

30.06.2016

CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures)

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET - ASSETS

<i>(In millions of euros)</i>		30.06.2016	31.12.2015
Cash, due from central banks		105,887	78,565
Financial assets at fair value through profit or loss	Notes 3.1 and 3.3	560,281	519,333
Hedging derivatives		22,835	16,538
Available-for-sale financial assets	Notes 3.2 and 3.3	145,336	134,187
Due from banks	Notes 3.4 and 3.8	79,723	71,682
Customer loans	Notes 3.4 and 3.8	420,083	405,252
Revaluation differences on portfolios hedged against interest rate risk		3,242	2,723
Held-to-maturity financial assets	Note 3.8	4,107	4,044
Tax assets		6,339	7,367
Other assets	Note 4.2	85,635	69,398
Non-current assets held for sale		88	171
Investments accounted for using the equity method		1,132	1,352
Tangible and intangible fixed assets		20,909	19,421
Goodwill		4,646	4,358
Total		1,460,243	1,334,391

CONSOLIDATED BALANCE SHEET - LIABILITIES

<i>(In millions of euros)</i>		30.06.2016	31.12.2015
Due to central banks		8,155	6,951
Financial liabilities at fair value through profit or loss	Notes 3.1 and 3.3	522,469	454,981
Hedging derivatives		13,708	9,533
Due to banks	Notes 3.5 and 3.8	104,069	95,452
Customer deposits	Notes 3.5 and 3.8	400,490	379,631
Debt securities issued	Notes 3.5 and 3.8	105,149	106,412
Revaluation differences on portfolios hedged against interest rate risk		11,152	8,055
Tax liabilities		1,109	1,571
Other liabilities	Note 4.2	100,860	83,083
Non-current liabilities held for sale		191	526
Underwriting reserves of insurance companies	Note 8.2	111,353	107,257
Provisions	Note 8.2	5,761	5,218
Subordinated debt	Note 3.8	13,764	13,046
Total liabilities		1,398,230	1,271,716
SHAREHOLDERS' EQUITY			
Shareholders' equity, Group share			
Issued common stocks, equity instruments and capital reserves		29,265	29,537
Retained earnings		25,859	23,905
Net income		2,385	4,001
Sub-total		57,509	57,443
Unrealised or deferred capital gains and losses		966	1,594
Sub-total equity, Group share		58,475	59,037
Non-controlling interests		3,538	3,638
Total equity		62,013	62,675
Total		1,460,243	1,334,391

CONSOLIDATED INCOME STATEMENT

<i>(In millions of euros)</i>		1st half of 2016	2015	1st half of 2015
Interest and similar income	Note 3.6	12,442	25,431	12,523
Interest and similar expense	Note 3.6	(7,517)	(16,125)	(7,979)
Fee income	Note 4.1	5,114	10,144	4,982
Fee expense	Note 4.1	(1,764)	(3,466)	(1,541)
Net gains and losses on financial transactions		3,778	8,224	4,606
<i>o/w net gains and losses on financial instruments at fair value through profit or loss</i>	Note 3.1	2,863	7,275	3,915
<i>o/w net gains and losses on available-for-sale financial assets⁽¹⁾</i>	Note 3.2	915	949	691
Income from other activities		20,969	53,324	28,452
Expenses from other activities		(19,863)	(51,893)	(27,821)
Net banking income		13,159	25,639	13,222
Personnel expenses	Note 5	(4,688)	(9,476)	(4,819)
Other operating expenses ⁽²⁾		(3,259)	(6,477)	(3,296)
Amortisation, depreciation and impairment of tangible and intangible fixed assets		(456)	(940)	(451)
Gross operating income		4,756	8,746	4,656
Cost of risk	Note 3.7	(1,188)	(3,065)	(1,337)
Operating income		3,568	5,681	3,319
Net income from investments accounted for using the equity method		68	231	110
Net income/expense from other assets		(12)	197	(41)
Impairment losses on goodwill		-	-	-
Earnings before tax		3,624	6,109	3,388
Income tax	Note 6	(1,011)	(1,714)	(967)
Consolidated net income		2,613	4,395	2,421
Non-controlling interests		228	394	202
Net income, Group share		2,385	4,001	2,219
Earnings per ordinary share	Note 7.2	2.71	4.49	2.54
Diluted earnings per ordinary share	Note 7.2	2.71	4.49	2.54

(1) This amount now includes dividend income.

(2) This amount includes, for the first half of 2016, EUR 218 million for reduction of the fine paid in December 2013 in the Euribor case.

STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

<i>(In millions of euros)</i>	1st half of 2016	2015	1st half of 2015
Net income	2,613	4,395	2,421
Unrealised or deferred gains and losses that will be reclassified subsequently into income	(675)	1,059	588
Translation differences ⁽¹⁾	(478)	797	782
Available-for-sale financial assets	(203)	425	(54)
<i>Revaluation differences</i>	566	703	636
<i>Reclassified into income</i>	(769)	(278)	(690)
Hedging derivatives	75	(174)	(218)
<i>Revaluation differences</i>	77	(171)	(215)
<i>Reclassified into income</i>	(2)	(3)	(3)
Unrealised gains and losses of entities accounted for using the equity method and that will be reclassified subsequently into income	(1)	(117)	23
Tax on items that will be reclassified subsequently into income	(68)	128	55
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	(231)	80	148
Actuarial gains and losses on post-employment defined benefit plans	(343)	125	221
Tax on items that will not be reclassified subsequently into income	112	(45)	(73)
Total unrealised or deferred gains and losses	(906)	1,139	736
Net income and unrealised or deferred gains and losses	1,707	5,534	3,157
<i>o/w Group share</i>	1,526	5,148	2,990
<i>o/w non-controlling interests</i>	181	386	167

(1) The variation in translation differences amounted to EUR -478 million and consisted of:

- EUR -460 million variation in Group translation differences, mainly due to the appreciation of the euro against the US dollar (EUR -293 million), the pound sterling (EUR -259 million), partially offset by the depreciation of the euro against the Japanese yen (EUR +66 million) and the Russian rouble (EUR +59 million);

- EUR -18 million variation in translation differences attributable to non-controlling interests.

CHANGES IN SHAREHOLDERS' EQUITY

<i>(In millions of euros)</i>	Capital and associated reserves					Retained earnings	Net income, Group share
	Issued common stocks	Issuing premium and capital reserves	Elimination of treasury stock	Other equity instruments	Total		
Shareholders' equity at 1st January 2015	1,007	20,141	(731)	9,069	29,486	25,216	-
Increase in common stock	1				1	(1)	
Elimination of treasury stock			246		246	329	
Issuance / Redemption of equity instruments				(1,408)	(1,408)	118	
Equity component of share-based payment plans		38			38		
1st half of 2015 Dividends paid					-	(1,301)	
Effect of acquisitions and disposals on non-controlling interests					-	(85)	
Sub-total of changes linked to relations with shareholders	1	38	246	(1,408)	(1,123)	(940)	
Unrealised or deferred gains and losses					-	148	
Other changes					-	(10)	
1st half of 2015 Net income for the period					-		2,219
Sub-total	-	-	-	-	-	138	2,219
Change in equity of associates and joint ventures accounted for using the equity method					-		
Shareholders' equity at 30th June 2015	1,008	20,179	(485)	7,661	28,363	24,414	2,219
Increase in common stock		4			4		
Elimination of treasury stock			36		36	(178)	
Issuance / Redemption of equity instruments				1,111	1,111	111	
Equity component of share-based payment plans		23			23		
2nd half of 2015 Dividends paid					-	(357)	
Effect of acquisitions and disposals on non-controlling interests					-	(10)	
Sub-total of changes linked to relations with shareholders	-	27	36	1,111	1,174	(434)	
Unrealised or deferred gains and losses					-	(68)	
Other changes					-	(7)	
2nd half of 2015 Net income for the period					-		1,782
Sub-total	-	-	-	-	-	(75)	1,782
Change in equity of associates and joint ventures accounted for using the equity method					-		
Shareholders' equity at 31st December 2015	1,008	20,206	(449)	8,772	29,537	23,905	4,001
Appropriation of net income						4,001	(4,001)
Shareholders' equity at 1st January 2016	1,008	20,206	(449)	8,772	29,537	27,906	-
Increase in common stock (see Note 7.1)	1				1	(1)	
Elimination of treasury stock (see Note 7.1)			50		50	(29)	
Issuance / Redemption of equity instruments				(356)	(356)	130	
Equity component of share-based payment plans		33			33		
1st half of 2016 Dividends paid (see Note 7.2)					-	(1,921)	
Effect of acquisitions and disposals on non-controlling interests					-	5	
Sub-total of changes linked to relations with shareholders	1	33	50	(356)	(272)	(1,816)	
Unrealised or deferred gains and losses					-	(231)	
Other changes					-		
1st half of 2016 Net income for the period					-		2,385
Sub-total	-	-	-	-	-	(231)	2,385
Change in equity of associates and joint ventures accounted for using the equity method					-		
Shareholders' equity at 30th June 2016	1,009	20,239	(399)	8,416	29,265	25,859	2,385

