SOCIETE GENERALE

PRESS RELEASE

QUARTERLY FINANCIAL INFORMATION

Paris, November 3rd, 2017

Q3 17: SOLID RESULTS IN RETAIL, DECLINE IN MARKETS ACTIVITIES

- **Net banking income for the core businesses** of EUR 5.9bn (-5.9% vs. Q3 16): substantial growth in International Retail Banking & Financial Services (+5.2%*), revenue decline in Global Banking & Investor Solutions, in a historically low volatility environment (-14.7% vs. Q3 16), and in French Retail Banking (-6.6%(1) vs. Q3 16) against a backdrop of low interest rates.
- **Group book net banking income** was slightly lower (-0.9%) at EUR 5,958m (EUR 6,010m in Q3 16).
- Stable **operating expenses**: -0.4% vs. Q3 16.
- **Commercial cost of risk**(2) halved, at 17bp in Q3 17 (34bp in Q3 16) reflecting the improvement in the Group's risk profile observed for several quarters. Additional allocation to the provision for disputes of EUR 300m.
- **Book Group net income** of EUR 932m in Q3 17 (EUR 1,099m in Q3 16).

  Group net income excluding non-economic items of EUR 894m in Q3 17 (EUR 1,257m in Q3 16).
- **Fully-loaded CET 1 ratio** of 11.7% (stable vs. June 30th, 2017).

9M 17: INCREASE IN UNDERLYING GROUP NET INCOME

- **Underlying net banking income**(3) of EUR 18.8bn (+0.4% vs. 9M 16)
- **Underlying operating expenses**(3) under control: +1.2% vs. 9M 16
- **Underlying Group net income**(3) of EUR 3,616m, up +16.9% vs. 9M 16
- **Underlying ROE**(3) of 9.0% (8.0% in 9M 16)

EPS: EUR 3.12 in 9M 17 (EUR 4.19 in 9M 16). Provision for dividend of EUR 1.65/share**

Presentation of the strategic plan on November 28th, 2017

The footnotes * and ** in this document are specified below:

* When adjusted for changes in Group structure and at constant exchange rates.

** Excluding non-economic items.

(1) Including adjustment of hedging costs and excluding PEL/CEL provision.

(2) Excluding disputes, in basis points for outstandings at the beginning of the period, including operating leases. Annualised calculation.

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

Societe Generale press contact - fr-relations-medias@socgen.com- +33 (0)1 42 14 67 02

Societe Generale's Board of Directors, which met on November 2nd, 2017 under the chairmanship of Lorenzo Bini Smaghi, examined the results for Q3 and the first nine months of 2017.

Book Group net income amounted to EUR 932 million in Q3 2017 (EUR 1,099 million in Q3 2016) and EUR 2,737 million in the first nine months of 2017 (EUR 3,484 million in the first nine months of 2016).

When corrected for the impact of non-economic items, exceptional items and the linearisation over the year of the IFRIC 21 charge recorded in Q1 2017, **underlying Group net income** totalled EUR 1,079 million in Q3 2017 (EUR 1,168 million in Q3 2016). Underlying Group net income was significantly higher (up +16.9%) at EUR 3,616 million in the first nine months of 2017 (EUR 3,094 million in the first nine months of 2016). **Underlying ROE** stood at 9.0% in the first nine months of 2017 vs. 8.0% in the first nine months of 2016.

In Q3 2017, French Retail Banking's commercial momentum remained robust and results were resilient against a backdrop of low interest rates and the transformation of the business model. International Retail Banking & Financial Services continued to enjoy strong growth in all businesses and geographical regions. Global Banking & Investor Solutions' revenues were lower than in Q3 16 in a market environment characterised by historically low volatility levels.

Book **net banking income** totalled EUR 5,958 million in Q3 2017 (EUR 6,010 million in Q3 2016) and EUR 17,631 million in the first nine months of 2017 (EUR 19,169 million in the first nine months of 2016). Underlying net banking income amounted to EUR 5,993 million in Q3 2017 (down -4.1% vs. Q3 2016) and EUR 18,834 million in the first nine months (up +0.4% vs. the first nine months of 2016).

Operating expenses were slightly lower in Q3 2017 (-0.4%) at EUR -4,001 million (EUR -4,016 million in Q3 2016). There was a further decline in costs in Global Banking & Investor Solutions, whereas the Group continued with its investments in the transformation of French Retail Banking and efforts to support the growth in International Retail Banking & Financial Services. Underlying operating expenses were stable at EUR -4,157 million in Q3 2017 (EUR -4,147 million in Q3 2016). Operating expenses were slightly higher (+1.2%) at EUR -12,657 million in the first nine months of the year (EUR -12,506 million in the first nine months of 2016).

The **net cost of risk** (excluding the variation in the provision for disputes) continued on the downward momentum observed in previous quarters, against a backdrop of an improvement in the Group's risk profile. It amounted to EUR -212 million (excluding the variation in the provision for disputes) in Q3 2017, substantially lower than in Q3 2016 (EUR -417 million).

The provision for disputes was the subject of an additional allocation of EUR 300 million in the third quarter, and now stands at EUR 2.2 billion. Societe Generale is currently in discussions with the US authorities in order to resolve two litigations, LIA and IBOR, and has decided to increase the provision for disputes. The discussions could result in an agreement in the coming weeks or months.

Moreover, as there is no certainty that the Group will reach a resolution of these disputes before the date initially set for the Global Employee Share Ownership Plan, given this uncertainty and for legal reasons, it was decided, with the Board of Directors' approval, not to proceed with this plan which was initially scheduled in late 2017.

The **Common Equity Tier 1** (fully-loaded CET1) ratio was 11.7% at September 30th, 2017 (11.7% at June 30th, 2017). Earnings per share, excluding non-economic items, amounts to EUR 3.12 at end-September 2017 (EUR 4.19 at end-September 2016).

Commenting on the Group's results for Q3 and the first nine months of 2017, Frédéric Oudéa – Chief Executive Officer – stated:

“Despite an unfavourable financial environment, Societe Generale generated resilient Q3 results, driven in particular by International Retail Banking & Financial Services. The Group continued to improve its risk profile and pursued its investments, in order to meet the needs of its customers and respond to changes in the methods of using banking services. With increased underlying profitability in the first nine months of the year, a solid capital base and the commitment of its teams, Societe Generale is ready to embark on a new phase of its development and will present its strategic plan on November 28th.”

