase in loan loss provisions, or the occurrence of loan losses in excess of its provisions, could have a material adverse effect on Group's cost of risk, results of operations and financial position.

Since 1 January 2018, the Group has been recording provisions on performing loans under the IFRS9 accounting standard. This assessment is based on statistical models for assessing probabilities of default and potential losses in the event of default, which take into account a prospective analysis based on macroeconomic scenarios. The Group's cost of risk could be negatively impacted by a proven or anticipated deterioration in the quality of the outstanding loan portfolios or macroeconomic prospects. In addition, IFRS 9 accounting standard principles and provisioning models could be pro-cyclical in the event of a sharp and sudden deterioration in the environment or result in enhanced volatility in the event of fluctuations in the economic prospects. This could lead to a significant and/or not fully anticipated change in the cost of risk and therefore in the Group's results of operations.

At 30 June 2019, balance sheet provisions for performing assets and assets in default amounted to EUR 1.9 billion and EUR 9.4 billion, respectively. On that date, the rate of non-performing loans in relation to outstanding amounts represented +3.4% and the coverage rate of these loans through provisions amounted to approximately 55%.

3.1.3 Market and structural risks

At 30 June 2019, risk-weighted assets subject to market risk amounted to EUR 18 billion or 5% of the Group's total RWA.

11. The volatility of the financial markets may cause the Group to suffer significant losses on its trading and investment activities.

The volatility of the financial markets could adversely affect the Group's trading and investment positions in the debt, currency, commodity and equity markets, as well as its positions in private equity, property and other investments. In particular:

- significant volatility over a long period of time could lead to corrections on risky assets and generate losses for the Group;
- a sudden change in the volatility regime could make it difficult or more costly to hedge certain structured products and thus increase the risk of loss for the Group.

Severe market disruptions and high market volatility have occurred in recent years and may occur again in the future, which could result in significant losses for the Group's capital markets activities. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products.

In the event that a low-volatility environment emerges, reflecting a generally optimistic sentiment in the markets and/or the presence of systematic volatility sellers, increased risks of correction may also develop, particularly if the main market participants have similar positions on certain products. Such corrections could result in significant losses for the Group's market activities.

The volatility of the financial markets makes it difficult to predict trends and implement effective trading strategies; it also increases risk of losses from net long positions when prices decline and, conversely, from net short positions when prices rise. Such losses could have a material adverse effect on the Group's results of operations and financial position.

12. Changes in interest rates may adversely affect retail banking activities.

The Group generates a significant part of its income through net interest margin and as such remains highly exposed to interest rate fluctuations as well as to changes in the yield curve, particularly in its retail banking activities. The Group's results are influenced by changes in interest rates in Europe and in the other markets in which it operates. In Europe in particular, a protracted environment of low or even negative interest rates has affected and could continue to significantly affect retail banking income, notably in France.

13. Fluctuations in exchange rates could adversely affect the Group's results.

The Group's main operating currency is the euro. However, a significant portion of the Group's business is carried out in currencies other than the euro, such as the US dollar, the British pound sterling, the Japanese yen, the Czech koruna, the Romanian leu and the Russian rouble. The Group is exposed to exchange rate movements to the extent that its revenues and expenses, as well as its assets and liabilities, are recorded in different currencies. Because the Group publishes its consolidated financial statements in euros, which is the currency of most of its liabilities, it is also subject to conversion cash flows. Exchange rate fluctuations of these currencies against the euro may also adversely affect the Group's consolidated results, financial position and cash flows. Exchange rate fluctuations may also negatively affect the value (denominated in euros) of the Group's investments in its subsidiaries outside the Eurozone.

14. The protracted decline of financial markets or reduced liquidity in such markets may make it harder to sell assets or manoeuvre trade positions and could lead to material losses for certain activities of the Group.

In many of the Group's businesses, including market activities, refinancing and asset management, a protracted financial market decline (due to tightened financing conditions, a global economic slowdown, a trade war, etc.), particularly in asset prices, could reduce the level of activity in the markets involved or reduce their liquidity. These developments could lead to material losses if the Group is not able to close out deteriorating positions in a timely way or adjust the hedge of its positions. This is especially true for the assets the Group holds for which the markets are relatively illiquid by nature, particularly those where a majority of participants have market positions in the same direction. Assets that are not traded on regulated markets or other public trading platforms, such as derivatives contracts between banks, are valued based on the Group's internal models rather than on their market value. Monitoring or anticipating the deterioration of prices of assets like these is difficult, and could lead to losses that the Group did not anticipate which could have a material adverse effect on the Group's results of operations and financial position.

Furthermore, a long-term environment of low interest rates and accommodative monetary policy could change the behaviour of certain participants in the financial markets and lead them to take on additional risk, resulting, among other things, in lengthened maturities, greater product complexity, the emergence of new market practices, etc. Such a context could reduce the liquidity of the financial markets in stress periods and increase the risk of dislocation or a flash crash, which could lead to losses or the impairment of assets owned by the Group.

15. The Group’s hedging strategies may not prevent all risk of losses.

The Group is exposed to a risk of loss in the event of the ineffectiveness of a hedging strategy used, particularly on market activities. These hedging strategies use models that include assumptions about the evolution of market parameters and their correlation, partly inferred from historical data. These models could be inappropriate in certain market environments, leading to an ineffective hedging strategy and causing unanticipated losses that could have a material adverse effect on the Group's results and financial position.

3.1.4 Operational risks

At 30 June 2019, risk-weighted assets subject to operational risk amounted to EUR 49 billion or 14% of the Group's total RWA.

16. The Group is exposed to legal risks that could negatively affect its financial position or results of operations.

The Group and certain of its former and current representatives may be involved in various types of litigation, including civil, administrative, fiscal, criminal and arbitration proceedings. The large majority of such proceedings arise from transactions or events that occur in the Group’s ordinary course of business. There has been an increase in client, depositor, creditor and investor litigation and regulatory proceedings against intermediaries such as banks and investment advisors in recent years, in part due to the challenging market environment. This has increased the risk, for the Group, of losses or reputational harm deriving from litigation and other proceedings. Such proceedings or regulatory enforcement actions could also lead to civil, administrative, tax or criminal penalties that could adversely affect the Group’s business, financial position and results of operations.

In preparing the Group’s financial statements, the Group makes estimates regarding the outcome of civil, administrative, fiscal, criminal and arbitration proceedings in which it is involved, and records a provision when losses with respect to such matters are probable and can be reasonably estimated. It is inherently difficult to predict the outcome of litigation and proceedings involving the Group’s businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, cases where claims for damages are of unspecified or indeterminate amounts, or cases involving unprecedented legal claims. Should such estimates prove inaccurate or should the provisions set aside by the Group to cover such risks prove inadequate, the Group’s financial position or results of operations could be adversely affected.

For a description of the most significant ongoing proceedings, see the section “Compliance and reputational risk, litigation».

17. Operational failure, termination or capacity constraints affecting institutions the Group does business with, or failure or breach of the Group’s information technology systems, could result in losses and damages to the reputation of the Group.

The Group relies heavily on communication and information systems to conduct its business. Any failure, dysfunction, interruption or breach in security of these systems, even if only brief and temporary, could result in significant disruptions to the Group's business. Despite the Group's backup solutions, such incidents could result in significant costs related to information retrieval and verification, loss of revenue, loss of customers, litigations with counterparties or customers and ultimately damage to the Group's reputation. This could also have a material adverse effect on the Group’s businesses, results of operations and financial position, and could result in litigation.

An increasing number of companies, including financial institutions, has experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and targeted attacks on their computer networks and resulted in loss, theft or disclosure of confidential data. Because the techniques used to obtain unauthorised access, disable or degrade service or sabotage information systems change frequently, and often are not recognised until launched against a target, the Group may be unable to anticipate these techniques or to implement effective countermeasures in a timely manner. Similarly, technical internal and external fraud is fluid and protean, and closely follows the technological evolution of financial activities and customer behaviour, leading fraudsters to regularly develop new attack techniques. Such actions could result in operational losses and could have a material adverse effect on the Group’s business, results of operations and financial position.

Furthermore, the Group is exposed to the risk of operational failure, termination or capacity constraints of third parties, including clients, financial intermediaries that it uses to facilitate cash settlement or securities transactions (such as clearing agents and houses and exchanges), and other market participants. An increasing number of derivative transactions are now required to be cleared on exchanges, or will be in the near future, which has increased the Group’s exposure to these risks, and could affect its ability to find adequate and cost-effective alternatives.

The interconnectivity of multiple financial institutions with clearing agents and houses and exchanges, and the increased concentration of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could materially impact the Group's ability to conduct business and could therefore result in losses. Industry concentration, whether among market participants or financial intermediaries, can exacerbate these risks, as disparate complex systems need to be integrated, often on an accelerated basis.

As the Group becomes more interconnected with its clients, it also faces the risk of operational failure with respect to its clients' information technology and communication systems. Any failure, termination or constraint could adversely affect its ability to effect transactions, provide customer service, manage its exposure to risk or expand its businesses or result in financial losses, liability towards its clients, impairment of its liquidity, disruption of its businesses, regulatory intervention or reputational damage.

18. The Group may incur losses as a result of unforeseen or catastrophic events, including terrorist attacks or natural disasters.

The occurrence of unforeseen or catastrophic events, including terrorist attacks, natural disasters or a widespread health crisis (or concerns over the possibility of such crisis) or major social movements, could create economic and financial disruptions or lead to operational difficulties (including travel limitations or relocation of affected employees) that could impair the Group's ability to manage its businesses and also expose its insurance activities to significant losses and increased costs (such as re-insurance premiums), which could have a material adverse effect on the Group's business, results of operations and financial position.

19. The Group's risk management system, based notably on models, may not be effective and may expose the Group to unidentified or unanticipated risks, which could lead to significant losses.

The Group deploys significant resources to identify, measure and control its risks and implements various techniques to manage its risk profile.

Nevertheless, these risk management techniques, which are often based on models, may not be appropriate for certain risks that would not be properly integrated into the historical data and hypothetical scenarios used to set up these models and could lead to significant losses for the Group.

20. Reputational damage could harm the Group's competitive position.

The Group's reputation for financial strength and integrity is critical to its ability to foster loyalty and develop its relationships with customers and other counterparties. Its reputation could be harmed by events attributable to it, flaws in its control measures, non-compliance with its commitments (notably environmental or social) or strategic decisions (business activities, risk appetite, etc.), as well as by events and actions of others outside its control. Negative comments concerning the Group, whether legitimate or not, could have adverse effects on its business, its competitive position, the value of its issued securities or its access to financing.

In particular, the Group's reputation could be adversely affected by a weakness in its internal control measures (operational risk, regulatory risk, credit risk, market risk, etc.) or following misconduct by employees such as with respect to clients (non-compliance with consumer protection rules) or by issues affecting market integrity (market abuse and conflicts of interest). The Group's reputation could also be affected by external fraud or information leaks, by the financing of an industry that is subject to media exposure, or by an transaction that is considered not to comply with an environmental or social commitment. Similarly, reputational issues could also result from a lack of transparency, communication errors or a restatement of, or corrections to, its financial results. The impact of such events, which could potentially result in litigation, can vary depending on the context and whether they become the focus of extensive media reports. Reputational damage could translate into a loss of business or investor confidence or a loss of the Group's clients (and prospects) which could have a material adverse effect on the Group's results of operations and financial position or on its ability to attract and retain employees.

21. The Group's inability to attract and retain qualified employees, as well as significant changes in the regulatory framework related to human resources management processes and compensation, may adversely affect its performance.

The inability to attract and retain highly-qualified employees, a high rate of turnover or the departure of strategic employees could expose the Group to a loss in its know-how as well as a deterioration in the quality of services provided (particularly in regions where labour markets are highly competitive for qualified personnel). In order to attract and retain highly-qualified employees, endowed with the skills, sometimes new, necessary for the successful development of its activities, the Group must therefore offer career paths, training and development opportunities, and compensation levels in line with market practices. The Group's inability to achieve its human resources objectives, including due to external factors, could negatively affect its commercial and operational performance and therefore its results of operations.

Furthermore, the European financial industry is subject to stringent regulation of employee compensation, including rules for certain types of compensation (fixed, variable, incentive-based, deferred payments, etc.), which may constrain the Group in its ability to attract and retain qualified employees. In particular, this is the case with the CRD4 Directive, which has applied since 2014 to banks in the European Economic Area and establishes a ceiling on the variable component of compensation in relation to the fixed component for the regulated population.

Other regulatory changes, particularly the General Data Protection Regulation and regulations related to customer protection (European Directives (i) on Markets in Financial Instruments and (ii) on Insurance Distribution and their associated texts, known as "MIF II" and "IDD" respectively), which entered into force in 2018, include requirements on operational processes for human resources management and on employee compensation, imposing compliance obligations on the Group and costs related to the adaptation of its operational model.

3.1.5 Liquidity and funding risks

22. A number of exceptional measures taken by governments, central banks and regulators could have a material adverse effect on the Group's business, results of operations and financial position.

For several years now, central banks have taken measures to facilitate financial institutions' access to liquidity, in particular by lowering interest rates to historical lows. Various central banks have substantially increased the amount and duration of liquidity provided to banks. They have relaxed collateral requirements and, in some cases, have implemented "non-conventional" measures to inject substantial liquidity into the financial system, including direct market purchases of government bonds, corporate bonds, and mortgage-backed securities.

This low interest rate policy could have an impact on the Group's business and profitability, particularly by impacting its net interest margin. The Group's efforts to reduce its financing costs could also be reduced by the importance, particularly on the French market, of regulated savings products (such as Livret A and PEL savings accounts) bearing interest at rates higher than the current market level. This low interest rate situation could also continue to generate an increase in early repayments of real estate and other fixed-rate loans granted to individuals and businesses.

In the United States, the Fed seems to have ended its cycle of raising its key interest rate (begun in December 2015), and is once again moving towards rate cuts in a context of a global economic slowdown. New tariffs and/or sanctions remain additional risks to be monitored as they could further weaken overall growth. This could increase financial market volatility and significantly increase risk premiums. These items could have a material adverse effect on the Group's business, financial position and results of operations.

In the Eurozone, the weakening of growth is also leading the ECB to further monetary easing even before it has been able to normalise its negative interest rate policy. In this context, interest rates are expected to remain low for an extended period.

The ECB now appears to have less leeway in the event of a resurgence of financial tension in certain Eurozone member states. In the extreme case of a restructuring of a Eurozone Member State's sovereign debt, cross-border capital flows restrictions could be implemented.

The fragmentation of the European financial markets is now partly "hidden" by the ECB's policy. The lack of significant progress on the Banking Union and the Capital Markets Union leaves the Eurozone in a situation of potential vulnerability.

A more politically fragmented world and the risks of counterproductive exceptional measures could have a material adverse effect on the Group's business, financial position and results of operations.

23. The Group's dependence on its access to financing and its liquidity constraints may have a material adverse effect on the Group's business, financial position and results of operations.

For the proper conduct of its activities, the Group depends on access to financing and other sources of liquidity. If the Group is unable to access secured or unsecured debt markets on terms it considers acceptable or if it experiences unforeseen outflows of cash or collateral, including material decreases in customer deposits, its liquidity could be impaired. In addition, if the Group is unable to maintain a satisfactory level of customer deposits collection, it may be forced to turn to more expensive funding sources, which would reduce the Group’s net interest margin and results.

The Group is exposed to the risk of an increase in credit spreads. The Group’s medium- and long-term financing cost is directly linked to the level of credit spreads which can fluctuate depending on the general market conditions. These spreads can also be affected by an adverse change in France’s sovereign debt rating or the Group's external ratings by rating agencies.

The Group’s ratings by rating agencies are based in particular on their review of factors such as the Group’s governance, strategy, quality and diversity of earnings sources, capital adequacy, quality of the balance sheet structure, risk management and risk appetite. Therefore, a deterioration in any of the above factors may lead to a ratings downgrade for the Group. The Group’s credit ratings can have a significant impact on the Group’s access to funding, increase its financing costs and reduce its ability to carry out certain types of transactions or activities with customers. This could also require the Group to provide additional collateral to certain counterparties, which would have a negative impact on liquidity.

Lenders have the right to accelerate debt repayment for some of the Group’s debts upon the occurrence of certain events, including the Group’s failure to obtain the necessary collateral following a downgrade of its credit rating below a certain threshold, and other events of default set out in the terms of such indebtedness. If the relevant lenders declare all amounts outstanding due and payable as a result of a default, the Group may be unable to find sufficient alternative financing on acceptable terms, and the Group’s assets might not be sufficient to repay its outstanding indebtedness in full.

Access to financing and liquidity constraints may have a material adverse effect on the Group’s business, financial position, results of operations and ability to meet its obligations to its counterparties.

At 30 June 2019, the regulatory short-term liquidity ratio (LCR or "Liquidity Coverage Ratio") stood at 145% and liquidity reserves amounted to EUR 188 billion.

3.1.6 Risks related to insurance activities

24. A deterioration in the market situation, and in particular a significant increase or decrease in interest rates, could have a material adverse effect on the life insurance activities of the Group's Insurance business.

The Group's Insurance business is highly exposed to structural interest rate risk due to the high proportion of bonds in the euro-denominated funds in its life insurance contracts. Fluctuations in the level of rates may have the following consequences for the Group:

● in the event of a sharp rise in interest rates: degrading the competitiveness of the life insurance offerings in euros (compared with bank savings products, for example) and triggering significant repurchases and arbitrage by customers, in an unfavourable context of unrealized losses on the bond holdings;

● in the event of persistently low rates: limiting the insurer's ability to deduct its remuneration from the rates of return paid to clients, in a context of rates close to zero.

More generally, a pronounced widening of spreads and a decline in equity markets could also have a significant negative impact on the results of the Group's life insurance business.

3.2 Regulatory ratios

3.2.1 Prudential ratio management – Update of the 2019 Registration Document, pages 182-183

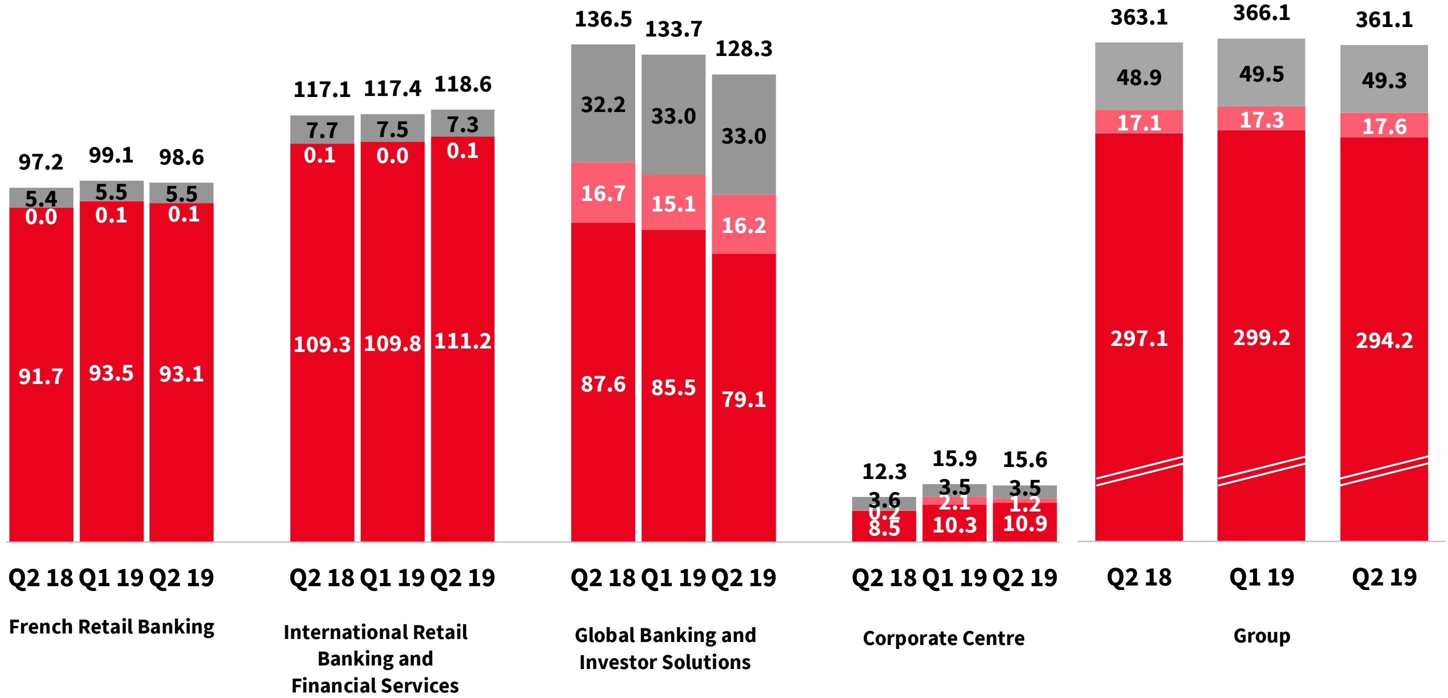
During the first half of 2019, Societe Generale issued AUD 300m (equivalent to EUR 185m) of subordinated Tier 2 bonds and SGD 750 M (equivalent to EUR 487m) of Additional Tier 1 bonds.

In addition, during this period, the Group redeemed a Tier 2 bond for an amount of EUR 116m, implemented in February 2007.

The Group also announced on 22 July 2019 the early redemption at first call date (4 September 2019) of EUR 1,000m Additional Tier 1 bonds issued in September 2009.

3.2.2 Extract from the presentation dated August 1, 2019: Second quarter 2019 results (and supplements) – update of the page 186 of the 2019 Registration Document

RISK-WEIGHTED ASSETS* (CRR/CRD 4, in EURbn)



* Includes the entities reported under IFRS 5 until disposal

Fully Loaded Common Equity Tier 1, Tier 1 and Total Capital

In EUR bn	30/06/2019	31/12/2018
Shareholder equity Group share	**62.5**	**61.0**
Deeply subordinated notes*	(9.9)	(9.3)
Undated subordinated notes*	(0.3)	(0.3)
Dividend to be paid & interest on subordinated notes	(0.9)	(1.0)
Goodwill and intangible	(6.4)	(6.7)
Non controlling interests	3.7	3.7
Deductions and regulatory adjustments	(5.4)	(5.3)
Common Equity Tier 1 Capital	**43.4**	**42.0**
Additionnal Tier 1 Capital	9.9	9.4
Tier 1 Capital	**53.3**	**51.4**
Tier 2 capital	11.4	11.5
Total capital (Tier 1 + Tier 2)	**64.7**	**62.9**
Risk-Weighted Assets	**361**	**376**
Common Equity Tier 1 Ratio	**12.0%**	**11.2%**
Tier 1 Ratio	**14.8%**	**13.7%**
Total Capital Ratio	**17.9%**	**16.7%**

Ratios based on the CRR/CDR4 rules as published on 26th June 2013, including Danish compromise for insurance. See Methodology. Dividend to be paid calculated assuming a 50% takeup on 2018 scrip dividend.

* Excluding issue premiums on deeply subordinated notes and on undated subordinated notes

CRR leverage RATIO(1)

In EUR bn	30/06/2019	31/12/2018
Tier 1 Capital	**53.3**	**51.4**
Total prudential balance sheet(2)	1,244	1,175
Adjustement related to derivative exposures	(89)	(46)
Adjustement related to securities financing transactions*	(7)	(11)
Off-balance sheet (loan and guarantee commitments)	102	100
Technical and prudential adjustments (Tier 1 capital prudential deductions)	(10)	(10)
Leverage exposure	**1,240**	**1,208**
CRR leverage ratio	**4.3%**	**4.3%**

(1) Fully loaded based on CRR rules taking into account the leverage ratio delegated act adopted in October 2014 by the European Commission. See Methodology. 31/12/2018 Tier 1 capital calculated assuming a 50% take up on 2018 scrip dividend.
(2) The prudential balance sheet corresponds to the IFRS balance sheet less entities accounted for through the equity method (mainly insurance subsidiaries)
* Securities financing transactions: repos, reverse repos, securities lending and borrowing and other similar transactions

Financial conglomerate ratio, correction of the first update of the Registration Document

The first update of the Registration Document is modified as follows:

At 31st December 2018, the financial conglomerate ratio was 140%, consisting of a numerator "Own funds of the Financial Conglomerate" of EUR 64.6 billion, and a denominator "Regulatory requirement of the Financial Conglomerate" of EUR 46 billion.

3.2.3 Reconciliation of the consolidated balance sheet and the accounting balance sheet within the prudential scope - Update of the 2019 Registration document pages 180-181

ASSETS at 30.06.2019 (in EUR m)	Consolidated balance sheet	Prudential restatements linked to insurance [1]	Prudential restatements linked to consolidation methods	Accounting balance sheet within the prudential scope
Cash, due from banks	**99,479**	**0**	**0**	**99,479**
Financial assets at fair value through profit or loss	**420,968**	**10,359**	**(0)**	**431,327**
Hedging derivatives	**17,765**	**36**	**0**	**17,801**
Financial assets at fair value through other comprehensive income	**53,124**	**(0)**	**0**	**53,124**
Securities at amortised cost	**12,151**	**0**	**0**	**12,151**
Due from banks at amortised cost	**70,173**	**(0)**	**94**	**70,267**
of which subordinated loans to credit institutions	104	0	0	104
Customer loans at amortised cost	**438,251**	**1,564**	**149**	**439,964**
Revaluation differences on portfilios hedged against interest rate risk	**69**	**0**	**0**	**69**
Investment of insurance activities	**157,907**	**(157,907)**	**0**	**-**
Tax assets	**5,475**	**(87)**	**(0)**	**5,388**
of which deferred tax assets that rely on future profitability excluding those arising from temporary differences	2,715	0	(765)	1,950
of which deferred tax assets arising from temporary differences	1,992	0	774	2,766
Other assets	**70,361**	**(2,382)**	**42**	**68,021**
of which defined-benefit pension fund assets	88	0	0	88
Non-current assets held for sale	**9,008**	**(85)**	**0**	**8,923**
Investments accounted for using the equity method	**243**	**3,905**	**(71)**	**4,077**
Tangible and intangible assets	**28,986**	**(160)**	**0**	**28,826**
of which intangible assets exclusive of leasing rights	2,226	0	(133)	2,093
Goodwill	**4,649**	**(325)**	**0**	**4,324**
TOTAL ASSETS	**1,388,609**	**(145,082)**	**214**	**1,243,741**

(1) Restatement of subsidiaries excluded from the prudential reporting scope and reconsolidation of intragroup transactions related to its subsidiaries.

LIABILITIES at 30.06.2019 (in EUR m)	Consolidated balance sheet	Prudential restatements linked to insurance (1)	Prudential restatements linked to consolidation methods	Accounting balance sheet within the prudential scope
Due to central bank	**7,740**	**0**	**0**	**7,740**
Financial liabilities at fair value through profit or loss	**406,254**	**2,926**	**0**	**409,180**
Hedging derivatives	**9,703**	**5**	**0**	**9,708**
Debt securities issued	**127,276**	**1,124**	**0**	**128,400**
Due to banks	**101,269**	**(2,914)**	**4**	**98,359**
Customer deposits	**412,941**	**1,454**	**34**	**414,429**
Revaluation differences on portfolios hedged against interest rate risk	**7,563**	**0**	**0**	**7,563**
Tax liabilities	**1,237**	**(245)**	**1**	**993**
Other Liabilities	**82,620**	**(7,863)**	**175**	**74,932**
Non-current liabilities held for sale	**7,070**	**(100)**	**0**	**6,970**
Liabilities related to insurance activities contracts	**138,577**	**(138,577)**	**0**	**-**
Provisions	**4,575**	**(13)**	**0**	**4,562**
Subordinated debts	**14,565**	**111**	**0**	**14,676**
of which redeemable subordinated notes including revaluation differences on hedging items	14,209	107	0	14,316
Total debts	**1,321,390**	**(144,092)**	**214**	**1,177,512**
Shareholder's Equity, Group share				
Issued common stocks, equity instruments and capital reserves	31,353	0	(0)	31,353
Retained earnings	30,042	(203)	0	29,839
Net income	1,740	0	0	1,740
Sub-Total	63,135	(203)	0	62,932
Unrealised or deferred capital gains and losses	(643)	0	(0)	(643)
Sub-Total Equity, Group share	**62,492**	**(203)**	**0**	**62,289**
Minority interests	**4,727**	**(787)**	**0**	**3,940**
Total equity	**67,219**	**(990)**	**(0)**	**66,229**
TOTAL LIABILITIES	**1,388,609**	**(145,082)**	**214**	**1,243,741**

(1) Restatement of subsidiaries excluded from the prudential scope and reconsolidation of intragroup transactions related to its subsidiaries.

3.2.4 Entities outside the prudential reporting scope – Update of the Registration Document – Table 3 page 182

Company	Activity	Country
Antarius	Insurance	France
ALD RE Designated Activity Company	Insurance	Ireland
Catalyst RE International LTD	Insurance	Bermuda
Société Générale Strakhovanie Zhizni LLC	Insurance	Russia
Sogelife	Insurance	Luxembourg
Genecar - Société Générale de Courtage d'Assurance et de Réassurance	Insurance	France
Inora Life LTD	Insurance	Ireland
SG Strakhovanie LLC	Insurance	Russia
Sogecap	Insurance	France
Komercni Pojstovna A.S.	Insurance	Czech Republic
La Marocaine Vie	Insurance	Morocco
Oradea Vie	Insurance	France
Société Générale RE SA	Insurance	Luxembourg
Sogessur	Insurance	France
Société Générale Life Insurance Broker SA	Insurance	Luxembourg
SG Banque au Liban	Bank	Lebanon
Banque Pouyanne	Bank	France

3.3 Provisioning of doubtful loans – Update of the 2019 Registration document page 211

Gross non-performing loans ratio

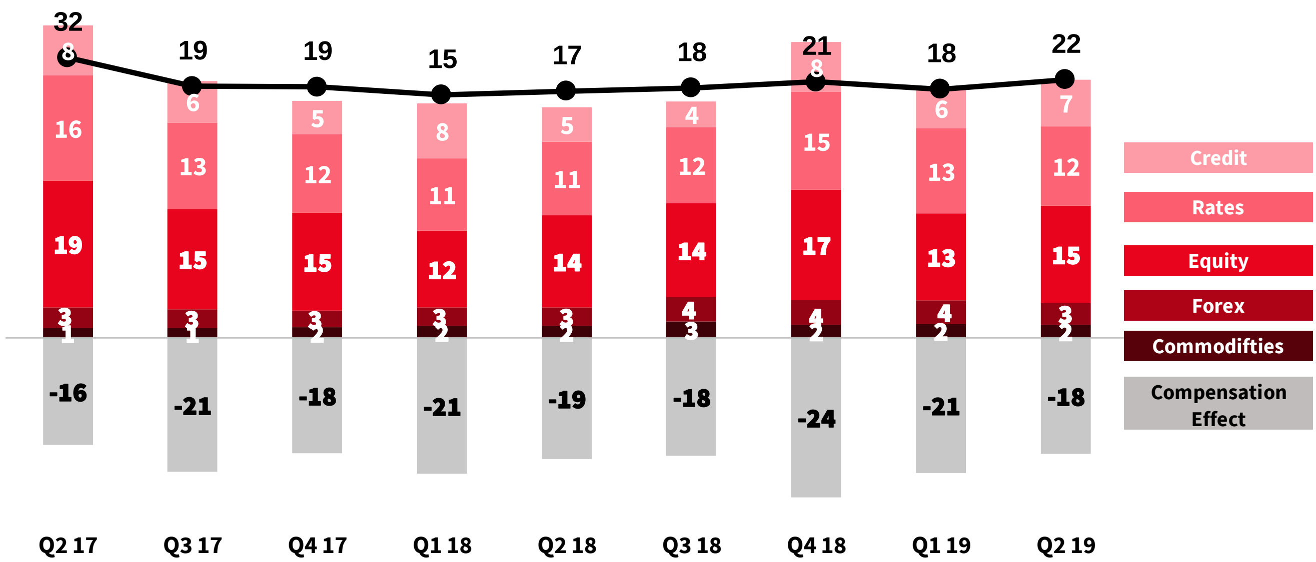
In EUR bn	30/06/2019	31/03/2019	30/06/2018
Gross book outstandings*	504.7	502.4	491.2
Doubtful loans*	17.0	17.7	19.4
Group Gross non performing loans ratio*	***3.4%***	***3.5%***	***3.9%***
Stage 1 provisions	0.9	0.9	1.0
Stage 2 provisions	1.0	1.0	1.1
Stage 3 provisions	9.4	9.7	10.7
Group Gross doubtful loans coverage ratio* (Stage 3 provisions / Doubtful loans)	***55%***	***55%***	***55%***

* Customer loans, deposits at banks and loans due from banks, leasing and lease assets

3.4 Change in trading VaR – Update of the 2019 Registration document page 215

Quarterly average 99% Value at Risk (VaR), a composite indicator used for the day-to-day monitoring of the market risks incurred by the bank, on the scope of its trading activities, in millions of euros

Change in trading var* and stressed var**



Stressed VAR** (1 day, 99%, in EUR m)	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
Minimum	18	21	34	22	25
Maximum	59	57	123	59	70
Average	33	34	62	36	45

* Trading VaR: measurement over one year (i.e. 260 scenario) of the greatest risk obtained after elimination of 1% of the most unfavourable occurrences.
** Stressed VaR : Identical approach to VaR (historical simulation with 1-day shocks and a 99% confidence interval), but over a fixed one-year historical window corresponding to a period of significant financial tension instead of a one-year rolling period.