Unrealised or deferred gains and losses (net of tax) that will be reclassified subsequently into income

Non-controlling interests

Translation reserves	Change in fair value of assets available-for-sale		Change in fair value of hedging derivatives	Non-controlling interests					Total consolidated shareholders' equity
	Change in fair value of assets available-for-sale	Change in fair value of hedging derivatives		Shareholders' equity, Group share	Capital and Reserves	Other Equity instruments issued by subsidiaries	Unrealised or deferred gains and losses	Total	
(757)	1,027	257	527	55,229	2,778	800	67	3,645	58,874
			-	-				-	-
			-	575				-	575
			-	(1,290)				-	(1,290)
			-	38				-	38
			-	(1,301)	(231)			(231)	(1,532)
			-	(85)	(128)			(128)	(213)
-	-	-	-	(2,063)	(359)	-	-	(359)	(2,422)
757	68	(217)	608	756			(35)	(35)	721
			-	(10)	4			4	(6)
			-	2,219	202			202	2,421
757	68	(217)	608	2,965	206	-	(35)	171	3,136
	15	-	15	15				-	15
-	1,110	40	1,150	56,146	2,625	800	32	3,457	59,603
			-	4				-	4
			-	(142)				-	(142)
			-	1,222				-	1,222
			-	23				-	23
			-	(357)	(2)			(2)	(359)
			-	(10)	(40)			(40)	(50)
-	-	-	-	740	(42)	-	-	(42)	698
12	488	47	547	479			27	27	506
			-	(7)	4			4	(3)
			-	1,782	192			192	1,974
12	488	47	547	2,254	196	-	27	223	2,477
	(103)		(103)	(103)				-	(103)
12	1,495	87	1,594	59,037	2,779	800	59	3,638	62,675
			-	-				-	-
12	1,495	87	1,594	59,037	2,779	800	59	3,638	62,675
			-	-				-	-
			-	21				-	21
			-	(226)				-	(226)
			-	33				-	33
			-	(1,921)	(276)			(276)	(2,197)
			-	5	(5)			(5)	-
-	-	-	-	(2,088)	(281)	-	-	(281)	(2,369)
(460)	(263)	96	(627)	(858)			(47)	(47)	(905)
			-	-				-	-
			-	2,385	228			228	2,613
(460)	(263)	96	(627)	1,527	228	-	(47)	181	1,708
	(1)		(1)	(1)				-	(1)
(448)	1,231	183	966	58,475	2,726	800	12	3,538	62,013

CASH FLOW STATEMENT

<i>(In millions of euros)</i>	1st half of 2016	2015	1st half of 2015
Net income (I)	2,613	4,395	2,421
Amortisation expense on tangible fixed assets and intangible assets (including operational leasing)	1,882	3,597	1,776
Depreciation and net allocation to provisions	3,416	4,507	3,705
Net income/loss from investments accounted for using the equity method	(68)	(231)	(110)
Change in deferred taxes	286	651	114
Net income from the sale of long-term available-for-sale assets and subsidiaries	(698)	(337)	(56)
Change in deferred income	85	44	203
Change in prepaid expenses	(229)	150	(91)
Change in accrued income	(472)	672	(259)
Change in accrued expenses	(916)	(158)	(37)
Other changes	881	3,747	1,295
Non-cash items included in net income and other adjustments not including income on financial instruments at fair value through Profit or Loss (II)	4,167	12,642	6,540
Income on financial instruments at fair value through Profit or Loss ⁽¹⁾	(2,863)	(7,275)	(3,915)
Interbank transactions	6,329	14,659	13,126
Customers transactions	4,158	(5,724)	(791)
Transactions related to other financial assets and liabilities	16,337	(1,541)	6,011
Transactions related to other non financial assets and liabilities	3,220	3,959	625
Net increase/decrease in cash related to operating assets and liabilities (III)	27,181	4,078	15,056
NET CASH INFLOW (OUTFLOW) RELATED TO OPERATING ACTIVITIES (A) = (I) + (II) + (III)	33,961	21,115	24,017
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long-term investments	1,053	1,997	143
Net cash inflow (outflow) related to tangible and intangible fixed assets	(2,110)	(4,502)	(2,628)
NET CASH INFLOW (OUTFLOW) RELATED TO INVESTMENT ACTIVITIES (B)	(1,057)	(2,505)	(2,485)
Cash flow from/to shareholders	(2,404)	(1,522)	(2,247)
Other net cash flows arising from financing activities	322	4,404	2,970
NET CASH INFLOW (OUTFLOW) RELATED TO FINANCING ACTIVITIES (C)	(2,082)	2,882	723
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	30,822	21,492	22,255
Net balance of cash accounts and accounts with central banks	71,615	52,458	52,458
Net balance of accounts, demand deposits and loans with banks	11,193	8,858	8,858
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	82,808	61,316	61,316
Net balance of cash accounts and accounts with central banks	97,731	71,615	64,166
Net balance of accounts, demand deposits and loans with banks	15,898	11,193	19,405
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	113,629	82,808	83,571
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS	30,821	21,492	22,255

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING PRINCIPLES

1. INTRODUCTION

The condensed interim consolidated financial statements for the Societe Generale Group ("the Group") for the six-month period ending 30 June 2016 were prepared and are presented in accordance with IAS (International Accounting Standards) 34 "Interim Financial Reporting". The accompanying notes therefore relate to events and transactions that are significant to an understanding of changes in the financial position and performance of the Group during the period. These notes should be read in conjunction with the audited consolidated financial statements for the year ending 31 December 2015 included in the Registration document for the year 2015.

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

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

2. NEW ACCOUNTING STANDARDS APPLIED BY THE GROUP

In preparing the condensed interim consolidated financial statements, the Group applied the same accounting principles and methods as for its 2015 year-end consolidated financial statements, which were drawn up in compliance with the IFRS (International Financial Reporting Standards) as adopted by the European Union and described in the notes to the 2015 consolidated financial statements, updated by the following amendments applied by the Group since 1 January 2016.

AMENDMENTS TO IFRS APPLIED BY THE GROUP AS OF 1 JANUARY 2016

Accounting standards or Interpretations	IASB Publication date	European Union Adoption date
Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions"	21 November 2013	17 December 2014
Annual Improvements to IFRSs (2010-2012)	12 December 2013	17 December 2014
Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	6 May 2014	24 November 2015
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"	12 May 2014	2 December 2015
Annual Improvements to IFRSs (2012-2014)	25 September 2014	15 December 2015
Amendments to IAS 1 "Disclosure Initiative"	18 December 2014	18 December 2015

The application of these amendments and improvements has no significant impact on the Group's net income and equity.