1. GROUP CONSOLIDATED RESULTS

In EUR m	Q3 17	Q3 16	Change	9M 17	9M 16	Change
Net banking income	**5,958**	**6,010**	***-0.9%***	**17,631**	**19,169**	***-8.0%***
Net banking income(1)	*5,905*	*6,251*	*-5.5%*	*17,783*	*19,476*	*-8.7%*
Operating expenses	(4,001)	(4,016)	*-0.4%*	(12,814)	(12,419)	*+3.2%*
Gross operating income	**1,957**	**1,994**	***-1.9%***	**4,817**	**6,750**	***-28.6%***
Gross operating income(1)	*1,904*	*2,235*	*-14.8%*	*4,969*	*7,057*	*-29.6%*
Net cost of risk	(512)	(417)	*+22.8%*	(880)	(1,605)	*-45.2%*
Operating income	**1,445**	**1,577**	***-8.4%***	**3,937**	**5,145**	***-23.5%***
Operating income(1)	*1,392*	*1,818*	*-23.4%*	*4,089*	*5,452*	*-25.0%*
Net profits or losses from other assets	72	62	*+16.1%*	317	50	*x 6.3*
Income tax	(459)	(450)	*+2.0%*	(1,150)	(1,461)	*-21.3%*
Reported Group net income	**932**	**1,099**	***-15.2%***	**2,737**	**3,484**	***-21.4%***
Group net income(1)	*894*	*1,257*	*-28.8%*	*2,845*	*3,685*	*-22.8%*
ROE	**6.9%**	**8.4%**		**6.6%**	**9.1%**	
Underlying Group net income(2)	**1,079**	**1,168**	***-7.7%***	**3,616**	**3,094**	***+16.9%***
Underlying ROE(2)	**8.1%**	**9.0%**		**9.0%**	**8.0%**	

(1) Adjusted for revaluation of own financial liabilities and DVA
(2) Adjusted for non-economic and exceptional items and IFRIC 21

Net banking income

The Group's book net banking income totalled EUR 5,958 million in Q3 17 (EUR 6,010 million in Q3 16) and EUR 17,631 million in 9M 17 (EUR 19,169 million in 9M 16).

Underlying net banking income amounted to EUR 5,993 million in Q3 17 (EUR 6,251 million in Q3 16) and EUR 18,834 million in 9M 17 (EUR 18,751 million in 9M 16).

There was a slight decline in net banking income for the businesses (EUR 5,882 million in Q3 17 vs. EUR 6,249 million in Q3 16).

- French Retail Banking's net banking income was lower in Q3 17 (-5.0% and -6.6% excluding PEL/CEL provision vs. Q3 16). Net interest income fell -13.9% in Q3 17 vs. Q3 16 due to the recording of an exceptional expense of EUR -88 million related to the adjustment of hedging costs and the ongoing low interest rate environment. Commissions maintained the momentum observed in previous quarters, increasing +4% in Q3 17 vs. Q3 16.

- International Retail Banking & Financial Services' net banking income rose +3.8% (+5.2%*) in Q3 17, driven by the strong commercial momentum of activities in all businesses and geographical regions. International Retail Banking's net banking income increased +2.7% (+6.7%*) vs. Q3 16. Net banking income rose +14.5% (+8.2%*) for the Insurance business and +1.4% (-1.1%*) for Financial Services to Corporates.

- Global Banking & Investor Solutions' revenues were down -14.7% in Q3 17 vs. Q3 16. Global Markets and Investor Services experienced a decline of -20.7%, adversely affected by the "wait-and-see" attitude of investors in connection with historically low volatility levels. Financing & Advisory revenues were stable vs. Q3 16 (-0.7%). In Asset and Wealth Management, net banking income was down -11.7%.

The accounting impact of the revaluation of the Group's own financial liabilities was EUR 53 million in Q3 17 (EUR -237 million in Q3 16). The DVA impact was nil in Q3 17 (EUR -4 million in Q3 16). These two factors constitute the restated non-economic items in the analyses of the Group's results.

Operating expenses

The Group's operating expenses amounted to EUR -4,001 million in Q3 17, down -0.4% (+1.5%*) vs. Q3 16.

Underlying operating expenses totalled EUR -12,657 million in 9M 17 vs. EUR -12,506 million in 9M 16, representing a limited increase of +1.2%.

The increase reflects the investments in the transformation of French Retail Banking, efforts to support the growth of International Retail Banking & Financial Services, and the beneficial effects of the cost savings plans implemented in Global Banking & Investor Solutions.

Gross operating income

The Group's book gross operating income totalled EUR 1,957 million in Q3 17 (EUR 1,994 million in Q3 16) and EUR 4,817 million in 9M 17 (EUR 6,750 million in 9M 16).

Underlying gross operating income amounted to EUR 1,836 million in Q3 17 (EUR 2,104 million in Q3 16) and EUR 6,178 million in 9M 17 (EUR 6,245 million in 9M 16).

Cost of risk

The Group's net cost of risk, excluding the variation in the provision for disputes, continued to decline to EUR -212 million in Q3 17 vs. EUR -417 million in Q3 16. The provision for disputes was the subject of an additional allocation of EUR 300 million in Q3 17.

The commercial cost of risk (expressed as a fraction of outstanding loans) continued to decline, to a very low level of 17 basis points in Q3 17 (vs. 34 basis points in Q3 16):

- In French Retail Banking, the commercial cost of risk was low at 21 basis points in Q3 17 (36 basis points in Q3 16) due primarily to the improvement in the economic environment and the quality of loan origination.

- International Retail Banking & Financial Services' cost of risk was lower, at 33 basis points vs. 67 basis points in Q3 16, due primarily to a net write-back in Romania.

- Global Banking & Investor Solutions' cost of risk amounted to -2 basis points in Q3 17 (9 basis points in Q3 16).

The Group's commercial cost of risk is expected to be around 25 basis points for full-year 2017.

The gross doubtful outstandings ratio was lower, at 4.5% at end-September 2017 (vs. 5.1% at end-September 2016). The Group's gross coverage ratio for doubtful outstandings stood at 62% (vs. 65% at end-September 2016).

Operating income

Book Group operating income totalled EUR 1,445 million in Q3 17 (EUR 1,577 million in Q3 16) and EUR 3,937 million in 9M 17 (EUR 5,145 million in 9M 16).

Underlying operating income amounted to EUR 1,624 million in Q3 17 (EUR 1,687 million in Q3 16) and EUR 5,498 million in 9M 17 (EUR 4,840 million in 9M 16), up +13.6% vs. 9M 16.

Net profits or losses from other assets

Net profits or losses from other assets amounted to EUR 72 million in Q3 17 (EUR 62 million in Q3 16) and consist principally of the capital gain on the sale of SG Fortune shares amounting to EUR 74 million.

Net income

In EUR m	Q3 17	Q3 16	9M 17	9M 16
Book Group net income	**932**	**1,099**	**2,737**	**3,484**
Group net income(1)	*894*	*1,257*	*2,845*	*3,685*
Underlying Group net income(2)	**1,079**	**1,168**	**3,616**	**3,094**

	Q3 17	Q3 16	9M 17	9M 16
ROE (reported)	**6.9%**	**8.4%**	**6.6%**	**9.1%**
ROE(1)	**6.6%**	**9.7%**	**6.9%**	**9.6%**
Underlying ROE(2)	**8.1%**	**9.0%**	**9.0%**	**8.0%**

(1) *Adjusted for revaluation of own financial liabilities and DVA*
(2) *Adjusted for non-economic and exceptional items and IFRIC 21*

Earnings per share amounts to EUR 2.98 in 9M 17 (EUR 3.94 in 9M 16). When adjusted for non-economic items, EPS is EUR 3.12 in 9M 17 (EUR 4.19 in 9M 16).