3.5 Structural interest rate risk – Update of pages 229 and 230 of 2019 Registration Document

Interest risk rate estimation

The Group has modified the level of the NPV sensitivity shock in 2019 to set up it to +10bp.

Sensitivity to interest rate variation to +10bp

(In EUR m)	TOTAL
Amount of sensitivity (31.03.2019)	55
Amount of sensitivity (31.12.2018)	29

Sensitivity to Group interest margin

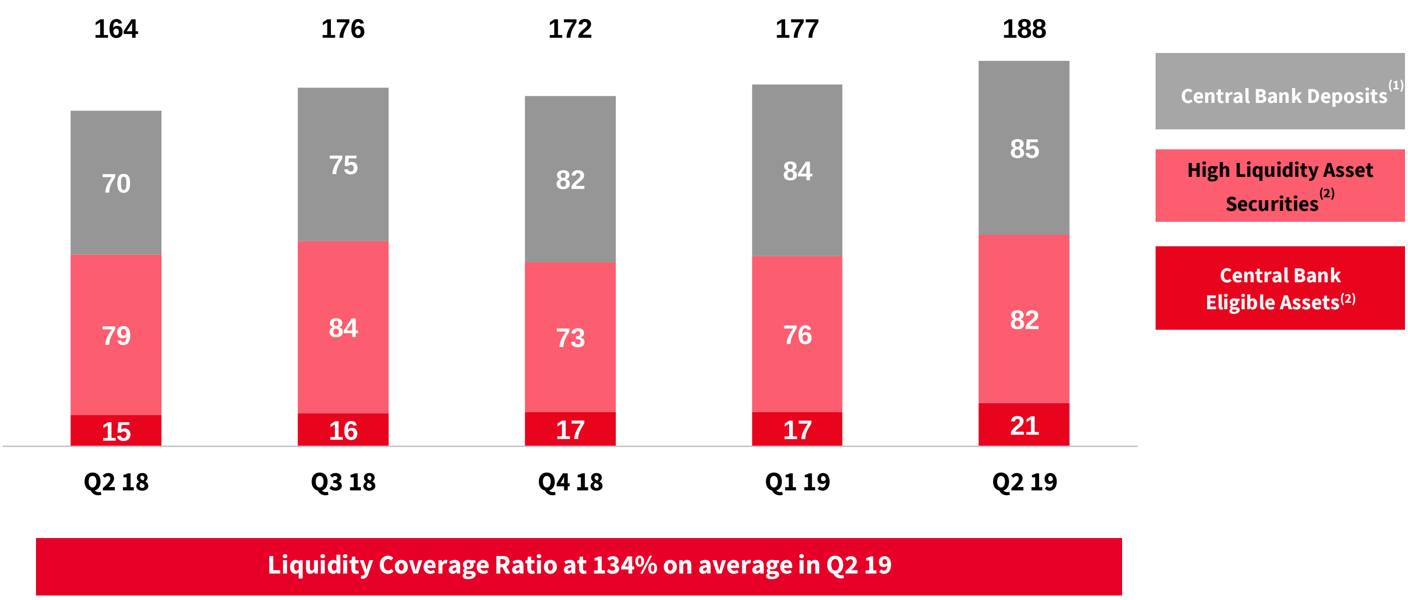
(In EUR m)	31.03.2019	31.12.2018
Parallel increase in interest rates of 200 bp	917	845
Parallel decrease in interest rates of 200 bp*	(253)	(230)
Flattening	548	584
Steepening	1	20

*with 0% floor

3.6 Liquidity risk

3.6.1 Liquid asset buffer – Update of the 2019 Registration document page 234

LIQUID ASSET BUFFER (in EUR bn)



(1) Excluding mandatory reserves
(2) Unencumbered, net of haircuts

3.6.2 Balance sheet schedule – Update of the 2019 Registration document pages 235 to 238

The main lines comprising the Group's financial liabilities are presented in Note 3.13 to the consolidated financial statements, under the following template:

FINANCIAL LIABILITIES

(In EUR m)	Note to the consolidated financial statements	30th June 2019 0-3 M	3M-1YR	1-5 YRS	> 5 YRS	Total
Due to central banks		7,740				7,740
Financial liabilities at fair value through profit or loss, excluding derivatives	Note 3.1	204,406	15,596	15,211	17,019	252,232
Due to banks	Note 3.6	66,592	18,824	14,796	1,057	101,269
Customer deposits	Note 3.6	367,307	21,962	15,247	8,425	412,941
Securitised debt payables	Note 3.6	32,071	30,501	51,535	13,169	127,276
Subordinated debt	Note 3.9	298	151	2,639	11,477	14,565

Note: The data are shown without provisional interest and excluding derivatives. Consequently, the impact of the debt revaluation linked to own credit risk and interest accrued at 30 June 2019 are not scheduled.

Symmetrically, the main lines comprising the corresponding financial assets are presented below.

FINANCIAL ASSETS

(In EUR m)	Note to the consolidated financial statements	30th June 2019 0-3 M	3M-1YR	1-5 YRS	> 5 YRS	Total
Cash, due from central banks		97,293	642	1,034	510	99,479
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	270,135	4,826			274,961
Financial assets at fair value through other comprehensive income	Note 3.4	51,536	1,347		241	53,124
Securities at amortised cost	Note 3.5	5,929	2,824	3,088	310	12,151
Due from banks at amortised cost	Note 3.5	58,932	1,223	7,531	2,487	70,173
Customer loans at amortised cost	Note 3.5	139,611	48,817	135,242	82,325	405,995
Lease financing and similar agreements	Note 3.5	2,730	6,562	18,119	4,845	32,256

It should be noted that due to the nature of its activities, Société Générale holds derivative products and securities whose residual contractual maturities are not representative of its activities or risks.

By convention, the following residual maturities were used for the classification of financial assets:

1. Assets measured at fair value through profit or loss, excluding derivatives (customer-related trading assets)
   - Positions measured using prices quoted on active markets (L1 accounting classification): maturity of less than 3 months.
   - Positions measured using observable data other than quoted prices (L2 accounting classification): maturity of less than 3 months.
   - Positions measured mainly using unobservable market data (L3): maturity of 3 months to 1 year.

2. Financial assets at fair value through other comprehensive income:
– Available-for-sale assets measured using prices quoted on active markets: maturity of less than 3 months.
– Bonds measured using observable data other than quoted prices (L2): maturity of 3 months to 1 year.
– Finally, other securities (shares held long-term in particular): maturity of more than five years.

As regards the other lines comprising the balance sheet, other assets and liabilities and their associated conventions can be broken down as follows:

OTHER LIABILITIES

	30th June 2019						
(In EUR m)	Note to the consolidated financial statements	Not scheduled	0-3 M	3M-1YR	1-5 YRS	> 5 YRS	Total
Tax liabilities	Note 6.3			825		412	1,237
Revaluation difference on portfolios hedged against interest rate risk		7,563					7,563
Other liabilities	Note 4.4		82,620				82,620
Non-current liabilities held for sale	Note 2.3			7,070			7,070
Insurance contracts related liabilities	Note 4.3		16,221	9,061	36,133	77,162	138,577
Provisions	Note 8.3	4,575					4,575
Shareholders' equity		67,219					67,219

OTHER ASSETS

	30th June 2019						
(In EUR m)	Note to the consolidated financial statements	Not scheduled	0-3 M	3M-1YR	1-5 YRS	> 5 YRS	Total
Revaluation differences on portfolios hedged against interest rate risk		69					69
Other assets	Note 4.4		70,361				70,361
Tax assets	Note 6	5,475					5,475
Investments accounted for using the equity method						243	243
Tangible and intangible fixed assets	Note 8.4					28,986	28,986
Goodwill	Note 2.2					4,649	4,649
Non-current assets held for sale	Note 2.3		3,364	5,644			9,008
Investments of insurance companies	Note 4.3		37,952	6,992	32,744	80,219	157,907

1. Revaluation differences on portfolios hedged against interest rate risk are not scheduled, as they comprise transactions backed by the portfolios in question. Similarly, the schedule of tax assets whose schedule would result in the early disclosure of income flows is not made public.
2. Other assets and Other liabilities (guarantee deposits and settlement accounts, miscellaneous receivables) are considered as current assets and liabilities.
3. The notional maturities of commitments in derivative instruments are presented in Note 3.13 to the consolidated financial statements.
4. Investments in subsidiaries and affiliates accounted for by the equity method and Tangible and intangible fixed assets have a maturity of more than 5 years.
5. Provisions and shareholders' equity are not scheduled.

3.7 Compliance risk, litigation

The information pertaining to risk and litigation is included in Note 9 to consolidated financial statement, see chapter 5.

4. CORPORATE GOVERNANCE

4.1 General meeting held on 21st May 2019

4.1.1 Extract from the press release dated 21st May 2019

The ordinary General Meeting of shareholders of Societe Generale was held on 21st May 2019 at Paris Expo - Espace Grande Arche, La Défense, and was chaired by Mr Lorenzo Bini Smaghi.

Quorum was established at 54.51% (vs. 61.33% in 2018):

- 914 shareholders attended the General Meeting;
- 974 shareholders were represented;
- 9,104 shareholders voted online;
- 1,407 shareholders voted by post;
- 8,347 shareholders, including 7,277 online, representing 1.08% of the share capital, gave proxy to the Chairman.

All the resolutions put forward by the Board of Directors were adopted, in particular:

- the 2018 annual and consolidated accounts were approved;
- the dividend per share was set at EUR 2.20. It shall be detached on 27th May 2019 and paid from 14th June 2019. Shareholders may opt for the payment of the dividend in shares;
- three directors were renewed for 4 years: Mr Frédéric Oudéa, Mrs Kyra Hazou and Mr Gérard Mestrallet;
- the compensation policy for the Chairman and the Chief Executive Officers was approved;
- the compensation of the Chairman and the Chief Executive Officers for the 2018 financial year was approved;
- a favourable opinion was issued on the compensation paid in 2018 to regulated persons; and
- the renewals of the "non-compete clause" and "severance pay" related party agreements and commitments for the benefit of the Chief Executive Officer and the Deputy Chief Executive Officers, as well as those of the "pension" related party commitments for the Deputy Chief Executives Officers only, were approved.

4.2 Board of Directors

4.2.1 Extract from the press release dated 21st May 2019

Following the General Meeting, the Board of Directors comprising 14 members remains unchanged:

- Mr Lorenzo Bini Smaghi, Chairman;
- Mr Frédéric Oudéa, Chief Executive Officer and Director;
- Mr William Connelly, Director;
- Mr Jérôme Contamine, Director;
- Mrs Diane Côté, Director;
- Mrs Kyra Hazou, Director;
- Mrs France Houssaye, Director elected by employees;
- Mr David Leroux, Director elected by employees;
- Mr Jean-Bernard Lévy, Director;
- Mr Gérard Mestrallet, Director;
- Mr Juan Maria Nin Genova, Director;
- Mrs Nathalie Rachou, Director;
- Mrs Lubomira Rochet, Director and
- Mrs Alexandra Schaapveld, Director.

41.6% of Board of Directors' members appointed by the General Meeting are women. The rate of independent Directors is higher than 91.6% (11/12) according to the calculation method of the AFEPMEDEF corporate governance Code.

The composition of the Committees is unchanged.

4.3 General Management

4.3.1 Extract from the press release dated 21st May 2019

At the close of the General Meeting, the Board of Directors, unanimously, renewed for four years:

- the term of office of Mr Frédéric Oudéa as Chief Executive Officer; and
- the terms of office of Messrs Philippe Aymerich, Séverin Cabannes and Philippe Heim and Mrs Diony Lebot as Deputy Chief Executive Officers.

Their powers are unchanged and their conditions of employment comply with the compensation policy approved by the General Meeting.

5. FINANCIAL INFORMATION

5.1 Financial statements as at 30 June 2019

CONTENTS OF CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET - ASSETS

(In millions of euros)		30.06.2019	31.12.2018
Cash, due from central banks		99,479	96,585
Financial assets at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	420,968	365,550
Hedging derivatives	Notes 3.2 and 3.4	17,765	11,899
Financial assets at fair value through other comprehensive income	Notes 3.3 and 3.4	53,124	50,026
Securities at amortised cost	Notes 3.5, 3.8 and 3.9	12,151	12,026
Due from banks at amortised cost	Notes 3.5, 3.8 and 3.9	70,173	60,588
Customer loans at amortised cost	Notes 3.5, 3.8 and 3.9	438,251	447,229
Revaluation differences on portfolios hedged against interest rate risk		69	338
Investments of insurance companies	Note 4.3	157,907	146,768
Tax assets	Note 6	5,475	5,819
Other assets	Note 4.4	70,361	67,446
Non-current assets held for sale	Note 2.3	9,008	13,502
Investments accounted for using the equity method		243	249
Tangible and intangible fixed assets [1]	Note 8.4	28,986	26,751
Goodwill	Note 2.2	4,649	4,652
Total		**1,388,609**	**1,309,428**

(1) As a result of the application of IFRS 16 “Leases” as from 1 January 2019, the Group has recorded a right-of-use asset under “Tangible and intangible fixed assets” that represents its rights to use the underlying leased assets (see Note 1).

CONSOLIDATED BALANCE SHEET - LIABILITIES

(In millions of euros)		30.06.2019	31.12.2018
Due to central banks		7,740	5,721
Financial liabilities at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	406,254	363,083
Hedging derivatives	Notes 3.2 and 3.4	9,703	5,993
Debt securities issued	Notes 3.6 and 3.9	127,276	116,339
Due to banks	Notes 3.6 and 3.9	101,269	94,706
Customer deposits	Notes 3.6 and 3.9	412,941	416,818
Revaluation differences on portfolios hedged against interest rate risk		7,563	5,257
Tax liabilities (1)	Note 6	1,237	1,157
Other liabilities (2)	Note 4.4	82,620	76,629
Non-current liabilities held for sale	Note 2.3	7,070	10,454
Insurance contracts related liabilities	Note 4.3	138,577	129,543
Provisions	Note 8.3	4,575	4,605
Subordinated debts	Note 3.9	14,565	13,314
Total liabilities		**1,321,390**	**1,243,619**
Shareholders' equity			
Shareholders' equity, Group share			
Issued common stocks, equity instruments and capital reserves		31,353	29,856
Retained earnings *		30,042	28,085
Net income *		1,740	4,121
Sub-total		**63,135**	**62,062**
Unrealised or deferred capital gains and losses		(643)	(1,036)
Sub-total equity, Group share		**62,492**	**61,026**
Non-controlling interests		4,727	4,783
Total equity		**67,219**	**65,809**
Total		**1,388,609**	**1,309,428**

* *The amounts have been restated following the first time application of an amendment to IAS 12 "Income taxes" (see Note 1).*

(1) Since 1 January 2019, provisions for income tax adjustments are presented under "Tax liabilities" as a consequence of the application of IFRIC 23 "Uncertainty over income tax treatments" (see Note 1).

(2) As a result of the application of IFRS 16 "Leases" as from 1 January 2019, the Group has recorded a lease liability under "Other Liabilities" that represents the obligation to make lease payments (see Note 1).

CONSOLIDATED INCOME STATEMENT

(In millions of euros)		1st half of 2019	2018	1st half of 2018
Interest and similar income	Note 3.7	11,858	22,678	10,919
Interest and similar expense	Note 3.7	(6,288)	(11,659)	(5,467)
Fee income	Note 4.1	4,534	9,124	4,489
Fee expense	Note 4.1	(1,865)	(3,600)	(1,787)
Net gains and losses on financial transactions		2,388	5,189	2,878
o/w net gains and losses on financial instruments at fair value through profit or loss	*Note 3.1*	*2,289*	*5,119*	*2,856*
o/w net gains and losses on financial instruments at fair value through other comprehensive income	*Note 3.3*	*101*	*83*	*24*
o/w net gains and losses from the derecognition of financial assets at amortised cost		*(2)*	*(13)*	*(2)*
Net income of insurance activities	Note 4.3	898	1,724	859
Income from other activities	Note 4.2	5,632	10,761	5,325
Expenses from other activities	Note 4.2	(4,682)	(9,012)	(4,468)
Net banking income		**12,475**	**25,205**	**12,748**
Personnel expenses	Note 5	(5,091)	(9,561)	(4,785)
Other operating expenses	Note 8.2	(3,243)	(7,366)	(3,860)
Amortisation, depreciation and impairment of tangible and intangible fixed assets		(725)	(1,004)	(487)
Gross operating income		**3,416**	**7,274**	**3,616**
Cost of risk	Note 3.8	(578)	(1,005)	(378)
Operating income		**2,838**	**6,269**	**3,238**
Net income from investments accounted for using the equity method		15	56	29
Net income/expense from other assets		(131)	(208)	(41)
Earnings before tax		**2,722**	**6,117**	**3,226**
Income tax *	Note 6	(645)	(1,304)	(765)
Consolidated net income *		**2,077**	**4,813**	**2,461**
Non-controlling interests		337	692	334
Net income, Group share *		**1,740**	**4,121**	**2,127**
Earnings per ordinary share	Note 7.2	**1.69**	**4.24**	**2.22**
Diluted earnings per ordinary share	Note 7.2	**1.69**	**4.24**	**2.22**

* *The amounts have been restated following the first time application of an amendment to IAS 12 "Income taxes" (see Note 1).*

STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

(In millions of euros)	1st half of 2019	2018	1st half of 2018
Consolidated net income *	**2,077**	**4,813**	**2,461**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**532**	**24**	**128**
Translation differences	195	370	346
Revaluation of debt instruments at fair value through other comprehensive income	43	(233)	(129)
Revaluation differences for the period	*99*	*(193)*	*(121)*
Reclassified into income	*(56)*	*(40)*	*(8)*
Revaluation of available-for-sale financial assets (1)	256	(74)	(4)
Revaluation differences for the period	*239*	*(54)*	*(4)*
Reclassified into income	*17*	*(20)*	*-*
Revaluation of hedging derivatives	116	(120)	(130)
Revaluation differences for the period	*121*	*(156)*	*(164)*
Reclassified into income	*(5)*	*36*	*34*
Unrealised gains and losses of entities accounted for using the equity method	-	1	1
Others	-	-	9
Related tax	(78)	80	35
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	**(118)**	**411**	**146**
Actuarial gains and losses on defined benefit plans	(144)	30	57
Revaluation of own credit risk of financial liabilities at fair value through profit or loss	46	529	141
Revaluation of equity instruments at fair value through other comprehensive income	(48)	1	1
Unrealised gains and losses of entities accounted for using the equity method	(1)	(3)	(3)
Related tax	29	(146)	(50)
Total unrealised or deferred gains and losses	**414**	**435**	**274**
Net income and unrealised or deferred gains and losses *	**2,491**	**5,248**	**2,735**
*o/w Group share **	*2,133*	*4,588*	*2,455*
o/w non-controlling interests	*358*	*660*	*280*

* *The amounts have been restated following the first time application of an amendment to IAS 12 “Income taxes” (see Note 1).*

(1) Unrealised gains and losses on available-for-sale financial assets are related exclusively to insurance activities.

CHANGES IN SHAREHOLDERS' EQUITY

	Capital and associated reserves						
(In millions of euros)	Issued common stocks	Issuing premium and capital reserves	Elimination of treasury stock	Other equity instruments	Total	Retained earnings	Net income, Group share
Shareholders' equity at 1 January, 2018	**1,010**	**20,344**	**(493)**	**8,566**	**29,427**	**30,504**	**-**
Increase in common stock	-	-	-	-	-	-	-
Elimination of treasury stock	-	-	(257)	-	(257)	(37)	-
Issuance / Redemption / Remuneration of other equity instruments *	-	-	-	392	392	(316)	-
Equity component of share-based payment plans	-	24	-	-	24	-	-
1st half of 2018 dividends paid *	-	-	-	-	-	(1,764)	-
Effect of change of the consolidation scope	-	-	-	-	-	40	-
Sub-total of changes linked to relations with shareholders *	***-***	***24***	***(257)***	***392***	***159***	***(2,077)***	***-***
Change in unrealised or deferred gains and losses	-	-	-	-	-	-	-
1st half of 2018 Net income for the period *	-	-	-	-	-	-	2,127
Change in equity of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	(7)	-
Sub-total *	***-***	***-***	***-***	***-***	***-***	***(7)***	***2,127***
Shareholders' equity at 30 June 2018 *	**1,010**	**20,368**	**(750)**	**8,958**	**29,586**	**28,420**	**2,127**
Increase in common stock	-	-	-	-	-	-	-
Elimination of treasury stock	-	-	83	-	83	25	-
Issuance / Redemption / Remuneration of other equity instruments *	-	-	-	152	152	(399)	-
Equity component of share-based payment plans	-	35	-	-	35	-	-
2nd half of 2018 dividends paid	-	-	-	-	-	-	-
Effect of change of the consolidation scope	-	-	-	-	-	12	-
Sub-total of changes linked to relations with shareholders *	***-***	***35***	***83***	***152***	***270***	***(362)***	***-***
Change in unrealised or deferred gains and losses	-	-	-	-	-	-	-
2nd half of 2018 Net income for the period *	-	-	-	-	-	-	1,994
Change in equity of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	27	-
Sub-total *	***-***	***-***	***-***	***-***	***-***	***27***	***1,994***
Shareholders' equity at 31 December 2018 *	**1,010**	**20,403**	**(667)**	**9,110**	**29,856**	**28,085**	**4,121**
Allocation to retained earnings	-	-	-	-	-	4,114	(4,121)
Shareholders' equity at 1 January 2019	**1,010**	**20,403**	**(667)**	**9,110**	**29,856**	**32,199**	**-**
Increase in common stock (see Note 7.1)	50	839	-	-	889	-	-
Elimination of treasury stock (see Note 7.1)	-	-	95	-	95	(77)	-
Issuance / Redemption / Remuneration of other equity instruments (see Note 7.1)	-	-	-	490	490	(311)	-
Equity component of share-based payment plans	-	24	-	-	24	-	-
1st half of 2019 dividends paid (see Note 7.2)	-	-	-	-	-	(1,770)	-
Effect of change of the consolidation scope	-	-	-	-	-	(1)	-
Sub-total of changes linked to relations with shareholders	***50***	***863***	***95***	***490***	***1,498***	***(2,159)***	***-***
Change in unrealised or deferred gains and losses	-	-	-	-	-	-	-
1st half of 2019 Net income for the period	-	-	-	-	-	-	1,740
Change in equity of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-
Other changes	-	-	-	(1)	(1)	2	-
Sub-total	***-***	***-***	***-***	***(1)***	***(1)***	***2***	***1,740***
Shareholders' equity at 30 June 2019	**1,060**	**21,266**	**(572)**	**9,599**	**31,353**	**30,042**	**1,740**

** The amounts have been restated following the first time application of an amendment to IAS 12 "Income taxes" (see Note 1).*

Unrealised or deferred gains and losses				Non-controlling interests				
that will be reclassified subsequently into income	that will not be reclassified subsequently into income	Total	Shareholders' equity, Group share	Capital and reserves	Other equity instruments issued by subsidiaries	Unrealised or deferred gains and losses	Total	Total consolidated shareholders' equity
(1,044)	**(459)**	**(1,503)**	**58,428**	**3,768**	**800**	**(45)**	**4,523**	**62,951**
-	-	-	-	-	-	-	-	-
-	-	-	(294)	-	-	-	-	(294)
-	-	-	76	(33)	-	-	(33)	43
-	-	-	24	-	-	-	-	24
-	-	-	(1,764)	(364)	-	-	(364)	(2,128)
-	-	-	40	(4)	-	-	(4)	36
-	***-***	***-***	***(1,918)***	***(401)***	***-***	***-***	***(401)***	***(2,319)***
183	148	331	331	-	-	(55)	(55)	276
-	-	-	2,127	334	-	-	334	2,461
-	(2)	(2)	(2)	3	-	-	3	1
-	-	-	(7)	-	-	-	-	(7)
183	***146***	***329***	***2,449***	***337***	***-***	***(55)***	***282***	***2,731***
(861)	**(313)**	**(1,174)**	**58,959**	**3,704**	**800**	**(100)**	**4,404**	**63,363**
-	-	-	-	-	-	-	-	-
-	-	-	108	-	-	-	-	108
-	-	-	(247)	-	-	-	-	(247)
-	-	-	35	-	-	-	-	35
-	-	-	-	(4)	-	-	(4)	(4)
-	-	-	12	(1)	-	-	(1)	11
-	***-***	***-***	***(92)***	***(5)***	***-***	***-***	***(5)***	***(97)***
(125)	264	139	139	-	-	23	23	162
-	-	-	1,994	358	-	-	358	2,352
-	(1)	(1)	(1)	(3)	-	-	(3)	(4)
-	-	-	27	6	-	-	6	33
(125)	***263***	***138***	***2,159***	***361***	***-***	***23***	***384***	***2,543***
(986)	**(50)**	**(1,036)**	**61,026**	**4,060**	**800**	**(77)**	**4,783**	**65,809**
-	7	7	-	2	-	(2)	-	-
(986)	**(43)**	**(1,029)**	**61,026**	**4,062**	**800**	**(79)**	**4,783**	**65,809**
-	-	-	889	-	-	-	-	889
-	-	-	18	-	-	-	-	18
-	-	-	179	(33)	-	-	(33)	146
-	-	-	24	-	-	-	-	24
-	-	-	(1,770)	(373)	-	-	(373)	(2,143)
-	-	-	(1)	(8)	-	-	(8)	(9)
-	***-***	***-***	***(661)***	***(414)***	***-***	***-***	***(414)***	***(1,075)***
510	(123)	387	387	-	-	21	21	408
-	-	-	1,740	337	-	-	337	2,077
-	(1)	(1)	(1)	-	-	-	-	(1)
-	-	-	1	-	-	-	-	1
510	***(124)***	***386***	***2,127***	***337***	***-***	***21***	***358***	***2,485***
(476)	**(167)**	**(643)**	**62,492**	**3,985**	**800**	**(58)**	**4,727**	**67,219**

CASH FLOW STATEMENT

(In millions of euros)	1st half of 2019	2018 **	1st half of 2018 **
Consolidated net income (I) *	**2,077**	**4,813**	**2,461**
Amortisation expense on tangible fixed assets and intangible assets (including operational leasing)	2,608	4,589	2,248
Depreciation and net allocation to provisions	(2,764)	2,343	230
Net income/loss from investments accounted for using the equity method	(15)	(53)	(27)
Change in deferred taxes	63	357	315
Net income from the sale of long-term assets and subsidiaries	(60)	(101)	(48)
Other changes *	(396)	(358)	(583)
Non-cash items included in net income and other adjustments excluding income on financial instruments at fair value through profit or loss (II)	**(564)**	**6,777**	**2,135**
Income on financial instruments at fair value through profit or loss	(29)	4,901	6,148
Interbank transactions	(4,543)	(1,921)	(6,630)
Customers transactions	14,554	(11,732)	6,513
Transactions related to other financial assets and liabilities	(18,403)	(1,598)	(32,486)
Transactions related to other non-financial assets and liabilities	9,792	(4,643)	1,385
Net increase/decrease in cash related to operating assets and liabilities (III)	**1,371**	**(14,993)**	**(25,070)**
Net cash inflow (outflow) related to operating activities (A) = (I) + (II) + (III)	**2,884**	**(3,403)**	**(20,474)**
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long term investments	627	(5,758)	(4,937)
Net cash inflow (outflow) related to tangible and intangible fixed assets	(3,248)	(7,621)	(3,546)
Net cash inflow (outflow) related to investment activities (B)	**(2,621)**	**(13,379)**	**(8,483)**
Cash flow from/to shareholders	(1,577)	(2,543)	(2,443)
Other net cash flows arising from financing activities	3,434	(471)	190
Net cash inflow (outflow) related to financing activities (C)	**1,857**	**(3,014)**	**(2,253)**
Effect of changes in foreign exchange rates on cash and cash equivalents (D)	719	2,179	1,378
Net inflow (outflow) in cash and cash equivalents (A) + (B) + (C) + (D)	**2,839**	**(17,617)**	**(29,832)**
Cash, due from central banks (assets)	96,585	114,404	114,404
Due to central banks (liabilities)	(5,721)	(5,604)	(5,604)
Current accounts with banks (see Notes 3.5 and 4.3)	24,667	22,159	22,159
Demand deposits and current accounts with banks (see Note 3.6)	(13,875)	(11,686)	(11,686)
Cash and cash equivalents at the start of the year	**101,656**	**119,273**	**119,273**
Cash, due from central banks (assets)	99,479	96,585	85,456
Due to central banks (liabilities)	(7,740)	(5,721)	(9,956)
Current accounts with banks (see Notes 3.5 and 4.3)	28,381	24,667	27,155
Demand deposits and current accounts with banks (see Note 3.6)	(15,625)	(13,875)	(13,214)
Cash and cash equivalents at the end of the year	**104,495**	**101,656**	**89,441**
Net inflow (outflow) in cash and cash equivalents	**2,839**	**(17,617)**	**(29,832)**

* *The amounts have been restated following the first time application of an amendment to IAS 12 "Income taxes" (see Note 1).*

** *The amounts have been restated compared to the 2018 published consolidated financial statements due to reclassification into a separate line item (D) of the effect of changes in foreign exchange rates on cash and cash equivalents.*

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING PRINCIPLES

1. INTRODUCTION

ACCOUNTING STANDARDS

The condensed interim consolidated financial statements for the Societe Generale group ("the Group") for the six-month period ending 30 June 2019 were prepared and are presented in accordance with IAS (International Accounting Standard) 34 "Interim Financial Reporting".

These notes should be read in conjunction with the audited consolidated financial statements for the year ending 31 December 2018 included in the 2019 Registration document.

The most significant change made to the accounting principles is the application of IFRS 16 "Leases" as from 1 January 2019.