AMENDMENTS TO IAS 19 "DEFINED BENEFIT PLANS: EMPLOYEE CONTRIBUTIONS"

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

ANNUAL IMPROVEMENTS TO IFRSs (2010-2012) AND (2012-2014)

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

AMENDMENTS TO IFRS 11 “ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS”

These amendments clarify the accounting for the acquisition of an interest in a joint operation when the operation constitutes a business as defined in IFRS 3 “Business combinations”. It requires the application of all IFRS 3 principles to the acquisition of this interest.

AMENDMENTS TO IAS 16 AND IAS 38 “CLARIFICATION OF ACCEPTABLE METHODS OF DEPRECIATION AND AMORTISATION”

In these amendments, the IASB clarifies that using a revenue-based method to calculate the depreciation and the amortisation of an asset is not appropriate, with few exceptions.

AMENDMENTS TO IAS 1 “DISCLOSURE INITIATIVE”

These amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. The IASB clarifies that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

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

Not all of the accounting standards published by the IASB were adopted by the European Union as of 30 June 2016. These accounting standards and interpretations are required to be applied from annual periods beginning on 1 January 2017 at the earliest or on the date of their adoption by the European Union. Therefore they were not applied by the Group as of 30 June 2016.

Accounting standards or Interpretations	IASB Publication date	Effective date: annual periods beginning on or after
IFRS 9 “Financial Instruments”	24 July 2014	1 January 2018
IFRS 15 “Revenue from Contracts with Customers”	28 May 2014	1 January 2018
IFRS 16 “Leases”	13 January 2016	1 January 2019
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealised Losses”	19 January 2016	1 January 2017
Amendments to IAS 7 “Disclosure Initiative”	29 January 2016	1 January 2017
Clarifications to IFRS 15 “Revenue from Contracts with Customers”	12 April 2016	1 January 2018
Amendments to IFRS 2 “Classification and Measurement of Share-based Payment Transactions”	20 June 2016	1 January 2018

IFRS 9 “FINANCIAL INSTRUMENTS”

This standard aims to replace IAS 39. IFRS 9 determines new requirements for classifying and measuring financial assets and financial liabilities, the new credit risk impairment methodology for financial assets, and hedge accounting treatment, except macro hedge accounting, which is currently being developed by the IASB as a separate project.

Subject to its adoption by the European Union, IFRS 9 will be applicable to accounting periods beginning on or after 1 January 2018, replacing the accounting principles currently applied for financial instruments.

Organisation of IFRS 9 implementation

In 2013, the Group began preliminary assessments to determine the potential consequences of the future IFRS 9 standard. As soon as IFRS 9 was published in July 2014, the Group set up a special structure in its Risk and Finance functions to organise the work necessary to implement the new standard and to be ready to apply it on 1 January 2018.

During the first half of 2016, the Group continued its review of its portfolios of financial assets to determine their future accounting treatment under IFRS 9. Furthermore, the Group is also finalising the calibration and review for approval of its framework methodology defining the rules for assessing the deterioration of credit risk and for determining 12-month and lifetime expected credit losses, including forward looking assessments.

Planning studies for adapting information systems and processes are also on-going, and some IT developments have been launched.

At this point in the IFRS 9 implementation programme, the quantified impact of its application cannot be reasonably estimated.

IFRS 15 “REVENUE FROM CONTRACTS WITH CUSTOMERS” AND RELATED CLARIFICATIONS

This standard sets out the requirements for recognising revenue that apply to all contracts with customers. To recognise revenue, the following five steps must be applied: identification of the contract with the customer, identification of the performance obligations arising from the contract, determination of the transaction price, allocation of the transaction price to each performance obligation and revenue recognition when a performance obligation has been satisfied.

Amendments will also clarify the implementation of IFRS 15, especially for identification of performance obligations, determination whether a company is a principal or an agent, and licences on intellectual property.

The Group is currently analysing the impact of this standard on its net income and equity.

IFRS 16 “LEASES”

This new standard modifies accounting requirements for leases, and more specifically in relation to the lessees' financial statements. The identification process for a lease is modified in order to differentiate the accounting treatment for leases from that applicable to service contracts. For all lease agreements, the new standard requires the lessee to recognise the right of use of the leased item as an asset in its balance sheet, and its required lease payments as a liability. In its income statement, the lessee shall separately recognise the depreciation of the lease assets and the interest expense on lease liabilities.

AMENDMENTS TO IAS 12 “RECOGNITION OF DEFERRED TAX ASSETS FOR UNREALISED LOSSES”

These amendments clarify how to account for deferred tax assets related to unrealized losses on debt instruments measured at fair value.

AMENDMENTS TO IAS 7 “DISCLOSURE INITIATIVE”

These amendments will help to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes.

AMENDMENTS TO IFRS 2 “CLASSIFICATION AND MEASUREMENT OF SHARE-BASED PAYMENT TRANSACTIONS”

These amendments clarify how to account for certain types of share-based payment transactions: modeling vesting conditions regardless of settlement method, impacts of tax withholdings on share-based payment transactions, accounting treatment of modifications that changes the classification of the share-based payment transactions

3. 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, Management makes assumptions and estimates that may have an impact on figures recorded in the income statement or in unrealised or deferred gains and losses, on the valuation of assets and liabilities in the balance sheet, and on information disclosed in the notes to the consolidated financial statements.

In order to make these assumptions and estimates, Management uses information that is available when the consolidated financial statements are prepared, 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 principally used for determining fair value of financial instruments and assessing the impairment of assets, provisions recognised under liabilities (in particular, provisions for disputes in a complex legal environment), deferred tax assets recognised in the balance sheet and goodwill determined for each business combination.

4. VISA EUROPE'S TAKEOVER BY VISA INC.

After approval by the appropriate European authorities, Visa Europe's takeover by Visa Inc., signed on 2 November 2015, was settled on 21 June 2016. The unlisted Visa Europe shares held by the Group and recorded under *Available-for-sale financial assets* have been sold against the receipt of a payment which includes three components: an upfront cash payment, a deferred cash payment, and Visa Inc. preference shares. These preference shares will be convertible into ordinary shares over a period of 4 to 12 years, subject to conditional terms; they are not listed and their transferability is limited. To assess the value of these preference shares, the Group took into account their illiquidity and the factors that will be used to determine the final conversion rate into ordinary Visa Inc. shares, using estimates and assumptions similar to those made for the valuation of Visa Europe shares on 31 December 2015. This sale resulted in a gain of EUR 725 million recognised under *Net gains and losses on available-for-sale financial assets* (Group's share after tax: EUR 662 million).

NOTE 2 - CONSOLIDATION

CHANGES IN 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 material 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 2016, compared with the scope applicable at the closing date of 31 December 2015, are as follows:

- **PARCOURS**

On 3 May 2016, ALD Automotive acquired Parcours Group, a subsidiary of Wendel, located in Europe, and mainly in France. This acquisition gives ALD Automotive the opportunity to strengthen its position with SMEs and very small companies, and to accelerate its growth in the long-term leasing business in France.

- **KLEINWORT BENSON**

On 6 June 2016, Societe Generale Private Banking Hambros acquired Kleinwort Benson Bank Limited and Kleinwort Benson Channel Islands Holdings Limited. These acquisitions reflect Societe Generale's growth strategy in Private Banking in its core markets, and are aligned with its ambition to be the relationship-focused private bank of reference.