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 60.3 billion at September 30th, 2017 (EUR 62.0 billion at December 31st, 2016). Net asset value per share was EUR 63.59, including EUR 1.35 of unrealised capital gains. Tangible net asset value per share was EUR 57.31.

The **consolidated balance sheet** totalled EUR 1,339 billion at September 30th, 2017 (EUR 1,382 billion at December 31st, 2016). The net amount of **customer loan** outstandings, including lease financing, was EUR 393 billion at September 30th, 2017 (EUR 403 billion at December 31st, 2016) – excluding assets and securities sold under repurchase agreements. At the same time, **customer deposits** amounted to EUR 383 billion, vs. EUR 397 billion at December 31st, 2016 (excluding assets and securities sold under repurchase agreements).

At September 30th, 2017, the parent company had issued EUR 21.7 billion of medium/long-term debt (representing the achievement of 90% of the 2017 financing programme of EUR 24.1 billion), having an average maturity of 4.35 years and an average spread of 19.2 basis points (vs. the 6-month mid-swap, excluding subordinated debt). The subsidiaries had issued EUR 3.7 billion. At September 30th, 2017, the Group had issued a total of EUR 25.4 billion of medium/long-term debt. The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 116% at end-September 2017, vs. 142% at end-December 2016.

The Group's **risk-weighted assets** (RWA) amounted to EUR 352.9 billion at September 30th, 2017 (vs. EUR 355.5 billion at end-December 2016) according to CRR/CRD4 rules. Risk-weighted assets in respect of credit risk represent 82.0% of the total, at EUR 289.5 billion, down -1.6% vs. December 31st, 2016.

At September 30th, 2017, the Group's fully-loaded **Common Equity Tier 1** ratio stood at 11.7%(1) (11.5% at end-December 2016), up +19 basis points vs. end-December 2016. The Tier 1 ratio stood at 14.3% at end-September 2017 (14.5% at end-December 2016) and the total capital ratio amounted to 17.6%.

With a level of 21.6% of RWA and 6.4% of leveraged exposure at end-September 2017, the Group's TLAC ratio is already above the FSB's requirements for 2019.

The **leverage ratio** stood at 4.3% at September 30th, 2017 (4.2% at end-December 2016, 4.2% at end-June 2017).

The Group is rated by the rating agencies DBRS (long-term rating: "A (high)" with a stable outlook; short-term rating: "R-1(middle)" and long-term Critical Obligations Rating of "AA" and short-term Critical Obligations Rating of "R-1(high)"), FitchRatings (long-term senior unsecured preferred rating raised on September 28th 2017 to "A+" with a stable outlook; short-term rating: "F1" and long-term Derivative Counterparty Rating at "A(dcr)"), Moody's (long-term deposit and senior unsecured ratings: "A2" with a stable outlook; short-term rating: "P-1" and long-term Counterparty Risk Assessment of "A1" and short-term Counterparty Risk Assessment of "P-1"), Standard & Poor's (long-term rating: "A" with a stable outlook; short-term rating: "A-1") and R&I (long-term rating: "A" with a stable outlook).

(1) *The phased-in ratio, excluding the earnings of the current financial year, stood at 11.7% at end-September 2017 vs. 11.8% at end-December 2016.*

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3. FRENCH RETAIL BANKING

In EUR m	Q3 17	Q3 16	Change	9M 17	9M 16	Change
Net banking income	**1,939**	**2,042**	***-5.0%***	**6,047**	**6,226**	***-2.9%***
Net banking income excl. PEL/CEL	*1,923*	*2,059*	*-6.6%*	*6,030*	*6,253*	*-3.6%*
Operating expenses	(1,376)	(1,346)	***+2.2%***	(4,226)	(4,111)	***+2.8%***
Gross operating income	**563**	**696**	***-19.1%***	**1,821**	**2,115**	***-13.9%***
Gross operating income excl. PEL/CEL	*547*	*713*	*-23.3%*	*1,804*	*2,142*	*-15.8%*
Net cost of risk	(108)	(174)	*-37.9%*	(383)	(522)	*-26.6%*
Operating income	455	522	*-12.8%*	1,438	1,593	*-9.7%*
Reported Group net income	**310**	**353**	*-12.2%*	**988**	**1,084**	*-8.9%*
RONE	**11.0%**	**12.9%**		**12.0%**	**13.7%**	
Adjusted RONE(1)	**12.1%**	**12.8%**		**12.7%**	**14.1%**	

(1) Adjusted for IFRIC 21 implementation, PEL/CEL provision and adjustment of hedging costs

The healthy commercial momentum enjoyed by French Retail Banking continued in Q3 17, in line with H1 2017. It was accompanied by solid profitability against a backdrop of low interest rates and the transformation of the business model.

Activity and net banking income

French Retail Banking's three brands (Societe Generale, Crédit du Nord and Boursorama) continued their commercial expansion, particularly for growth drivers.

In the individual customer segment, Boursorama maintained a robust customer acquisition momentum in 9M 17 (28% increase vs. 9M 16) and strengthened its position as the leading online bank in France, with nearly 1.2 million customers at end-September 2017. Overall, French Retail Banking had 11.6 million individual customers at end-September 2017.

In the business segment, French Retail Banking entered into relationships with more than 3,500 new companies in the first nine months of the year (+4% vs. 9M 16) thanks to various initiatives, in particular SG Entrepreneurs, which aims to offer a comprehensive range of products and services to entrepreneurs.

Finally, in the professional customer segment, the number of new customers remains dynamic (2% increase in 9M 17). As part of the rollout of the new "Pro Corners" ("*Espaces Pro*") model nationwide, Societe Generale opened two new "XL Pro Corners" in Nice and Lyon in September in order to offer its professional customers greater proximity and more expertise.

French Retail Banking's housing loan production came to EUR 5.5 billion, up +3.3% vs. Q3 16. Home loan outstandings increased +2.4% in Q3 17. Corporate investment loan production enjoyed robust growth (+9.2% vs. Q3 16 at EUR 2.5 billion), while average investment outstandings rose +1.7%. Overall, average outstanding loans grew +1.4% vs. Q3 16 to EUR 186.4 billion.

Average outstanding balance sheet deposits came to EUR 197.4 billion at end-September 2017. They were up +5.7%, driven by the strong growth in sight deposits (+16.2%), particularly in the business segment. As a result, the average loan/deposit ratio amounted to 94% at end-September 2017 (vs. 100% on average in 2016).

French Retail Banking's growth drivers were also healthy, with an increase in assets under management for Private Banking in France (+6.2% vs. Q3 16) and life insurance outstandings up +1.6% at EUR 92 billion.

Net banking income (after neutralising the impact of PEL/CEL provisions) amounted to EUR 1,923 million, down -6.6%. In an environment of low interest rates, increased prepayments and a significant loan renegotiation volume in 2017, Q3 17 saw the Group carry out an operation to adjust the hedging costs of its home loans for the years concerned by the prepayments and renegotiations, the amount of assets hedged having become lower than the sum of the hedging swaps. This operation, which will generate positive impacts over several years, as from 2018, resulted in a EUR -88 million loss in net banking income in Q3 17.