As the Group's activities are neither seasonal nor cyclical in nature, its first half results were not affected by these factors.

FINANCIAL STATEMENTS PRESENTATION

As the IFRS accounting framework does not specify a standard model, the format used for the condensed interim consolidated financial statements is consistent with the format of financial statements proposed by the French Accounting Standard Setter, the Autorité des Normes Comptables (ANC), under Recommendation No. 2017-02 of 2 June 2017.

The disclosures provided in the notes to the interim consolidated financial statements relate to events and transactions that are significant to an understanding of the changes in financial position and performance of the Group during the first half of 2019. Disclosures provided in these notes focus on information that is both relevant and material to the financial statements of the Societe Generale group, its activities and the circumstances in which it conducted its operations over the period.

PRESENTATION CURRENCY

The presentation currency of the consolidated financial statements is the euro.

The figures presented in the financial statements and in the notes are expressed in millions of euros, unless otherwise specified. The effect of rounding can generate discrepancies between the figures presented in the financial statements and those presented in the notes.

2. NEW ACCOUNTING STANDARDS APPLIED BY THE GROUP AS OF 1 JANUARY 2019

IFRS 16 “Leases”

IFRIC 23 “Uncertainty over Income Tax Treatments”

Annual improvements (2015-2017)

Amendments to IAS 28 “Long-term Interests in Associates and Joint Ventures”

Amendments to IAS 19 “Plan amendments, curtailments and settlements”

IFRS 16 “LEASES”

This new standard supersedes IAS 17 and modifies the accounting requirements for leases, more specifically in relation to the lessees’ financial statements, with very few impacts for the lessors.

As from 1 January 2019, the Group applies IFRS 16 adopted by the European Union on 31 October 2017. The Group did not early apply the provisions of IFRS 16 to the previous reporting period. Consequently, the accounting principles applicable to leases and the related disclosures presented in the notes to the consolidated financial statements have been amended as from 1 January 2019.

ACCOUNTING TREATMENTS DEFINED BY IFRS 16

Recognition of the leases in the balance sheet

For all lease agreements, with the exception of the exemptions provided by the standard, the lessee is required to recognise a right-of-use asset in its balance sheet representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

In its income statement, the lessee separately recognises the depreciation of the right-of-use asset and the interest expense on the lease liability.

The accounting principles applied by the Group are detailed in the Note 8.4.

Scope

Given the Group’s activities, these accounting treatments apply to property leases, computer equipment leases and a very small percentage of vehicle leases. The Group uses the option offered by the standard to not apply the provisions of IFRS 16 to intangible assets leases (softwares for example).

TRANSITION REQUIREMENTS

For the first-time application of IFRS 16, the Group chose to implement the amended retrospective approach proposed by the standard.

At 1 January 2019, the amount of the lease liability on outstanding leases was calculated by discounting residual rental payments with the incremental borrowing rates of the lessee entities in effect on that date (rates determined according to the principles described on the Note 8.4), taking into account the residual maturity of the contracts. The corresponding right-of-use assets are recorded on the balance sheet for an amount equal to the lease liability.

Leases that have a remaining life of less than 12 months and those that are automatically renewable are considered short-term leases (leases of less than one year) and are not recorded in the balance sheet, in compliance with the option offered by IFRS 16 transition requirements.

Pursuant to IFRS 16 in its provisions on the amended retrospective approach, comparative data on financial year 2018 that are presented with regards to 2019 are not restated.

IMPACTS OF THE FIRST-TIME APPLICATION OF IFRS 16

The first-time application of IFRS 16 resulted in an increase in the balance sheet by EUR 2,050 million related to the recognition of a lease liability and a corresponding right-of-use asset.

The lease liability is recorded under *Other liabilities* and the right-of-use assets are classified among the tangible fixed assets, with the exception of the leases included in a group of assets and liabilities held for sale which are presented under dedicated line items in the consolidated financial statements.

At 1 January 2019, the first-time application of IFRS 16 has no impact on the Group shareholders' equity.

On the date of the initial recording of the right-of-use and the lease liability, no deferred tax is recorded because the asset value equals to the liability value. The net temporary differences that may result from subsequent changes in the right-of-use and lease liability result in the recognition of deferred tax.

Impacts on the balance sheet at 1 January 2019

(In millions of euros)		01.01.2019
ASSETS		
Other assets	*c*	(3)
Non-current assets held for sale	*a*	42
Tangible and intangible fixed assets		2,011
Total IFRS 16 impacts		**2,050**

LIABILITIES		
Other liabilities	*b*	2,008
Non-current liabilities held for sale	*c*	42
Total IFRS 16 impacts		**2,050**

At 1 January 2019, the first-time application of IFRS 16 results in:

(a) An increase of EUR 2,011 million in the *Tangible and intangible fixed assets* which breaks down into:

- An increase of EUR 2,118 million in the tangible fixed assets due to:
  - The recognition in the balance sheet of right-of-use assets for EUR 2,110 million related to lease contracts regarding the following underlying assets:
    - EUR 2,012 million linked to building leases contracted for the lease of French and international commercial spaces (branches in the retail banking networks) and office spaces;
    - EUR 93 million related to computer equipment leases (of which EUR 83 million for the lease of data centers);
    - EUR 5 million concerning vehicle leases.
  - The reclassification for EUR 107 million of the leasehold rights (paid to the former tenants of the premises) related to the leases, previously recorded under the intangible fixed assets and considered now as a separate component of the right-of-use;
  - The reclassification for EUR -102 million, mainly composed of EUR -99 million of deferred revenues related to rent-free periods, previously recognised under *Other liabilities*;
  - The reclassification for EUR 3 million of prepaid expenses related to prepaid rents, previously recorded under *Other assets*.
- A decrease of EUR 107 million in the intangible fixed assets related to the reclassification of leasehold rights.

(b) An increase of EUR 2,008 million in the *Other liabilities* linked to the following movements:

- The recognition of a lease liability for EUR 2,110 million;
- The reclassification for EUR -102 million, including EUR -99 million of the deferred revenues related to rent-free periods.

(c) The recognition of right-of-use assets and a lease liability for EUR 42 million under *Non-current assets held for sale* and *Non-current liabilities related to non-current assets held for sale* for entities held for sale.

Reconciliation of the amount of the future minimum operating lease payments reported at 31 December 2018 with the amount of the lease liability recognised at 1 January 2019

The table below aims to reconcile:

- the future minimum operating lease payments related to operating lease contracts on tangible assets used by the Group at 31 December 2018; and
- the lease liability recognised in the balance sheet at 1 January 2019, in application of IFRS 16.

(In millions of euros)	
Future minimum operating lease payments at 31 December 2018	**2,388**
Lease contracts not recorded in the balance sheet (1)	(38)
Non-discounted lease liability at 1 January 2019	**2,350**
Discount effect	(214)
Discount rate (2)	*2.74%*
Scope effect (3)	16
Discounted lease liability at 1 January 2019 (4)	**2,152**

(1) Short-term contracts or contracts on low-value assets;

(2) The discount rate in the table corresponds to the weighted average incremental borrowing rate of the lessee entities;

(3) Lease liability recorded at 1 January 2019 related to leases whose minimum operating lease payments had been excluded from the amount reported as of 31 December 2018 due to their low materiality;

(4) This amount includes the lease liability recorded under "Other liabilities" (EUR 2,110 million) and under "Non-current liabilities held for sale" (EUR 42 million).

IFRIC 23 "Uncertainty over Income Tax Treatments"

This interpretation provides clarifications about the measurement and the accounting treatment of income tax when there is uncertainty over income tax treatments. It must be determined whether the treatment is likely to be accepted by the relevant authorities, assuming that they will control the treatment in question and will have all the relevant information. If the probability of acceptance of the tax treatment is less than 50%, this uncertainty must be reflected in the amount of tax assets and liabilities, based on a method that provides the best prediction of the resolution of the uncertainty.

To comply with these new principles, the process for identifying, analysing and monitoring tax uncertainties has been reviewed. This interpretation has no impact on the amount of the Group shareholders' equity at 1 January 2019 but leads as from this date to a reclassification of the provisions for income tax adjustments under *Tax liabilities.*

ANNUAL IMPROVEMENTS (2015-2017)

As part of the annual Improvements to International Financial Reporting Standards, IASB has issued amendments to IFRS 3 “Business Combinations”, IFRS 11 “Joint Arrangements”, IAS 12 “Income Taxes” and IAS 23 “Borrowing Costs”.

The objective of the amendment to IAS 12 is to clarify the accounting for the income tax consequences of the remuneration paid to holders of equity instruments. It is now specified that the accounting for these tax consequences is linked more directly to past transactions or events that generated distributable profits than to distributions *per se*.

The application of this amendment resulted in a reclassification into the income statement (under *Income tax*) of the tax savings related to the payment of coupons to holders of perpetual subordinated and deeply subordinated notes previously recorded in retained earnings. This change in presentation is carried out retrospectively with a restatement of comparative data. The tax savings recognised in the income statement amounted to EUR 118 million at 30 June 2019, EUR 257 million at 31 December 2018 and EUR 121 million at 30 June 2018.

The other amendments contained in the Annual Improvements cycle (2015 - 2017) did not have a significant impact on the Group consolidated financial statements.

The amendments described below did not have any impact on the Group consolidated financial statements.

AMENDMENTS TO IAS 28 “LONG-TERM INTERESTS IN ASSOCIATES AND JOINT VENTURES”

The amendments clarify that IFRS 9 “Financial Instruments” shall be applied to financial instruments that form part of the net investment in an associate or a joint venture but to which the equity method is not applied.

AMENDMENTS TO IAS 19 “PLAN AMENDMENT, CURTAILMENT OR SETTLEMENT”

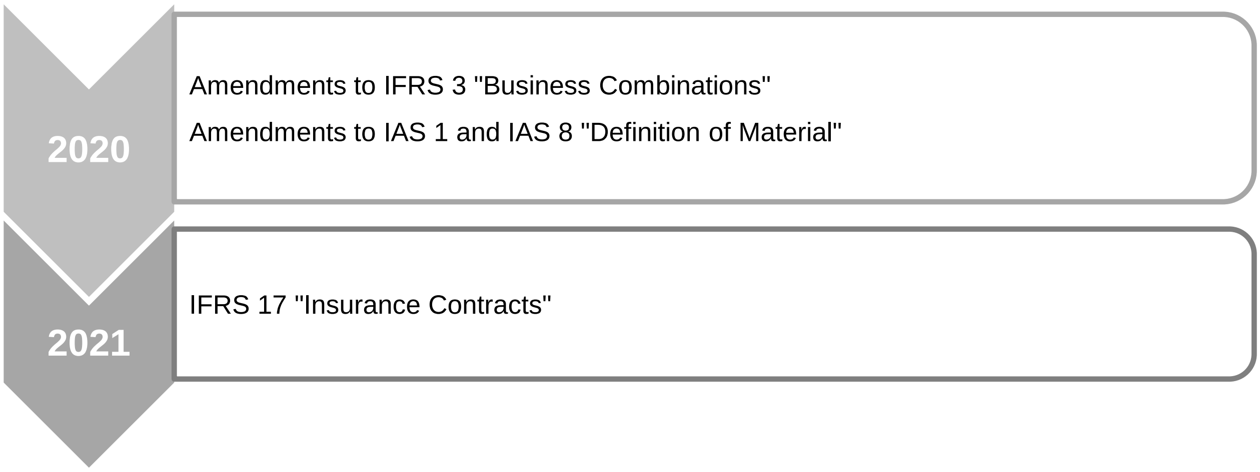
These amendments clarify how pension expenses are determined in the event of amendment, curtailment or settlement of defined benefit pension plans. In these cases, IAS 19 currently calls for the net cost of the defined benefit asset or liability to be remeasured.

The amendments require the entity to use the updated actuarial assumptions from this remeasurement to determine past service cost and net interest.

3. ACCOUNTING STANDARDS, AMENDMENTS OR INTERPRETATIONS TO BE APPLIED BY THE GROUP IN THE FUTURE

IASB published accounting standards and amendments, some of which have not been adopted by the European Union as at 30 June 2019. They are required to be applied from annual periods beginning on 1 January 2020 at the earliest or on the date of their adoption by the European Union. They were therefore not applied by the Group as at 30 June 2019.

These standards are expected to be applied according to the following schedule:



AMENDMENTS TO IFRS 3 "BUSINESS COMBINATIONS"

Issued by IASB on 22 October 2018.

The amendments are intended to provide clearer application guidance to make it easier to differentiate between the acquisition of a business and the acquisition of a group of assets, whose accounting treatment is different.

AMENDMENTS TO IAS 1 AND IAS 8 "DEFINITION OF MATERIAL"

Issued by IASB on 31 October 2018.

These amendments are intended to clarify the definition of 'material' in order to facilitate the exercise of judgement during the preparation of financial statements, particularly when selecting the information to be presented in the Notes.

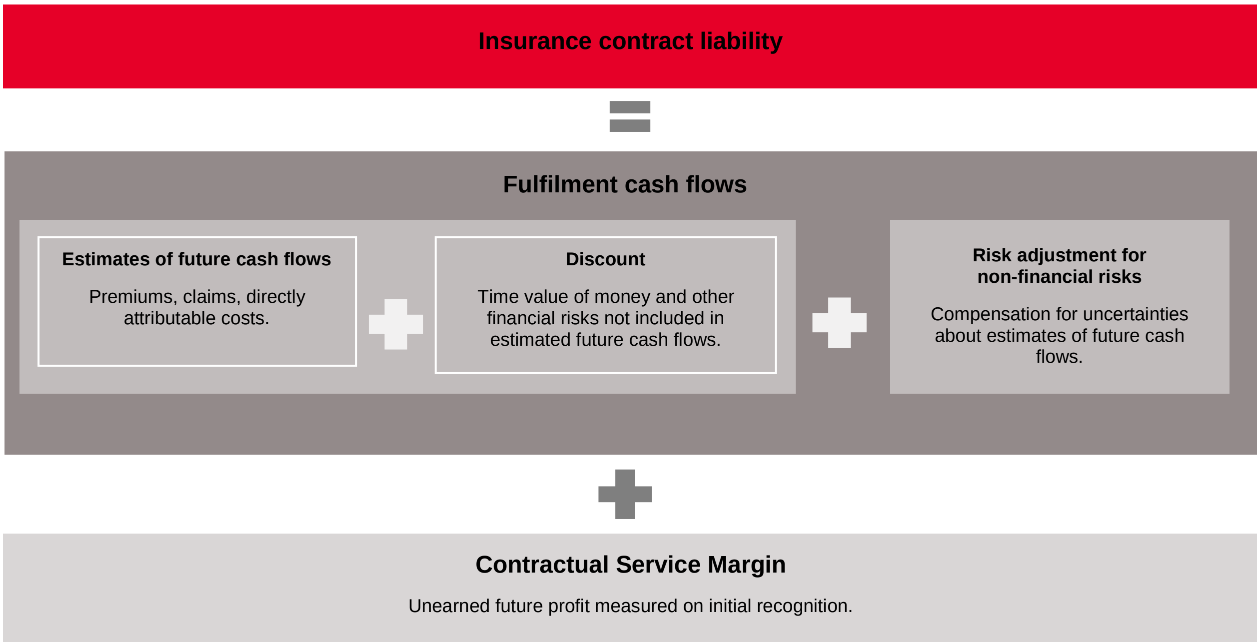
IFRS 17 "INSURANCE CONTRACTS"

Issued by IASB on 18 May 2017.

This new standard will replace IFRS 4 "Insurance Contracts" that was issued in 2004 and which currently allows entities to use national requirements for the accounting of insurance contracts.

IFRS 17 provides new rules for the recognition, measurement, presentation and disclosure of insurance contracts that belong to its application scope (insurance contracts issued, reinsurance contracts held and investment contracts issued with discretionary participation features). The underwriting reserves currently recognised among liabilities in the balance sheet will be replaced by a current value measurement of insurance contracts.

The general model provided for the measurement of insurance contracts in the balance sheet will be based on a building-blocks approach: a current estimate of future cash flows, a risk adjustment, and a contractual service margin.



Positive contractual service margins will be recognised as income over the duration of the insurance service, whereas negative margins will be immediately recognised as expense, as soon as the insurance contract is identified as onerous.

The general model will be the default measurement model for all insurance contracts.

However IFRS 17 also provides a mandatory alternative model for insurance contracts with direct participation features. Under this model, called “variable fee approach”, the measurement of the insurance contract liability shall take into account the obligation to pay to policyholders a substantial share of the fair value returns on the underlying items, less a fee for future services provided by the insurance contract (changes in the fair value of underlying items due to policyholders are then recognised as an adjustment of the contractual service margin).

A simplified measurement (premium allocation approach) is also allowed by the standard under conditions for short-term contracts (12 months or less) and contracts for which the result of premium allocation approach is closed to the general approach.

These measurement models will have to be applied to homogeneous portfolios of insurance contracts. The level of aggregation of these portfolios will be assessed considering:

- contracts that are subject to similar risks and managed together;
- the year during which contracts are issued; and
- at initial recognition, contracts that are onerous, contracts that have no significant possibility of becoming onerous subsequently, and the remaining contracts.

On 26 June 2019, IASB issued an exposure draft including a number of amendments to IFRS 17 “Insurance contracts”. The purpose of the modifications is to facilitate the implementation of the standard. In particular, it is proposed to defer its first application date by one year, which would be postponed to the annual periods beginning on 1 January 2022.

4. USE OF ESTIMATES AND JUDGMENT

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

In order to make these assumptions and estimates, the Management uses the 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 may then have a significant impact on the financial statements.

These estimates are notably used in the fair value measurement of financial instruments and the measurement of asset impairment and of provisions recognised as liabilities in the balance sheet, as well as tax assets and liabilities recognised in the balance sheet and goodwill. The use of estimates and judgment also concerns the analysis of the contractual cash flow characteristics of financial assets as well as the assessment of control for determining the scope of consolidated entities (especially for structured entities).

For the determination of impairment and provisions for credit risk, the use of estimates and judgment relates in particular to the assessment of the deterioration in credit risk observed since the initial recognition of financial assets and the measurement of the amount of expected credit losses on these same financial assets.

In addition, the application of IFRS 16 has led the Group to expand its use of judgment to estimate the lease period to be applied in determining the right-of-use assets and the lease liability.

Brexit

The United Kingdom organised on 23 June 2016 a referendum in which a majority of British citizens voted to leave the European Union (Brexit). Negotiations are in progress to redefine the economic relationships between the United Kingdom and the European Union. The exit date has been postponed again to 31 October 2019. The Group closely follows the progress of the discussions and their consequences in the short, medium and long term, and they are, when appropriate, taken into account in making assumptions and estimates for preparing its consolidated financial statements.

IBOR Reform

The financial crisis revealed weaknesses in the methodology used for determining the benchmarks for the interbank offered rates called IBOR (EURIBOR, LIBOR etc.), currently based on contributions submitted by a panel of banks and sometimes on insufficient volumes of transactions. A reform is under way at the international level to strengthen the methodology for setting the current interest rates benchmarks and to shift to new set of overnight risk-free rates (€STER, SOFR, SONIA, etc.). At this stage, the conditions for replacing interest rates benchmarks in existing financial contracts remain uncertain.

This reform could have accounting impacts on the measurement of assets and liabilities using these interest rates benchmarks as well as on the accounting treatment for the related hedging derivatives. IASB has launched work on this topic to amend current accounting standards to limit the effects of the IBOR reform on the financial statements of the companies concerned.

A project structure has been set up within the Group to monitor the work undertaken on this reform and to anticipate the impacts that would be related to the transition to the new risk-free rates benchmarks.

NOTE 2 - CONSOLIDATION

NOTE 2.1 - CONSOLIDATION SCOPE

The consolidation scope includes subsidiaries and structured entities under the Group's exclusive control, joint arrangements (joint ventures and joint operations) and associates whose financial statements are significant relative 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 30 June 2019, compared with the scope applicable at the closing date of 31 December 2018, are as follows:

EUROBANK

On 31 May 2019, the Group sold all its participation in Eurobank, its Polish subsidiary, to Bank Millennium. The sale reduced the Group's balance sheet by EUR 3.4 billion, mainly through a decrease of EUR 2.9 billion in customer loans and of EUR 1.8 billion in customer deposits, reported respectively under *Non-current assets held for sale* and *Non-current liabilities held for sale* at 31 December 2018.

BANKA SG ALBANIA

On 29 March 2019, the Group sold all its participation in Banka SG Albania, its Albanian subsidiary, to OTP Bank. The sale reduced the Group's balance sheet by EUR 0.7 billion, mainly through a decrease of EUR 0.4 billion in customer loans and a decrease of EUR 0.6 billion in customer deposits, reported respectively under *Non-current assets held for sale* and *Non-current liabilities held for sale* at 31 December 2018.

SG EXPRESS BANK

On 15 January 2019, the Group sold all its participation in SG Express Bank, its Bulgarian subsidiary, to OTP Bank. The sale reduced the Group's balance sheet by EUR 3.4 billion, mainly through a decrease of EUR 2.4 billion in customer loans and a decrease of EUR 2.7 billion in customer deposits, reported respectively under *Non-current assets held for sale* and *Non-current liabilities held for sale* at 31 December 2018.

SOCIETE GENERALE PRIVATE BANKING NV/SA

On 28 February 2019, the Group sold all its participation in Societe Generale Private Banking NV/SA, its Belgian private banking subsidiary, to ABN AMRO. The sale reduced the Group's balance sheet by EUR 1.1 billion due to a decrease of EUR 1.1 billion in *Non-current assets held for sale* (o/w EUR 0.4 billion in cash, due from central banks and EUR 0.5 billion in customer loans) and a decrease of EUR 1.1 billion in *Non-current liabilities held for sale* (o/w EUR 1 billion in customer deposits).

LA BANQUE POSTALE FINANCEMENT

On March 2019, the Group sold to La Banque Postale its investment in La Banque Postale Financement (35%) accounted for using the equity method.

NOTE 2.2 - GOODWILL

The table below shows the changes in the net values of goodwill recorded by the Cash-Generating Units (CGUs) in the first half of 2019:

(In millions of euros)	**Net book value at 31.12.2018**	**Acquisitions and other increases (1)**	**Disposals and other decreases (2)**	**Net book value at 30.06.2019**
French Retail Banking	**797**	**-**	**-**	**797**
Societe Generale Network	286	-	-	286
Crédit du Nord	511	-	-	511
International Retail Banking & Financial Services	**2,885**	**-**	**(114)**	**2,771**
Europe	1,450	-	(89)	1,361
Russia	-	-	-	-
Africa, Mediterranean Basin and Overseas	231	-	(3)	228
Insurance	335	-	-	335
Equipment and Vendor Finance	335	-	(22)	313
Auto Leasing Financial Services	534	-	-	534
Global Banking and Investor Solutions	**970**	**112**	**(1)**	**1,081**
Global Markets and Investor Services	501	63	-	564
Financing and Advisory	57	-	-	57
Asset and Wealth Management	412	49	(1)	460
Total	**4,652**	**112**	**(115)**	**4,649**

(1) Acquisition of Commerzbank's "Equity Markets and Commodities" (EMC) business.
(2) The goodwill of the entities held for sale has been reclassified to "Non-current assets held for sale" (see Note 2.3).

Following the agreement signed on 8 November 2018, the Group is committed to acquiring Commerzbank "Equity Markets and Commodities" (EMC) business. The EMC business purchased comprises manufacturing and market making of flow ("Flow business") and structured products ("Exotic, Vanilla and Funds" business) as well as part of asset management activities ("Asset Management" business).

The integration process of staff, trading books and infrastructure started in the first half of 2019 and is expected to continue until the beginning of the first half of 2020.

Based on the progress of the integration process at 30 June, the Group has already taken control of the "Exotic, Vanilla and Funds" (EVF) business and the asset management activities leading to the recognition of goodwill: EUR 63 million for the EVF business (included in the "Global Markets and Investor Services" CGU) and EUR 49 million for the asset management business (included in the "Asset and Wealth Management" CGU).

The transfers of trading books related the EVF business are recorded under *Financial assets at fair value through profit or loss* and *Financial liabilities at fair value through profit and loss* in the consolidated balance sheet (see Note 3.1).

NOTE 2.3 - NON-CURRENT ASSETS HELD FOR SALE AND RELATED DEBTS

(In millions of euros)	**30.06.2019**	**31.12.2018**
Assets	**9,008**	**13,502**
Fixed assets and Goodwill	623	262
Financial assets	7,313	11,245
Financial assets at fair value through profit or loss	*116*	*111*
Hedging derivatives	-	-
Financial assets at fair value through other comprehensive income	*623*	*1,429*
Securities at amortised cost	*294*	*59*
Due from banks at amortised cost	*184*	*324*
Customer loans at amortised cost	*6,096*	*9,322*
Other assets	1,072	1,995
Liabilities	**7,070**	**10,454**
Provisions	24	22
Financial liabilities	6,866	10,309
Financial liabilities at fair value through profit or loss	*102*	*2*
Hedging derivatives	-	-
Debt securities issued	-	*116*
Due to banks	*741*	*596*
Customer deposits	*6,023*	*9,595*
Subordinated debts	-	-
Other liabilities	180	123

As at 30 June 2019, the *Non-current assets held for sale* and *Non-current liabilities held for sale* items mainly encompass the assets and liabilities of the Group's Macedonian, Moldavian, Montenegrin, Serbian, Slovenian and West Indian retail banking entities (Ohridska Banka, Mobiasbanca Groupe SG, SG Banka Montenegro, SG Banka Srbija A.D. Beograd, SKB Banka D.D. Ljubljana and SG de Banque aux Antilles), the assets and liabilities related to the German truck and trailer rental company Pema GmbH and the assets and liabilities related to the South African securities services activity (SG Johannesburg).

The change of the *Non-current assets held for sale* and *Non-current liabilities held for sale* items mainly comes from:

- The sale of entities detailed in the Note 2.1 during the first half of 2019;
- The reclassification of assets and liabilities of the entities SKB Banka D.D. Ljubljana, SG de Banque aux Antilles and Pema GmbH.

The principle applied whereby some *Non-current assets held for sale* (mostly goodwill and fixed assets) are assessed at their lowest between accounting value and net fair value for the disposal costs means that all or part of any expected capital loss from the sale of a group of assets can be allocated as soon as the assets are reclassified under *Non-current assets held for sale.* In this context, the impairment cost recognised by the Group at 30 June 2019 amounts to EUR -135 million under *Net income / expense from other assets.*

NOTE 3 - FINANCIAL INSTRUMENTS

Data presented in Note 3 exclude financial instruments from insurance activities; for the latter, the information is presented in Note 4.3.

NOTE 3.1 - FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

OVERVIEW OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.06.2019		31.12.2018	
(In millions of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Trading portfolio [1]	393,311	321,988	338,312	285,478
Financial instruments mandatorily at fair value through profit or loss	24,924		24,057	
Financial instruments at fair value through profit or loss using the fair value option	2,733	84,266	3,181	77,605
Total	**420,968**	**406,254**	**365,550**	**363,083**
o/w securities purchased/sold under resale/repurchase agreements	*130,912*	*116,648*	*129,628*	*98,874*

(1) At 30 June 2019, the trading portfolio includes trading books related to the activities of manufacturing and market-making of structured products ("Exotic, Vanilla and Funds") acquired from Commerzbank during the first half of 2019 (see Note 2.2).

1. TRADING PORTFOLIO

ASSETS

(In millions of euros)	30.06.2019	31.12.2018
Bonds and other debt securities	36,293	29,732
Shares and other equity securities	69,467	49,297
Loans and receivables and securities purchased under resale agreements	141,487	135,861
Trading derivatives [1]	146,007	122,983
Other trading assets	57	439
Total	**393,311**	**338,312**
o/w securities lent	*14,051*	*12,411*

(1) See Note 3.2 Financial derivatives.

LIABILITIES

(In millions of euros)	30.06.2019	31.12.2018
Amounts payable on borrowed securities	41,382	51,264
Bonds and other debt instruments sold short	7,496	6,231
Shares and other equity instruments sold short	1,083	1,248
Borrowings and securities sold under repurchase agreements	116,404	98,299
Trading derivatives [1]	154,022	126,946
Other trading liabilities	1,601	1,490
Total	**321,988**	**285,478**

(1) See Note 3.2 Financial derivatives.

2. FINANCIAL INSTRUMENTS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

BREAKDOWN OF FINANCIAL ASSETS MEASURED MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

(In millions of euros)	30.06.2019	31.12.2018
Bonds and other debt securities	171	158
Shares and other equity securities	2,296	1,996
Loans and receivables and securities purchased under resale agreements	22,457	21,903
Total	**24,924**	**24,057**

The loans and receivables and securities purchased under resale agreements recorded in the balance sheet under Financial assets mandatorily at fair value through profit or loss mainly include:

- loans that include prepayment features with compensation that do not reflect the effect of changes in the benchmark interest rate;
- loans that include indexation clauses that do not permit to recognise as basic loans (SPPI).

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS USING THE FAIR VALUE OPTION

ASSETS

(In millions of euros)	30.06.2019	31.12.2018
Bonds and other debt securities	1,496	1,310
Loans and receivables and securities purchased under resale agreements	164	819
Separate assets for employee benefits plans	1,073	1,052
Total	**2,733**	**3,181**

LIABILITIES

Financial liabilities measured at fair value through profit or loss using the fair value option predominantly consist of structured bonds issued by the Societe Generale group.

Changes in fair value attributable to own credit risk generated a gain of EUR 46 million at 30 June 2019, which was recognised in other comprehensive income. Up to this date, the total gains and losses attributable to own credit risk amounted to EUR -149 million.

The revaluation differences attributable to the Group's issuer credit risk are determined using valuation models taking into account the Societe Generale group's most recent financing terms and conditions on the markets and the residual maturity of the related liabilities.

At 30 June 2019, the difference between the fair value of financial liabilities measured using the fair value option through profit or loss (EUR 84,266 million versus EUR 77,605 million at 31 December 2018) and their amount redeemable at maturity (EUR 84,495 million versus EUR 78,080 million at 31 December 2018) stood at EUR -229 million (EUR -475 million at 31 December 2018).

NOTE 3.2 - FINANCIAL DERIVATIVES

1. TRADING DERIVATIVES

(In millions of euros)	30.06.2019		31.12.2018	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate instruments	95,310	93,564	74,253	73,835
Foreign exchange instruments	24,035	28,722	19,246	19,466
Equity and index instruments	21,305	24,457	21,450	23,675
Commodities Instruments	3,172	3,516	5,708	6,081
Credit derivatives	2,107	2,670	2,224	2,704
Other forward financial instruments	78	1,093	102	1,185
Total	**146,007**	**154,022**	**122,983**	**126,946**

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. All credit derivatives, regardless of their purpose, are measured at fair value through profit or loss and cannot be qualified as hedging instruments for accounting purposes. Accordingly, they are recognised at fair value among trading derivatives.

2. HEDGING DERIVATIVES

The Group made the choice to maintain the IAS 39 provisions related to hedge accounting. Consequently, equity instruments do not qualify for hedge accounting regardless of their accounting category.

	30.06.2019		31.12.2018	
(In millions of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Fair value hedge	**17,485**	**9,448**	**11,666**	**5,767**
Interest rate instruments	17,476	9,442	11,650	5,765
Foreign exchange instruments	9	1	16	2
Equity and index instruments	-	5	-	-
Cash flow hedge	**194**	**167**	**105**	**204**
Interest rate instruments	181	137	27	140
Foreign exchange instruments	13	-	78	38
Equity and index Instruments	-	30	-	26
Net investment hedge	**86**	**88**	**128**	**22**
Foreign exchange instruments	86	88	128	22
Total	**17,765**	**9,703**	**11,899**	**5,993**

The Group sets up hedging relationships recognised for accounting purposes as fair value hedges in order to protect its fixed-rate financial assets and liabilities (primarily loans/borrowings, securities issued and fixed-rate securities) against changes in long-term interest rates. The hedging instruments used mainly consist of interest rate swaps.