NOTE 3 - FINANCIAL INSTRUMENTS

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

<i>(In millions of euros)</i>	30.06.2016		31.12.2015	
	Assets	Liabilities	Assets	Liabilities
Trading portfolio	503,314	461,139	462,775	400,931
Financial instruments measured using the fair value option through profit or loss	56,967	61,330	56,558	54,050
Total	560,281	522,469	519,333	454,981
<i>o/w securities purchased/sold under resale/repurchase agreements</i>	168,497	155,443	136,157	141,265

1. TRADING BOOK

ASSETS

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Bonds and other debt securities	54,053	54,628
Shares and other equity securities	57,955	79,297
Other non-derivative financial assets	173,878	140,521
Trading derivatives	217,428	188,329
Total	503,314	462,775
<i>o/w securities loaned</i>	14,359	15,670

LIABILITIES

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Debt securities issued	16,503	15,524
Amounts payable on borrowed securities	50,212	37,271
Bonds and other debt instruments sold short	15,296	14,142
Shares and other equity instruments sold short	2,011	1,407
Other non-derivative financial liabilities	156,528	142,359
Trading derivatives	220,589	190,228
Total	461,139	400,931

BREAKDOWN OF TRADING DERIVATIVES

<i>(In millions of euros)</i>	30.06.2016		31.12.2015	
	Assets	Liabilities	Assets	Liabilities
Interest rate instruments	155,140	154,838	126,002	124,931
Foreign exchange instruments	26,800	27,777	23,713	24,725
Equity and index instruments	20,512	22,735	18,589	20,727
Commodity instruments	9,371	8,574	12,604	11,690
Credit derivatives	5,273	5,658	7,108	7,265
Other forward financial instruments	332	1,007	313	890
Total	217,428	220,589	188,329	190,228

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

ASSETS

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Bonds and other debt securities	21,406	20,704
Shares and other equity securities	17,728	18,537
Other financial assets	17,551	17,027
Separate assets for employee benefit plans	282	290
Total	56,967	56,558

LIABILITIES

Financial liabilities measured at profit or loss in accordance with the fair value option predominantly consist of structured bonds issued by the Societe Generale Group. The change in fair value attributable to the Group's own credit risk generated an expense of EUR 67 million at 30 June 2016. The revaluation differences attributable to the Group's issuer credit risk are determined using valuation models taking into account the Societe Generale Group's current financing terms and conditions on the markets and the residual maturity of the related liabilities.

At 30 June 2016, the difference between fair value of financial liabilities measured using the fair value option through profit or loss (EUR 61,330 million versus EUR 54,050 million at 31 December 2015) and the amount repayable at maturity (EUR 60,959 million versus EUR 53,769 million at 31 December 2015) was EUR 371 million (EUR 281 million at 31 December 2015).

3. NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>(In millions of euros)</i>	1st half of 2016	2015	1st half of 2015
Net gain/loss on trading portfolio	(1,846)	712	4,514
Net gain/loss on financial instruments measured using fair value option	8	1,879	651
Net gain/loss on derivative instruments	5,820	3,421	(2,986)
Net gain/loss on hedging transactions	28	244	180
<i>Net gain/loss on fair value hedging derivatives</i>	<i>1,894</i>	<i>(2,004)</i>	<i>(2,575)</i>
<i>Revaluation of hedged items attributable to hedged risks</i>	<i>(1,866)</i>	<i>2,248</i>	<i>2,755</i>
<i>Ineffective portion of cash flow hedge</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net gain/loss on foreign exchange transactions	(1,147)	1,019	1,556
Total⁽¹⁾	2,863	7,275	3,915

(1) Insofar as income and expenses booked in the income statement are classified by type of instrument rather than by purpose, the net income generated by activities in financial instruments at fair value through profit or loss must be assessed as a whole. It should be noted that the income shown here does not include the refinancing cost of these financial instruments, which is shown under interest expense and interest income.

NOTE 3.2 - AVAILABLE-FOR-SALE FINANCIAL ASSETS

1. AVAILABLE-FOR-SALE FINANCIAL ASSETS

<i>(In millions of euros)</i>	30.06.2016		31.12.2015	
	Net	<i>o/w allowances for impairment</i>	Net	<i>o/w allowances for impairment</i>
Debt instruments	130,979	(265)	119,467	(266)
Equity instruments ⁽¹⁾	12,252	(530)	12,091	(363)
Long-term equity investments	2,105	(490)	2,629	(510)
Total	145,336	(1,285)	134,187	(1,139)

(1) Including UCITS

CHANGES IN AVAILABLE-FOR-SALE FINANCIAL ASSETS

<i>(In millions of euros)</i>	2016
Balance at 1 January	134,187
Acquisitions	31,617
Disposals / redemptions ⁽¹⁾	(24,148)
Change in scope and others	1,826
Gains and losses on changes in fair value recognised directly in equity during the period	2,969
Change in impairment on debt instruments recognised in profit and loss	1
Impairment losses on equity instruments recognised in profit and loss	(197)
Change in related receivables	(72)
Translation differences	(847)
Balance at 30 June	145,336

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

2. NET GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

<i>(In millions of euros)</i>	1st half of 2016	2015	1st half of 2015
Dividend income	155	722	557
Gains and losses on sale of debt instruments	22	133	97
Gains and losses on sale of equity instruments ⁽¹⁾	17	995	1,133
Impairment losses on equity instruments ⁽²⁾	(186)	(102)	(67)
Profit-sharing on available-for-sale financial assets of insurance companies	174	(893)	(1,078)
Gains and losses on sale of long-term equity investments ⁽³⁾	744	118	68
Impairment losses on long-term equity investments	(11)	(24)	(19)
Total net gains and losses on available-for-sale assets	915	949	691
Interest income on available-for-sale assets	1,240	2,811	1,413

(1) O/w EUR 15 million for Insurance activities in the first half of 2016.

(2) O/w EUR - 186 million for Insurance activities in the first half of 2016.

(3) O/w EUR 725 million on the sale of Visa Europe securities in the first half of 2016 (see Note 1).

NOTE 3.3 - FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

1. FINANCIAL ASSETS MEASURED AT FAIR VALUE

<i>(In millions of euros)</i>	30.06.2016				31.12.2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading non-derivative financial assets	103,005	182,440	441	285,886	119,360	154,499	587	274,446
Bonds and other debt securities	49,704	4,328	21	54,053	46,383	8,021	224	54,628
Shares and other equity securities	53,301	4,590	64	57,955	72,975	6,322	-	79,297
Other non-derivative financial assets	-	173,522	356	173,878	2	140,156	363	140,521
Financial assets measured using fair value option through profit and loss	37,007	18,736	1,224	56,967	37,710	16,444	2,404	56,558
Bonds and other debt securities	20,960	249	197	21,406	20,291	228	185	20,704
Shares and other equity securities	16,047	1,549	132	17,728	17,419	975	143	18,537
Other financial assets	-	16,656	895	17,551	-	14,951	2,076	17,027
Separate assets for employee benefit plans	-	282	-	282	-	290	-	290
Trading derivatives	438	213,057	3,933	217,428	413	184,065	3,851	188,329
Interest rate instruments	42	152,557	2,541	155,140	38	123,411	2,553	126,002
Foreign exchange instruments	281	26,289	230	26,800	298	23,142	273	23,713
Equity and index instruments	-	19,927	585	20,512	-	18,107	482	18,589
Commodity instruments	-	9,314	57	9,371	-	12,361	243	12,604
Credit derivatives	-	4,962	311	5,273	-	6,855	253	7,108
Other forward financial instruments	115	8	209	332	77	189	47	313
Hedging derivatives	-	22,835	-	22,835	-	16,538	-	16,538
Interest rate instruments	-	22,582	-	22,582	-	16,037	-	16,037
Foreign exchange instruments	-	253	-	253	-	463	-	463
Equity and index instruments	-	-	-	-	-	5	-	5
Other forward financial instruments	-	-	-	-	-	33	-	33
Available-for-sale financial assets	134,728	8,694	1,914	145,336	123,718	8,200	2,269	134,187
Debt securities	124,350	6,432	197	130,979	113,374	5,983	110	119,467
Equity securities	10,210	1,938	104	12,252	10,153	1,827	111	12,091
Long-term equity investments	168	324	1,613	2,105	191	390	2,048	2,629
Total financial assets at fair value	275,178	445,762	7,512	728,452	281,201	379,746	9,111	670,058

2. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

<i>(In millions of euros)</i>	30.06.2016				31.12.2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading non-derivative financial liabilities	17,301	216,521	6,728	240,550	15,564	189,175	5,964	210,703
Debt securities issued	-	10,172	6,331	16,503	-	9,728	5,796	15,524
Amounts payable on borrowed securities	11	50,201	-	50,212	52	37,219	-	37,271
Bonds and other debt instruments sold short	15,279	17	-	15,296	14,105	36	1	14,142
Shares and other equity instruments sold short	2,011	-	-	2,011	1,407	-	-	1,407
Other non-derivative financial liabilities	-	156,131	397	156,528	-	142,192	167	142,359
Financial liabilities measured using fair value option through P&L	246	38,497	22,587	61,330	306	32,570	21,174	54,050
Trading derivatives	273	215,951	4,365	220,589	279	185,884	4,065	190,228
Interest rate instruments	51	151,755	3,032	154,838	42	122,334	2,555	124,931
Foreign exchange instruments	222	27,504	51	27,777	221	24,470	34	24,725
Equity and index instruments	-	22,030	705	22,735	-	19,991	736	20,727
Commodity instruments	-	8,473	101	8,574	-	11,436	254	11,690
Credit derivatives	-	5,183	475	5,658	-	6,780	485	7,265
Other forward financial instruments	-	1,006	1	1,007	16	873	1	890
Hedging derivatives	-	13,708	-	13,708	-	9,533	-	9,533
Interest rate instruments	-	13,448	-	13,448	-	9,334	-	9,334
Foreign exchange instruments	-	156	-	156	-	187	-	187
Equity and index instruments	-	21	-	21	-	-	-	-
Other financial instruments	-	83	-	83	-	12	-	12
Total financial liabilities at fair value	17,820	484,677	33,680	536,177	16,149	417,162	31,203	464,514

3. VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS MEASURED AT FAIR VALUE

<i>(In millions of euros)</i>	Balance at 1 January 2016	Acquisitions	Disposals / redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses on changes in fair value during the period	Translation differences	Change in scope and others	Balance at 30 June 2016
Trading non-derivative financial assets	587	105	(240)	-	-	(3)	(8)	-	441
Bonds and other debt securities	224	35	(240)	-	-	2	-	-	21
Shares and other equity securities	-	70	-	-	-	(5)	(1)	-	64
Other non-derivative financial assets	363	-	-	-	-	-	(7)	-	356
Financial assets measured using fair value option through profit or loss	2,404	211	(1,007)	(255)	-	(114)	(15)	-	1,224
Bonds and other debt securities	185	-	(2)	-	-	14	-	-	197
Shares and other equity securities	143	-	(21)	-	-	11	(1)	-	132
Other financial assets	2,076	211	(984)	(255)	-	(139)	(14)	-	895
Separate assets for employee benefit plans	-	-	-	-	-	-	-	-	-
Trading derivatives	3,851	64	(752)	(247)	501	454	62	-	3,933
Interest rate instruments	2,553	13	(388)	(216)	241	278	60	-	2,541
Foreign exchange instruments	273	4	-	(21)	35	(74)	13	-	230
Equity and index instruments	482	46	(147)	(1)	7	203	(5)	-	585
Commodity instruments	243	1	(217)	-	-	30	-	-	57
Credit derivatives	253	-	-	(9)	44	25	(2)	-	311
Other forward financial instruments	47	-	-	-	174	(8)	(4)	-	209
Hedging derivatives	-	-	-	-	-	-	-	-	-
Available-for-sale financial assets	2,269	288	(694)	(7)	-	91	(22)	(11)	1,914
Debt securities	110	116	(19)	(7)	-	-	(3)	-	197
Equity securities	111	12	(12)	-	-	1	(8)	-	104
Long-term equity investments	2,048	160	(663)	-	-	90	(11)	(11)	1,613
Total financial assets at fair value	9,111	668	(2,693)	(509)	501	428	17	(11)	7,512

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

<i>(In millions of euros)</i>	Balance at 1 January 2016	Issues	Acquisitions / disposals	Redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses on changes in fair value during the period	Translation differences	Balance at 30 June 2016
Trading non-derivative financial liabilities	5,964	5,122	56	(4,148)	(212)	224	(236)	(42)	6,728
Debt securities issued	5,796	5,122	-	(4,123)	(211)	64	(279)	(38)	6,331
Amounts payable on borrowed securities	-	-	-	-	-	-	-	-	-
Bonds and other debt instruments sold short	1	-	-	-	(1)	-	-	-	-
Shares and other equity instruments sold short	-	-	-	-	-	-	-	-	-
Other non-derivative financial liabilities	167	-	56	(25)	-	160	43	(4)	397
Financial liabilities measured using fair value option through P&L	21,174	6,996	-	(3,404)	(1,895)	857	(1,489)	348	22,587
Trading derivatives	4,065	504	(202)	(309)	(452)	125	643	(9)	4,365
Interest rate instruments	2,555	17	-	-	(340)	94	704	2	3,032
Foreign exchange instruments	34	3	6	-	(7)	1	12	2	51
Equity and index instruments	736	435	(138)	(263)	(42)	5	(19)	(9)	705
Commodity instruments	254	49	(70)	(46)	-	-	(85)	(1)	101
Credit derivatives	485	-	-	-	(63)	25	31	(3)	475
Other forward financial instruments	1	-	-	-	-	-	-	-	1
Hedging derivatives	-	-	-	-	-	-	-	-	-
Total financial liabilities at fair value	31,203	12,622	(146)	(7,861)	(2,559)	1,206	(1,082)	297	33,680

4. 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.

Cash instruments and derivatives ⁽¹⁾	Value in balance sheet (in millions of euros)		Main products	Valuation techniques used	Significant unobservable inputs	Range of unobservable inputs min & max
	Assets	Liabilities				
Equities/funds	2,097	20,277	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	9.8% ; 153.6%
					Equity dividends	0% ; 12.6%
					Correlations	-100% ; 100%
					Hedge fund volatilities	7.5% ; 10.0%
					Mutual fund volatilities	2.1% ; 47.7%
Interest Rates and Forex	3,186	12,877	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid instrument pricing models	Correlations	34.4% ; 85%
					Forex derivatives	Forex option pricing models
			Interest rate derivatives whose notional is indexed to prepayment behaviour in European collateral pools	Prepayment modeling	Constant prepayment rates	0% ; 0%
			Inflation instruments and derivatives	Inflation pricing models	Inflation/inflation correlations	64.4% ; 90%
			Credit	559	475	Collateralized Debt Obligations and index tranches
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	57	101	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	8.5% ; 96.3%

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

5. 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 2016 on instruments for which valuation requires 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 which is nevertheless considered 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

<i>(In millions of euros)</i>	30.06.2016	
	Negative impact	Positive impact
Shares and other equity instruments and derivatives	(23)	102
Equity volatilities	-	16
Dividends	(1)	4
Correlations	(22)	68
Hedge Fund volatility	-	9
Mutual Fund volatility	-	5
Rates and Forex instruments and derivatives	(6)	44
Correlations between exchange rates and / or interest rates	(4)	36
Forex volatilities	(1)	4
Constant prepayment rates	-	-
Inflation / inflation correlations	(1)	4
Credit instruments and derivatives	(46)	59
Time to default correlations	(2)	2
Recovery rate variance for single name underlyings	(44)	44
Quanto correlations	-	13
Credit spreads	-	-
Commodity derivatives	-	2
Commodities correlations	-	2

It should be noted that, given the already conservative valuation levels, the level of sensitivity is higher in the case of favourable impact on results than for unfavourable impact. Moreover, the amounts shown above illustrate the uncertainty of the valuation as of the computation date, based on reasonable variations.

Future variations in fair value or consequences of extreme market conditions cannot be deduced or forecast from these estimates.

6. 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.