Excluding this operation, net banking income was down -2.3% vs. Q3 16. This was due primarily to the contraction in interest income (-6.6% excluding the adjustment of hedging costs), which was adversely affected by mortgage renegotiations and prepayments.

The good momentum on commissions continued this quarter, with growth of +4.0% in Q3 17 (and +4.6% in 9M 17), reflecting the transition to a fee-generating model. Still buoyant brokerage and life insurance activities, particularly for unit-linked contracts, resulted in a sharp rise in financial commissions (+22.7% in Q3 17 and +19.4% in 9M 17). The increase also reflects the higher contribution from Antarius, after Societe Generale acquired total control of the insurance company. Service commissions remained robust (-0.8% in Q3 17 and +0.7% in 9M 17) particularly for business customers.

In 9M 17, net banking income (after neutralising the impact of PEL/CEL provisions) came to EUR 6,030 million, down -3.6% (including the adjustment of hedging costs) in accordance with expectations of a decline of between -3.0% and -3.5% in 2017.

Operating expenses

French Retail Banking's operating expenses came to EUR -1,376 million, up +2.2% vs. Q3 16, reflecting investments in the digital transformation process and fast-growing activities, whereas other operating expenditure remained under control. Operating expenses rose +2.8% in 9M 17, in line with the Group's expectations of an increase of between +3% and +3.5% in 2017. As part of its transformation plan, the Group notably closed 18 branches in France in Q3 17 (and 83 in the first nine months of 2017).

Operating income

The net cost of risk was down -38% vs. Q3 16, with the cost of risk continuing on the downward trend of previous quarters to a low level of 21 basis points (vs. 36 basis points in Q3 16), reflecting the quality of the portfolio. In 9M 17, the net cost of risk decreased by -27% compared with the previous year.

Operating income totalled EUR 455 million in Q3 17 (EUR 522 million in Q3 16) and EUR 1,438 million in 9M 17 (EUR 1,593 million in 9M 16).

Contribution to Group net income

French Retail Banking's contribution to Group net income amounted to EUR 310 million in Q3 17 (EUR 353 million in Q3 16) and EUR 988 million in 9M 17 (EUR 1,084 million in 9M 16).

When restated for the adjustment of hedging costs, the IFRIC 21 charge and the PEL/CEL provision, the division's profitability remains robust, with a RONE of 12.1% in Q3 17 (vs. 12.8% in Q3 16) and 12.7% in 9M 17 (14.1% in 9M 16).

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

The division's net banking income totalled EUR 1,988 million in Q3 17, up +3.8% vs. Q3 16, driven by the growth in activity in all regions and businesses. Operating expenses increased +4.0% over the period, in accordance with the investment policy. Gross operating income totalled EUR 916 million in Q3 17 (+3.6% vs. Q3 16). The net cost of risk continued to improve, amounting to EUR -111 million (-46.4% vs. Q3 16). The division's contribution to Group net income totalled EUR 500 million in Q3 17, up +9.4% vs. Q3 16.

Revenues amounted to EUR 5,975 million in 9M 17, up +6.1% vs. 9M 16. Operating income was EUR 2,388 million (+31.3% vs. 9M 16) and the contribution to Group net income came to EUR 1.5 billion (+25.8%).

In EUR m	Q3 17	Q3 16	Change		9M 17	9M 16	Change	
Net banking income	**1,988**	**1,915**	***+3.8%***	***+5.2%****	**5,975**	**5,631**	***+6.1%***	***+5.2%****
Operating expenses	(1,072)	(1,031)	*+4.0%*	*+6.3%**	(3,306)	(3,202)	*+3.2%*	*+2.3%**
Gross operating income	**916**	**884**	***+3.6%***	***+4.0%****	**2,669**	**2,429**	***+9.9%***	***+8.9%****
Net cost of risk	(111)	(207)	*-46.4%*	*-45.2%**	(281)	(610)	*-53.9%*	*-58.7%**
Operating income	805	677	*+18.9%*	*+19.1%**	2,388	1,819	*+31.3%*	*+32.3%**
Net profits or losses from other assets	0	46	*n/s*	*n/s*	33	59	*-44.1%*	*-48.4%**
Reported Group net income	**500**	**457**	***+9.4%***	***+16.5%****	**1,501**	**1,193**	***+25.8%***	***+30.5%****
RONE	18.0%	16.8%			17.9%	15.0%		
Adjusted RONE(1)	**17.4%**	**16.2%**			**18.3%**	**15.2%**		

(1) Adjusted for IFRIC 21 implementation

International Retail Banking

At end-September 2017, International Retail Banking's outstanding loans had risen +4.8% (+7.9%*) vs. Q3 16, to EUR 86.2 billion; the increase was particularly strong in Europe, especially in the individual customer segment. Deposit inflow remained high in virtually all the international operations; outstanding deposits totalled EUR 77.7 billion at end-September 2017, up +4.9% (+9.0%*) year-on-year.

After adjustment for structure effects (disposal of Splitska Banka in Croatia and Bank Republic in Georgia), there was a significant increase in International Retail Banking's financial performance, in line with previous quarters. Revenues were 2.7% higher than in Q3 16 (+6.7%*), underpinned by the healthy commercial momentum, while the increase in operating expenses (+0.9%, +4.7%*) reflects investments in fast-growing activities. Gross operating income came to EUR 564 million, up +5.0% (+9.5%*) vs. Q3 16. International Retail Banking's contribution to Group net income amounted to EUR 278 million in Q3 17 (+31.1% vs. Q3 16), due primarily to the decline in the net cost of risk (-51.5% vs. Q3 16).

International Retail Banking's net banking income totalled EUR 3,893 million in 9M 17, up +4.2% (+5.5%*) vs. 9M 16. The contribution to Group net income came to EUR 749 million in 9M 17 vs. EUR 529 million in 9M 16 (+41.6%).

In Western Europe, outstanding loans were up +14.4%* vs. Q3 16, at EUR 17.4 billion, and resulted in revenue growth of +8.2%. In Q3 17, the region's net banking income totalled EUR 198 million and gross operating income EUR 105 million, up 18.0%. The contribution to Group net income came to EUR 53 million, up +35.9% vs. Q3 16.

In the Czech Republic, the commercial momentum continued in Q3 17. Outstanding loans rose +10.5% (+6.2%*), driven by home loans and consumer loans. Outstanding deposits climbed +13.8% (+9.4%*) year-on-year. At EUR 258 million in Q3 17, revenues were slightly higher (+0.4%, -3.1%*), given the persistent low interest rate environment. Over the same period, operating expenses were up +8.1% (+4.3%*) at EUR -134 million, due to an increase in payroll costs in a full employment environment. The contribution to Group net income amounted to EUR 57 million (-14.9% vs. Q3 16, when the contribution to Group net income benefited from the capital gain on the disposal of a payment services subsidiary).

In Romania, the franchise expanded in a buoyant economic environment but in a highly competitive banking sector, with outstanding loans growing +4.9% (+8.3%*) and deposits rising +1.4% (+4.7%*). Outstanding loans totalled EUR 6.7 billion, primarily on the back of the growth in the individual customer and large corporate segments. Deposits totalled EUR 9.3 billion. In this context, net banking income rose +5.3% (+8.0%*). Operating expenses were up +2.5% (+5.1%*), given the investments in the network's transformation. Concerning the net cost of risk, Q3 17 was again marked by provision write-backs, which led to a negative net cost of risk of EUR +10 million. As a result, the BRD group's contribution to Group net income was EUR 31 million; it was EUR 16 million in Q3 16.