Through some of its Corporate and Investment Banking operations, the Group is exposed to future cash flow changes in its short and medium-term funding requirements, and sets up hedging relationships recognised for accounting purposes as cash flow hedges. Highly probable funding requirements are determined using historic data established for each activity and representative of balance sheet outstandings. These data may be increased or decreased with changes in management methods.

NOTE 3.3 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

OVERVIEW OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(In millions of euros)	30.06.2019	31.12.2018
Debt instruments	52,883	49,736
Bonds and other debt securities	*52,842*	*49,696*
Loans and receivables and securities purchased under resale agreements	*41*	*40*
Shares and other equity securities	241	290
Total	**53,124**	**50,026**
o/w securities lent	*451*	*483*

1. DEBT INSTRUMENTS

CHANGES IN THE CARRYING AMOUNT

(In millions of euros)	2019
Balance at 1 January	**49,736**
Acquisitions / originations	28,161
Disposals / redemptions	(26,299)
Changes in scope and others	(15)
Changes in fair value during the period	1,087
Changes in related receivables	12
Translation differences	201
Balance at 30 June	**52,883**

BREAKDOWN OF CUMULATED UNREALISED GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY AND THAT WILL BE RECLASSIFIED SUBSEQUENTLY INTO INCOME

(In millions of euros)	30.06.2019	31.12.2018
Unrealised gains	447	416
Unrealised losses	(171)	(183)
Total	**276**	**233**

2. EQUITY INSTRUMENTS

The Group has chosen only in a very few cases to designate equity instruments to be measured at fair value through other comprehensive income.

3. NET GAINS AND LOSSES RECOGNISED IN NET INCOME ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(In millions of euros)	1st half of 2019	2018	1st half of 2018
Realised gains and losses on sale of debt instruments	56	39	3
Dividends incomes on financial assets at fair value through other comprehensive income	45	44	21
Total	**101**	**83**	**24**

NOTE 3.4 - FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

1. FINANCIAL ASSETS MEASURED AT FAIR VALUE

	30.06.2019				31.12.2018			
(In millions of euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading portfolio	**93,613**	**151,550**	**2,141**	**247,304**	**69,429**	**144,430**	**1,470**	**215,329**
Bonds and other debt securities	32,651	3,246	396	36,293	26,059	3,403	270	29,732
Shares and other equity securities	60,962	8,494	11	69,467	43,370	5,926	1	49,297
Loans and receivables and securities purchased under resale agreements	-	139,753	1,734	141,487	-	134,662	1,199	135,861
Other trading assets	-	57	-	57	-	439	-	439
Trading derivatives	**195**	**142,377**	**3,435**	**146,007**	**23**	**119,460**	**3,500**	**122,983**
Interest rate instruments	4	92,816	2,490	95,310	8	71,628	2,617	74,253
Foreign exchange instruments	180	23,664	191	24,035	8	19,038	200	19,246
Equity and index instruments	-	20,943	362	21,305	-	21,211	239	21,450
Commodity instruments	-	3,067	105	3,172	-	5,666	42	5,708
Credit derivatives	-	1,823	284	2,107	-	1,826	398	2,224
Other forward financial instruments	11	64	3	78	7	91	4	102
Financial assets measured mandatorily at fair value through profit or loss	**127**	**22,213**	**2,584**	**24,924**	**117**	**21,091**	**2,849**	**24,057**
Bonds and other debt securities	12	40	119	171	12	36	110	158
Shares and other equity securities	115	289	1,892	2,296	105	194	1,697	1,996
Loans and receivables and securities purchased under resale agreements	-	21,884	573	22,457	-	20,861	1,042	21,903
Financial assets measured using fair value option through profit or loss	**1,332**	**1,300**	**101**	**2,733**	**1,126**	**1,702**	**353**	**3,181**
Bonds and other debt securities	1,322	174	-	1,496	1,126	184	-	1,310
Loans and receivables and securities purchased under resale agreements	10	53	101	164	-	466	353	819
Other financial assets	-	-	-	-	-	-	-	-
Separate assets for employee benefit plans	-	1,073	-	1,073	-	1,052	-	1,052
Hedging derivatives	**-**	**17,765**	**-**	**17,765**	**-**	**11,899**	**-**	**11,899**
Interest rate instruments	-	17,657	-	17,657	-	11,677	-	11,677
Foreign exchange instruments	-	108	-	108	-	222	-	222
Equity and index instruments	-	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	**51,536**	**1,347**	**241**	**53,124**	**48,738**	**998**	**290**	**50,026**
Bonds and other debt securities	51,536	1,306	-	52,842	48,738	958	-	49,696
Shares and other equity securities	-	-	241	241	-	-	290	290
Loans and receivables	-	41	-	41	-	40	-	40
Total financial assets at fair value	**146,803**	**336,552**	**8,502**	**491,857**	**119,433**	**299,580**	**8,462**	**427,475**

2. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

	30.06.2019				31.12.2018			
(In millions of euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading portfolio	**8,654**	**157,819**	**1,493**	**167,966**	**7,787**	**149,776**	**969**	**158,532**
Amounts payable on borrowed securities	75	41,198	109	41,382	308	50,956	-	51,264
Bonds and other debt instruments sold short	7,496	-	-	7,496	6,231	-	-	6,231
Shares and other equity instruments sold short	1,083	-	-	1,083	1,248	-	-	1,248
Borrowings and securities sold under repurchase agreements	-	115,020	1,384	116,404	-	97,330	969	98,299
Other trading liabilities	-	1,601	-	1,601	-	1,490	-	1,490
Trading derivatives	**289**	**148,954**	**4,779**	**154,022**	**81**	**123,075**	**3,790**	**126,946**
Interest rate instruments	34	90,738	2,792	93,564	6	70,986	2,843	73,835
Foreign exchange instruments	160	28,441	121	28,722	5	19,346	115	19,466
Equity and index instruments	-	22,995	1,462	24,457	-	23,103	572	23,675
Commodity instruments	-	3,434	82	3,516	-	6,041	40	6,081
Credit derivatives	-	2,349	321	2,670	-	2,484	220	2,704
Other forward financial instruments	95	997	1	1,093	70	1,115	-	1,185
Financial liabilities measured using fair value option through profit or loss	**246**	**41,632**	**42,388**	**84,266**	**265**	**39,408**	**37,932**	**77,605**
Hedging derivatives	**-**	**9,703**	**-**	**9,703**	**-**	**5,993**	**-**	**5,993**
Interest rate instruments	-	9,579	-	9,579	-	5,905	-	5,905
Foreign exchange instruments	-	89	-	89	-	62	-	62
Equity and index instruments	-	35	-	35	-	26	-	26
Total financial liabilities at fair value	**9,189**	**358,108**	**48,660**	**415,957**	**8,133**	**318,252**	**42,691**	**369,076**

3. VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS AT FAIR VALUE

(In millions of euros)	Balance at 31.12.2018	Acquisitions	Disposals / redemp-tions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance at 30.06.2019
Trading portfolio	**1,470**	**1,411**	**(467)**	**(947)**	**197**	**470**	**7**	**-**	**2,141**
Bonds and other debt securities	270	416	(299)	(26)	5	25	5	-	396
Shares and other equity securities	1	2	-	-	8	-	-	-	11
Loans and receivables and securities purchased under resale agreements	1,199	993	(168)	(921)	184	445	2	-	1,734
Other trading assets	-	-	-	-	-	-	-	-	-
Trading derivatives	**3,500**	**165**	**(54)**	**(155)**	**549**	**(569)**	**-**	**(1)**	**3,435**
Interest rate instruments	2,617	8	-	(137)	545	(539)	(4)	-	2,490
Foreign exchange instruments	200	9	-	(7)	-	(11)	-	-	191
Equity and index instruments	239	144	(54)	(9)	4	34	5	(1)	362
Commodity instruments	42	4	-	-	-	59	-	-	105
Credit derivatives	398	-	-	(2)	-	(111)	(1)	-	284
Other forward financial instruments	4	-	-	-	-	(1)	-	-	3
Financial assets measured mandatorily at fair value through profit or loss	**2,849**	**138**	**(28)**	**(671)**	**12**	**288**	**8**	**(12)**	**2,584**
Bonds and other debt securities	110	15	(9)	-	3	-	-	-	119
Shares and other equity securities	1,697	119	(18)	(33)	8	127	4	(12)	1,892
Loans and receivables and securities purchased under resale agreements	1,042	4	(1)	(638)	1	161	4	-	573
Financial assets measured using fair value option through profit or loss	**353**	**-**	**(50)**	**-**	**-**	**(191)**	**-**	**(11)**	**101**
Bonds and other debt securities	-	-	-	-	-	-	-	-	-
Loans and receivables and securities purchased under resale agreements	353	-	(50)	-	-	(191)	-	(11)	101
Other financial assets	-	-	-	-	-	-	-	-	-
Separate assets for employee benefit plans	-	-	-	-	-	-	-	-	-
Hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign exchange instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	**290**	**-**	**-**	**-**	**-**	**(49)**	**-**	**-**	**241**
Debt instruments	-	-	-	-	-	-	-	-	-
Equity instruments	290	-	-	-	-	(49)	-	-	241
Loans and receivables	-	-	-	-	-	-	-	-	-
Total financial assets at fair value	**8,462**	**1,714**	**(599)**	**(1,773)**	**758**	**(51)**	**15**	**(24)**	**8,502**

FINANCIAL LIABILITIES AT FAIR VALUE

(In millions of euros)	Balance at 31.12.2018	Issues	Redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance at 30.06.2019
Trading portfolio	**969**	**1,196**	**(881)**	**(7)**	**185**	**31**	**-**	**-**	**1,493**
Debt securities issued	-	-	-	-	-	-	-	-	-
Amounts payable on borrowed securities	-	-	-	-	109	-	-	-	109
Bonds and other debt instruments sold short	-	-	-	-	-	-	-	-	-
Shares and other equity instruments sold short	-	-	-	-	-	-	-	-	-
Borrowings and securities sold under repurchase agreements	969	1,196	(881)	(7)	76	31	-	-	1,384
Other trading liabilities	-	-	-	-	-	-	-	-	-
Trading derivatives	**3,790**	**750**	**(25)**	**(423)**	**247**	**331**	**108**	**1**	**4,779**
Interest rate instruments	2,843	26	-	(387)	220	(17)	107	-	2,792
Foreign exchange instruments	115	9	-	-	-	(2)	(1)	-	121
Equity and index instruments	572	712	(25)	(36)	27	209	3	-	1,462
Commodity instruments	40	3	-	-	-	39	-	-	82
Credit derivatives	220	-	-	-	-	102	(1)	-	321
Other forward financial instruments	-	-	-	-	-	-	-	1	1
								-	
Financial liabilities measured using fair value option through profit or loss	**37,932**	**9,999**	**(7,875)**	**(1,042)**	**329**	**2,906**	**257**	**(118)**	**42,388**
Hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest rate instruments	-	-	-	-	-	-	-	-	-
Foreign exchange instruments	-	-	-	-	-	-	-	-	-
Equity and index instruments	-	-	-	-	-	-	-	-	-
								-	
Total financial liabilities at fair value	**42,691**	**11,945**	**(8,781)**	**(1,472)**	**761**	**3,268**	**365**	**(117)**	**48,660**

4. VALUATION METHODS OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments recognised at fair value on the balance sheet, fair value is determined primarily on the basis of the prices quoted on 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 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 inputs used in the valuation models, whether derived from observable market data or not, are checked by the Finance Division of Market Activities, 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 and security financing transactions are subject to a Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA). The Group includes all clients and clearing houses in this adjustment, which also reflects the netting agreements as they exist for each counterparty.

The CVA is determined on the basis of the Group entity's expected positive exposure to the counterparty, the counterparty's probability of default and the amount of 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 transactions (FVA, Funding Value Adjustment) is also performed.

Observable data must be: independent, available, publicly distributed, based on a narrow consensus and/or 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 long 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 inputs.

In the event of unusual tensions on the markets, leading to a lack of the usual reference data used to measure 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 EQUITY 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 a 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 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).

CUSTOMER LOANS

The fair value of loans and receivables is calculated, in the absence of an actively traded market for these loans, by discounting the expected cash flows to present value at a discount rate based on interest rates prevailing on the market at the reporting date for loans with broadly similar terms and maturities. These discount rates are adjusted for borrower credit risk.

5. ESTIMATES OF MAIN UNOBSERVABLE INPUTS

The following table provides the valuation of Level 3 instruments on the balance sheet and the range of values of the most significant unobservable inputs by main product type.

(In millions of euros)

Cash instruments and derivatives [1]	**Assets**	**Liabilities**	**Main products**	**Valuation techniques used**	**Significant unobservable inputs**	**Range of inputs min & max**
Equities/funds	709	30,760	Simple and complex instruments or derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets of stocks	Equity volatilities	4.4%; 67.6%
					Equity dividends	0%; 13.2%
					Correlations	-89.5%; 98.5%
					Hedge fund volatilities	8.5%; 20%
					Mutual fund volatilities	1.5%; 42.3%
Rates and Forex	5,604	17,497	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	-46.5%; 90%
			Forex derivatives	Forex option pricing models	Forex volatilities	1%; 32.8%
			Interest rate derivatives whose notional is indexed to prepayment behaviour in European collateral pools	Prepayment modelling	Constant prepayment rates	0%; 20%
			Inflation instruments and derivatives	Inflation pricing models	Correlations	50.5%; 88.9%
Credit	284	321	Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	0%; 100%
					Recovery rate variance for single name underlyings	0%; 100%
			Other credit derivatives	Credit default models	Time to default correlations	0%; 100%
					Quanto correlations	-50%; 40%
					Credit spreads	0 bps; 1,000 bps
Commodities	105	82	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	14%; 96%
Long term equity investments	1,800	-	Securities held for strategic purposes	Net Book Value / Recent transactions	Non applicable	-
TOTAL	**8,502**	**48,660**				

(1) Hybrid instruments are broken down by main unobservable inputs.

6. 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 into the valuation of Level 3 instruments.

To quantify this, fair value sensitivity was estimated at 30 June 2019 on instruments whose valuation requires certain unobservable inputs. This estimate was based either on a "standardised" variation in 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.

The "standardised" variation is:

- either the standard deviation of consensus prices (TOTEM, etc.) used to measure an input nevertheless considered as unobservable; or
- the standard deviation of historic data used to measure the input.

SENSITIVITY OF LEVEL 3 FAIR VALUE TO A REASONABLE VARIATION IN UNOBSERVABLE INPUTS

	30.06.2019		31.12.2018	
(In millions of euros)	Negative impact	Positive impact	Negative impact	Positive impact
Shares and other equity instruments and derivatives	**(20)**	**94**	**(13)**	**96**
Equity volatilities	-	30	-	19
Dividends	(2)	7	(3)	9
Correlations	(17)	51	(9)	62
Hedge Fund volatilities	-	-	-	-
Mutual Fund volatilities	(1)	6	(1)	6
Rates or Forex instruments and derivatives	**(7)**	**62**	**(6)**	**58**
Correlations between exchange rates and/or interest rates	(5)	59	(4)	55
Forex volatilities	(1)	3	(1)	2
Constant prepayment rates	-	-	-	-
Inflation / inflation correlations	(1)	-	(1)	1
Credit instruments and derivatives	**(4)**	**14**	**(4)**	**14**
Time to default correlations	(4)	8	(2)	4
Recovery rate variance for single name underlyings	-	-	-	-
Quanto correlations	-	6	(2)	10
Credit spreads	-	-	-	-
Commodity derivatives	-	**1**	-	**1**
Commodities correlations	-	1	-	1
Long term securities	**NA**	**NA**	**NA**	**NA**

It should be noted that, given the already conservative valuation levels, this sensitivity is higher for a favourable impact on results than for an unfavourable impact. Moreover, 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 forecast from these estimates.

7. DEFERRED MARGIN RELATED TO MAIN UNOBSERVABLE INPUTS

The remaining amount to be recorded in the income statement, resulting from the difference between the transaction price and the amount determined at this date using valuation techniques, minus the amounts recorded in the income statement after initial recognition, is shown in the table below. This amount is recorded in the income statement over time, or when the inputs become observable.

(In millions of euros)	2019
Deferred margin at 1 January	**1,237**
Deferred margin on new transactions during the period	346
Margin recorded into income during the period	(357)
o/w amortisation	*(233)*
o/w switch to observable inputs	*(8)*
o/w disposed, expired or terminated	*(116)*
Deferred margin at 30 June	**1,226**

NOTE 3.5 - LOANS, RECEIVABLES AND SECURITIES AT AMORTISED COST

OVERVIEW OF FINANCIAL ASSETS AT AMORTISED COST

	30.06.2019		31.12.2018	
(In millions of euros)	**Carrying amount**	*o/w impairment*	**Carrying amount**	*o/w impairment*
Due from banks	70,173	*(27)*	60,588	*(32)*
Customer loans	438,251	*(11,111)*	447,229	*(11,435)*
Securities	12,151	*(12)*	12,026	*(10)*
Total	**520,575**	***(11,150)***	**519,843**	***(11,477)***

1. DUE FROM BANKS

(In millions of euros)	30.06.2019	31.12.2018
Current accounts	27,498	23,958
Deposits and loans	18,521	18,453
Securities purchased under resale agreements	23,969	18,000
Subordinated and participating loans	104	91
Related receivables	81	99
Due from banks before impairment (1)	**70,173**	**60,601**
Credit loss impairment	(27)	(32)
Revaluation of hedged items	27	19
Due from banks	**70,173**	**60,588**

(1) At 30 June 2019, the amount of due from banks with level 3 of impairment (credit impaired outstanding) was EUR 39 million compared to EUR 51 million at 31 December 2018.

2. CUSTOMER LOANS

(In millions of euros)	30.06.2019	31.12.2018
Overdrafts	19,228	21,230
Other customer loans	376,484	375,982
Lease financing agreements	33,002	32,345
Securities purchased under resale agreements	17,120	26,078
Related receivables	3,090	2,692
Customer loans before impairment (1)	**448,924**	**458,327**
Credit loss impairment	(11,111)	(11,435)
Revaluation of hedged items	438	337
Customer loans	**438,251**	**447,229**

(1) At 30 June 2019, the amount of due from banks with level 3 of impairment (credit impaired outstanding) was EUR 16,877 million compared to EUR 17,818 million at 31 December 2018.

3. SECURITIES

(In millions of euros)	30.06.2019	31.12.2018
Government securities	5,966	5,826
Negotiable certificates, bonds and other debt securities	6,090	6,106
Related receivables	76	79
Securities before impairment	**12,132**	**12,011**
Impairment	(12)	(10)
Revaluation of hedged items	31	25
Securities	**12,151**	**12,026**

NOTE 3.6 - DEBTS

1. DUE TO BANKS

(In millions of euros)	30.06.2019	31.12.2018
Demand deposits and current accounts	15,625	13,875
Overnight deposits and borrowings and others	2,590	2,248
Term deposits	74,339	72,965
Related payables	152	130
Revaluation of hedged items	278	129
Securities sold under repurchase agreements	8,285	5,359
Total	**101,269**	**94,706**

2. CUSTOMER DEPOSITS

(In millions of euros)	30.06.2019	31.12.2018
Regulated savings accounts	96,424	93,230
Demand	*70,980*	*68,082*
Term	*25,444*	*25,148*
Other demand deposits [1]	226,408	222,642
Other term deposits [1]	80,685	82,932
Related payables	801	387
Revaluation of hedged items	225	219
Total customer deposits	**404,543**	**399,410**
Borrowings secured by notes and securities	26	-
Securities sold to customers under repurchase agreements	8,372	17,408
Total	**412,941**	**416,818**

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

3. DEBT SECURITIES ISSUED

(In millions of euros)	30.06.2019	31.12.2018
Term savings certificates	587	474
Bond borrowings	22,219	24,381
Interbank certificates and negotiable debt instruments	102,612	89,913
Related payables	553	804
Revaluation of hedged items	1,305	767
Total	**127,276**	**116,339**
o/w floating-rate securities	*47,737*	*39,121*

NOTE 3.7 - INTEREST INCOME AND EXPENSE

	1st half of 2019			2018			1st half of 2018		
(In millions of euros)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Financial instruments at amortised cost	7,678	(4,137)	3,541	14,030	(7,021)	7,009	6,658	(3,226)	3,432
Central banks	*247*	*(93)*	*154*	*575*	*(151)*	*424*	*289*	*(73)*	*216*
Bonds and other debt securities	*212*	*(1,089)*	*(877)*	*257*	*(1,931)*	*(1,674)*	*144*	*(909)*	*(765)*
Due from/to banks	*587*	*(886)*	*(299)*	*1,077*	*(1,354)*	*(277)*	*402*	*(494)*	*(92)*
Customer loans and deposits	*6,087*	*(1,599)*	*4,488*	*11,435*	*(2,889)*	*8,546*	*5,518*	*(1,348)*	*4,170*
Subordinated debt	*-*	*(276)*	*(276)*	*-*	*(542)*	*(542)*	*-*	*(279)*	*(279)*
Securities lending/borrowing	*2*	*(2)*	*-*	*7*	*(5)*	*2*	*5*	*(5)*	*-*
Repo transactions	*543*	*(192)*	*351*	*679*	*(149)*	*530*	*300*	*(118)*	*182*
Hedging derivatives	3,058	(2,129)	929	6,358	(4,638)	1,720	3,206	(2,241)	965
Financial instruments at fair value through other comprehensive income	340	-	340	622	-	622	269	-	269
Lease agreements (1)	581	(22)	559	1,126	-	1,126	553	-	553
Real estate lease agreements	*95*	*(22)*	*73*	*194*	*-*	*194*	*97*	*-*	*97*
Non-real estate lease agreements	*486*	*-*	*486*	*932*	*-*	*932*	*456*	*-*	*456*
Sub-total interest income/expense on financial instruments using the effective interest method	**11,657**	**(6,288)**	**5,369**	**22,136**	**(11,659)**	**10,477**	**10,686**	**(5,467)**	**5,219**
Financial instruments mandatorily at fair value through profit or loss	201	-	201	542	-	542	233	-	233
Total interest income and expense	**11,858**	**(6,288)**	**5,570**	**22,678**	**(11,659)**	**11,019**	**10,919**	**(5,467)**	**5,452**
o/w interest income from impaired financial assets	*154*	*-*	*154*	*357*	*-*	*-*	*181*	*-*	*-*

(1) Lease agreements include, in income, interests from finance lease receivables. As a result of the application of IFRS 16 "Leases" as from 1 January 2019, lease agreements also include interests on lease liabilities as expense.

These interest expenses include the refinancing cost of financial instruments at fair value through profit or loss, the results of which are classified in net gains or losses on these instruments (see Note 3.1).

NOTE 3.8 - IMPAIRMENT AND PROVISIONS

OVERVIEW OF IMPAIRMENT AND PROVISIONS

(In millions of euros)	30.06.2019	31.12.2018
Impairment of financial assets at fair value through other comprehensive income	9	11
Impairment of financial assets at amortised cost	11,382	11,673
Loans and receivables and securities at amortised cost	*11,150*	*11,477*
Other assets at amortised cost (1)	*232*	*196*
Total impairment of financial assets	**11,391**	**11,684**
Provisions on financing commitments	266	252
Provisions on guarantee commitments	373	386
Total credit risk provisions	**639**	**638**

(1) o/w EUR 136 million of impairment on operating lease receivables as at 30 June 2019 (vs. EUR 131 million as at 31 December 2018); this impairment is calculated as lifetime expected credit losses since their initial recognition in compliance with the "simplified" approach permitted by the standard. Those receivables are presented under "Miscellaneous receivables" (see Note 4.4).

1. IMPAIRMENT OF FINANCIAL ASSETS

BREAKDOWN OF FINANCIAL ASSETS IMPAIRMENT

(In millions of euros)	Amount at 31.12.2018	Allocations	Write-backs available	Net impairment losses	Write-backs used	Currency and scope effects	Amount at 30.06.2019
Financial assets at fair value through other comprehensive income							
Impairment on performing outstandings (Stage 1)	**3**	-	(2)	**(2)**		-	**1**
Impairment on under-performing outstandings (Stage 2)	**-**	-	-	**-**		-	**-**
Impairment on doubtful outstandings (Stage 3)	**8**	-	-	**-**	-	-	**8**
Total	**11**	**-**	**(2)**	**(2)**	**-**	**-**	**9**
Financial assets measured at amortised cost							
Impairment on performing outstandings (Stage 1)	**887**	378	(349)	**29**		(11)	**905**
Impairment on under-performing outstandings (Stage 2)	**1,038**	561	(616)	**(55)**		(5)	**978**
Impairment on doubtful outstandings (Stage 3)	**9,748**	2,483	(1,920)	**563**	(843)	31	**9,499**
Total	**11,673**	**3,422**	**(2,885)**	**537**	**(843)**	**(15)**	**11,382**
o/w lease financing and similar agreements	***767***	***138***	***(117)***	***21***	***(33)***	***(8)***	***747***
Impairment on performing outstandings (Stage 1)	***83***	*19*	*(16)*	***3***		*(3)*	***83***
Impairment on under-performing outstandings (Stage 2)	***98***	*27*	*(38)*	***(11)***		*(1)*	***86***
Impairment on doubtful outstandings (Stage 3)	***586***	*92*	*(63)*	***29***	*(33)*	*(4)*	***578***

VARIATION OF DEPRECIATIONS ACCORDING TO CHANGES IN THE CARRYING AMOUNT OF FINANCIAL ASSETS

(In millions of euros)	**Amount at 31.12.2018**	**Production & Acquisition**	**Derecognition (among which debt waivers) and repayments**	**Transfer between stages of impairment**	**Other variations**	**Amount at 30.06.2019**
Financial assets at fair value through other comprehensive income						
Impairment on performing outstandings (Stage 1)	3				(2)	1
Impairment on under-performing outstandings (Stage 2)	-					-
Impairment on doubtful outstandings (Stage 3)	8					8
Total	**11**	**-**	**-**	**-**	**(2)**	**9**
Financial assets at amortised cost						
Impairment on performing outstandings (Stage 1)	887	180	(116)	(157)	111	905
Impairment on under-performing outstandings (Stage 2)	1,038	69	(106)	141	(164)	978
Impairment on doubtful outstandings (Stage 3)	9,748	152	(1,024)	328	295	9,499
Total	**11,673**	**401**	**(1,246)**	**312**	**242**	**11,382**
o/w lease financing and similar agreements	***767***	***16***	***(42)***	***9***	***(3)***	***747***
Impairment on performing outstandings (Stage 1)	*83*	*12*	*(6)*	*(13)*	*7*	*83*
Impairment on under-performing outstandings (Stage 2)	*98*	*3*	*(8)*	*11*	*(18)*	*86*
Impairment on doubtful outstandings (Stage 3)	*586*	*1*	*(28)*	*11*	*8*	*578*

2. PROVISIONS FOR CREDIT RISK

BREAKDOWN OF PROVISIONS

(In millions of euros)	Amount at 31.12.2018	Allocations	Write-backs available	Net impairment losses	Currency and scope effects	Amount at 30.06.2019
Financing commitments						
Provisions on performing outstandings (Stage 1)	**98**	58	(57)	**1**	-	**99**
Provisions on under-performing outstandings (Stage 2)	**119**	45	(80)	**(35)**	-	**84**
Provisions on doubtful outstandings (Stage 3)	**35**	82	(70)	**12**	36	**83**
Total	**252**	**185**	**(207)**	**(22)**	**36**	**266**
Guarantee commitments						
Provisions on performing outstandings (Stage 1)	**47**	17	(26)	**(9)**	(1)	**37**
Provisions on under-performing outstandings (Stage 2)	**68**	40	(32)	**8**	20	**96**
Provisions on doubtful outstandings (Stage 3)	**271**	70	(62)	**8**	(39)	**240**
Total	**386**	**127**	**(120)**	**7**	**(20)**	**373**

VARIATIONS OF PROVISIONS ACCORDING TO CHANGES IN THE AMOUNT OF FINANCING AND GUARANTEE COMMITMENTS

(In millions of euros)	Amount at 31.12.2018	Production	Derecognition	Transfer between stages of impairment	Other variations	Amount at 30.06.2019
Financing commitments						
Provisions on performing outstandings (Stage1)	98	23	(29)	(9)	16	99
Provisions on under-performing outstandings (Stage 2)	119	5	(21)	14	(33)	84
Provisions on doubtful outstandings (Stage 3)	35	8	(20)	25	35	83
Total	**252**	**36**	**(70)**	**30**	**18**	**266**
Guarantee commitments						
Provisions on performing outstandings (Stage1)	47	8	(7)	(4)	(7)	37
Provisions on under-performing outstandings (Stage 2)	68	2	(10)	7	29	96
Provisions on doubtful outstandings (Stage 3)	271	10	(21)	6	(26)	240
Total	**386**	**20**	**(38)**	**9**	**(4)**	**373**

3. COST OF RISK

(In millions of euros)	**1st half of 2019**	**2018**	**1st half of 2018**
Net allocations to impairment losses	(535)	(970)	(406)
on financial assets at fair value through other comprehensive income	*2*	-	*(1)*
on financial assets at amortised cost	*(537)*	*(970)*	*(405)*
Net allocations to provisions	15	59	75
on financing commitments	*22*	*82*	*80*
on guarantee commitments	*(7)*	*(23)*	*(5)*
Losses not covered on irrecoverable loans	(127)	(263)	(130)
Amounts recovered on irrecoverable loans	69	169	83
Total	**(578)**	**(1,005)**	**(378)**

NOTE 3.9 - FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

1. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	30.06.2019	
(In millions of euros)	**Carrying amount**	**Fair value**
Due from banks	70,173	70,281
Customer loans	438,251	442,498
Securities	12,151	12,337
Total	**520,575**	**525,116**

	31.12.2018	
(In millions of euros)	**Carrying amount**	**Fair value**
Due from banks	60,588	60,674
Customer loans	447,229	451,366
Securities	12,026	12,113
Total	**519,843**	**524,153**

2. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

	30.06.2019	
(In millions of euros)	**Carrying amount**	**Fair value**
Due to banks	101,269	101,220
Customer deposits	412,941	413,215
Debt securities issued	127,276	127,850
Subordinated debts	14,565	14,793
Total	**656,051**	**657,078**

	31.12.2018	
(In millions of euros)	**Carrying amount**	**Fair value**
Due to banks	94,706	94,564
Customer deposits	416,818	417,019
Debt securities issued	116,339	116,336
Subordinated debts	13,314	13,316
Total	**641,177**	**641,235**

NOTE 4 - OTHER ACTIVITIES

NOTE 4.1 - FEE INCOME AND EXPENSE

	1st half of 2019			2018			1st half of 2018		
(In millions of euros)	Income	Expense	Net	Income	Expense	Net	Income	Expense	Net
Transactions with banks	**76**	**(73)**	**3**	**148**	**(182)**	**(34)**	**70**	**(89)**	**(19)**
Transactions with customers	**1,540**	**-**	**1,540**	**3,187**	**-**	**3,187**	**1,557**	**-**	**1,557**
Transactions on financial instruments	**1,100**	**(1,148)**	**(48)**	**2,308**	**(2,334)**	**(26)**	**1,164**	**(1,171)**	**(7)**
Securities transactions	204	(467)	(263)	539	(1,030)	(491)	259	(479)	(220)
Primary market transactions	65	-	65	136	-	136	81	-	81
Foreign exchange transactions and financial derivatives	831	(681)	150	1,633	(1,304)	329	824	(692)	132
Loan and guarantee commitments	**385**	**(99)**	**286**	**711**	**(78)**	**633**	**373**	**(39)**	**334**
Various services	**1,433**	**(545)**	**888**	**2,770**	**(1,006)**	**1,764**	**1,325**	**(488)**	**837**
Asset management fees	287	-	287	634	-	634	313	-	313
Means of payment fees	450	-	450	847	-	847	412	-	412
Insurance product fees	115	-	115	228	-	228	114	-	114
Underwriting fees of UCITS	37	-	37	85	-	85	40	-	40
Other fees	544	(545)	(1)	976	(1,006)	(30)	446	(488)	(42)
Total	**4,534**	**(1,865)**	**2,669**	**9,124**	**(3,600)**	**5,524**	**4,489**	**(1,787)**	**2,702**

NOTE 4.2 - INCOME AND EXPENSE FROM OTHER ACTIVITIES

	1st half of 2019			2018			1st half of 2018		
(In millions of euros)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Real estate development	48	(1)	47	76	(2)	74	33	(1)	32
Real estate leasing	41	(13)	28	34	(40)	(6)	22	(13)	9
Equipment leasing (1)	5,331	(3,782)	1,549	10,102	(7,156)	2,946	4,960	(3,283)	1,677
Other activities	212	(886)	(674)	549	(1,814)	(1,265)	310	(1,171)	(861)
Total	**5,632**	**(4,682)**	**950**	**10,761**	**(9,012)**	**1,749**	**5,325**	**(4,468)**	**857**

(1) The amount recorded under this heading is mainly due to income and expenses related to long-term leasing and car fleet management businesses.