<i>(In millions of euros)</i>	1st half of 2016	2015	1st half of 2015
Remaining amount to be recorded in the income statement at 1 January	1,029	1,031	1,031
Amount generated by new transactions during the period	427	634	356
Amount recorded in the income statement during the period	(299)	(636)	(319)
<i>o/w amortisation</i>	(124)	(251)	(121)
<i>o/w switch to observable inputs</i>	(31)	(79)	(12)
<i>o/w disposed, expired or terminated</i>	(143)	(307)	(187)
<i>o/w translation differences</i>	(1)	1	1
Remaining amount to be recorded in the income statement at the end of the period	1,157	1,029	1,068

NOTE 3.4 - LOANS AND RECEIVABLES

1. DUE FROM BANKS

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Current accounts	42,687	26,113
Deposits and loans ⁽¹⁾	21,592	21,291
Subordinated and participating loans	145	458
Securities purchased under resale agreements	15,158	23,699
Related receivables	121	122
Due from banks before impairment	79,703	71,683
Impairment of individually impaired loans	(36)	(37)
Revaluation of hedged items	56	36
Net due from banks	79,723	71,682

(1) At 30 June 2016, the amount of receivables with incurred credit risk was EUR 97 million compared to EUR 82 million at 31 December 2015.

2. CUSTOMER LOANS

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Overdrafts	26,162	22,653
Other customer loans ⁽¹⁾	351,704	348,619
Lease financing agreements ⁽¹⁾	28,426	27,972
Related receivables	1,507	1,661
Securities purchased under resale agreements	27,240	19,131
Customer loans before impairment	435,039	420,036
Impairment of individually impaired loans	(13,966)	(13,978)
Impairment of groups of homogenous receivables	(1,517)	(1,388)
Revaluation of hedged items	527	582
Net customer loans	420,083	405,252

(1) At 30 June 2016, the amount of receivables with incurred credit risk was EUR 24,497 million compared to EUR 24,411 million at 31 December 2015.

NOTE 3.5 - DEBTS

1. DUE TO BANKS

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Demand deposits and current accounts	26,183	14,920
Overnight deposits and borrowings and others	4,756	4,807
Term deposits	61,521	63,418
Related payables	88	101
Revaluation of hedged items	368	158
Securities sold under repurchase agreements	11,153	12,048
Total	104,069	95,452

2. CUSTOMER DEPOSITS

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Regulated savings accounts	86,308	83,745
<i>Demand</i>	61,862	59,923
<i>Term</i>	24,446	23,822
Other demand deposits ⁽¹⁾	204,436	184,853
Other term deposits ⁽¹⁾	86,899	90,591
Related payables	911	528
Revaluation of hedged items	389	370
Total customer deposits	378,943	360,087
Borrowings secured by notes and securities	15	91
Securities sold to customers under repurchase agreements	21,532	19,453
Total	400,490	379,631

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

3. DEBT SECURITIES ISSUED

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Term savings certificates	634	850
Bond borrowings	22,017	23,350
Interbank certificates and negotiable debt instruments	79,776	79,256
Related payables	580	897
Sub-total	103,007	104,353
Revaluation of hedged items	2,142	2,059
Total	105,149	106,412
<i>o/w floating-rate securities</i>	29,018	30,235

NOTE 3.6 - INTEREST INCOME AND EXPENSE

<i>(In millions of euros)</i>	1st half of 2016			2015			1st half of 2015		
	Income	Expense	Net	Income	Expense	Net	Income	Expense	Net
Transactions with banks	831	(596)	235	1,349	(1,678)	(329)	715	(862)	(147)
Demand deposits and interbank loans	605	(521)	84	1,102	(1,600)	(498)	589	(785)	(196)
Securities purchased/sold under resale agreements and loans/borrowings secured by notes and securities	226	(75)	151	247	(78)	169	126	(77)	49
Transactions with customers	6,000	(2,370)	3,630	12,860	(5,721)	7,139	6,561	(2,983)	3,578
Trade notes	264	-	264	583	-	583	302	-	302
Other customer loans	5,360	(1)	5,359	11,562	(2)	11,560	5,916	-	5,916
Overdrafts	355	-	355	678	-	678	316	-	316
Regulated savings accounts	-	(473)	(473)	-	(1,061)	(1,061)	-	(603)	(603)
Other customer deposit	4	(1,840)	(1,836)	-	(4,629)	(4,629)	-	(2,365)	(2,365)
Securities purchased/sold under resale agreements and loans/borrowings secured by notes and securities	17	(56)	(39)	37	(29)	8	27	(15)	12
Transactions in financial instruments	5,029	(4,551)	478	10,020	(8,726)	1,294	4,641	(4,134)	507
Available-for-sale financial assets	1,240	(25)	1,215	2,811	-	2,811	1,414	-	1,414
Held-to-maturity financial assets	93	-	93	188	-	188	83	-	83
Debt securities issued	-	(1,058)	(1,058)	-	(1,992)	(1,992)	-	(1,023)	(1,023)
Subordinated and convertible debt	-	(259)	(259)	-	(487)	(487)	-	(218)	(218)
Securities lending/borrowing	4	(17)	(13)	15	(21)	(6)	9	(12)	(3)
Hedging derivatives	3,692	(3,192)	500	7,006	(6,226)	780	3,135	(2,881)	254
Financial leases	582	-	582	1,202	-	1,202	606	-	606
Real estate lease financing agreements	115	-	115	236	-	236	116	-	116
Non-real estate lease financing agreements	467	-	467	966	-	966	490	-	490
Total Interest income and expense	12,442	(7,517)	4,925	25,431	(16,125)	9,306	12,523	(7,979)	4,544
<i>Including interest income from impaired financial assets</i>	183			436			218	-	-

These interest expenses include the refinancing cost of financial instruments at fair value through profit and loss, the results of which are classified in net gains or losses on these instruments (see Note 3.1). Given that income and expenses booked in the income statement are classified by type of instrument rather than by purpose, the net income generated by activities in financial instruments at fair value through profit and loss must be assessed as a whole.

NOTE 3.7 - IMPAIRMENT AND PROVISIONS

1. IMPAIRMENT OF FINANCIAL ASSETS

<i>(In millions of euros)</i>	Asset impairments at 31.12.2015	Allocations	Write- backs available	Net impairment losses	Reversals used	Currency and scope effects	Asset impairments at 30.06.2016
Banks	37	-	(1)	(1)	-	-	36
Customer loans	13,158	2,686	(1,972)	714	(746)	65	13,191
Lease financing and similar agreements	820	308	(287)	21	(63)	(3)	775
Groups of homogeneous assets	1,388	335	(208)	127	-	2	1,517
Available-for-sale assets ⁽¹⁾⁽²⁾	1,139	203	(56)	147	(5)	4	1,285
Others ⁽¹⁾	540	109	(65)	44	(23)	17	578
Total	17,082	3,641	(2,589)	1,052	(837)	85	17,382

(1) Including a EUR 30 million net allowance for counterparty risks.

(2) O/w write-down on variable-income securities, excluding insurance activities, of EUR 11 million, which can be broken down as follows:

- EUR 2 million: impairment loss on securities not written down at 31 December 2015;

- EUR 9 million: additional impairment loss on securities already written down at 31 December 2015.

2. PROVISIONS

<i>(In millions of euros)</i>	Provisions at 31.12.2015	Allocations	Write- backs available	Net allocation	Write- backs used	Currency and scope effects	Provisions at 30.06.2016
Provisions for off-balance sheet commitments to banks	15	25	(6)	19	-	-	34
Provisions for off-balance sheet commitments to customers	353	273	(232)	41	(1)	26	419
Provision for disputes	1,869	213	(16)	197	(36)	(5)	2,025
Other provisions ⁽¹⁾	911	68	(75)	(7)	(47)	14	871
Provisions on financial instruments and disputes	3,148	579	(329)	250	(84)	35	3,349

(1) Including a EUR 13 million net allocation for PEL/CEL provisions at 30 June 2016.