In other European countries, outstanding loans were down -15.2% and deposits were down -19.1% vs. Q3 16, due to the disposal of Splitska Banka and Bank Republic. When adjusted for changes in Group structure and at constant exchange rates, outstanding loans and outstanding deposits were up +8.3%* and +9.5%* respectively. In Q3 17, revenues rose +3.1%* when adjusted for changes in Group structure and at constant exchange rates (-22.4% in absolute terms), while operating expenses were down -1.0%* (-24.4% in absolute terms) as a result of the cost control in all countries in the region. The contribution to Group net income came to EUR 35 million (EUR 38 million in Q3 16), with the decline in the net cost of risk (-36.0%) largely offsetting the decline in gross operating income following the disposal of Splitska Banka. Overall, the region's contribution to Group net income was up +32.8%*, when adjusted for changes in Group structure and at constant exchange rates.

In Russia, activity in the individual customer segment continued to expand against the backdrop of a stabilisation in the economic environment. Outstanding loans were up +6.3% (+4.5%*), driven both by corporate loans (+2.1%*) and loans to individual customers (+6.2%*). Outstanding deposits were substantially higher (+15.8%, +15.7%*), both for individual and business customers, contributing to the improvement in the financing cost for the Group's entities in Russia. Net banking income for SG Russia[1] totalled EUR 205 million in Q3 17, up +18.0% (+13.3%*). Operating expenses remained under control at EUR -141 million, +7.0% (+2.8%*) and the net cost of risk was substantially lower at EUR -11 million (-77.8% vs. Q3 16). Overall, SG Russia made a positive contribution to Group net income of EUR 38 million in Q3 17 (corresponding to a RONE of 13%). SG Russia's contribution to Group net income was EUR 7 million in Q3 16.

In Africa and other regions where the Group operates, outstanding loans rose +2.4% (+5.6%* vs. Q3 16) to EUR 18.9 billion, with a healthy commercial momentum in the majority of African operations. Outstanding deposits were up +4.6% (+7.8%*) at EUR 19.0 billion. Net banking income came to EUR 377 million in Q3 17, an increase vs. Q3 16 (+6.5%, +10.3%*). Over the same period, operating expenses rose +8.1% (+11.6%*), accompanying the development of the businesses in the region. The contribution to Group net income came to EUR 71 million in Q3 17, up +29.1% vs. Q3 16.

Insurance

The life insurance savings business saw outstandings climb +16.5% in Q3 17 vs. Q3 16, reflecting the integration of Antarius' life insurance outstandings.

There was further growth in Personal Protection insurance (premiums up +9.8% vs. Q3 16). Likewise, Property/Casualty insurance continued to grow (premiums up +10.5% vs. Q3 16), with substantial growth internationally (+23.2% vs. Q3 16), driven by car and home insurance.

The Insurance business turned in a good financial performance in Q3 17, with net banking income up +14.5% vs. Q3 16 at EUR 253 million (+8.2%* when adjusted for changes in Group structure and at constant exchange rates), and a still low cost to income ratio (35.2% in Q3 17). The contribution to Group net income increased +11.5% in Q3 17 to EUR 107 million.

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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

Financial Services to Corporates

Financial Services to Corporates maintained its commercial momentum in Q3 2017.

Operational Vehicle Leasing and Fleet Management experienced another substantial increase in its vehicle fleet in Q3 17 (+9.8%).

Equipment Finance enjoyed a good level of new business in Q3 17, with an increase of +1.4% (+2.7%*) vs. Q3 16. Outstanding loans were up +3.2% (+4.7%*) vs. Q3 16, at EUR 16.8 billion (excluding factoring), in a highly competitive environment adversely affecting new business margins.

Financial Services to Corporates' net banking income rose +1.4% to EUR 426 million in Q3 17 (-1.1%*). Operating expenses were higher over the period at EUR -218 million (+14.1%, 12.5%*, vs. Q3 16), due to operating and technological investments related to the development of activities. The contribution to Group net income was EUR 130 million, down -17.2% vs. Q3 16, following the disposal of 20.18% of ALD's capital as part of its stock market floatation.

In 9M 17, Financial Services to Corporates' net banking income came to EUR 1,334 million (+9.1%, +3.9%*, vs. 9M 16) and the contribution to Group net income was EUR 459 million (+6.0% vs. 9M 16).

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5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EUR m	Q3 17	Q3 16	Change		9M 17	9M 16	Change	
Net banking income	**1,955**	**2,292**	***-14.7%***	***-12.2%****	**6,770**	**7,084**	***-4.4%***	***-3.4%****
Operating expenses	(1,567)	(1,666)	*-5.9%*	*-3.2%**	(5,216)	(5,136)	*+1.6%*	*+2.6%**
Gross operating income	**388**	**626**	***-38.0%***	***-36.2%****	**1,554**	**1,948**	***-20.2%***	***-18.9%****
Net cost of risk	8	(36)	*n/s*	*n/s*	(16)	(282)	*-94.3%*	*-94.3%**
Operating income	396	590	*-32.9%*	*-30.9%**	1,538	1,666	*-7.7%*	*-6.0%**
Reported Group net income	**316**	**469**	***-32.6%***	***-30.7%****	**1,198**	**1,371**	***-12.6%***	***-11.1%****
RONE	**8.7%**	**12.4%**			**11.0%**	**11.9%**		
Adjusted RONE[1]	**7.0%**	**11.2%**			**11.5%**	**10.4%**		

(1) Adjusted for IFRIC 21 implementation

With net banking income of EUR 1,955 million in Q3 17, Global Banking & Investor Solutions saw its revenues decline -14.7% in Q3 17 vs. Q3 16 (EUR 2,292 million), which benefited from a good level of activity.

The division's net banking income totalled EUR 6,770 million in 9M 17, down -4.4% vs. 9M 16.

Global Markets & Investor Services

Global Markets & Investor Services' net banking income amounted to EUR 1,160 million in Q3 17, down -20.7% vs. Q3 16 and -4.9% vs. 9M 16 at EUR 4,334 million. The first signs of a slowdown observed in Q2 intensified, with sluggish trading activity in August and a late rebound at the end of the quarter. While world markets continued on their upward trend, Q3 was marked primarily by the "wait-and-see" attitude of investors, in conjunction with historically low volatility.

At EUR 496 million in Q3 17 (EUR 1,859 million in 9M 17), the net banking income of **Fixed Income, Currencies & Commodities** declined -27.8% vs. Q3 16 and -7.3% vs. 9M 16, in a lacklustre market, characterised by a low volatility environment and reduced investor activity. In this context, structured products turned in a good performance, confirming the successful expansion of our cross-asset structured products franchise. In contrast, flow product revenues were lower on all underlyings, particularly on Rates, impacted by low volatility, and on Credit, hit by very tight spreads.