NOTE 4.3 - INSURANCE ACTIVITIES

1. INSURANCE CONTRACTS RELATED LIABILITIES

BREAKDOWN OF INSURANCE CONTRACTS RELATED LIABILITIES

(In millions of euros)	30.06.2019	31.12.2018
Underwriting reserves of insurance companies	137,830	128,769
Financial liabilities of insurance companies	747	774
Total	**138,577**	**129,543**

UNDERWRITING RESERVES OF INSURANCE COMPANIES

(In millions of euros)	30.06.2019	31.12.2018
Life insurance underwriting reserves for unit-linked policies	31,974	28,850
Other life insurance underwriting reserves	93,031	90,992
Non-life insurance underwriting reserves	1,416	1,418
Deferred profit-sharing booked in liabilities	11,409	7,509
Total	**137,830**	**128,769**
Attributable to reinsurers	(752)	(703)
Underwriting reserves of insurance companies (including provisions for deferred profit-sharing) net of the share attributable to reinsurers	**137,078**	**128,066**

2. INVESTMENTS OF INSURANCE ACTIVITIES

(In millions of euros)	30.06.2019	31.12.2018
Financial assets at fair value through profit or loss (trading portfolio)	1,770	1,876
Bonds and other debt instruments	*245*	*200*
Shares and other equity instruments	*31*	*29*
Trading derivatives	*1,494*	*1,647*
Financial assets at fair value through profit or loss (fair value option)	61,414	56,240
Bonds and other debt instruments	*29,899*	*27,881*
Shares and other equity instruments	*31,237*	*28,085*
Loans, receivables and repo transactions	*278*	*274*
Hedging derivatives	460	409
Available-for-sale financial assets	91,982	86,299
Debt instruments	*76,081*	*72,613*
Equity instruments	*15,901*	*13,686*
Due from banks (2)	7,830	7,983
Customer loans	101	119
Held-to-maturity financial assets	72	-
Real estate investments	602	609
Total investments of insurance activities before elimination of intercompany transactions	**164,231**	**153,535**
Elimination of intercompany transactions	(6,324)	(6,767)
Total investments of insurance activities after elimination of intercompany transactions (1) (2)	**157,907**	**146,768**

(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.

(2) o/w EUR 883 million of current accounts at 30 June 2019 (after elimination of intercompany transactions) vs. EUR 710 million at 31 December 2018.

The following tables show the carrying amounts after eliminating intercompany transactions.

ANALYSIS OF FINANCIAL ASSETS DEPENDING ON THEIR CONTRACTUAL CHARACTERISTICS

The following table separately shows the carrying value of the financial assets included in *Investments from insurance activities*, whose contractual conditions give rise to cash-flows on set dates which are solely payments of principal and interest (basic instruments).

	30.06.2019			
(In millions of euros)	Basic instruments	Other instruments	Total carrying amount	Fair value
Financial assets at fair value through profit or loss	-	60,047	60,047	60,047
Hedging derivatives	-	455	455	455
Available-for-sale financial assets	72,049	18,777	90,826	90,826
Due from banks	2,611	3,194	5,805	6,142
Customer loans	101	-	101	99
Held-to-maturity financial assets	72	-	72	72
Total financial investments	**74,833**	**82,473**	**157,306**	**157,641**

	31.12.2018			
(In millions of euros)	Basic instruments	Other instruments	Total carrying amount	Fair value
Financial assets at fair value through profit or loss	-	55,177	55,177	55,177
Hedging derivatives	-	401	401	401
Available-for-sale financial assets	68,261	16,407	84,668	84,668
Due from banks	2,122	3,672	5,794	6,139
Customer loans	119	-	119	117
Total financial investments	**70,502**	**75,657**	**146,159**	**146,502**

FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

	30.06.2019			
(In millions of euros)	Level 1	Level 2	Level 3	Total
Trading portfolio	75	245	35	355
Financial assets at fair value through profit or loss using the fair value option	53,373	5,965	354	59,692
Hedging derivatives	-	455	-	455
Available-for-sale financial assets	84,680	6,052	94	90,826
Total	**138,128**	**12,717**	**483**	**151,328**

	31.12.2018			
(In millions of euros)	Level 1	Level 2	Level 3	Total
Trading portfolio	29	384	49	462
Financial assets at fair value through profit or loss using the fair value option	48,821	5,516	378	54,715
Hedging derivatives	-	401	-	401
Available-for-sale financial assets	79,104	5,466	98	84,668
Total	**127,954**	**11,767**	**525**	**140,246**

CHANGES IN AVAILABLE-FOR-SALE FINANCIAL ASSETS

(In millions of euros)	2019
Balance as of 1 January	**84,668**
Acquisitions	7,928
Disposals / redemptions	(5,584)
Transfers to held-to-maturity financial assets	4
Change in scope and others	464
Gains and losses on changes in fair value recognised directly in equity during the period	3,338
Impairment losses on equity instruments recognised in profit or loss	(22)
Translation differences	30
Balance as of 30 June	**90,826**

UNREALISED GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	30.06.2019		
(In millions of euros)	**Capital gains**	**Capital losses**	**Net revaluation**
Unrealised gains and losses of insurance companies	**619**	**(26)**	**593**
On available-for-sale equity instruments	*1,866*	*(100)*	*1,766*
On available-for-sale debt instruments and assets reclassified as loans and receivables	*8,537*	*(236)*	*8,301*
Deferred profit-sharing	*(9,784)*	*310*	*(9,474)*

	31.12.2018		
(In millions of euros)	**Capital gains**	**Capital losses**	**Net revaluation**
Unrealised gains and losses of insurance companies	**384**	**(47)**	**337**
On available-for-sale equity instruments	*1,114*	*(391)*	*723*
On available-for-sale debt instruments and assets reclassified as loans and receivables	*6,338*	*(477)*	*5,861*
Deferred profit-sharing	*(7,068)*	*821*	*(6,247)*

3. NET INCOME FROM INSURANCE ACTIVITIES

The following table shows the breakdown of income and expense from insurance activities and associated investments presented on a separate line under *Net banking income: Net income from insurance activities* (after eliminating intercompany transactions).

(In millions of euros)	1st half of 2019	2018	1st half of 2018
Net premiums	6,919	12,568	6,515
Net income from investments	1,812	1,928	1,157
Cost of benefits (including changes in reserves and profit-sharing) (1)	(7,721)	(12,541)	(6,921)
Other net technical income (expense)	(112)	(231)	108
Net income from insurance activities	**898**	**1,724**	**859**
Funding costs	(2)	(7)	(3)
Net banking income of insurance companies	**896**	**1,717**	**856**

(1) o/w EUR -1,848 million in respect of profit-sharing at 30 June 2019.

NOTE 4.4 - OTHER ASSETS AND LIABILITIES

1. OTHER ASSETS

(In millions of euros)	30.06.2019	31.12.2018
Guarantee deposits paid [1]	47,688	46,694
Settlement accounts on securities transactions	8,318	6,645
Prepaid expenses	1,122	1,057
Miscellaneous receivables [2]	12,016	11,817
Miscellaneous receivables - insurance	1,527	1,511
Gross amount	**70,671**	**67,724**
Impairments [3]	(310)	(278)
Net amount	**70,361**	**67,446**

(1) Mainly relates to guarantee deposits paid on financial instruments, the fair value of which is taken to be the same as their book value net of impairment for credit risk.

(2) Miscellaneous receivables primarily include trade receivables, fee income and income from other activities to be received. The operating leases receivables equal to EUR 922 million as of 30 June 2019.

(3) Impairments on other assets are related to:

- *credit risk on operating lease receivables for an amount of EUR 136 million as of 30 June 2019 and EUR 131 million as of 31 December 2018;*
- *credit risk on assets acquired by adjudication and sundry debtors for an amount of EUR 141 million as of 30 June 2019 and EUR 110 million as of 31 December 2018;*
- *other risks for an amount of EUR 33 million as of 30 June 2019 and EUR 37 million as of 31 December 2018.*

2. OTHER LIABILITIES

(In millions of euros)	30.06.2019	31.12.2018
Guarantee deposits received [1]	44,336	43,443
Settlement accounts on securities transactions	9,465	6,904
Expenses payable on employee benefits	2,204	2,396
Lease liability [2]	2,034	
Deferred income	1,598	1,620
Miscellaneous payables [3]	15,479	15,609
Miscellaneous payables - insurance	7,504	6,657
Total	**82,620**	**76,629**

(1) Mainly relates to guarantee deposits received on financial instruments, their fair value is taken to be the same as their book value.

(2) Lease liability recorded as a result of the application of IFRS 16 "Leases" as from 1 January 2019 (see Note 1).

(3) Miscellaneous payables primarily include trade payables, fee expense and expense from other activities to be paid.

NOTE 5 - PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

1. PERSONNEL EXPENSES

(In millions of euros)	1st half of 2019	2018	1st half of 2018
Employee compensation	(3,736)	(6,925)	(3,418)
Social security charges and payroll taxes	(813)	(1,648)	(820)
Net pension expenses - defined contribution plans	(353)	(724)	(337)
Net pension expenses - defined benefit plans	(26)	78	(62)
Employee profit-sharing and incentives	(163)	(342)	(148)
Total	**(5,091)**	**(9,561)**	**(4,785)**
Including net expenses from share-based payments	*(58)*	*(227)*	*(111)*

2. DETAILS OF PROVISIONS FOR EMPLOYEE BENEFITS

(In millions of euros)	Provisions at 31.12.2018	Allocations	Write-backs available	Net allocation	Write-backs used	Actuarial gains and losses	Currency and scope effects	Provisions at 30.06.2019
Provisions for employee benefits	**2,341**	342	(178)	**164**	(3)	114	10	**2,626**

On 9 April 2019, Societe Generale announced two transformation projects including a strategic adjustment of its Global Banking & Investor Solutions businesses and a more operational project aiming to adapt the head office structure for its International Retail Banking & Financial Services activities.

These projects result in an adjustment of the provisions for restructuring with an allocation of EUR 235.5 million recorded under *Personnel expenses* in the income statement.

In addition, these projects also led to an impairment of tangible fixed assets for an amount equal to EUR 10 million as well as an allocation to Other provisions related to the social support of these plans for an amount of EUR 9.9 million recorded under *Other operating expenses* in the income statement.

3. DESCRIPTION OF THE 2019 SHARE-BASED PAYMENT PLANS

2019 SOCIETE GENERALE FREE SHARES PLAN (1)

Shareholders' agreement	23.05.2018
Board of Directors' decision	13.03.2019
Number of free shares granted	1,541,937
Number of free shares outstanding at 30.06.2019	1,538,397
Vesting period	13.03.2019 - 31.03.2022
Performance conditions (2)	yes
Fair value (% of the share price at grant date)	80.1%
Method of valuation	Arbitrage

(1) Excluding shares awarded within the framework of the specific retention and remuneration policy concerning employees working within activities considered as having significant impact on the Group's risk profile and as defined by the Directive CRD4 in effect since 1 January 2014 (i.e. regulated staff).

(2) The performance conditions are based on Societe Generale group's net income.

2019 SOCIETE GENERALE PERFORMANCE SHARES PLAN (1)

Date of General Meeting	23.05.2018	
Date of Board of Directors' meeting	13.03.2019	
Total number of shares granted	1,292,108	
Vesting dates		
Sub-plan 1		31.03.2022
Sub-plans 2/3 and 7	1st instalment	31.03.2021
	2nd instalment	31.03.2022
Sub-plan 4		31.03.2022
Sub-plan 5	1st instalment	31.03.2023
	2nd instalment	29.03.2024
Sub-plan 6	1st instalment	31.03.2023
	2nd instalment	31.03.2025
Holding period end dates		
Sub-plan 1		N/A
Sub-plans 2/3 and 7	1st instalment	01.10.2021
	2nd instalment	01.10.2022
Sub-plan 4		01.10.2022
Sub-plan 5	1st instalment	01.10.2023
	2nd instalment	01.10.2024
Sub-plan 6	1st instalment	01.04.2024
	2nd instalment	01.04.2026
Performance conditions (2)	yes	
Fair value *(in EUR)* (3)		
Sub-plan 1		21.40
Sub-plans 2/3 and 7	1st instalment	22.32
	2nd instalment	20.93
Sub-plan 4		20.93
Sub-plan 5	1st instalment	10.86
	2nd instalment	11.35
Sub-plan 6	1st instalment	8.53
	2nd instalment	9.45

(1) Under the annual employee plan and awards in the context of the specific loyalty and remuneration policy applicable to regulated persons as defined in banking regulations (including Chief Executive Officers and Management Committee members).

(2) The performance conditions are based on Societe Generale group's net income.

(3) The fair value is calculated using the arbitrage method of valuation.

NOTE 6 - INCOME TAX

1. INCOME TAX

(In millions of euros)	1st half of 2019	2018	1st half of 2018
Current taxes *	(582)	(947)	(450)
Deferred taxes	(63)	(357)	(315)
Total *	**(645)**	**(1,304)**	**(765)**

** The amounts have been restated following the first time application of an amendment to IAS 12 "Income taxes" (see Note 1).*

RECONCILIATION OF THE DIFFERENCE BETWEEN THE GROUP'S STANDARD TAX RATE AND ITS EFFECTIVE TAX RATE

(In millions of euros)	1st half of 2019	2018	1st half of 2018
Income before tax, excluding net income from companies accounted for using the equity method and impairment losses on goodwill	**2,707**	**6,061**	**3,197**
Normal tax rate applicable to French companies (including 3.3% national contribution)	34.43%	34.43%	34.43%
Permanent differences *	(2.51)%	(2.66)%	0.45%
Differential on securities with tax exemption or taxed at reduced rate	2.72%	(0.10)%	(0.79)%
Tax rate differential on profits taxed outside France	(10.51)%	(10.11)%	(10.19)%
Impact of non-deductible losses and use of tax losses carried forward	(0.32)%	(0.04)%	0.04%
Group effective tax rate *	**23.81%**	**21.52%**	**23.94%**

** The amounts have been restated following the first time application of an amendment to IAS 12 "Income taxes" (see Note 1).*

The 2018 French Finance Act, published in the Official Journal on 31 December 2017, includes a gradual reduction in French tax rate. The downward path set by the 2018 French Finance Act provided for a standard Corporate Income Tax rate of 31% plus the existing national contribution of 3.3% (after a deduction of EUR 0.76 million from basic taxable income).

However, on 6 March 2019, the French Government submitted an amendment to the downward path of Corporate Income Tax for the year 2019 within a bill. Article 2 of the bill provides that the standard Corporate Income Tax rate would be 33.1/3% for companies with an annual turnover exceeding EUR 250 million, plus the existing national contribution of 3.3%. The bill was enacted by the Senate on 11 July 2019.

The bill doesn't reassess the downward path of Corporate Income Tax rate beyond 2019. Until 2022, the standard Corporate Income Tax of 33.33% will be brought down to 25%, plus the existing national contribution of 3.3%.

Deferred taxes on French companies are determined by applying the tax rate in effect at the reversal of the temporary difference. Regarding the gradual reduction in French tax rate until 2022 (including the national contribution payment):

- for income taxed at the ordinary tax rate, the rate is between 34.43% in 2019 and 25.83% from 2022;
- for income taxed at reduced rate, the rate is between 4.13% in 2019 and 3.10% from 2022.

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. This portion of fees and expenses is 12% of gross capital gains and is applicable only if the company realizes a net long-term capital gain.

Furthermore, under the parent-subsidiary regime, dividends from companies in which Societe Generale's equity interest is at least 5% are tax exempt, subject to taxation of a portion of fees and expenses at the full statutory tax rate.

2. TAX ASSETS AND LIABILITIES

TAX ASSETS

(In millions of euros)	30.06.2019	31.12.2018
Current tax assets	768	1,066
Deferred tax assets	4,707	4,753
o/w deferred tax assets on tax loss carryforwards	*2,715*	*2,895*
o/w deferred tax assets on temporary differences	*1,992*	*1,858*
Total	**5,475**	**5,819**

TAX LIABILITIES

(In millions of euros)	30.06.2019	31.12.2018
Current tax liabilities	473	552
Provisions for income tax adjustments (1)	107	
Deferred tax liabilities	657	605
Total	**1,237**	**1,157**

(1) Since 1 January 2019, provisions for income tax adjustments are presented under "Tax liabilities" as a consequence of the application of IFRIC 23 "Uncertainty over income tax treatments" (see Note 1).

NOTE 7 - SHAREHOLDERS' EQUITY

NOTE 7.1 - TREASURY SHARES AND SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

1. ORDINARY SHARES ISSUED BY SOCIETE GENERALE S.A.

(Number of shares)	30.06.2019	31.12.2018
Ordinary shares	847,732,648	807,917,739
Including treasury stock with voting rights [1]	*3,706,880*	*5,975,497*
Including shares held by employees	*54,985,274*	*51,668,863*

(1) Excluding Societe Generale shares held for trading purposes or in respect of the liquidity contract.

At 30 June 2019, Societe Generale S.A.'s fully paid up capital amounted to EUR 1,059,665,810 and was made up of 847,732,648 with a nominal value of EUR 1.25.

In the first half of 2019, Societe Generale S.A. carried out a capital increases relating to the exercise by the shareholders of the option to pay dividends in Societe Generale shares, amounting to EUR 50 million with additional paid-in capital of EUR 839 million.

2. TREASURY STOCK

At 30 June 2019, the Group held 13,508,186 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 1.59% of the capital of Societe Generale S.A.

The amount deducted by the Group from its equity for treasury shares (and related derivatives) came to EUR 572 million, including EUR 431million in shares held for trading purposes.

THE CHANGE IN TREASURY STOCK OVER THE 1ST SEMESTER 2019 BREAKS DOWN AS FOLLOWS:

(In millions of euros)	Liquidity contract	Trading activities	Treasury stock and active management of shareholders' equity	Total
Disposals net of purchases	4	(7)	98	**95**
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	-	20	(97)	**(77)**

3. EQUITY INSTRUMENTS ISSUED

At 30 June 2019, the equity instruments issued by the Group corresponded to a total of EUR 9,599 million. The change in the first half of year 2019 reflects the issue of a deeply subordinated note in Singapore dollars, for a total of EUR 490 million.

NOTE 7.2 - EARNINGS PER SHARE AND DIVIDENDS

1. EARNINGS PER SHARE

(In millions of euros)	1st half of 2019	2018	1st half of 2018
Net income, Group share *	1,740	4,121	2,127
Attributable remuneration to subordinated and deeply subordinated notes *	(355)	(709)	(339)
Issuance fees relating to subordinated and deeply subordinated notes	(2)	(10)	(5)
Net income attributable to ordinary shareholders	**1,383**	**3,402**	**1,783**
Weighted average number of ordinary shares outstanding (1)	816,726,466	801,909,473	801,607,044
Earnings per ordinary share (in euros)	**1.69**	**4.24**	**2.22**
Average number of ordinary shares used in the dilution calculation	-	-	-
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	816,726,466	801,909,473	801,607,044
Diluted earnings per ordinary share (in euros)	**1.69**	**4.24**	**2.22**

* *The amounts have been restated following the first time application of an amendment to IAS 12 “Income taxes” (see Note 1).*

(1) Excluding treasury shares.

2. DIVIDENDS PAID

Dividends paid by the Group for the first half of 2019 amounted to EUR 2,143 million and are detailed in the following table:

	1st half of 2019			2018		
(In millions of euros)	Group Share	Non-controlling interests	Total	Group Share	Non-controlling interests	Total
o/w paid in shares	(889)	-	(889)	-	-	-
o/w paid in cash	(881)	(373)	(1,254)	(1,764)	(368)	(2,132)

NOTE 8 - ADDITIONAL DISCLOSURES

NOTE 8.1 - SEGMENT REPORTING

Segment income takes intra-group transactions into account, while these transactions are eliminated from segment assets and liabilities.

The amounts presented under *Income tax*, *Net income* and *Net income, Group share* have been restated compared with the 2018 published consolidated financial statements following the first time application of an amendment to IAS 12 “Income taxes” (see Note 1).

	Societe Generale group			French Retail Banking			Corporate Centre (1)		
(In millions of euros)	1st half of 2019	2018	1st half of 2018	1st half of 2019	2018	1st half of 2018	1st half of 2019	2018	1st half of 2018
Net banking income	12,475	25,205	12,748	3,910	7,860	3,999	(140)	182	58
Operating expenses (2)	(9,059)	(17,931)	(9,132)	(2,834)	(5,629)	(2,841)	65	(535)	(258)
Gross operating income	**3,416**	**7,274**	**3,616**	**1,076**	**2,231**	**1,158**	**(75)**	**(353)**	**(200)**
Cost of risk	(578)	(1,005)	(378)	(223)	(489)	(227)	(19)	(19)	(5)
Operating income	**2,838**	**6,269**	**3,238**	**853**	**1,742**	**931**	**(94)**	**(372)**	**(205)**
Net income fromcompanies accounted for using the equity method	15	56	29	4	28	16	3	7	2
Net income / expense from other assets	(131)	(208)	(41)	2	74	2	(134)	(274)	(32)
Impairment of goodwill	-	-	-	-	-	-	-	-	-
Earnings before tax	**2,722**	**6,117**	**3,226**	**859**	**1,844**	**949**	**(225)**	**(639)**	**(235)**
Income tax	(645)	(1,304)	(765)	(269)	(607)	(314)	63	425	166
Net income	**2,077**	**4,813**	**2,461**	**590**	**1,237**	**635**	**(162)**	**(214)**	**(69)**
Non-controlling interests	337	692	334	-	-	-	81	164	82
Net income, Group share	**1,740**	**4,121**	**2,127**	**590**	**1,237**	**635**	**(243)**	**(378)**	**(151)**

	International Retail Banking & Financial Services											
	International Retail Banking			Financial Services to Corporates			Insurance			Total		
(In millions of euros)	1st half of 2019 (3)	2018	1st half of 2018	1st half of 2019	2018	1st half of 2018	1st half of 2019	2018	1st half of 2018	1st half of 2019 (3)	2018	1st half of 2018
Net banking income	2,799	5,608	2,713	941	1,822	905	460	887	446	4,200	8,317	4,064
Operating expenses (2)	(1,669)	(3,238)	(1,634)	(495)	(955)	(470)	(185)	(333)	(177)	(2,349)	(4,526)	(2,281)
Gross operating income	**1,130**	**2,370**	**1,079**	**446**	**867**	**435**	**275**	**554**	**269**	**1,851**	**3,791**	**1,783**
Cost of risk	(222)	(335)	(138)	(39)	(69)	(28)	-	-	-	(261)	(404)	(166)
Operating income	**908**	**2,035**	**941**	**407**	**798**	**407**	**275**	**554**	**269**	**1,590**	**3,387**	**1,617**
Net income from companies accounted for using equity method	4	14	7	-	1	1	-	-	-	4	15	8
Net income / expense from other assets	1	7	4	-	1	-	-	-	-	1	8	4
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Earnings before tax	**913**	**2,056**	**952**	**407**	**800**	**408**	**275**	**554**	**269**	**1,595**	**3,410**	**1,629**
Income tax	(198)	(474)	(221)	(88)	(184)	(108)	(85)	(183)	(89)	(371)	(841)	(418)
Net income	**715**	**1,582**	**731**	**319**	**616**	**300**	**190**	**371**	**180**	**1,224**	**2,569**	**1,211**
Non-controlling interests	191	395	189	53	106	51	1	3	1	245	504	241
Net income, Group share	**524**	**1,187**	**542**	**266**	**510**	**249**	**189**	**368**	**179**	**979**	**2,065**	**970**

	Global Banking and Investor Solutions											
	Global Markets and Investors Services			Financing and Advisory			Asset and Wealth Management			Total		
(In millions of euros)	1st half of 2019	2018	1st half of 2018	1st half of 2019	2018	1st half of 2018	1st half of 2019	2018	1st half of 2018	1st half of 2019	2018	1st half of 2018
Net banking income	2,626	5,207	2,862	1,393	2,673	1,265	486	966	500	4,505	8,846	4,627
Operating expenses (2)	(2,511)	(4,521)	(2,390)	(966)	(1,815)	(909)	(464)	(905)	(453)	(3,941)	(7,241)	(3,752)
Gross operating income	**115**	**686**	**472**	**427**	**858**	**356**	**22**	**61**	**47**	**564**	**1,605**	**875**
Cost of risk	(11)	(21)	(2)	(70)	(53)	33	6	(19)	(11)	(75)	(93)	20
Operating income	**104**	**665**	**470**	**357**	**805**	**389**	**28**	**42**	**36**	**489**	**1,512**	**895**
Net income from companies accounted for using the equity method	4	8	4	-	(1)	-	-	(1)	(1)	4	6	3
Net income / expense from other assets	-	(1)	(1)	-	(1)	-	-	(14)	(14)	-	(16)	(15)
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Earnings before tax	**108**	**672**	**473**	**357**	**803**	**389**	**28**	**27**	**21**	**493**	**1,502**	**883**
Income tax	(25)	(172)	(125)	(36)	(101)	(68)	(7)	(8)	(6)	(68)	(281)	(199)
Net income	**83**	**500**	**348**	**321**	**702**	**321**	**21**	**19**	**15**	**425**	**1,221**	**684**
Non-controlling interests	8	19	9	2	2	1	1	3	1	11	24	11
Net income, Group share	**75**	**481**	**339**	**319**	**700**	**320**	**20**	**16**	**14**	**414**	**1,197**	**673**

(1) Income and expense not directly related to business line activities are recorded in the Corporate Centre income. The operating expenses include an income related to an operating tax adjustment of EUR 241 million for the second quarter 2019.

(2) These amounts include Personnel expenses, Other operating expenses and Amortisation, depreciation and impairment of tangible and intangible fixed assets.

(3) The International Retail Banking & Financial Services division includes also EUR -29 million of restructuring costs in operating expenses (and EUR +10 million of related income tax) not allocated to the business lines. These costs are added to the results of the International Retail Banking sub-division whose Net income, Groupe share for the 1st half of 2019 is, without these costs, EUR 543 million.

(In millions of euros)	Societe Generale group 30.06.2019	Societe Generale group 31.12.2018	French Retail Banking 30.06.2019	French Retail Banking 31.12.2018	Corporate Centre [2] 30.06.2019	Corporate Centre [2] 31.12.2018
Segment assets	1,388,609	1,309,428	227,613	222,086	118,047	106,392
Segment liabilities[1]	1,321,390	1,243,619	222,163	216,934	103,054	91,819

	International Retail Banking & Financial Services							
	International Retail Banking		Financial Services to Corporates		Insurance		Total	
(In millions of euros)	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Segment assets	131,281	128,303	44,150	42,868	160,145	148,999	335,576	320,170
Segment liabilities [1]	95,771	94,454	13,785	13,641	148,622	138,959	258,178	247,054

	Global Banking and Investor Solutions							
	Global Markets and Investors Services		Financing and Advisory		Asset and Wealth Management		Total	
(In millions of euros)	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Segment assets	539,147	489,757	134,151	137,064	34,075	33,959	707,373	660,780
Segment liabilities [1]	662,357	616,282	52,405	47,502	23,233	24,028	737,995	687,812

(1) Segment liabilities correspond to debts (i.e. total liabilities excluding equity).

(2) Assets and liabilities not directly related to the business line 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 Centre.

NOTE 8.2 - OTHER OPERATING EXPENSES

(In millions of euros)	1st half of 2019	2018	1st half of 2018
Rentals [1]	(175)	(752)	(384)
Taxes and levies	(706)	(901)	(740)
Data & Telecom (except rentals)	(1,187)	(2,400)	(1,168)
Consulting fees	(620)	(1,338)	(633)
Other	(555)	(1,975)	(935)
Total	**(3,243)**	**(7,366)**	**(3,860)**

(1) Decrease related to the first time application of IFRS 16 "Leases" (see Note 1).

CONTRIBUTION TO BANK RESOLUTION MECHANISMS

The European regulatory framework designed to enhance financial stability has been updated by Directive 2014/49/EU of 16 April 2014 on deposit guarantee schemes and Directive 2014/59/EU of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (Bank Recovery and Resolution Directive).

The European Regulation EU n° 806/2014 of 15 July 2014 then determined the financing means of resolution mechanisms within the European Banking Union through the establishment of a Single Resolution Fund (SRF).

The Single Resolution Fund (SRF), established in January 2016, shall receive annual contributions from the participating European financial institutions. By the end of 2023, the available financial means of the Fund shall reach at least 1% of the amount of covered deposits of all these participating financial institutions. A share of the annual contributions can be provided through irrevocable payment commitments.

For the 1st half of 2019, the Group's contributions to the SRF and the National Resolution Fund (NRF) were as follows:

- Cash contributions (85%) for a total of EUR 376 million, of which EUR 343 million related to the SRF and EUR 33 million related to the NRF, which is non tax-deductible in France and has been recorded in the income statement in *Other administrative expenses,* among *Taxes and Levies*;
- Irrevocable payment commitments (15%) backed by a cash collateral for EUR 60 million related to the SRF, recorded as an asset in the balance sheet, among *Other assets*.

NOTE 8.3 - PROVISIONS

BREAKDOWN OF PROVISIONS

(in millions of euros)	**Provisions at 31.12.2018**	Allocations	Write-backs available	**Net allocation**	**Write-backs used**	**Currency and others**	**Provisions at 30.06.2019**
Provisions for credit risk on off-balance sheet commitments (see Note 3.8)	**638**	312	(328)	**(16)**	-	17	**639**
Provisions for employee benefits (see Note 5.2)	**2,341**	342	(178)	**164**	(3)	124	**2,626**
Provisions for tax adjustments (see Note 6) [(1)]	**135**					(135)	
Provisions for mortgage savings plans and accounts commitments	**171**	60	(21)	**39**	-	-	**210**
Other provisions	**1,320**	106	(296)	**(190)**	(20)	(10)	**1,100**
Total	**4,605**	**820**	**(823)**	**(3)**	**(23)**	**(4)**	**4,575**

(1) Since 1 January 2019, provisions for income tax adjustments are presented under "Tax liabilities" as a consequence of the application of IFRIC 23 "Uncertainty over income tax treatments" (see Note 1).