3. COST OF RISK

<i>(In millions of euros)</i>	1st half of 2016	2015	1st half of 2015
Counterparty risk			
Net allocation to impairment losses	(950)	(2,232)	(1,047)
Losses not covered	(96)	(293)	(123)
<i>on bad loans</i>	(74)	(245)	(94)
<i>on other risks</i>	(22)	(48)	(29)
Amounts recovered	66	164	71
<i>on bad loans</i>	66	161	70
<i>on other risks</i>	-	3	1
Other risks			
Net allocation to other provisions ⁽¹⁾	(208)	(704)	(238)
Total	(1,188)	(3,065)	(1,337)

(1) To take into account the developments in a number of legal risks, including in particular the ongoing judicial investigations and proceedings with the US and European authorities, as well as the French "Conseil d'État" ruling on the "précompte", the Group has recognised a provision for disputes among its liabilities, adjusted at 30 June 2016 by an additional allowance of EUR 200 million to raise it to EUR 1,900 million (including an estimate of the related legal costs).

NOTE 3.8 - FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

1. FINANCIAL ASSETS MEASURED AT AMORTISED COST

<i>(In millions of euros)</i>	30.06.2016	
	Carrying amount	Fair value
Due from banks	79,723	81,104
Customer loans	420,083	424,607
Held-to-maturity financial assets	4,107	4,353
Total financial assets measured at amortised cost	503,913	510,064

<i>(In millions of euros)</i>	31.12.2015	
	Carrying amount	Fair value
Due from banks	71,682	72,357
Customer loans	405,252	406,975
Held-to-maturity financial assets	4,044	4,268
Total financial assets measured at amortised cost	480,978	483,600

2. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

<i>(In millions of euros)</i>	30.06.2016	
	Carrying amount	Fair value
Due to banks	104,069	104,133
Customer deposits	400,490	401,429
Debt securities issued	105,149	107,451
Subordinated debt	13,764	14,392
Total financial liabilities measured at amortised cost	623,472	627,405

<i>(In millions of euros)</i>	31.12.2015	
	Carrying amount	Fair value
Due to banks	95,452	95,739
Customer deposits	379,631	380,263
Debt securities issued	106,412	109,227
Subordinated debt	13,046	14,040
Total financial liabilities measured at amortised cost	594,541	599,269

NOTE 4 - OTHER ACTIVITIES

NOTE 4.1 - FEE INCOME AND EXPENSE

<i>(In millions of euros)</i>	1st half of 2016			2015			1st half of 2015		
	Income	Expense	Net	Income	Expense	Net	Income	Expense	Net
Transactions with banks	67	(57)	10	138	(128)	10	66	(61)	5
Transactions with customers	1,294	-	1,294	2,611	-	2,611	1,275	-	1,275
Financial instruments operations	1,298	(1,128)	170	2,364	(2,148)	216	1,169	(963)	206
Securities transactions	315	(426)	(111)	680	(1,006)	(326)	315	(414)	(99)
Primary market transactions	143	-	143	280	-	280	175	-	175
Foreign exchange transactions and financial derivatives	840	(702)	138	1,404	(1,142)	262	679	(549)	130
Loan and guarantee commitments	372	(35)	337	768	(91)	677	369	(37)	332
Services	1,921	-	1,921	3,963	-	3,963	1,956	-	1,956
Others	162	(544)	(382)	300	(1,099)	(799)	147	(480)	(333)
Total	5,114	(1,764)	3,350	10,144	(3,466)	6,678	4,982	(1,541)	3,441

NOTE 4.2 - OTHER ASSETS AND LIABILITIES

1. OTHER ASSETS

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Guarantee deposits paid ⁽¹⁾	46,176	39,099
Settlement accounts on securities transactions	10,881	6,557
Prepaid expenses	751	569
Miscellaneous receivables ⁽²⁾	28,074	23,407
Gross amount	85,882	69,632
Impairment	(247)	(234)
Net amount	85,635	69,398

(1) Mainly relates to guarantee deposits paid on financial instruments.

(2) Miscellaneous receivables include premiums to be received on instalment options, as well as receivables related to insurance activities.

2. OTHER LIABILITIES

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Guarantee deposits received ⁽¹⁾	50,656	44,488
Settlement accounts on securities transactions	11,381	6,938
Other securities transactions	2	21
Expenses payable on employee benefits	2,142	2,818
Deferred income	1,690	1,605
Miscellaneous payables ⁽²⁾	34,989	27,213
Total	100,860	83,083

(1) Mainly relates to guarantee deposits received on financial instruments.

(2) Miscellaneous payables include premiums to be paid on instalment options, as well as payables related to insurance activities.

NOTE 5 - PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

1. PERSONNEL EXPENSES

<i>(In millions of euros)</i>	1st half of 2016	2015	1st half of 2015
Employee compensation	(3,371)	(6,817)	(3,461)
Social security charges and payroll taxes	(794)	(1,604)	(832)
Net pension expenses - defined contribution plans	(334)	(679)	(332)
Net pension expenses - defined benefit plans	(59)	(128)	(74)
Employee profit-sharing and incentives	(130)	(248)	(120)
Total	(4,688)	(9,476)	(4,819)
<i>Including net expenses from share based payments</i>	<i>(65)</i>	<i>(234)</i>	<i>(85)</i>

2. DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

<i>(In millions of euros)</i>	Provisions at 31.12.2015	Allocations	Write-backs available	Net allocations	Write-backs used	Actuarial gains and losses	Currency and scope effects	Provisions at 30.06.2016
Provisions for employee benefits	1,784	176	(176)	-	-	320	(14)	2,090

3. DESCRIPTION OF THE 2016 SOCIETE GENERALE FREE SHARES PLAN

Shareholders' agreement	18.05.2016
Board of Directors' decision	18.05.2016
Number of free shares granted and outstanding at 30 June 2016 ⁽³⁾	1,213,258 ⁽¹⁾
Vesting period	18.05.2016 - 29.03.2019
Performance conditions	yes ⁽²⁾
Fair value (% of the share price at grant date)	87%
Valuation method used to determine the fair value	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) All free share grants are subject to a performance condition based on Societe Generale Group's net income.

(3) No share forfeited at 30 June 2016.

NOTE 6 - INCOME TAX

1. INCOME TAX

<i>(In millions of euros)</i>	1st half of 2016	2015	1st half of 2015
Current taxes	(725)	(1,064)	(853)
Deferred taxes	(286)	(650)	(114)
Total	(1,011)	(1,714)	(967)

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

<i>(In millions of euros)</i>	1st half of 2016	2015	1st half of 2015
Income before tax, excluding net income from companies accounted for using the equity method and impairment losses on goodwill (in millions of euros)	3,556	5,878	3,278
Normal tax rate applicable to French companies (including 3.3% national contribution)	34.43%	34.43%	34.43%
Permanent differences	6.07%	5.15%	2.34%
Differential on securities with tax exemption or taxed at reduced rate	(5.22)%	(1.05)%	(0.41)%
Tax rate differential on profits taxed outside France	(5.87)%	(6.65)%	(6.14)%
Impact of non-deductible losses and use of tax losses carried forward	(0.98)%	(2.71)%	(0.71)%
Group effective tax rate	28.43%	29.17%	29.51%

In France, the standard Corporate Income Tax rate is 33.33%. A national contribution payment based on pre-tax earnings (*contribution sociale*) was introduced in 2000 and is equal to 3.3% (after a deduction of EUR 0.76 million from basic taxable income). The Group was also subjected to an additional contribution of 10.7% in 2015. This contribution is no longer applicable for companies whose financial year ends 31 December 2016.

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. In accordance with the 2013 Finance Law, this portion of fees and expenses is 12% of gross capital gains.

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.

The standard tax rate applicable to French companies to determine their deferred tax is 34.43%. The reduced rate is 4.13%, given the nature of the taxed transactions.

2. PROVISIONS FOR TAX ADJUSTEMENTS

<i>(In millions of euros)</i>	Provisions at 31.12.2015	Depreciation	Available Write-backs	Net	Used Write-backs	Changes in translation and consolidation scope	Provisions at 30.06.2016
Tax adjustments	286	89	(14)	75	(39)	-	322

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)	2016	2015
Ordinary shares	807,504,009	806,239,713
<i>Including treasury stock with voting rights⁽¹⁾</i>	<i>8,287,004</i>	<i>9,513,568</i>
<i>Including shares held by employees</i>	<i>61,042,566</i>	<i>57,400,407</i>

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

At 30 June 2016, Societe Generale S.A.'s capital amounted to EUR 1,009,380,011 and was made up of 807,504,009 shares with a nominal value of EUR 1.25.