The net banking income of **Equities and Prime Services** was down -19.3% vs. Q3 16 and -5% vs. 9M 16.

Equities' net banking income was EUR 359 million in Q3 17 (down -25.5% vs. Q3 16), and EUR 1,470 million in 9M 17 (-7.5% vs. 9M 16). Impacted by historically low volatility, structured product revenues plummeted in Q3 17, despite resilient commercial activity. In this context, flow products also experienced limited activity, particularly on flow derivatives. However, the Group retained its leadership position in this segment (No. 2 globally based on Euronext Global volumes).

Prime Services' net banking income totalled EUR 139 million in Q3 17 (up +3.0% vs. Q3 16) and EUR 491 million in 9M 17 (+4.0% vs. 9M 16). The business continued with the proactive development of its franchises.

Securities Services' assets under custody amounted to EUR 3,955 billion at end-September 2017, down -2.0% year-on-year. Over the same period, assets under administration were up +9.9% at EUR 654 billion. Securities Services' revenues were up +4.4% in Q3 17 vs. Q3 16 at EUR 166 million (and +5.1% vs. 9M 16). The business saw an increase in commissions, particularly on custody and settlement/delivery activity, and benefited from a less unfavourable rate environment.

Financing & Advisory

Financing & Advisory's net banking income came to EUR 569 million, stable vs. Q3 16 (-0.7%), and EUR 1,693 million in 9M 17 (-5.0% vs. 9M 16). Revenues were higher for the Asset Financing division, which benefited from good commercial activity with an increase in volumes, and the Capital Markets division, which maintained the healthy momentum of previous quarters, bolstered primarily by the excellent performance of the securitisation and leveraged finance businesses. Despite a good commercial momentum, reflected in higher origination volumes than last year, the Natural Resources division continued to suffer from a particularly lacklustre commodities market.

Asset and Wealth Management

The net banking income of the **Asset and Wealth Management** business line totalled EUR 226 million in Q3 17, down -11.7% vs. Q3 16. Net banking income was stable at EUR 743 million in 9M 17 (-0.4% vs. 9M 16).

Private Banking's assets under management amounted to EUR 119 billion at end-September 2017. Driven by positive inflow in Q3 17, assets under management were 2.6% higher than at end-December 2016. Net banking income was down -14.9% vs. Q3 16, at EUR 177 million, and -3.1% vs. 9M 16, at EUR 589 million.

Lyxor's assets under management came to EUR 110 billion (+3.8% vs. end-December 2016), underpinned by healthy inflow. Lyxor retained its No. 2 ETF ranking in Europe, with a market share of 10.3% (source ETFGI). Net banking income amounted to EUR 45 million in Q3 17 (+7.1% vs. Q3 16) and EUR 140 million (+19.7% vs. 9M 16), driven by an excellent commercial momentum on ETFs.

Operating expenses

Global Banking & Investor Solutions' operating expenses were down -5.9% in Q3 17 vs. Q3 16. They were up +1.6% in 9M 17 due to a base effect related to the partial refund of the Euribor fine(2) in Q1 16. When restated for this effect, operating expenses were down -2.6% vs. 9M 16, reflecting cost control efforts implemented via the 2015-2017 transformation plan. They more than offset the increase in regulatory constraints. The cost to income ratio stood at 77.0% in 9M 17.

Operating income

Gross operating income came to EUR 388 million (down -38% vs. Q3 16), and EUR 1,554 million (down -20.2% vs. 9M 16).

The net cost of risk remained at a very low level for the fourth consecutive quarter, with a net write-back of EUR +8 million in Q3 17, an improvement compared with EUR -36 million in Q3 16. The net cost of risk was EUR -16 million in 9M 17 (EUR -282 million in 9M 16).

The division's operating income totalled EUR 396 million in Q3 17 (down -32.9% vs. Q3 16) and EUR 1,538 million in 9M 17 (down -7.7% vs. 9M 16).

Net income

The division's contribution to Group net income came to EUR 316 million in Q3 17 (-32.6% vs. Q3 16) and EUR 1,198 million in 9M 17. When restated for the effect of IFRIC 21, the division's RONE amounted to 11.5% in 9M 17 (11.0% in absolute terms).

(2) *Partial refund of the Euribor fine of EUR 218m in Q1 16*

6. CORPORATE CENTRE

In EUR m	Q3 17	Q3 16	9M 17	9M 16
Net banking income	**76**	**(239)**	**(1,161)**	**228**
Net banking income(1)	*23*	*(2)*	*(1,015)*	*532*
Operating expenses	14	27	(66)	30
Gross operating income	90	(212)	(1,227)	258
Gross operating income(1)	*37*	*25*	*(1,081)*	*562*
Net cost of risk	(301)	0	(200)	(191)
Net profits or losses from other assets	72	(15)	279	(26)
Reported Group net income	**(194)**	**(180)**	**(950)**	**(164)**
Group net income(1)	*(232)*	*(25)*	*(846)*	*35*

(1) Adjusted for revaluation of own financial liabilities

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 76 million in Q3 17 (EUR -239 million in Q3 16), and EUR 23 million excluding the revaluation of the Group's own financial liabilities (EUR -2 million in Q3 16).

Gross operating income was EUR 90 million in Q3 17 vs. EUR -212 million in Q3 16. When restated for the revaluation of own financial liabilities, gross operating income amounted to EUR 37 million in Q3 17 (vs. EUR 25 million in Q3 16). When restated for these non-economic items and exceptional items of previous quarters in 2017 and 2016, gross operating income came to EUR -118 million in 9M 17 vs. EUR -163 million in 9M 16. The Corporate Centre's gross operating income, excluding non-economic and exceptional items, is expected to be above EUR -500 million for full-year 2017.

The net cost of risk amounted to EUR -301 million and includes an additional allocation to the provision for disputes of EUR 300 million.

The item "net profits or losses from other assets" amounted to EUR 72 million in Q3 17 and consists mainly of the capital gain on the disposal of SG Fortune for EUR 74 million before inclusion of the tax effect.

The Corporate Centre's contribution to Group net income was EUR -194 million in Q3 17 (EUR -950 million in 9M 17), vs. EUR -180 million in Q3 16 (EUR -164 million in 9M 16). When restated for the impact of the revaluation of own financial liabilities, the Corporate Centre's contribution to Group net income was EUR -232 million in Q3 17 (EUR -846 million in 9M 17) vs. EUR -25 million in Q3 16 (EUR 35 million in 9M 16).

7. CONCLUSION

Societe Generale generated Group net income, excluding non-economic items, of EUR 894 million in Q3 2017. Underlying Group net income increased by 16.9% to EUR 3,616 million in the first nine months of the year.

These results reflect the good performance of International Retail Banking & Financial Services whose commercial momentum continued in all the businesses. French Retail Banking delivered a solid performance, despite the adjustment of hedging costs, and confirmed its revenue and cost guidance for 2017. In a historically low volatility environment, Global Banking & Investor Solutions was affected by the decline in Global Markets.

Moreover, the significant decline in the net cost of risk (excluding provision for disputes) illustrates the Group’s intention to maintain a rigorous risk management policy.