Other provisions include provisions for restructuring, provisions for commercial litigation and provisions for future repayment of funds in connection with customer financing transactions.

Each quarter the Group carries out a detailed examination of outstanding disputes that present a significant risk. The description of those disputes is provided in Note 9 "Information on risks and litigation".

NOTE 8.4 - TANGIBLE AND INTANGIBLE FIXED ASSETS

As a result of the first application of IFRS 16 "Leases" as from 1 January 2019, the Group recognises right-of-use assets that represent its right to use the underlying leased assets under *Tangible and intangible fixed assets*.

ACCOUNTING PRINCIPLES

RIGHTS-OF-USE FOR ASSETS LEASED BY THE GROUP

Lease

Definition of the lease

A contract is, or contains, a lease if it conveys to the lessor the right to control the use of an identified asset for a period of time in exchange for consideration:

- Control is conveyed when the customer has both the right to direct the identified asset's use, and to obtain substantially all the economic benefits from that use throughout the lease period.
- The existence of an identified asset will depend on the absence, for the lessor, of substantive substitution rights for the leased asset; this condition is measured with regard to the facts and circumstances existing at the commencement of the contract. If the lessor has the option of freely substituting the leased asset, the contract can not be qualified as a lease, since its purpose is the provision of a capacity and not an asset.
- A capacity portion of an asset is still an identified asset if it is physically distinct (*e.g.* a floor of a building). Conversely, a portion of the capacity or of an asset that is not physically distinct does not constitute an identified asset (*e.g.* the lease of co-working area within a unit with no pre-defined location inside that unit).

Separation of lease and non-lease components

A contract may cover the lease of an asset by the lessor as well as the supply of additional services by that lessor. In this scenario, the lessee can separate the lease components from the non-lease components of the contract and treat them separately. The rental payments stipulated in the contract must be separated between the lease components and the non-lease components based on their individual prices (as directly indicated in the contract or estimated on the basis on all of the observable information). If the lessee cannot separate the lease components from the non-lease components (or services), the entire contract is treated as a lease.

Lease term

Definition of the lease term

The lease period to be applied in determining the rental payments to be discounted matches the non-cancellable period of the lease adjusted for:

- options to extend the contract that the lessee is reasonably certain to exercise,
- and early termination options that the lessee is reasonably certain not to exercise.

LEASE TERM = **Non-cancellable period of the lease** + **Periods covered by an option to extend the lease*** + **Periods covered by an option to terminate the lease****

* *if the lessee is reasonably certain to exercise that option*

** *if the lessee is reasonably certain not to exercise that option*

The measurement of the reasonable certainty of exercising or not exercising the extension or early termination options shall take into account all the facts and circumstances that may create an economic incentive to exercise or not these options, specifically:

- the conditions for exercising these options (including measurement of the amount of the rental payments in case of an extension, or of the amount of penalties that may be imposed for early termination),
- substantial changes made to the leased premises (specific layouts, such as a bank vault),
- the costs associated with terminating the contract (negotiation costs, moving costs, research costs for a new asset that meets the lessee's requirements, etc.),
- the importance of the leased asset for the lessee, in view of its specific nature, its location, or the availability of substitute assets (specifically for branches located in commercially strategic sites, given their accessibility, expected traffic, or the prestige of the location),
- the history of renewals of similar contracts, as well as the strategy for the future use of the assets (based on the prospect of redeployment or rearrangement of a commercial branch network, for example).

When the lessee and the lessor each have the right to terminate the lease without the prior agreement of the other party and with no penalty other than a negligible one, the contract is no longer binding, and thus it no longer creates a lease liability.

In France, the majority of property leases contracted are nine-year commercial leases with early termination options at three and six years (so-called "3/6/9" leases). If a new contract is not signed by the end of that nine-year period, the initial lease is automatically extended. These "3/6/9" commercial leases are generally enforceable for a term of nine years, with an initial three-year non-cancellation period.

Changing the lease term

The term must be modified in case of a change of circumstances which lead the lessee to revise the exercise of the options included in the lease contract or in case of events which contractually oblige the lessee to exercise (or not) an option that had not been included (or is included) in the lease contract.

Following a change in the lease term, the lease obligation must be reassessed to reflect those changes by using a revised discount rate for the remaining estimated term of the contract.

Accounting treatment by the Group as a lessee

On the commencement date (on which the leased asset is made available for use), the lessee must record a lease liability on the liabilities side of the balance sheet and a right-of-use asset on the assets side of the balance sheet except for the exemptions described below.

In the income statement, the lessee must recognise an interest expense calculated on the lease liability under *Net banking income* and a depreciation of the right-of-use under *Amortisation, depreciation and impairment of tangible and intangible fixed assets.*

The rental payments will partly reduce the lease liability and partly remunerate this liability in the form of interest expense.

Exemptions and exclusions

The Group does not apply the new lease treatment to contracts with a term of less than one year (including renewal options), nor to contracts on low-value items by applying th exemption threshold of USD 5,000 as indicated in the standard's Basis for Conclusions (the threshold should be measured against the replacement cost per unit of the leased asset).

Rental payment amounts

The payments to be considered for the measurement of the lease liability include fixed and variable rental payments based on an index (*e.g.* consumer price index or construction cost index), plus, where applicable, the funds that the lessee expects to pay the lessor for residual value guarantees, purchase options, or early termination penalties.

However, variable lease payments that are indexed on the use of the leased asset (indexed on revenue or mileage, for example) are excluded from the measurement of lease liability. This variable portion of the rental payments is recorded in the net income over time according to fluctuations in contractual indexes fluctuations.

Rental payments have to be considered based on their amount net of value-added tax. In addition, for building leases, occupancy taxes and property taxes passed on by lessors will be excluded from lease liabilities because their amount, as set by the competent public authorities, is variable.

Recognition of the lease liability

The liability initial amount is equal to the discounted value of the rental payments that will be payable over the lease period.

This lease liability is then measured at the amortised cost using the effective interest rate method: part of each rental payment will then be booked as interest expenses in the income statement, and part will be gradually deducted from the lease liability on the balance sheet.

After the commencement date, the amount of the lease liability may be adjusted if the lease is amended, the lease period is re-estimated, or to account for contractual changes in the rental payments related to the application of indices or rates.

As applicable, the lessee must also recognise a provision in its liabilities to cover the costs of restoring the leased asset that would be assumed when the lease ends.

Recognition of the right-of-use

On the availability date of the leased asset, the lessee must enter a right-of-use asset, on the assets side of the balance sheet, for an amount equal to the initial value of the lease liability, plus, as applicable, initial direct costs (e.g. issuance of an authenticated lease, registration fees, negotiation fees, front-end fee, leasehold right, lease premium, etc), advance payments, and restoration costs.

This asset is then depreciated on a straight-line basis over the lease period that is applied for measuring the lease liability.

After the commencement date, the asset's value may be adjusted if the lease is amended, as it is the case for the lease liability.

Rights-of-use is presented on the lessee's balance sheet under the items of fixed assets where properties of the same type that are held in full ownership are entered. If the lease stipulates the initial payment of a leasehold right to the former tenant of the premises, the amount of that right is stated as a separate component of the right of use and presented under the same heading as the latter.

Lease discount rates

The Group uses the lessees' incremental borrowing rate to discount the rental payments as well as the amount of lease liabilities. For the entities which can directly refinance themselves on their local markets, the incremental borrowing rate is set at the lessee entity level, not at the Group level, in consideration of the borrowing terms and that entity's credit risk. For the entities which refinance themselves through the Group, the incremental borrowing rate is set by the Group.

The discount rates are set according to the currency, the country of the lessee entities and the maturity estimated of the contracts.

CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS

(In millions of euros)	31.12.2018	Impacts of the first application of IFRS 16	Increases / allowances	Disposals / reversals	Other movements	30.06.2019
Intangible assets						
Gross value	6,763	(107)	528	(44)	(135)	7,005
Amortisation and impairments	(4,565)	-	(242)	16	12	(4,779)
Sub-total	**2,198**	**(107)**	**286**	**(28)**	**(123)**	**2,226**
Tangible assets (w/o assets under operating leases)						
Gross value	11,051	(11)	395	(180)	(139)	11,116
Depreciation and impairments	(6,113)	4	(285)	98	89	(6,207)
Sub-total	**4,938**	**(7)**	**110**	**(82)**	**(50)**	**4,909**
Assets under operating leases						
Gross value	26,781	-	4,760	(3,687)	(830)	27,024
Depreciation and impairments	(7,183)	-	(1,926)	1,548	357	(7,204)
Sub-total	**19,598**	**-**	**2,834**	**(2,139)**	**(473)**	**19,820**
Investment Property						
Gross value	40	-	-	(1)	(6)	33
Depreciation and impairments	(23)	-	-	1	2	(20)
Sub-total	**17**	**-**	**-**	**-**	**(4)**	**13**
Rights-of-use						
Gross value		2,129	112	(20)	(2)	2,219
Amortisation and impairments		(4)	(203)	1	5	(201)
Sub-total		**2,125**	**(91)**	**(19)**	**3**	**2,018**
Total tangible and intangible fixed assets	**26,751**	**2,011**	**3,139**	**(2,268)**	**(647)**	**28,986**

BREAKDOWN OF MINIMUM PAYMENTS RECEIVABLE ON OPERATING LEASE ASSETS

(In millions of euros)	30.06.2019	31.12.2018
Payments due in less than one year	3,958	3,625
Payments due in one to five years	15,884	17,077
Payments due in more than five years	1,885	787
Total	**21,727**	**21,489**

INFORMATIONS RELATIVE TO LEASES ON TANGIBLE ASSETS USED BY THE GROUP

<table>
<tr><td></td><td>Property Leases

Most of the leases (>90%) involve building leases contracted for the lease of commercial and office space:

- The commercial spaces are branches in the Group’s French and international retail banking networks.

- The office buildings are leased for certain departments reporting to the Group’s French headquarters or the local head offices of the main foreign subsidiaries, and for certain locations in the main international financial centers: London, New York, Hong Kong...

Outside France, residual lease periods are generally below 10 years. In some countries, such as Russia, leases can be annual, with optional automatic renewal. In other locations, specifically London and New York, lease periods can be as long as 25 years.</td></tr>
<tr><td></td><td>Equipment Leases

Other leases (<10%) are mainly computer equipment leases and a very small percentage of vehicle leases.</td></tr>
</table>

DETAILS OF THE EXPENSES ON LEASES AND SUB-LEASES INCOME

	30.06.2019			
(in millions of euros)	Real estate	Computer equipment	Others	Total
Lease	**(265)**	**(16)**	**(5)**	**(286)**
Interest expenses on lease liabilities	(22)	-	-	(22)
Depreciation charge for right-of-use assets	(180)	(14)	(3)	(197)
Expense relating to short-term leases	(61)	-	(1)	(62)
Expense relating to leases of low-value assets	(1)	(2)	(1)	(4)
Expense relating to variable lease payments	(1)	-	-	(1)
Sub-lease	**7**	**-**	**-**	**7**
Income from subleasing right-of-use assets	7	-	-	7

NOTE 9 - INFORMATION ON RISKS AND LITIGATION

Every quarter, the Group reviews in detail the disputes presenting a significant risk. These disputes may lead to the recording of a provision if it becomes probable or certain that the Group will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the “Others provisions” included in the “Provisions” item in the liabilities of the balance-sheet.

No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

- On 24 October 2012, the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay EUR 4.9 billion as damages to the bank. On 19 March 2014, the Supreme Court confirmed the criminal liability of J. Kerviel. This decision puts an end to the criminal proceedings. On the civil front, the Versailles Court of Appeal rejected on 23 September 2016 J. Kerviel's request for an expert determination of the damage suffered by Societe Generale, and therefore confirmed that the net accounting losses suffered by the Bank as a result of his criminal conduct amount to EUR 4.9 billion. It also declared J. Kerviel partially responsible for the damage caused to Societe Generale and sentenced him to pay to Societe Generale EUR 1 million. Societe Generale and J. Kerviel did not appeal before the Supreme Court. Societe Generale considers that this decision has no impact on its tax situation. However, as indicated by the Minister of the Economy and Finance in September 2016, the tax authorities have examined the tax consequences of this book loss and indicated that they intended to call into question the deductibility of the loss caused by the actions of J. Kerviel, amounting to EUR 4.9 billion. This proposed tax rectification has no immediate effect and will possibly have to be confirmed by an adjustment notice sent by the tax authorities when Societe Generale is in a position to deduct the tax loss carryforwards arising from the loss from its taxable income. Such a situation will not occur for several years according to the bank's forecasts. In view of the 2011 opinion of the French Supreme Administrative Court (Conseil d’état) and its established case law which was recently confirmed again in this regard, Societe Generale considers that there is no need to provision the corresponding deferred tax assets. In the event that the authorities decide, in due course, to confirm their current position, Societe Generale group will not fail to assert its rights before the competent courts. By a decision handed down on the 20 September 2018, the Investigation Committee of the reviewing and reassessment Criminal Court has furthermore declared inadmissible the request filed in May 2015 by J. Kerviel against his criminal sentence, confirming the absence of any new element or fact that could justify the reopening of the criminal file.

- Between 2003 and 2008, Societe Generale set up gold consignment lines with the Turkish group Goldas. In February 2008, Societe Generale was alerted to a risk of fraud and embezzlement of gold stocks held by Goldas. These suspicions were rapidly confirmed following the failure by Goldas to pay or refund gold worth EUR 466.4 million. Societe Generale brought civil proceedings against its insurers and various Goldas Group entities. Goldas launched various proceedings in Turkey and in the UK against Societe Generale. In the action brought by Societe Generale against Goldas in the UK, Goldas applied to have the action of SG struck-out and applied to the UK court for damages. On 3 April 2017, the UK court granted both applications and will, after an inquiry into damages, rule on the amount due to Goldas, if any. On 15 May 2018, the Court of Appeal discharged entirely the inquiry into damages granted by the High Court to Goldas but rejected Societe Generale’s arguments relating to service of the claims issued against Goldas, which are therefore time barred. On 18 December 2018, the Supreme Court refused permission to appeal to both Société Générale and Goldas. On 16 February 2017, the Paris Commercial Court dismissed Societe Generale’s claims against its insurers. Societe Generale filed an appeal against this decision.

- Societe Generale Algeria (“SGA”) and several of its branch managers are being prosecuted for breach of Algerian laws on exchange rates and capital transfers with other countries and on money laundering and the financing of terrorism. The defendants are accused of having failed to make complete or accurate statements to the Algerian authorities on capital transfers in connection with exports or imports made by clients of SGA and on cash payment transactions made at SGA counters. The events were discovered during investigations by the Algerian authorities, which subsequently filed civil claims before the criminal court. Sentences were delivered by the court of appeal against SGA and its employees in some proceedings, while charges were dropped in other ones. To date, fifteen cases have ended in favour of SGA and ten remain pending, eight of which before the Supreme Court.

- In the early 2000s, the French banking industry decided to transition to a new digital system in order to streamline cheque clearing. To support this reform (known as EIC – Echange d'Images Chèques), which has contributed to the improvement of cheque payments' security and to the fight against fraud, the banks established several interbank fees (including the CEIC which was abolished in 2007). These fees were implemented under the aegis of the banking sector supervisory authorities, and to the knowledge of the public authorities.

  On 20 September 2010, after several years of investigation, the French competition authority ruled that the joint implementation and the setting of the amount of the CEIC and of two additional fees for related services were in breach of competition law. The authority fined all the participants to the agreement (including the Banque de France) a total of approximately EUR 385 million. Societe Generale was ordered to pay a fine of EUR 53.5 million and Crédit du Nord, its subsidiary, a fine of EUR 7 million. However, in its 23 February 2012 order, the French Court of Appeal, to which the matter was referred by all the banks involved except Banque de France, held that there was no competition law infringement, allowing the banks to recoup the fines paid. On 14 April 2015, the Supreme Court quashed and annulled the Court of Appeal decision on the grounds that the latter did not examine the arguments of two third parties who voluntarily intervened in the proceedings. The case was heard again on 3 and 4 November 2016 by the Paris Court of Appeal before which the case was remanded. On 21 December 2017, the Court of Appeal confirmed the fines imposed on Societe Generale and Crédit du Nord by the French competition authority. On 22 January 2018, Societe Generale and Crédit du Nord filed an appeal before the Supreme court against this decision. The court proceeding is still pending.

- Societe Generale Private Banking (Suisse), along with several other financial institutions, has been named as a defendant in a putative class action that is pending in the US District Court for the Northern District of Texas. The plaintiffs seek to represent a class of individuals who were customers of Stanford International Bank Ltd. ("SIBL"), with money on deposit at SIBL and/or holding Certificates of Deposit issued by SIBL as of 16 February 2009. The plaintiffs allege that they suffered losses as a result of fraudulent activity at SIBL and the Stanford Financial Group or related entities, and that the defendants are responsible for those alleged losses. The plaintiffs further seek to recoup payments made through or to the defendants on behalf of SIBL or related entities on the basis that they are alleged to have been fraudulent transfers. The Official Stanford Investors Committee ("OSIC") was permitted to intervene and filed a complaint against Societe Generale Private Banking (Suisse) and the other defendants seeking similar relief.

  The motion by Societe Generale Private Banking (Suisse) to dismiss these claims on grounds of lack of jurisdiction was denied by the court by order filed 5 June 2014. Societe Generale Private Banking (Suisse) sought reconsideration of the Court's jurisdictional ruling, which the Court ultimately denied. On 21 April 2015, the Court permitted the substantial majority of the claims brought by the plaintiffs and the OSIC to proceed.

  On 7 November 2017, the District Court denied the plaintiffs' motion for class certification. The plaintiffs sought leave to appeal this decision, which the court of appeal denied on 20 April 2018. On May 3, 2019, several hundred individual plaintiffs filed motions to intervene in the pending OSIC action seeking recovery in their individual capacities for losses on their Stanford investments. The defendant financial institutions, including Societe Generale Private Banking (Suisse), are opposing these motions.

  On 22 December 2015, the OSIC filed a motion for partial summary judgment seeking return of a transfer of USD 95 million to Societe Generale Private Banking (Suisse) made in December 2008 (prior to the Stanford insolvency) on the grounds that it is voidable under Texas state law as a fraudulent transfer. Societe Generale Private Banking (Suisse) has opposed this motion.

- Notwithstanding the agreements reached with the US authorities regarding certain London Interbank Offered Rates and the Euro Interbank Offered Rate ("the IBOR matter"), the Bank continues to defend civil proceedings in the United States (as described below) and to respond to information requests received from other authorities, including the Attorneys General of various States of the United States and the New York Department of Financial Services ("NYDFS").

  In the United States, Societe Generale, along with other financial institutions, has been named as a defendant in putative class actions involving the setting of US Dollar Libor, Japanese Yen Libor, and Euribor rates and trading in instruments indexed to those rates. Societe Generale has also been named in several individual (non-class) actions concerning the US Dollar Libor rate. All of these actions are pending in the US District Court in Manhattan (the "District Court").

  As to US Dollar Libor, all claims against Societe Generale have been dismissed by the District Court or voluntarily dismissed by the plaintiffs, except in two putative class actions and one individual action that are effectively stayed. Certain individual plaintiffs whose claims were dismissed filed motions for leave to amend their complaints to add or revive claims against Societe Generale, but those applications were denied by the District Court. The class plaintiffs and a number of individual plaintiffs have appealed the dismissal of their antitrust claims to the United States Court of Appeals for the Second Circuit.

  As to Japanese Yen Libor, the District Court dismissed the complaint brought by purchasers of Euroyen over-the-counter derivative products and the plaintiffs have appealed that ruling to the United States Court of Appeals for the Second Circuit. In the other action, brought by purchasers or sellers of Euroyen derivative contracts on the Chicago Mercantile Exchange, the District Court has allowed certain Commodity Exchange ("CEA") Act claims to proceed to discovery. The plaintiff's deadline to move for class certification in that action is now 21 August 2019.

  As to Euribor, the District Court dismissed all claims against Societe Generale in the putative class action and denied the plaintiffs' motion to file a proposed amended complaint. Plaintiffs have appealed those rulings to the United States Court of Appeals for the Second Circuit.

  In Argentina, Societe Generale, along with other financial institutions, has been named as a defendant in litigation brought by a consumer association on behalf of Argentine consumers who held government bonds or other specified instruments that paid interest tied to US Dollar Libor. The allegations concern violations of Argentine consumer protection law in connection with alleged manipulation of the US Dollar Libor rate. Societe Generale has not yet been served with the complaint in this matter.

- Beginning on 15 January 2019, Societe Generale and SG Americas Securities, LLC ("SGAS"), along with other financial institutions, have been named in three putative antitrust class actions in the US District Court in Manhattan, which have since been consolidated. Plaintiffs allege that the USD ICE LIBOR panel banks conspired to make artificially low submissions to that benchmark in order to profit on their trading in derivatives tied to USD ICE LIBOR. Plaintiffs seek to certify a class comprised of U.S residents (individuals and entities) that transacted with a defendant in floating rate debt instruments or interest rate swaps tied to USD ICE LIBOR and received a payment at any time between 1 February 2014 to the present, regardless of when the instrument was purchased.

- Societe Generale, along with several other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with foreign exchange spot and derivatives trading. The action was brought by persons or entities that transacted in certain over-the-counter and exchange-traded foreign exchange instruments. Societe Generale has reached a settlement of USD 18 million, which was approved by the Court on 6 August 2018. A separate putative class action on behalf of putative classes of indirect purchasers is also pending. SG has been dismissed from the action on jurisdictional grounds. On 7 November 2018, a group of individual entities that elected to opt out of the main class action settlement filed a lawsuit against SG, SG Americas Securities, LLC, and several other financial institutions. A motion to dismiss was filed on 1 April 2019.

- On 10 December 2012, the French Supreme Administrative Court (Conseil d’État) rendered two decisions confirming that the “précompte tax” which used to be levied on corporations in France does not comply with EU law and defined a methodology for the reimbursement of the amounts levied by the tax authorities. However, such methodology considerably reduces the amount to be reimbursed. Societe Generale purchased in 2005 the “précompte tax” claims of two companies (Rhodia and Suez, now ENGIE) with a limited recourse on the selling companies. One of the above decisions of the French Supreme Administrative Court relates to Rhodia. Societe Generale has brought proceedings before the French administrative courts. The latest court decision rendered is a rejection, on 1 February 2016 by the French Administrative Supreme Court, of an appeal lodged by ENGIE and Societe Generale.

  Several French companies applied to the European Commission, who considered that the decisions handed down by the French Supreme Administrative Court on 10 December 2012, which was supposed to implement the decision rendered by the Court of Justice of the European Union C-310/09 on 15 September 2011, infringed a number of principles of European law. The European Commission subsequently brought infringement proceedings against the French Republic in November 2014, and since then confirmed its position by publishing a reasoned opinion on 29 April 2016 and by referring the matter to the Court of Justice of the European Union on 8 December 2016. The Court of Justice of European Union rendered its judgement on 4 October 2018 and sentenced France for failure by the the French Supreme Administrative Court to disregard the tax on EU sub-subsidiaries in order to secure the withholding tax paid in error as well as on the absence of any preliminary question. With regard to the practical implementation of the decision, Societe Generale will assert its rights before the competent courts and the French tax authority, from which it expects diligent treatment and in accordance with the law.

- Societe Generale, along with other financial institutions, has been named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with its involvement in the London Gold Market Fixing. The action is brought on behalf of persons or entities that sold physical gold, sold gold futures contracts traded on the CME, sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. The action is pending in the US District Court in Manhattan. Motions to dismiss the action were denied by an order dated 4 October 2016, and discovery is now proceeding. Societe Generale and certain subsidiaries, along with other financial institutions, have also been named as defendants in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims.

- Since August 2015, various former and current employees of the Societe Generale group have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called “CumEx” patterns in connection with withholding tax on dividends on German shares. These investigations relate to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.

  SGSS GmbH has been informed by the Bonn District Court on 19 June 2019 that criminal proceedings had been initiated against two individuals who were employed by a company having previously advised this fund, the latter being suspected by the German prosecutors to have been involved in potentially fraudulent CumEx transactions. The Bonn District Court is currently assessing whether SGSS GmbH should be ordered to be joined in these criminal proceedings as a “secondary party”.

- In May 2019, SGAS was named, along with other financial institutions, as a defendant in a putative class action in the U.S. alleging anti-competitive behavior in the pricing of "agency bonds" issued by U.S. Government Sponsored Enterprises (GSEs), including Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae). A motion to dismiss was filed on 13 June 2019. SGAS has also received a subpoena from the U.S. Department of Justice (“DOJ”) in connection with its US agency bond business. SGAS is responding to these requests and is cooperating with the investigation.

- Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the SG entities indirectly from BLMIS through so-called "feeder funds" that were invested in BLMIS and from which the SG entities received redemptions. The suit alleges that the amounts that the SG entities received are avoidable and recoverable under the US Bankruptcy Code and New York state law. The BLMIS Trustee seeks to recover, in the aggregate, approximately $150 million from the SG entities. The SG entities are defending the action. In decisions dated 22 November 2016 and 3 October 2018, the Court rejected most of the claims brought by the BLMIS Trustee. The Trustee appealed to the US Court of Appeals for the Second Circuit. By order dated 25 February 2019, the Second Circuit vacated the judgments and remanded for further proceedings. By order dated 23 April 2019, the Second Circuit has stayed the mandate, pending disposition of Defendant-Appellees' impending petition for review by the United States Supreme Court.

- On 10 July 2019, Societe General was named as a defendant in a litigation filed in the US District Court in Miami by plaintiffs seeking to recover under the Cuban Liberty and Democracy Solidarity (Libertad) Act of 1996 (known as the Helms-Burton Act) for alleged losses stemming from the expropriation by the Cuban government in 1960 of Banco Nunez in which they are alleged to have held an interest. Plaintiffs claim damages from Societe Generale under the terms of this statute.

NOTE 10 - RISK MANAGEMENT LINKED WITH FINANCIAL INSTRUMENTS

Note 10 is presented solely in the financial statements and is not included in chapter 4 of the Registration Document for the update of the first half of 2019.

1. ANALYSIS OF GROSS OUTSTANDINGS AND PROVISIONS FOR CREDIT RISK

The following tables detail the provisioned outstandings (balance sheet and off-balance sheet) subject to impairment and provisions.

The scope of these tables includes:

- Securities (excluding securities received under repurchase agreements), customer loans and due from banks measured at amortised cost or at fair value through other comprehensive income;
- Operational and finance leases;
- Financing and guarantee commitments.

Nota Bene: the oustandings of ex-Newedge brokerage activities outside France are excluded from the figures provided in tables 1, 2 and 3. There are no exclusions in tables 4 and 5.

To be homogeneous, all of the British Overseas Territories are now presented separately from the United Kingdom. The 2018 tables have been corrected with this new presentation.

Table 1: Basel portfolio breakdown of provisioned outstandings

	30.06.2019				31.12.2018			
(In millions of euros)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Sovereign	160,229	696	184	**161,109**	145,759	733	218	**146,710**
Institutional	51,486	226	35	**51,747**	55,034	361	82	**55,477**
Corporate	353,564	12,416	9,024	**375,004**	357,221	13,949	9,410	**380,580**
Retail	195,874	15,593	8,968	**220,435**	184,958	16,017	9,289	**210,264**
Others	22,462	80	49	**22,591**	23,111	67	54	**23,232**
Total	**783,615**	**29,011**	**18,260**	**830,886**	**766,083**	**31,127**	**19,053**	**816,263**

Table 2: Geographical breakdown of provisioned outstandings

(In millions of euros)	30.06.2019				31.12.2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
France	354,501	18,406	10,803	**383,710**	339,663	19,298	10,806	**369,767**
Western Europe (excluding France)	154,977	3,398	1,953	**160,328**	156,177	3,602	1,996	**161,775**
Eastern Europe EU	47,929	3,262	1,025	**52,216**	49,423	3,612	1,279	**54,314**
Eastern Europe (excluding EU)	24,526	784	517	**25,827**	22,423	905	844	**24,172**
North America	106,447	258	426	**107,131**	107,433	361	606	**108,400**
Latin America and Caribbean	9,955	1,021	220	**11,196**	10,603	985	237	**11,825**
Asia Pacific	42,017	338	196	**42,551**	39,343	165	225	**39,733**
Africa and Middle East	43,263	1,544	3,120	**47,927**	41,018	2,199	3,060	**46,277**
Total	**783,615**	**29,011**	**18,260**	**830,886**	**766,083**	**31,127**	**19,053**	**816,263**

Table 3: Provisioned outstandings by rating of counterparty

(In millions of euros)	30.06.2019				31.12.2018			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	61,897	-	-	**61,897**	65,767	-	-	**65,767**
2	108,760	1	-	**108,761**	97,899	-	-	**97,899**
3	76,359	7	-	**76,366**	74,741	2	-	**74,743**
4	126,034	130	-	**126,164**	127,159	647	-	**127,806**
5	107,063	2,846	-	**109,909**	99,575	2,976	-	**102,551**
6	25,322	5,326	-	**30,648**	25,459	5,668	-	**31,127**
7	1,722	2,039	-	**3,761**	2,472	2,780	-	**5,252**
Default (8, 9, 10)	-	-	8,272	**8,272**	-	-	8,589	**8,589**
Other methods	276,458	18,662	9,988	**305,108**	273,011	19,054	10,464	**302,529**
Total	**783,615**	**29,011**	**18,260**	**830,886**	**766,083**	**31,127**	**19,053**	**816,263**

Table 4: Basel portfolio breakdown of provisions and impairment for credit risk

(In millions of euros)	30.06.2019				31.12.2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Sovereign	7	4	68	**78**	10	1	69	**80**
Institutional	8	5	19	**32**	9	6	16	**31**
Corporate	573	594	4,932	**6,099**	589	648	5,098	**6,335**
Retail	454	555	4,785	**5,794**	427	570	4,870	**5,867**
Others	-	-	26	**26**	-	-	9	**9**
Total	**1,042**	**1,158**	**9,830**	**12,030**	**1,035**	**1,225**	**10,062**	**12,322**

Table 5: Geographical breakdown of provisions and impairment for credit risk

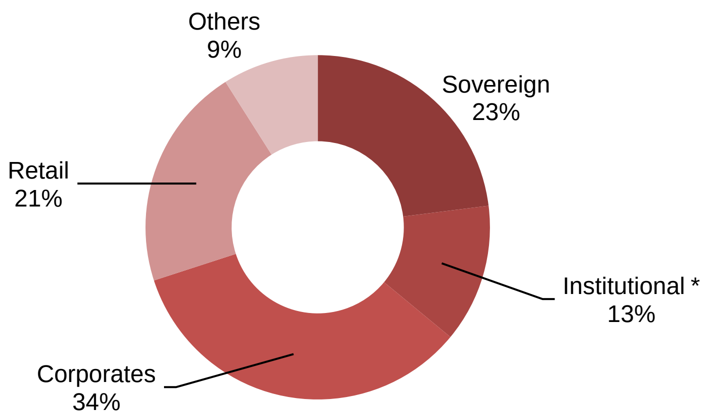
(In millions of euros)	30.06.2019				31.12.2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
France	432	709	5,298	**6,439**	427	735	5,292	**6,454**
Western Europe (excluding France)	180	109	867	**1,156**	178	119	906	**1,203**
Eastern Europe EU	92	150	699	**941**	118	170	842	**1,130**
Eastern Europe (excluding EU)	83	24	441	**548**	76	18	655	**749**
North America	48	12	59	**119**	32	27	52	**111**
Latin America and Caribbean	7	6	107	**120**	7	6	73	**86**
Asia Pacific	11	6	152	**169**	14	2	153	**169**
Africa and Middle East	189	142	2,207	**2,538**	184	148	2,088	**2,420**
Total	**1,042**	**1,158**	**9,830**	**12,030**	**1,035**	**1,225**	**10,062**	**12,322**

2. EXPOSURES ANALYSIS

The measurement used for credit exposures in this section is EAD – Exposure At Default (on- and off-balance sheet). Under the Standard Approach, EAD is calculated net of collateral and provisions.

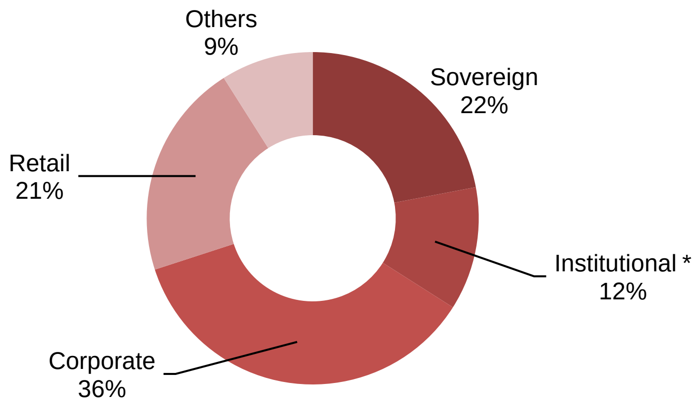
CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 30 JUNE 2019

On-and off-balance sheet exposures (EUR 939 billion in EAD)



CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 31 DECEMBER 2018

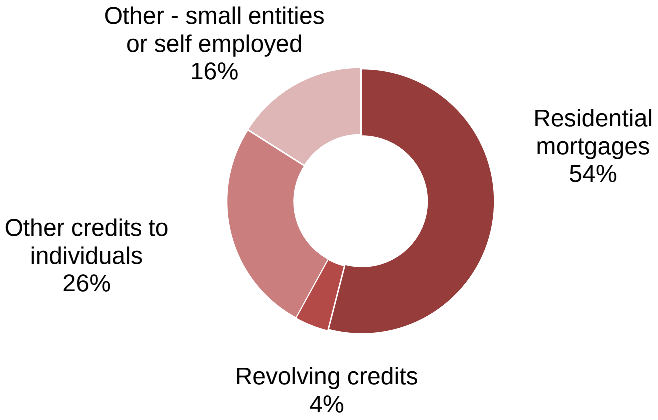
On-and off-balance sheet exposures (EUR 920 billion in EAD)



** Institutional: Basel classification bank and public sector portfolios.*

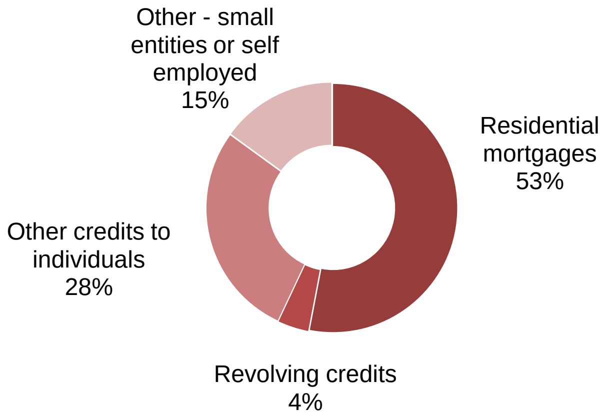
RETAIL CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 30 JUNE 2019

On-and off-balance sheet exposures (EUR 196 billion in EAD)

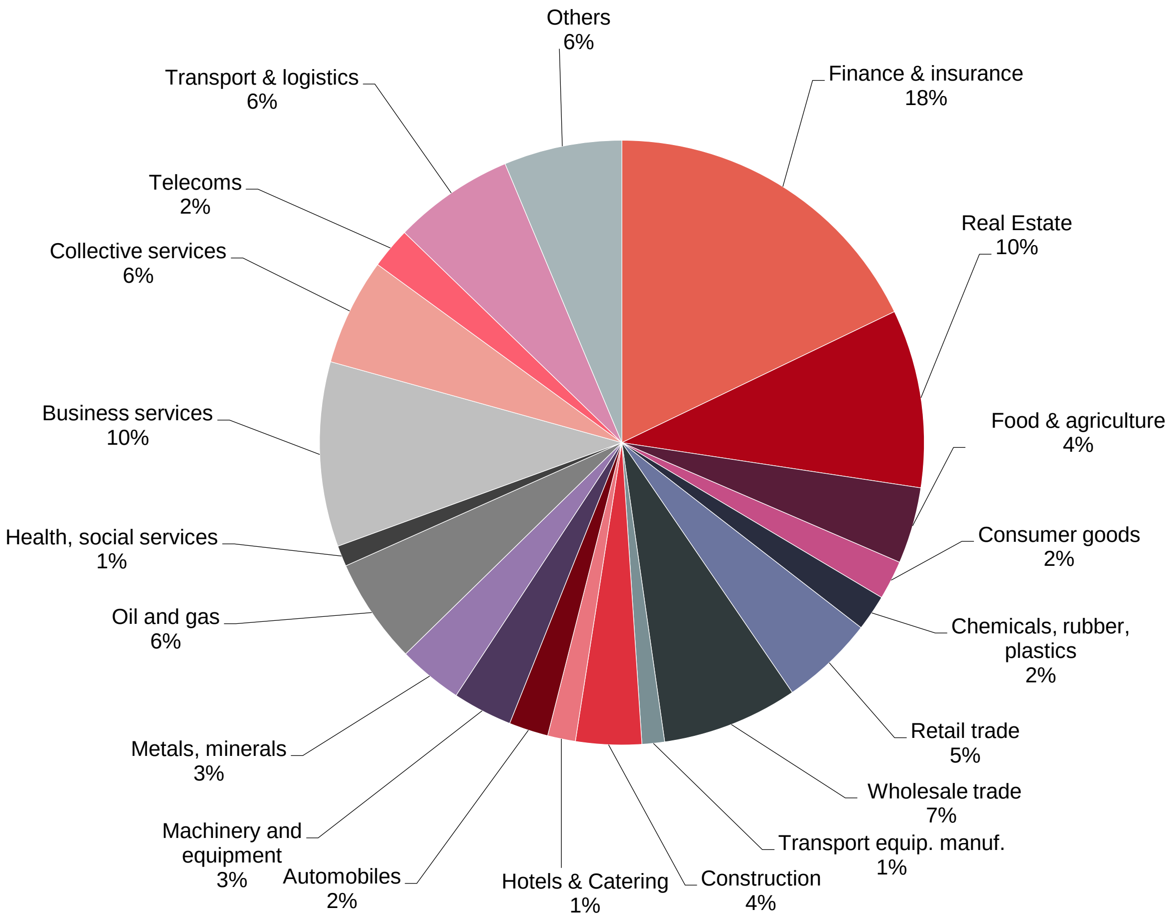


RETAIL CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 31 DECEMBER 2018

On-and off-balance sheet exposures (EUR 189 billion in EAD)



SECTOR BREAKDOWN OF GROUP CORPORATE EXPOSURE (BASEL PORTFOLIO) AT 30 JUNE 2019



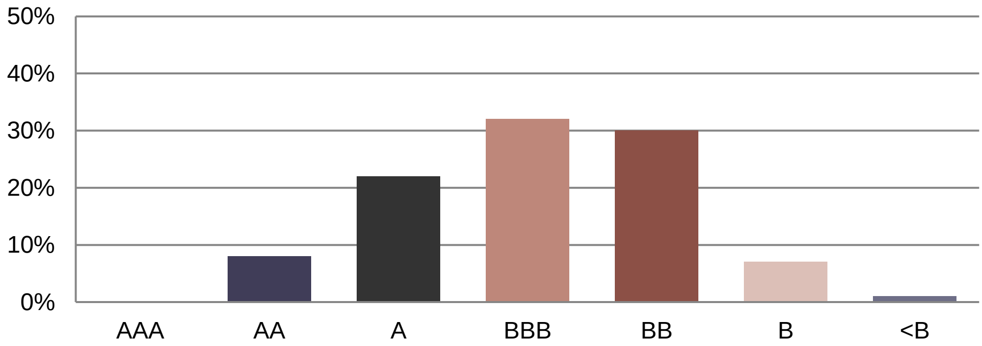
EAD of the Corporate portfolio is presented in accordance with the Basel rules (large corporates, including insurance companies, funds and hedge funds, SMEs, specialist financing, factoring businesses), based on the obligor's characteristics, before taking into account the substitution effect (credit risk scope: debtor, issuer and replacement risk).

At 30 June 2019, the Corporate portfolio amounted to EUR 353 billion (on- and off-balance sheet exposures measured in EAD). Only the Finance and Insurance sector accounts for more than 10% of the portfolio. The Group's exposure to its ten largest Corporate counterparties accounts for 5% of this portfolio.

CORPORATE AND BANK COUNTERPARTY EXPOSURE

Breakdown of risk by internal rating for corporate clients at 30 June 2019

As % of EAD



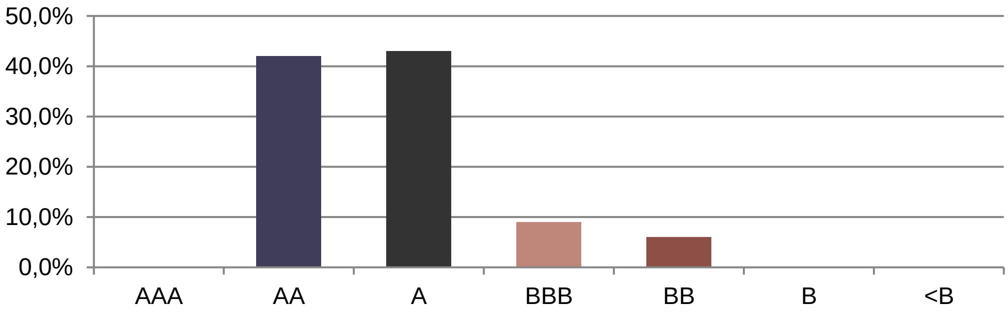
The scope includes performing loans recorded under the IRB method (excluding prudential classification criteria, by weight, of specialised financing) for the entire Corporate client portfolio, all divisions combined, and represents EAD of EUR 274 billion (out of total EAD for the Basel Corporate client portfolio of EUR 316 billion, standard method included).

The breakdown by rating of the Group's Corporate exposure demonstrates the sound quality of the portfolio. It is based on an internal counterparty rating system, presented above as its Standard & Poor's equivalent.

At 30 June 2019, the majority of the portfolio (63% of Corporate clients) had an investment grade rating, i.e. counterparties with an S&P-equivalent internal rating higher than BBB-. Transactions with non-investment grade counterparties were very often backed by guarantees and collateral in order to mitigate the risk incurred.

Breakdown of risk by internal rating for banking clients at 30 June 2019

As % of EAD



The scope includes performing loans recorded under the IRB method for the entire Bank client portfolio, all divisions combined, and represents EAD of EUR 68 billion (out of total EAD for the Basel Bank client portfolio of EUR 122 billion, standard method included).

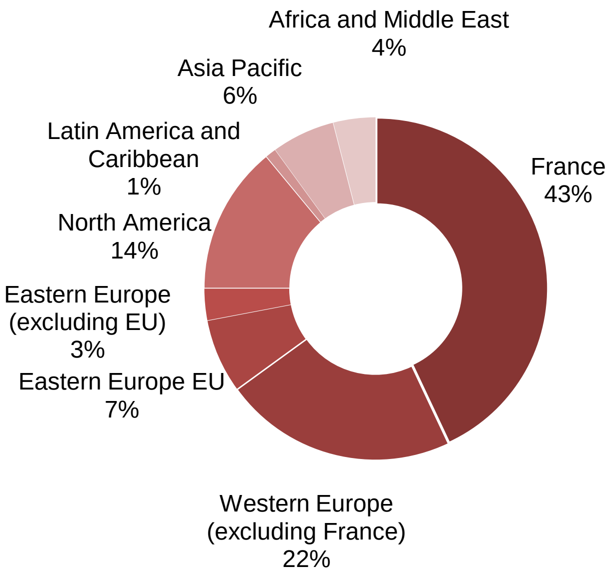
The breakdown by rating of the Societe Generale Group's bank counterparty exposure demonstrates the sound quality of the portfolio.

It is based on an internal counterparty rating system, presented above as its Standard & Poor's equivalent.

At 30 June 2019, exposure on banking clients was concentrated in investment grade counterparties (93.7% of exposure), as well as in developed countries (90.3%).

GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK EXPOSURE AT 30 JUNE 2019 (ALL CLIENT TYPES INCLUDED)

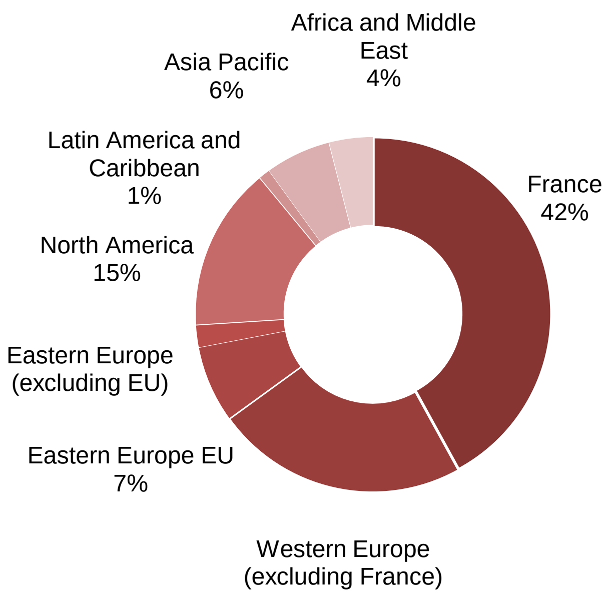
On-and off-balance sheet exposures (EUR 939 billion in EAD)



At 30 June 2019, 89 % of the Group's on- and off-balance sheet exposure was concentrated in the major industrialised countries [(1)]. Almost half of the overall amount of outstanding loans was to French customers (28% exposure to non-retail portfolio and 15% to retail portfolio).

GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK EXPOSURE AT 31 DECEMBER 2018 (ALL CLIENT TYPES INCLUDED)

On-and off-balance sheet exposures (EUR 920 billion in EAD)



(1) As defined by the IMF in its World Economic Outlook document of October 2017.

5.2 Statutory Auditors' Review Report on the Half-yearly financial information

Société Générale
Société anonyme
17, cours Valmy
92972 Paris-La Défense Cedex

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Statutory Auditors' Review Report on the Half-yearly financial information

For the period from January 1 to June 30, 2019

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To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Société Générale, for the period from January 1 to June 30, 2019;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matters set out in:

- notes 1 « Significant accounting principles » and 8.4 « Tangible and intangible fixed assets » to the condensed half-yearly consolidated financial statements that present the impacts of the first time application of IFRS 16 « Leases »;
- notes 1 « Significant accounting principles » and 6 « Income tax » to the condensed half-yearly consolidated financial statements that present the impacts of the first time application of an amendment to IAS 12 « Income taxes ».

Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, August 5, 2019

The Statutory auditors
French original signed by

ERNST & YOUNG et Autres	Deloitte & Associés
Micha MISSAKIAN	Jean-Marc MICKELER

6. SHARE, SHARE CAPITAL AND LEGAL INFORMATION

6.1 Information on share capital

6.1.1 Breakdown of capital and voting rights*

	30 June 2019[1]				
	Number of shares	**% of capital**	**number of voting rights [2]**	**% of voting rights [2]**	**% of voting rights exercisable at GM [2]**
Group Employee Share Ownership Plan	53,252,816	6.28%	97,540,197	10.62%	10.66%
Shareholders with more than 1,5% of the capital or voting rights[3]	89,181,227	10.52%	94,876,947	10.33%	10.37%
BlackRock, Inc.	*50,381,300*	*5.94%*	*50,381,300*	*5.48%*	*5.51%*
The Capital Group Companies, Inc.	*18,200,300*	*2.15%*	*18,200,300*	*1.98%*	*1.99%*
CDC	*20,599,627*	*2.43%*	*26,295,347*	*2.86%*	*2.87%*
Float	701,591,725	82.76%	722,433,690	78.65%	78.97%
Share buybacks	3,706,880	0.44%	3,706,880	0.40%	0.00%
Treasury stock[4]	0	0.00%	0	0.00%	0.00%
Total		**100%**		**100%**	
Calculation base	**847,732,648**		**918,557,714**		**914,850,834**

* including double voting rights (article 14 of Societe Generale's by-laws)

(1) At 30 June 2019, the share of European shareholders in the capital is estimated at 48.0 %.

(2) In accordance with article 223-11 of the AMF's General Regulations, the calculation of the total voting rights includes voting rights associated with share buybacks and treasury shares, these shares do not give the right to vote at annual General Meetings.

(3) Societe Generale's By-laws stipulate that shareholders are obliged to notify the Company whenever their holding of share capital or voting rights exceeds an additional 0.5% beyond an initial notification threshold of 1.5%. As at end of the first half 2019, no other shareholder declared a holding in excess of 1.5% of the share capital or voting rights, with the exception of mutual funds and trading activities of financial institutions.

(4) Excluding shares held within market activities.

As at 30 June 2019, the number of shares held within the liquidity agreement is nil.

During the first semester of 2019 and until the filing of this Universal registration document, there was no threshold crossing according to article L 233-7 of French Commercial Code.

6.1.2 Press release dated 12 June 2019: Result of the option for the payment of the dividend in shares

The ordinary General Meeting of Societe Generale held on 21 May 2019 set the dividend per share for the 2018 financial year at EUR 2.20 and resolved to grant each shareholder the possibility to opt for the payment of the dividend in shares. The option period ended on 7 June 2019.

Shareholders owning 50.2% of Societe Generale shares, opted for the payment of the dividend in shares. As a result, 39,814,909 new shares will be issued, representing 4.9% of the share capital of Societe Generale before taking into account this issuance.

The new ordinary shares will be delivered as from 14 June 2019 and application will be made for their admission to trading on the regulated market of Euronext Paris ("Euronext Paris").
They will carry dividend rights as from 1 January 2019, will be of the same class as and immediately assimilated to the Societe Generale shares already admitted to trading on Euronext Paris (Compartment A - code ISIN FR 0000130809). Following this issuance, the share capital of Societe Generale will be comprised of 847,732,648 shares each with a par value of 1.25 euros.

This issuance of new shares will have an impact of 24 basis point on the CET1 ratio of the Group. The CET1 ratio as of 31 March 2019, pro-forma of this issuance, stands at 11.7%.

6.1.3 Press release dated 1 August, 2019[1] : Result of the global employee share ownership plan 2019 & new share capital

Societe Generale announces the completion of its 28th capital increase reserved for the Group's employees and former employees.

The Global Employee Share Ownership Programme 2019 edition was made from 3 to 17 June 2019 at a subscription price of 21.69€ per share, representing a 20% discount on the base price. The plan was offered in 47 countries.

More than 39,000 persons took part in the Plan this year. In France, this represents more than 41% of the beneficiaries compared to 16% abroad. The overall subscription rate is stable at 31%, amounting to a total subscription of 122.3 million euros.

This operation will have a +3 basis points impact on the Group's CET1 ratio, which will be booked in the third quarter 2019.

The share capital of Societe Generale amounts to EUR 1,066,714,367.50 divided into 853,371,494 shares with a nominal value of EUR 1.25 per share, following the acknowledgment, on 1 August 2019, of the completion of the capital increase reserved for employees.

6.2 By-Laws

EXTRACT FROM THE BY-LAWS

(Updated on 1st August 2019)

4.1. SHARE CAPITAL

The share capital amounts to EUR 1,066,714,367.50. This is divided into 853,371,494 fully paid-up shares, each with a nominal value of EUR 1.25.

[1] The information document relating to this operation is available on the website *www.societegenerale.com*

6.3 Internal rules of the Board of Directors

INTERNAL RULES OF THE BOARD OF DIRECTORS[2]

(Updated on 31st July 2019)

Preamble:

The Board of Directors collectively represents all shareholders and acts in the Company's interest. Each Director, regardless of the manner in which he/she was appointed, must act in all circumstances in the Company's corporate interest.

Societe Generale applies the AFEP-MEDEF Corporate Governance Code for listed companies. As a credit institution, Societe Generale is subject to the provisions of the French Commercial Code, the French Monetary and Financial Code and more generally the regulatory texts applicable to the banking sector.

The purpose of these Internal Rules is to define the Board of Directors' organisation and operating procedures and to specify the rights and obligations of its members.

The Board of Directors ensures that Societe Generale has a solid governance system including, in particular, a clear organisation ensuring a well-defined, transparent and coherent sharing of responsibilities, effective procedures for the detection, management, monitoring and reporting of risks to which the Company is or could be exposed, an adequate internal control system, sound administrative and accounting procedures and compensation policies and practices enabling and promoting sound and effective risk management.

Article 1: Powers of the Board of Directors

1.1 - The Board of Directors shall deliberate on any issue falling within its legal or regulatory powers and devote sufficient time to perform its missions.

1.2 - The Board of Directors is competent, the enumeration is not to be regarded as exhaustive, in the following areas:

a) Strategic directions and operations

The Board of Directors:

- approves the Group's strategic directions, ensures their implementation and reviews them at least once a year; these directions include the values and the code of conduct of the Group as well as the main thrusts of the policy followed with respect to social and environmental responsibility, human resources, information systems and organisation;

- approves the plans for strategic operations, in particular acquisitions or disposals, which may have a significant impact on the Group's earnings, its balance sheet structure or its risk profile.

  This prior approval process concerns:

  - organic growth transactions of a unit amount higher than EUR 250 million and not already approved as part of the annual budget or the strategic plan;
  - external growth transactions of a unit amount higher than 3% of the Group's consolidated shareholders' equity or higher than 1.50% of the Group's consolidated shareholders' equity if these transactions do not fall within the development priorities approved in the strategic plan;
  - disposal transactions of a unit amount higher than 1.50% of the Group's consolidated shareholders' equity;
  - partnership transactions with a compensation (*soulte*) of an amount higher than 1.50% of the Group's consolidated shareholders' equity;
  - transactions substantially degrading the Group's risk profile.

[2] This document does not form part of Societe Generale's By-laws.

The Chairman shall assess, on a case-by-case basis, the appropriateness of a referral to the Board of Directors to deliberate on a transaction that does not fall under the aforementioned circumstances.

During each Board of Directors' meeting, an update is made on the transactions concluded since the previous meeting as well as on the main projects in progress and likely to be concluded before the next Board of Directors' meeting.

b) *Financial statements and communication*

The Board of Directors:

- ensures the accuracy and truthfulness of the annual and consolidated annual accounts and the quality of the information provided to the shareholders and the market;

- approves the management report;

- controls the publication and communication process, the quality and reliability of the information to be published and communicated.

c) *Risk management*

The Board of Directors:

- approves the global strategy and the appetite in terms of risks of any kind and controls the related implementation. To this end, it approves and regularly reviews the strategies and policies governing the taking, management, monitoring and reduction of the risks to which the Company is or could be exposed, including the risks created by the economic environment; ensures, in particular, the adequacy and effectiveness of the risk management systems, controls the risk exposure from its activities and approves the overall risk limits; ensures the effectiveness of the corrective measures taken in the event of a default.

d) *Governance*

The Board of Directors:

- appoints the Chairman, the Chief Executive Officer and, upon the latter's proposal, the Deputy Chief Executive Officer(s); it determines any possible limitations on the powers of the Chief Executive Officer and the Deputy Chief Executive Officer(s);

- reviews the governance system, periodically assesses its effectiveness and ensures that corrective measures to remedy potential shortcomings have been taken;

- ensures, in particular, compliance with the banking regulations with respect to internal control;

- determines the orientations and controls the implementation by the Effective Senior Managers[3] of the oversight systems in order to ensure effective and prudent management of the institution, in particular the avoidance of conflicts of interest;

- deliberates on changes to the Group's management structures prior to their implementation and is informed of the main changes to its organisation;

- deliberates at least once a year, on its operation and that of its Committees, on the skills, aptitudes and availability of its members (see Articles 2 and 3) as well as on the conclusions of the periodic assessment thereof;

- reviews once a year the succession plan for the Chairman of the Board of Directors and the Chief Executive Officers (*dirigeants mandataires sociaux*);

- gives, where appropriate, its prior consent to the dismissal of the Chief Risk Officer, after the Risk Committee and the Nomination and Corporate Governance Committee have been consulted;

- prepares the Report on corporate governance submitted to the General Meeting of Shareholders.

e) *Compensation and wage policy*

[3] Persons designated as such with the European Central Bank (ECB) and the French Prudential Supervisory and Resolution Authority (ACPR) pursuant to banking regulations. For Societe Generale, these are the Chief Executive Officer and the Deputy Chief Executive Officers.

The Board of Directors:

- distributes the overall amount of the Directors' compensation in accordance with Article 15 of these Internal Rules;
- establishes the compensation policy principles applicable in the Group, in particular regarding the categories of staff whose activities have a significant impact on the Group's risk profile, and ensures that the internal control systems enable to verify that these principles comply with the regulations and professional standards and are consistent with the objectives for risk control;
- sets the compensation of the Chairman of the Board of Directors and the Chief Executive Officers (*dirigeants mandataires sociaux*), in particular their fixed and variable compensation, including benefits in kind, allocations of performance shares or any compensation instruments, as well as post-employment benefits;
- deliberates once a year on the Company's policy regarding professional and wage equality between men and women.

f) Preventive recovery plan

The Board of Directors:

- establishes the preventive recovery plan that is communicated to the European Central Bank and deliberates on any similar plan requested by foreign supervisory authorities.

Article 2: Skills/Aptitudes of the members of the Board of Directors

2.1 - The members of the Board of Directors shall have at all times the good repute, knowledge, skills and experience necessary for the performance of their duties and, collectively, the knowledge, skills and experience necessary to understand the Company's activities, including the main risks to which it is exposed.

2.2 - Each Director continually ensures to improve his/her knowledge of the Company and its sector of activity.

Article 3: Availability of the members of the Board of Directors

3.1 - The members of the Board of Directors shall devote sufficient time to the performance of their functions.

Under the conditions defined by the legislation in force, they may hold, within any legal entity, only one executive directorship and two non-executive directorships or only four non-executive directorships. For the purpose of this rule, directorships held within the same group are considered to be a single directorship. The European Central Bank may authorise a member of the Board of Directors to hold an additional non-executive directorship.

3.2 - Any Director holding an executive directorship in the Group must obtain the opinion of the Board of Directors before accepting a mandate in a listed company; the Director must comply with the procedure set out in Article 14 "Conflicts of interest."

3.3 - The Director shall promptly inform the Chairman of any change in the number of directorships held, including his/her participation in a committee of a Board, as well as any change in professional responsibility.

He/she undertakes to let the Board of Directors decide whether he/she should continue to serve as a Director in the event of a significant change in his/her professional responsibilities or mandates.

He/she undertakes to resign from his/her directorship when he/she no longer considers himself/herself able to perform his/her duties within the Board of Directors and the Committees of which he/she is a member.

3.4 - The Directors, under the conditions defined by the By-laws, may participate in meetings of the Board or of the Committees by videoconference or telecommunication means enabling their identification and guaranteeing their effective participation.

3.5 - The Registration Document reports on the attendance of Directors at meetings of the Board of Directors and the Committees.

3.6 - The Directors shall attend the General Meetings of Shareholders.

Article 4: Ethics of the members of the Board of Directors

4.1 - The Director keeps, in all circumstances, his/her independence of analysis, judgement, decision and action.

He/she undertakes not to seek or accept any benefit likely to compromise his/her independence.

4.2 - Each Director must comply with the provisions of the rules on market abuse (regulation (EU) n° 596/2014 dated 16 April 2014 and its delegated and implementing regulations supplementing it and defining technical standards; French Monetary and Financial Code; General Regulations, position-recommendation and instruction of the French Financial Markets Authority) in particular the ones relating to the communication and the use of inside information with regard to Societe Generale shares, debt securities and derivatives instruments or other financial instruments related to the Societe Generale share (hereinafter, Financial instruments). He/she must also comply with these same rules for Financial instruments of his/her subsidiaries or listed investments or companies on which he/she may hold inside information received as a result of his/her participation in the Board of Directors of Societe Generale.

4.3 - Directors shall abstain from intervening on the market of Societe Generale Financial instruments during the 30 calendar days preceding the publication of Societe Generale's quarterly, half-yearly and annual results as well as on the day of the said publication.

They shall refrain from carrying out speculative or leveraged transactions on Societe Generale Financial instruments or those of a listed company controlled directly or indirectly by Societe Generale within the meaning of Article L. 233-3 of the French Commercial Code.

They shall inform the Secretary of the Board of Directors of any difficulty they may encounter in enforcing the above.

4.4 - In accordance with the regulations in force, Directors and persons closely associated with them must report to the French Financial Markets Authority (AMF) the transactions carried out on Societe Generale Financial instruments.

A copy of this statement is also sent to the Secretary of the Board of Directors.

4.5 - Directors must hold in registered form all Societe Generale shares they have under the obligation provided for in Article 16 of these Internal Rules.

Article 5: The Chairman of the Board of Directors

5.1 - The Chairman convenes and chairs the Board of Directors meetings. He/she sets the timetable and agenda of the meetings. He/she organises and manages the work of the Board of Directors and reports on its activities to the General Meeting. He/she chairs the General Meetings of Shareholders.

5.2 - The Chairman ensures the proper functioning of the Company's bodies and the implementation of the best corporate governance practices, in particular as regards the Committees set up within the Board of Directors, which he/she may attend without the right to vote. He/she may submit questions for the consideration of these Committees.

5.3 – He/she receives all information relevant to his/her missions. He/she is regularly informed by the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers, of significant events relating to the life of the Group. He/she may request the disclosure of any information or document that may inform the Board of Directors. For the same purpose, he/she may hear the Statutory Auditors and, after having informed the Chief Executive Officer, any Group senior manager.

5.4 – He/she ensures that the Directors are in a position to fulfil their missions and ensures that they are properly informed.

5.5 – He/she is the only person authorised to speak on behalf of the Board of Directors, except in exceptional circumstances or with a specific mandate entrusted to another Director.

5.6 – He/she devotes his/her best efforts to promote in all circumstances the values and the image of the Company. In consultation with the General Management, he/she may represent the Group in its high-level relations, in particular with major clients, regulators, major shareholders and public authorities, both domestically and internationally.

5.7 - He/she has the material resources necessary for the performance of his/her missions.

5.8 - The Chairman has no executive responsibilities, these responsibilities being exercised by the General Management which proposes and applies the Company's strategy, within the limits defined by law and in compliance with the corporate governance rules and directions set by the Board of Directors.

Article 6: Meetings of the Board of Directors

6.1 - The Board of Directors shall hold at least eight meetings per year.

6.2 - The Directors who participate in the meeting of the Board of Directors by means of videoconference or telecommunication enabling their identification and guaranteeing their effective participation shall be deemed present for the calculation of the quorum and the majority. To this end, the means chosen shall transmit at least the voice of the participants and comply with technical characteristics enabling the continuous and simultaneous transmission of the deliberations.

This provision does not apply when the Board of Directors is convened to carry out the work for establishing and adopting the annual and consolidated annual accounts and the Management Report.

6.3 – Convening notices, which may be transmitted by the Secretary of the Board of Directors, are sent by letter, fax, e-mail or by any other means, including verbally.

6.4 - Upon decision of the Chairman, the Deputy Chief Executive Officers or other Group senior managers or, where relevant, external persons whose attendance is useful to the deliberations may attend all or part of the meetings of the Board of Directors.