Societe Generale will present its strategic plan on November 28th.

8. 2017-2018 FINANCIAL CALENDAR

2017-2018 financial communication calendar

November 28th, 2017	Presentation of the strategic plan – Investor Day
February 8th, 2018	Fourth quarter and FY 2017 results
May 4th, 2018	First quarter 2018 results
August 2nd, 2018	Second quarter and first half 2018 results
November 8th, 2018	Third quarter 2018 results

6. APPENDIX 1: FINANCIAL DATA

CONSOLIDATED INCOME STATEMENT

In M EUR	9M 17	9M 16	Change		Q3 17	Q3 16	Change	
Net banking income	17,631	19,169	-8.0%	-8.2%*	5,958	6,010	-0.9%	+0.5%*
Operating expenses	(12,814)	(12,419)	+3.2%	+3.4%*	(4,001)	(4,016)	-0.4%	+1.5%*
Gross operating income	**4,817**	**6,750**	**-28.6%**	**-29.5%***	**1,957**	**1,994**	**-1.9%**	**-1.4%***
Net cost of risk	(880)	(1,605)	-45.2%	-47.0%*	(512)	(417)	+22.8%	+24.6%*
Operating income	**3,937**	**5,145**	**-23.5%**	**-24.0%***	**1,445**	**1,577**	**-8.4%**	**-8.3%***
Net profits or losses from other assets	317	50	x 6.3	x 6.2	72	62	+16.1%	+16.5%*
Net income from companies accounted for by the equity method	86	101	-14.9%	+17.0%*	36	33	+9.1%	+77.2%*
Impairment losses on goodwill	1	0	n/s	n/s	0	0	n/s	n/s
Income tax	(1,150)	(1,461)	-21.3%	-22.0%*	(459)	(450)	+2.0%	+2.2%*
Net income	**3,191**	**3,835**	**-16.8%**	**-16.5%***	**1,094**	**1,222**	**-10.5%**	**-9.5%***
O.w. non-controlling interests	454	351	+29.3%	+20.5%*	162	123	+31.7%	+10.0%*
Group net income	**2,737**	**3,484**	**-21.4%**	**-20.3%***	**932**	**1,099**	**-15.2%**	**-11.7%***
Tier 1 ratio at the end of period	14.3%	14.3%			14.3%	14.3%		

* *When adjusted for changes in Group structure and at constant exchange rates*

GROUP NET INCOME AFTER TAX BY CORE BUSINESS

In M EUR	9M 17	9M 16	Change	Q3 17	Q3 16	Change
French Retail Banking	988	1,084	-8.9%	310	353	-12.2%
International Retail Banking and Financial Services	1,501	1,193	+25.8%	500	457	+9.4%
Global Banking and Investor Solutions	1,198	1,371	-12.6%	316	469	-32.6%
Core Businesses	3,687	3,648	+1.1%	1,126	1,279	-12.0%
Corporate Centre	(950)	(164)	n/s	(194)	(180)	-7.8%
Group	2,737	3,484	-21.4%	932	1,099	-15.2%

CONSOLIDATED BALANCE SHEET

Assets - in EUR bn	30.09.2017	31.12.2016
Cash, due from central banks	96.6	96.2
Financial assets measured at fair value through profit and loss	490.1	514.7
Hedging derivatives	14.5	18.1
Available-for-sale financial assets	141.6	139.4
Due from banks	67.2	59.5
Customer loans	412.2	426.5
Revaluation differences on portfolios hedged against interest rate risk	0.7	1.1
Held-to-maturity financial assets	3.5	3.9
Tax assets	6.2	6.4
Other assets	77.2	84.8
Non-current assets held for sale	0.0	4.3
Investments in subsidiaries and affiliates accounted for by equity method	0.8	1.1
Tangible and intangible fixed assets	23.2	21.8
Goodwill	4.9	4.5
Total	**1,338.7**	**1,382.2**

Liabilities - in EUR bn	30.09.2017	31.12.2016
Due to central banks	10.9	5.2
Financial liabilities measured at fair value through profit and loss	427.6	455.6
Hedging derivatives	7.0	9.6
Due to banks	87.6	82.6
Customer deposits	396.7	421.0
Securitised debt payables	99.0	102.2
Revaluation differences on portfolios hedged against interest rate risk	6.5	8.5
Tax liabilities	1.7	1.4
Other liabilities	87.1	94.2
Non-current liabilities held for sale	0.0	3.6
Underwriting reserves of insurance companies	130.4	112.8
Provisions	5.5	5.7
Subordinated debt	13.8	14.1
Shareholders' equity	60.3	62.0
Non-controlling interests	4.5	3.8
Total	**1,338.7**	**1,382.2**

NB. Customer loans include lease financing.

10. APPENDIX 2: METHODOLOGY

1 – The Group's consolidated results as at September 30th, 2017 were approved by the Board of Directors on November 2nd, 2017.

The financial information presented in respect of Q3 and first nine months of the year ending September 30th, 2017 has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and has not been audited.

2 – Net banking income

The pillars' net banking income is defined on page 44 of Societe Generale's 2017 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 notes 5 and 8.2 to the Group's consolidated financial statements as at December 31st, 2016 (pages 381 et seq. and page 401 of Societe Generale's 2017 Registration Document). The term "costs" is also used to refer to Operating Expenses.

The **Cost/Income Ratio** is defined on page 44 of Societe Generale's 2017 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.

The corrections made in this respect to operating expenses for the different business divisions and the Group for the first nine months of 2017 are reiterated below:

	French Retail Banking		International Retail Banking and Financial Services		Global Banking and Investor Solutions		Corporate Centre		Group	
In EUR m	**9M 17**	**9M 16**	**9M 17**	**9M 16**	**9M 17**	**9M 16**	**9M 17**	**9M 16**	**9M 17**	**9M 16**
Total IFRIC 21 Impact - costs	**(103)**	**(85)**	**(136)**	**(126)**	**(349)**	**(261)**	**(39)**	**(49)**	**(626)**	**(523)**
o/w Resolution Funds	*(55)*	*(34)*	*(52)*	*(34)*	*(263)*	*(160)*	*10*	*(5)*	*(360)*	*(232)*

5 – Restatements and other significant items for the period – Transition from accounting data to underlying data

Non-economic items correspond to the revaluation of the Group's own financial liabilities and the debt value adjustment on derivative instruments (DVA). These two factors constitute the restated non-economic items in the analyses of the Group's results. They lead to the recognition of self-generated earnings reflecting the market's evaluation of the counterparty risk related to the Group. They are also restated in respect of the Group's earnings for prudential ratio calculations.

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.

Details of these items, as well as the other items that are the subject of a one-off or recurring restatement (exceptional items), are provided below, given that, in the table below, the items marked with one asterisk (*) are the non-economic items and the items marked with two asterisks (**) are the exceptional items.

The reconciliation enabling the transfer from accounting data to underlying data is set out below.