Article 7: Information provided to the Board of Directors

7.1 - The Chairman or the Chief Executive Officer shall provide each Director with all information and documents necessary for the performance of his/her missions; he/she is provided with computer equipment enabling easy access to them.

7.2 - Effective Senior Managers shall inform the Board of Directors of all significant risks, risk management policies and changes made to them.

7.3 - If necessary, in the event of changes in the risks affecting or likely to affect the Company, the Chief Risk Officer may report directly to the Board of Directors.

7.4 - Meetings of the Board of Directors and the Committees are preceded by the on-line publication or availability in due course of a file on the agenda items that require special analysis and prior reflection whenever the respect of confidentiality so permits.

Moreover, between meetings, Directors shall receive all useful information, including critical information, about events or transactions significant for the Company. In particular, they shall receive press releases issued by the Company.

Article 8: Training of Directors

8.1 - The Company devotes the necessary human and financial resources to the training of the Directors and, especially, the Directors representing the employees.

8.2 – Training sessions on the specificities of the banking activity are organised each year.

Each Director may, on his/her appointment or throughout his/her term of office, benefit from any training that he/she deems necessary for the performance of the mandate.

8.3 - These training sessions shall be organised by the Company which shall bear their costs.

Article 9: Committees of the Board of Directors

9.1 - In certain areas, the Board of Directors' deliberations are prepared by specialised Committees composed of Directors appointed by the Board of Directors, which examine matters within their remit and submit their opinions and proposals to the Board of Directors.

9.2 - These Committees are composed of members of the Board of Directors who do not hold any executive function within the Company and who have suitable knowledge for the performance of the missions of the Committee in which they participate.

These Committees may decide, as necessary, to involve other Directors, without the right to vote, in their meetings.

9.3 - They shall have the necessary means to perform their missions and act under the responsibility of the Board of Directors.

9.4 - In the performance of their respective duties, they may request the communication of any relevant information, hear the Chief Executive Officer, the Deputy Chief Executive Officers as well as the Group's senior managers and, after having informed the Chairman, request the carrying out of external technical studies, at the Company's expense. They shall report on the information obtained and the opinions collected.

9.5 - There are four standing Committees:

- the Audit and Internal Control Committee;
- the Risk Committee;
- the Compensation Committee; and
- the Nomination and Corporate Governance Committee.

9.6 - Upon decision of the Chairmen of the relevant Committees, joint meetings between Committees may be arranged on topics of common interest. These meetings are co-chaired by the Chairmen of the Committees.

9.7 - The Board of Directors may create one or more “ad hoc” Committees.

9.8 - The Risk Committee, the Compensation Committee and the Nomination and Corporate Governance Committee may perform their missions for Group companies on a consolidated or sub-consolidated basis.

9.9 - Each Committee shall be chaired by a Chairman appointed by the Board of Directors based on a proposal from the Nomination and Corporate Governance Committee.

The Secretariat of each Committee is provided by a person designated by the Secretary of the Board of Directors.

9.10 - The Chairman of each Committee shall report to the Board of Directors on the Committee’s work. A written report of the Committees’ work shall be regularly circulated to the Board of Directors.

Each Committee shall submit its annual work programme to the Board of Directors.

9.11 - Each Committee shall give an opinion to the Board of Directors on the part of the Registration Document dealing with the issues falling within its scope of activity and prepare an annual activity report, submitted to the Board of Directors' approval, to be inserted in the Registration Document.

Article 10: The Audit and Internal Control Committee

10.1 - The Audit and Internal Control Committee’s mission is to monitor issues concerning the preparation and control of accounting and financial information as well as the monitoring of the effectiveness of internal control, measurement, monitoring and risk control systems.

10.2 - In particular, it is responsible for:

a) ensuring the monitoring of the process for the production of the financial information, particularly reviewing the quality and reliability of existing systems, making proposals for their improvement and ensuring that corrective actions have been implemented in the event of a malfunction in the process; where appropriate, it makes recommendations to ensure their integrity;

b) analysing the draft accounts to be submitted to the Board of Directors in order to, in particular, verify the clarity of the information provided and assess the relevance and consistency of the accounting methods adopted for drawing up annual accounts and consolidated annual accounts;

c) conducting the procedure for selecting the Statutory Auditors and issuing a recommendation to the Board of Directors, developed in accordance with the provisions of Article 16 of the regulation (EU) n° 537/2014 dated 16 April 2014, concerning their appointment or renewal as well as their remuneration;

d) ensuring the independence of the Statutory Auditors in accordance with the regulations in force;

e) approving, in accordance with Article L. 823-19 of the French Commercial Code and the policy adopted by the Board of Directors, the provision of services other than the certification of accounts referred to in Article L. 822-11-2 of the said Code after analysing the risks to the Statutory Auditor’s independence and the safeguard measures applied by the latter;

f) reviewing the work programme of the Statutory Auditors and, more generally, monitoring the control of the accounts by the Statutory Auditors in accordance with the regulations in force;

g) ensuring the monitoring of the effectiveness of internal control, risk management and internal audit systems, with regard to the procedures for the preparation and processing of the accounting and financial information. To this end, the Committee is responsible in particular for:

- reviewing the Group's permanent control quarterly dashboard;
- reviewing the internal control and risk control of the business segments, divisions and main subsidiaries;
- reviewing the Group's periodic monitoring programme and giving its opinion on the organisation and functioning of the internal control departments;
- reviewing the follow-up letters from the banking and markets supervisors and issuing an opinion on draft replies to these letters;

h) reviewing the reports prepared in order to comply with the regulations in terms of internal control.

10.3 - It regularly reports to the Board of Directors on the performance of its missions, including the outcomes of the mission of certification of the accounts, how this mission contributed to the integrity of the financial information and the role it played in this process. It informs the Board of Directors without delay of any difficulty encountered.

10.4 - The Statutory Auditors shall be invited to the meetings of the Audit and Internal Control Committee, unless the Committee decides otherwise. They may also be consulted outside these meetings.

10.5 - The Audit and Internal Control Committee or its Chairman also hear the heads of the internal control functions (risk, compliance, internal audit) as well as the Chief Financial Officer and, as necessary, the managers in charge of drawing up the accounts, internal control, risk control, compliance control and periodic control.

10.6 - The Audit and Internal Control Committee is composed of at least three Directors appointed by the Board of Directors, who have the appropriate financial, accounting, or statutory audit skills. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code.

Article 11: The Risk Committee

11.1 - The Risk Committee advises the Board of Directors on the overall strategy and the appetite regarding all kinds of risks, both current and future, and assists it when it controls the implementation of this strategy.

11.2 - In particular, it is responsible for:

a) preparing the debates of the Board of Directors on documents relating to risk appetite;

b) reviewing the risk control procedures and is consulted for the setting of overall risk limits;

c) undertaking a regular review of the strategies, policies, procedures and systems used to detect, manage and monitor the liquidity risk and communicating its conclusions to the Board of Directors;

d) issuing an opinion on the Group's global provisioning policy, as well as on specific provisions for significant amounts;

e) reviewing the reports prepared to comply with the banking regulations on risks;

f) reviewing the policy concerning risk control and the monitoring of off-balance sheet commitments, especially in the light of the memoranda prepared to this end by the Finance Division, the Risk Division and the Statutory Auditors;

g) reviewing, as part of its mission, whether the prices for the products and services mentioned in books II and III of the French Monetary and Financial Code and offered to clients are consistent with the Company's risk strategy. When these prices do not correctly reflect the risks, it informs the Board of Directors accordingly and gives its opinion on the action plan to remedy the situation;

h) without prejudice to the Compensation Committee's missions, reviewing whether the incentives provided for by the compensation policy and practices are consistent with the Company's situation with regard to the risks to which it is exposed, its capital and its liquidity, as well as the probability and timing of expected benefits;

i) reviewing the risks associated with the Group's implementation of the guidelines on social and environmental responsibility and the indicators relating to the Conduct as part of the "Culture and Conduct" programme;

j) reviewing the enterprise risk management related to the Company's operations in the United States in accordance with the requirements of the US Federal Reserve's Enhanced Prudential Standard Rules and supervisory guidelines. When acting as US Risk Committee, the Risk Committee operates under a dedicated Charter, which forms part of and supplements this Section. The Chairman of the Risk Committee reports the work adopted by the US Risk Committee to the Board of Directors, which validates it.

11.3 - It has all information on the Company's risk situation. It may use the services of the Chief Risk Officer or external experts.

11.4 - The Statutory Auditors are invited to the meetings of the Risk Committee, unless the Committee decides otherwise. They may also be consulted outside these meetings.

The Risk Committee or its Chairman hear the heads of the internal control functions (risk, compliance, internal audit) as well as the Chief Financial Officer and, as necessary, the managers responsible for drawing up the accounts, internal control, risk control, compliance control and periodic control.

11.5 - The Risk Committee is composed of at least three Directors appointed by the Board of Directors who have knowledge, skills and expertise concerning risks. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code.

Article 12: The Compensation Committee

12.1 - The Compensation Committee prepares the decisions that the Board of Directors adopts concerning compensation, especially those related to the Chairman of the Board of Directors and the Chief Executive Officers (*dirigeants mandataires sociaux*) as well as those that have an impact on the risk and the management of risks in the Company.

12.2 - It conducts an annual review of:

a) the principles of the Company's compensation policy;

b) the compensation, allowances and benefits of any kind granted to the company officers (*mandataires sociaux*) as well as the Effective Senior Managers, if they are different;

c) the compensation policy for regulated employees within the meaning of the banking regulations.

12.3 - It controls the compensation of the Chief Risk Officer and the Chief Compliance Officer.

12.4 - It receives all information necessary for its mission and in particular the annual report sent to the European Central Bank.

12.5 - It may be assisted by the internal control services or by external experts.

12.6 - In particular, the Committee:

a) proposes to the Board of Directors, in compliance with the regulations applicable to credit institutions, the principles given by the AFEP-MEDEF Corporate Governance Code and professional standards, the principles of the compensation policy for the Chairman of the Board of Directors and the Chief Executive Officers (*dirigeants mandataires sociaux*), and especially the criteria for the determination, the structure and the amount of this compensation, including allowances and benefits in kind, insurance or pension benefits, and compensation of any kind received from all the Group companies; it ensures their application;

b) prepares the annual performance assessment of the Chief Executive Officers (*dirigeants mandataires sociaux exécutifs*);

c) proposes to the Board of Directors the policy for performance shares;

d) prepares the decisions of the Board of Directors concerning the employee savings plan.

12.7 - It is composed of at least three Directors and includes a Director elected by the employees. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Code[4]. Its composition enables it to exercise a competent and independent judgement on the compensation policies and practices with regard to the management of risks, the equity and the liquidities of the Company.

Article 13: The Nomination and Corporate Governance Committee

13.1 - The Nomination and Corporate Governance Committee:

a) is responsible for making proposals to the Board of Directors for the appointment of Directors and Committees members as well as on the succession of the company officers (*mandataires sociaux*), especially in the event of an unforeseeable

[4] For the calculation of the rate of independents within the committees, the AFEP-MEDEF Code does not take employees into account.

vacancy, after having carried out necessary studies. To this end, it prepares the selection criteria to be submitted to the Board of Directors, proposes to the Board of Directors an objective to be achieved concerning the balanced representation of women and men on the Board of Directors and develops a policy designed to achieve this objective[5];

b) periodically reviews the structure, size, composition and effectiveness of the Board of Directors' work and submits to the Board of Directors any recommendation relevant to the carrying out of the annual assessment of the Board of Directors and its members;

c) periodically reviews the Board of Directors' policies concerning the selection and appointment of the Effective Senior Managers, the Deputy Chief Executive Officers and the Heads of risk, compliance, audit and finance functions; it makes recommendations in this area;

d) is informed in advance of the appointment of the Heads of risk, compliance, audit and finance functions. It is also informed of the appointment of the Heads of Business Units or of Service Units. It is informed of the succession plan for these senior officers (*dirigeants*);

e) prepares the review by the Board of Directors of corporate governance issues as well as the Board of Directors' work on matters relating to Corporate culture. It proposes to the Board of Directors the presentation of the Board of Directors in the Registration Document and in particular the list of independent Directors.

13.2 - It is composed of at least three Directors. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code. The Chief Executive Officer is involved, as necessary, in the Committee's work.

Article 14: Conflicts of interest

14.1 - The Director shall inform the Secretary of the Board of Directors of any conflict of interest, including potential ones, in which he/she may be directly or indirectly involved. He/she shall refrain from taking part in the debates and decision-making on related matters.

14.2 - The Chairman is in charge of managing conflict of interest situations of the members of the Board of Directors. Where appropriate, he/she refers the matter to the Nomination and Corporate Governance Committee. Regarding conflicts which could affect him/her personally, he/she refers to the Chairman of the Nomination and Corporate Governance Committee.

If necessary, the Chairman may invite a Director having a conflict of interest not to attend the deliberation.

14.3 - The Director shall inform the Chairman and the Chairman of the Nomination and Corporate Governance Committee of his/her intention to accept a new mandate, including his/her participation in a committee, in a listed company that does not belong to a group of which he/she is an executive officer (*dirigeant*), in order to enable the Board of Directors, based on the Committee's proposal, to decide where appropriate that such an appointment would be inconsistent with the directorship in Societe Generale.

14.4 – The Director shall inform the Chairman of the Board of Directors of any conviction for fraud, of any incrimination and/or public sanction, and of any prohibition to manage or administer that may have been pronounced against him/her, as well as any bankruptcy, sequestration or liquidation proceedings to which he/she may have been associated.

14.5 - Each Director shall make a sworn statement as to the existence or otherwise of the situations referred to in 14.1 and 14.3: i) upon taking up his/her office, ii) each year in response to the request made by the Secretary of the Board of Directors upon the preparation of the Registration Document, iii) at any time if the Secretary of the Board of Directors requests it and iv) within 10 working days following the occurrence of any event that renders the previous statement made by him/her in whole or in part inaccurate.

Article 15: Directors' compensation

15.1 - The overall amount of the Directors' compensation is set by the General Meeting. The Board of Directors may decide to only partially use it. It may decide to allocate a budget for specific tasks or temporary workload increases for some members of the Board of Directors or of Committees.

15.2 - The Chairman and the Chief Executive Officer, when he/she is also a Director, do not receive this compensation.

[5] The objective and policy of the credit institutions, as well as the terms of implementation, are made public in accordance with paragraph 2 (c) of Article 435 of regulation (EU) n° 575/2013 dated 26 June 2013.

15.3 - As from 1 May 2018, the amount of allocated compensation is reduced by a sum equal to EUR 200,000 to be distributed between the members of the Risk Committee and the members of the Audit and Internal Control Committee gathered as the US Risk Committee. This amount is distributed in equal portions, except for the Chairman of the Risk Committee who has two portions.

The balance is then reduced by a lump sum of EUR 130,000 distributed between the Chairman of the Audit and Internal Control Committee and the Chairman of the Risk Committee.

15.4 - The balance is divided into 50% fixed, 50% variable. The number of fixed portions per Director is 6. Additional fixed portions are allocated:

- Chairman of the Audit and Internal Control Committee or of the Risk Committee: 4 portions;
- Chairman of the Nomination and Corporate Governance Committee or of the Compensation Committee: 3 portions;
- Member of the Nomination and Corporate Governance Committee or of the Compensation Committee: 0.5 portion;
- Member of the Audit and Internal Control Committee or of the Risk Committee: 1 portion.

The additional fixed portions may be reduced in proportion to the actual attendance when the attendance over the year is below 80%.

15.5 – The variable portion of the compensation is divided up at the end of the year, in proportion to the number of meetings or working meetings of the Board of Directors and of each of the Committees which each Director has attended.

Article 16: Shares held in a personal capacity

16.1 - Each Director appointed by the General Meeting (whether in his/her own name or as a permanent representative of a legal entity) must hold the equivalent of at least 1,000 shares. Each Director has a six-month time frame to hold the 600 shares provided for by the By-laws and an additional six-month time frame to increase his/her holding to 1,000 shares.

16.2 - Each Director shall refrain from hedging his/her shares.

Article 17: Reimbursement of expenses

17.1 - Directors' travel, accommodation, meals and mission expenses pertaining to the meetings of the Board of Directors or of the Committees of the Board of Directors, the General Meeting of Shareholders or any other meetings related to the work of the Board of Directors or the Committees, are paid for or reimbursed by Societe Generale, upon submission of receipts.

At least once a year, the Nomination and Corporate Governance Committee considers these and, as necessary, makes proposals or recommendations.

17.2 – As to the Chairman, the Company also pays the expenses necessary for the performance of his/her duties.

17.3 - The Secretary of the Board of Directors receives and verifies the relevant supportive documents and ensures that the sums due are paid or reimbursed.

Article 18: Secret

18.1 - Each Director is bound by a strict professional secrecy with regard to the confidential information he/she receives, the discussions in which he/she participates, the decisions taken as long as they are not made public as well as with regard to the views expressed by each of them.

18.2 - He/she obliges himself/herself to a duty of care and a duty to alert.

CHARTER OF THE U.S. RISK COMMITTEE
OF THE SOCIÉTÉ GÉNÉRALE BOARD OF DIRECTORS

Title:

Charter of the U.S. Risk Committee of the Société Générale Board of Directors (the "**Charter**")

Mandate:

The U.S. Risk Committee ("**Committee**" or the "**USRC**") of the Société Générale ("**SG**" or "**SG Group**") Board of Directors ("**Board**") is formed in accordance with the requirements of the Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations ("**EPS Rules**") as promulgated by the Board of Governors of the Federal Reserve System.[1] The Committee's mandate is to (a) review all kinds of risks, both current and future, relating to, booked in or arising from SG's business, activities, affairs and operations in the United States, including SG's subsidiaries, branches, agencies and representative offices in the United States (collectively, "**SGUS**"), (b) advise the Board on the overall strategy and the appetite regarding such risks, and (c) assist the Board when it controls the implementation of this strategy; and (d) oversee the adequacy and effectiveness of the SGUS Internal Audit function.

For avoidance of doubt, it is the responsibility of SG and SGUS senior management to identify and assess SGUS' exposure to risk and escalate those risks, and planned mitigants, to the Committee. Although the Committee is responsible for overseeing the SGUS enterprise risk management function and challenging management on SGUS risk issues, it is not the sole body responsible for ensuring that SGUS' risk management function is carried out efficiently and effectively.

Charter:

This Charter forms part of and supplements Section 11.2(j) of the Internal Rules of the SG Board of Directors, as amended from time to time (the "**Internal Rules**"), which forms the USRC. Any topic not covered herein shall be governed by the Internal Rules.

Membership:

The Committee is composed of the members of the SG Board's Risk Committee (Comité des Risques), the Chair of the Board's Audit and Internal Control Committee (Comité d'Audit et de Contrôle Interne). and the other members of the Comité d'Audit et de Contrôle Interne unless the Board has provided an exception to one or more of such members. The Committee is chaired by the Chair of the Comité des Risques. If the Committee Chair cannot be present at a meeting, he or she shall delegate the role to the Chair of the Comité d'Audit et de Contrôle Interne.

The Committee shall meet the requirements for independent membership set out in the Internal Rules and shall at all times include at least one member who meets the independence requirements set forth in the EPS Rules.

Quorum and Committee Decisions:

The presence of at least a majority of the members of the Committee shall constitute a quorum. If a quorum is present, the Committee may act through the vote of a majority of the directors who are in

[1] 79 Fed. Reg. 17, 240 (Mar. 27, 2014), *codified at* 12 C.F.R. Part 252.

attendance. Committee members may attend meetings in person, or by video conference or by telephone. Committee decisions may be taken absent a meeting by unanimous written consent.

Agenda and Committee Materials:

The Committee shall approve an annual agenda submitted to it by the SGUS Chief Executive Officer after consultation with the SGUS Chief Risk Officer and SGUS General Counsel. The agenda for each meeting is based off the approved annual agenda, with additions and modifications as relevant issues within the USRC's mandate arise each year, which is proposed for Committee approval by the SGUS Chief Executive Officer. Materials for each meeting of the Committee are typically circulated to Committee members no less than five business days prior to meetings.

Meeting Frequency:

The Committee may meet as often as it determines is appropriate to carry out its responsibilities under this Charter, provided that the Committee shall meet at least once per quarter. Special meetings of the Committee may be held from time to time.

Meeting Minutes:

The SGUS General Counsel (or his or her designee) shall be the Secretary of the Committee and shall document the meetings. Minutes shall be circulated to the Committee members prior to the next meeting of the Committee and shall be approved at such subsequent meeting of the Committee. The official records of Committee meetings shall be maintained by the Secretary to the Board.

Roles and Responsibilities:

The mandate of the Committee, including its function of challenging management, is set forth above. The Committee's specific roles and responsibilities in fulfilment of this mandate include the following:

- Regularly receiving updates from the heads of the internal control functions (risk, compliance, internal audit) as well as the Chief Financial Officer and, as necessary, other SGUS Managers;
- At least annually, reviewing and approving the SGUS enterprise risk management framework including, but not limited to, the elements of the framework relating to liquidity risk management, and any material revisions thereto;
- At least annually, reviewing and approving the SGUS Risk Appetite Statement, and any material revisions thereto, and reviewing any other relevant overarching policies establishing the SGUS risk management governance and risk control infrastructure as well as the processes and systems for implementing, monitoring and reporting compliance with such policies;
- On a quarterly basis, reviewing a quarterly report from the U.S. Chief Risk Officer on risks affecting SGUS, which risks include, but are not limited to, liquidity risk. For avoidance of doubt, no member of the SG management has the right to demand changes to or veto the contents of the quarterly risk report;
- At least annually, reviewing and approving the SGUS Liquidity Risk Policy, and any material revisions thereto;
- At least quarterly, and more frequently if needed, conducting *in camera* meetings with the SGUS Chief Risk Officer with no other SG Group or SGUS personnel present. In addition, the SGUS Chief Risk Officer shall have unfettered access to the USRC should he or she need to report an issue, finding, conclusion, recommendation or analysis to the Committee;
- At least annually, reviewing and approving the acceptable level of liquidity risk that SG may assume in connection with the operating strategies for its combined U.S. operations (liquidity

risk tolerance), taking into account the capital structure, risk profile, complexity, activities, size and SG's enterprise-wide liquidity risk tolerance of such operations;

- At least semi-annually, reviewing information sufficient to determine whether SG's combined U.S. operations are operating in accordance with its established liquidity risk tolerance and to ensure that such liquidity risk tolerance is consistent with SG's enterprise-wide liquidity risk tolerance;
- At least annually, reviewing SGUS significant business lines and products to determine whether each creates or has created any unanticipated liquidity risk and whether the liquidity risk of each is within the established liquidity risk tolerance;
- At least annually, reviewing and approving the SGUS contingency funding plan and any material revisions thereto;
- At least annually, reviewing the SGUS business plans, results and strategy;
- On a regular basis, reviewing progress on all SGUS remediation projects arising from prudential supervisory issues;
- At least quarterly, reviewing information about the SGUS corporate compliance framework, including metrics, updates and challenges;
- At least annually, reviewing and approving the SGUS Compliance Risk Management Program Framework and any material revisions thereto;
- Serving as the ultimate oversight body over SGUS' compliance with U.S. anti-money laundering laws, including the Bank Secrecy Act, Office of Foreign Assets Control regulations, and applicable know-your-customer requirements and, at least annually, reviewing the SGUS framework for compliance with such regulations and requirements;
- Annually, reviewing and approving the SGUS Internal Audit function ("**SGIAA**") proposed annual audit plan, SGIAA charter and key performance indicators;
- On a regular basis, reviewing reports from SGIAA relating to: the conclusions of the audit work, including the adequacy of key SGUS risk management processes, areas of higher risk, the status of issues and recommendations, root-cause analysis, and information on significant industry and institution thematic trends.
- On a regular basis, receiving a presentation from the SGIAA Chief Audit Executive provided outside of the presence of SGUS senior management (other than the SGUS Chief Executive Officer and the SGUS General Counsel) relating to: the completion status of the annual audit plan, including any significant changes made to such plan; updates on ongoing SGIAA remediation plans, if any; and the results of SGIAA key performance indicators and internal and external quality assurance reviews;
- As and when requested by SGIAA, conducting *in camera* meetings with the SGIAA Chief Audit Executive. In addition, the SGIAA Chief Audit Executive shall have unfettered access to the USRC should he or she need to report an issue, finding, conclusion, recommendation or analysis to the Committee;
- At least annually: reviewing SGIAA's annual Independent and Objectivity Assertion Presentation and SGIAA's annual skills assessment; assessing the ability of SGIAA to operate independently and objectively; and raising any concerns regarding SGIAA to the Group Head of Inspection and Audit and the SGUS CEO; and
- At least annually, receiving information and training on a range of topics affecting SGUS. Such topics will change from time to time but will typically include anti-bribery and corruption, liquidity risk, human resources, culture & conduct, information technology risk management; cybersecurity, regulatory developments and litigation and enforcement developments.

Additional details on the periodicity of all the foregoing topics are set forth in the annual agenda of the Committee.

For avoidance of doubt, all SGIAA presentations referenced herein shall be made to the Committee and the SGIAA Chief Audit Executive interactions described herein shall be with the Committee. The Group

Audit function shall continue to report to the *Comité d'Audit et de Contrôle Interne* and may in its discretion include information in its reports about any matters relating to SGUS or SGIAA and its work. Annex A contains a list of all documents scheduled for approval by the Committee on an annual basis. Other items may also be presented to the Committee for approval as needed.
Amendments to this Charter: Amendments to this Charter shall be approved by the Committee and the SG Board after prior examination by the Nomination and Corporate Governance Committee of the Board.
Use of Advisors: The Committee may request select, retain and terminate special risk management, legal, financial, accounting, audit or other professional advisors to assist the Committee in performing its responsibilities under this Charter at the corporation's expense, after informing the Chairman of the Board of Directors or the Board of Directors itself, and subject to reporting back to the Board thereon. Such retention shall be coordinated by the Committee Chair with the assistance of the Secretary to the Board.

Annex A: List of Items Approved by the Committee Annually
SGUS Risk Appetite Statement
SGUS Liquidity Risk Tolerance
SGUS Enterprise Risk Management Framework
SGUS Contingency Funding Plan
SGUS Liquidity Risk Policy
Annual U.S. Risk Committee Agenda
Proposed USRC training program (included in the Annual U.S. Risk Committee Agenda)
SGUS Compliance Risk Management Program Framework
SGIAA Charter
SGIAA Key Performance Indicators
SGIAA Annual Audit Plan

6.4 List of regulated information published in the last 6 months

PRESS RELEASES PUBLISHED UNDER REGULATED INFORMATION

- 01.08.2019 – Result of the global employee share ownership plan 2019 and new share capital
- 12.06.2019 – Result of the option for the payment of the dividend in shares
- 21.05.2019 – Annual general meeting and Board of directors dated 21st May 2019
- 14.02.2019 – Disclosure of new regulatory capital requirements as from 1 March 2019

REGISTRATIONS DOCUMENTS AND UPDATES - ANNUAL FINANCIAL REPORT

- 06.05.2019 – First update of the 2019 Registration document
- 06.05.2019 - Availability of an update of the 2019 Registration Document filed on 6 May 2019
- 11.03.2019 – Registration document 2019
- 11.03.2019 – Availability of the Registration Document 2019
- 11.03.2019 - Availability of the Annual Financial Report

QUARTERLY FINANCIAL INFORMATION

- 01.08.2019 – 2nd quarter 2019 results
- 03.05.2019 – 1st quarter 2019 results
- 07.02.2019 – 4th quarter and full-year 2018 results

MONTHLY DECLARATIONS ON THE TOTAL NUMBER OF VOTING RIGHTS AND SHARES

- 7 declaration forms

DESCRIPTION OF THE BUYBACK PROGRAMMES AND STATEMENT ON THE LIQUIDITY AGREEMENT

- 01.08.2019 – Update of the liquidty agreement
- 03.07.2019 – Half-year statement on the liquidity agreement
- 16.05.2019 – Description of share buyback programme

REPORT ON CORPORATE GOVERNANCE

- 11.03.2019 – Availability of the report on corporate governance

COMMUNIQUES FOR ACCESS TO OR CONSULTATION OF THE INFORMATION RELATIVE TO SHAREHOLDERS GENERAL MEETINGS

- 17.04.2019 – Availability or consultation of the information relating to the ordinary General meeting of shareholders of 21 May 2019

PRESS RELEASE SETTING OUT THE ARRANGMENTS FOR SUPPLYING A PROSPECTUS

- 21.05.2019 – Information document for the 2019 capital increase reserved for employees.

7. PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

7.1 Person responsible for the Universal Registration Document

Mr. Frédéric OUDÉA
Chief Executive Officer of Societe Generale

7.2 Statement of the person responsible

I hereby certify, after taking all reasonable measures for this purpose, that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its meaning.

I certify, to the best of my knowledge, that the condensed consolidated accounts for the first half year have been prepared in accordance with applicable accounting standards and are a fair reflection of the assets, liabilities, financial position and profit or loss of the Company and all the undertakings included in the consolidation scope, and that the interim management report (comprising the sections of this Universal Registration Document listed in the cross-reference table in section 8.2) presents a fair review of the important events which have occurred during the first six months of the financial year, their impact on the accounts, the major related parties transactions and a description of the main risks and uncertainties for the remaining six months of the financial year.

Paris, on 5 August 2019

Mr. Frédéric OUDÉA
Chief Executive Officer of Societe Generale

7.3 Persons responsible for the audit of the accounts

STATUTORY AUDITORS

Name: Company Ernst & Young et Autres
represented by Mr. Micha Missakian

Address: 1/2, place des Saisons
92400 Courbevoie – Paris-La Défense
(France)

Date of appointment: 22nd May 2012

Date of renewal: 23rd May 2018

Duration of current term of office: six financial years

End of current term of office: at the close of the Ordinary General Meeting called to approve the accounts for the year ended 31st December 2023

Name: Company Deloitte & Associés
represented by Mr. Jean-Marc Mickeler

Address: 6, place de la Pyramide
92908 Paris-La Défense Cedex
(France)

Date of first appointment: 18th April 2003

Date of latest renewal: 23rd May 2018

Duration of current term of office: six financial years

End of current term of office: at the close of the Ordinary General Meeting called to approve the accounts for the year ended 31st December 2023

The companies Ernst & Young et Autres and Deloitte & Associés are registered as Statutory Auditors with the *Compagnie régionale des Commissaires aux comptes de Versailles*.

8. CROSS-REFERENCE TABLES

8.1 Cross-reference table of the Universal Registration Document

This cross-reference table contains the headings provided for in Annex 1 (as referred to in Annex 2) of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) No 809/2004, and refers to the pages of this Universal Registration Document where the information relating to each of these headings is mentioned.

Headings		Page numbers of the Universal Registration Document
18.7.	Significant change in the issuer's financial position	5 ; 42-43
19.	**ADDITIONAL INFORMATION**	
19.1.	Share capital	5 ; 154-155
19.2.	Memorandum and Articles of Association	5 ; 155
20.	**MATERIAL CONTRACTS**	5 ; 43
21.	**DOCUMENTS AVAILABLE**	5

8.2 Cross-reference table of the interim financial report

Pursuant to Article 212-13 of the AMF's General Regulation, this Universal Registration Document comprises the information of the interim financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-4 of the AMF's General Regulation.

Interim financial report	Page numbers
Financial statements as at 30 June 2019	67-152
Interim management report	6-44
▪ Important events which have occurred during the first six months of the financial year and their impact on the half-yearly accounts	6-43
▪ Description of the main risks and uncertainties for the remaining six months of the financial year	43-44
▪ Major related-party transactions	NA
Statement by the person responsible	171
Statutory auditor's report on the financial information for the first half-year 2019	153