In EUR m	Q3 17	Q3 16	Change	9M 17	9M 16	Change
Net Banking Income	**5,958**	**6,010**	**-0.9%**	**17,631**	**19,169**	**-8.0%**
*Reevaluation of own financial liabilities**	*53*	*(237)*		*(146)*	*(304)*	
*DVA**	*(0)*	*(4)*		*(6)*	*(3)*	
*Visa transaction***					*725*	
*LIA settlement***				*(963)*		
*Adjustment of hedging costs***	*(88)*			*(88)*		
Underlying Net Banking Income	**5,993**	**6,251**	**-4.1%**	**18,834**	**18,751**	***+0.4%***
Operating expenses	**(4,001)**	**(4,016)**	**-0.4%**	**(12,814)**	**(12,419)**	**+3.2%**
IFRIC 21	*(157)*	*(131)*		*157*	*131*	
*Euribor fine refund***					*218*	
Underlying Operating expenses	**(4,158)**	**(4,147)**	**+0.3%**	**(12,657)**	**(12,506)**	**+1.2%**
Net cost of risk	**(512)**	**(417)**	***+22.8%***	**(880)**	**(1,605)**	***-45.2%***
*Provision for disputes***	*(300)*			*(600)*	*(200)*	
*LIA settlement***				*400*		
Underlying Net cost of risk	**(212)**	**(417)**	***-49.2%***	**(680)**	**(1,405)**	**-51.6%**
Net profit or losses from other assets	**72**	**62**	***+16.1%***	**317**	**50**	***n/s***
*Change in consolidation method of Antarius***				*203*		
*SG Fortune disposal***	*74*			*74*		
Underlying Net profits or losses from other assets	**(2)**	**62**	***n/s***	**40**	**50**	***n/s***
Group net income	**932**	**1,099**	***-15.2%***	**2,737**	**3,484**	***-21.4%***
Effect in Group net income of non-economic and exceptional items and IFRIC 21	*(147)*	*(69)*		*(879)*	*390*	
Underlying Group net income	**1,079**	**1,168**	***-7.7%***	**3,616**	**3,094**	***+16.9%***

* Non-economic items

** Exceptional items

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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 46 and 528 of Societe Generale's 2017 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)	Q3 17	Q3 16	9M 17	9M 16
French Retail Banking	Net Cost of Risk	104	172	389	495
	Gross loan outstandings	195,243	189,232	191,061	188,244
	Cost of Risk in bp	21	36	27	35
International Retail Banking and Financial Services	Net Cost of Risk	105	201	257	602
	Gross loan outstandings	125,914	120,348	125,259	117,656
	Cost of Risk in bp	33	67	27	68
Global Banking and Investor Solutions	Net Cost of Risk	(7)	36	16	280
	Gross loan outstandings	137,907	156,888	148,650	146,276
	Cost of Risk in bp	(2)	9	1	26
Societe Generale Group	Net Cost of Risk	201	409	662	1,367
	Gross loan outstandings	467,995	479,068	472,862	464,323
	Cost of Risk in bp	17	34	19	39

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, RONE

The notion of ROE, as well as the methodology for calculating it, are specified on page 47 of Societe Generale's 2017 Registration Document. This measure makes it possible to assess Societe Generale's return on 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 47 of Societe Generale's Registration Document.

Calculation of the Group's ROE (*Return on Equity*)

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

Symmetrically, Group net income used for the ratio numerator is book Group net income adjusted for "interest, net of tax payable to holders of 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).

End of period	9M 17	2016	9M 16
Shareholders' equity Group share	**60,254**	**61,953**	**60,886**
Deeply subordinated notes	(9,082)	(10,663)	(10,232)
Undated subordinated notes	(272)	(297)	(372)
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	(154)	(171)	(178)
Unrealised gains/losses booked under shareholders' equity, excluding conversion reserves	(1,082)	(1,273)	(1,493)
Dividend provision	(1,321)	(1,759)	(1,675)
ROE equity	**48,342**	**47,790**	**46,936**
Average ROE equity	**48,132**	**46,531**	**46,253**

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

	Q3 17	Q3 16	9M 17	9M 16
French Retail Banking	**11,227**	10,915	**11,020**	10,542
International Retail Banking and Financial Services	**11,099**	10,887	**11,200**	10,625
Global Banking and Investor Solutions	**14,479**	15,082	**14,584**	15,342

8 – Net assets and tangible net assets are defined in the methodology, page 49 of the Group's 2017 Registration Document ("Net Assets"). The items used to calculate them are presented below.

End of period	9M 17	2016	9M 16
Shareholders' equity Group share	**60,254**	**61,953**	**60,886**
Deeply subordinated notes	(9,082)	(10,663)	(10,232)
Undated subordinated notes	(272)	(297)	(372)
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	(154)	(171)	(178)
Book value of own shares in trading portfolio	181	75	47
Net Asset Value	**50,926**	**50,897**	**50,151**
Goodwill	5,028	4,709	4,798
Net Tangible Asset Value	**45,899**	**46,188**	**45,353**
Number of shares used to calculate NAPS**	**800,848**	**799,462**	**799,217**
NAPS (in EUR)**	**63.6**	**63.7**	**62.8**
Net Tangible Asset Value per share (EUR)	**57.3**	**57.8**	**56.7**

*** The number of shares considered is the number of ordinary shares outstanding as at September 30th, 2017, 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.

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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 48 of Societe Generale's 2017 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 48 of Societe Generale's 2017 Registration Document, the Group also publishes EPS adjusted for the impact of non-economic items presented in methodology note No. 5.

The number of shares used for the calculation is as follows:

Average number of shares (thousands)	**9M 17**	**2016**	**9M 16**
Existing shares	**807,714**	**807,293**	**807,188**
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	4,892	4,294	4,116
Other own shares and treasury shares	2,343	4,232	4,478
Number of shares used to calculate EPS	**800,478**	**798,768**	**798,594**
Group net income	**2,737**	**3,874**	**3,484**
Interest, net of tax on deeply subordinated notes and undated subordinated notes	(349)	(472)	(337)
Capital gain net of tax on partial buybacks	0	0	0
Adjusted Group net income	**2,388**	**3,402**	**3,147**
EPS (in EUR)	**2.98**	**4.26**	**3.94**
EPS* (in EUR)	**3.12**	**4.55**	**4.19**

** Adjusted for revaluation of own financial liabilities and DVA*

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.

Societe Generale

Societe Generale is one of the largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognised on its markets, close to clients, chosen for the quality and commitment of its teams.

Societe Generale has been playing a vital role in the economy for 150 years. With more than 145,000 employees, based in 66 countries, we serve on a daily basis 31 million clients throughout the world. Societe Generale's teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- **Retail banking in France** with the Societe Generale branch network, Crédit du Nord and Boursorama, offering a comprehensive range of multi-channel financial services at the leading edge of digital innovation;
- **International retail banking, insurance and financial services to corporates** with a presence in developing economies and leading specialised businesses;
- **Corporate and investment banking, private banking, asset management and securities services**, with recognised expertise, top international rankings and integrated solutions.

Societe Generale is currently included in the main sustainability indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), Ethibel Sustainability Index (ESI) Excellence Europe, 4 of the STOXX ESG Leaders indices, MSCI Low Carbon Leaders Index.

For more information, you can follow us on twitter @societegenerale or visit our website www.societegenerale.com