During the first half of 2016 and in accordance with the conditional free share allocation plan, Societe Generale S.A. carried out a capital increase of EUR 1 million through the incorporation of reserves.

2. TREASURY STOCK

At 30 June 2016, the Group held 12,185,760 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity; this represents 1.51% of the capital of Societe Generale S.A.

The amount deducted by the Group from its net book value for equity instruments (shares and derivatives) came to EUR 399 million, including EUR 103 million in shares held for trading purposes.

At 30 June 2016, no Societe Generale shares were held under the liquidity contract, which contained EUR 51 million for the purpose of carrying out transactions in Societe Generale shares.

CHANGE IN TREASURY STOCK OVER 2016

(In millions of euros)	Liquidity contract	Trading activities	Treasury stock and active management of shareholders' equity	Total
Disposals net of purchases	-	23	27	50
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	-	5	(34)	(29)

NOTE 7.2 - EARNINGS PER SHARE AND DIVIDENDS

1. EARNINGS PER SHARE

<i>(In millions of euros)</i>	1st half of 2016	2015	1st half of 2015
Net income, Group share	2,385	4,001	2,219
Net income attributable to deeply subordinated notes	(224)	(443)	(219)
Net income attributable to perpetual subordinated notes	4	8	4
Issuance fees relating to subordinated notes	-	(7)	-
Net result related to the redemption of the perpetual subordinated notes	-	-	-
Net income attributable to ordinary shareholders	2,165	3,559	2,004
Weighted average number of ordinary shares outstanding ⁽¹⁾	798,386,732	792,503,322	789,747,628
Earnings per ordinary share (in euros)	2,71	4,49	2,54
Average number of ordinary shares used in the dilution calculation ⁽²⁾	31,766	100,457	106,929
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	798,418,498	792,603,779	789,854,557
Diluted earnings per ordinary share (in euros)	2,71	4,49	2,54

(1) Excluding treasury shares.

(2) The number of shares used in the dilution calculation is computed using the "share buy-back" method and takes into account free shares and stock-option plans.

The dilutive effect of stock-option plans depends on the average Societe Generale share price, which at 30 June 2016 was EUR 33.88. Accordingly, at 30 June 2016, only free shares without performance conditions under the 2009 stock option plan were considered as dilutive.

2. DIVIDENDS PAID

Dividends paid by the Group in the first half of 2016 amounted to EUR 2,197 million and are detailed in the following table:

<i>(In millions of euros)</i>	Group Share	Non-controlling interests	Total
Ordinary shares	(1,596)	(243)	(1,839)
o/w paid in shares	-	-	-
o/w paid in cash	(1,596)	(243)	(1,839)
Other equity instruments	(325)	(33)	(358)
Total	(1,921)	(276)	(2,197)

NOTE 8 - ADDITIONAL DISCLOSURES

NOTE 8.1 - SEGMENT REPORTING

1. SEGMENT REPORTING BY DIVISION AND SUB-DIVISION

<i>(In millions of euros)</i>	Societe Generale Group			French Retail Banking			Corporate Centre ⁽²⁾		
	1st half of 2016	2015*	1st half of 2015*	1st half of 2016	2015*	1st half of 2015*	1st half of 2016	2015*	1st half of 2015*
Net banking income	13,159	25,639	13,222	4,184	8,588	4,227	467	167	38
Operating Expenses ⁽¹⁾	(8,403)	(16,893)	(8,566)	(2,765)	(5,486)	(2,695)	3	(160)	(33)
Gross operating income	4,756	8,746	4,656	1,419	3,102	1,532	470	7	5
Cost of risk	(1,188)	(3,065)	(1,337)	(348)	(824)	(413)	(191)	(591)	(198)
Operating income	3,568	5,681	3,319	1,071	2,278	1,119	279	(584)	(193)
Net income from companies accounted for by the equity method	68	231	110	24	42	22	5	23	11
Net income / expense from other assets	(12)	197	(41)	(3)	(26)	(19)	(11)	163	(3)
Earnings before tax	3,624	6,109	3,388	1,092	2,294	1,122	273	(398)	(185)
Income tax	(1,011)	(1,714)	(967)	(361)	(853)	(418)	(169)	123	58
Net income before non-controlling interests	2,613	4,395	2,421	731	1,441	704	104	(275)	(127)
Non-controlling interests	228	394	202	-	-	-	88	126	61
Net income, Group share	2,385	4,001	2,219	731	1,441	704	16	(401)	(188)

International retail Banking & Financial Services

<i>(In millions of euros)</i>	International Retail Banking			Financial Services to Corporates			Insurance		
	1st half of 2016	2015*	1st half of 2015*	1st half of 2016	2015*	1st half of 2015*	1st half of 2016	2015*	1st half of 2015*
Net banking income	2,472	5,042	2,502	803	1,515	750	441	825	410
Operating Expenses ⁽¹⁾	(1,579)	(3,206)	(1,645)	(409)	(774)	(383)	(183)	(327)	(176)
Gross operating income	893	1,836	857	394	741	367	258	498	234
Cost of risk	(378)	(1,127)	(573)	(25)	(119)	(47)	-	-	-
Operating income	515	709	284	369	622	320	258	498	234
Net income from companies accounted for by the equity method	7	16	8	17	55	13	-	-	-
Net income / expense from other assets	13	(36)	(26)	-	-	-	-	(1)	-
Earnings before tax	535	689	266	386	677	333	258	497	234
Income tax	(122)	(148)	(56)	(108)	(195)	(101)	(82)	(159)	(75)
Net income before non-controlling interests	413	541	210	278	482	232	176	338	159
Non-controlling interests	128	247	129	2	2	2	1	1	1
Net income, Group share	285	294	81	276	480	230	175	337	158

Global Banking and Investor Solutions

	Global Markets and Investors Services			Financing and Advisory			Asset and Wealth Management		
	1st half of 2016	2015*	1st half of 2015*	1st half of 2016	2015*	1st half of 2015*	1st half of 2016	2015*	1st half of 2015*
<i>(In millions of euros)</i>									
Net banking income	3,093	6,003	3,519	1,209	2,415	1,218	490	1,084	558
Operating Expenses ⁽¹⁾	(2,230)	(4,566)	(2,484)	(779)	(1,533)	(742)	(461)	(841)	(408)
Gross operating income	863	1,437	1,035	430	882	476	29	243	150
Cost of risk	(8)	(66)	(31)	(236)	(312)	(58)	(2)	(26)	(17)
Operating income	855	1,371	1,004	194	570	418	27	217	133
Net income from companies accounted for by the equity method	2	6	3	-	(6)	(5)	13	95	58
Net income / expense from other assets	-	-	(1)	(12)	98	9	1	(1)	(1)
Earnings before tax	857	1,377	1,006	182	662	422	41	311	190
Income tax	(154)	(361)	(270)	(8)	(58)	(65)	(7)	(63)	(40)
Net income before non-controlling interests	703	1,016	736	174	604	357	34	248	150
Non-controlling interests	7	14	6	1	3	2	1	1	1
Net income, Group share	696	1,002	730	173	601	355	33	247	149

* Amounts restated relative to the financial statements published at 31 December 2015 to take into account the new capital allocation rule based on 11% of risk-weighted assets

(1) Including depreciation and amortisation.

(2) Income and expenses not directly related to the business line activities are recorded in the Corporate Centre's income. Thus the debt revaluation differences linked to own credit risk (EUR -67 million at 30 June 2016) are allocated to the Corporate Centre. The NBI of the Corporate Centre for the first half of 2016 includes the capital gain on sale of Visa Europe shares for EUR 725 million.

	Societe Generale Group		French Retail Banking		Corporate Centre ⁽⁴⁾	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
<i>(In millions of euros)</i>						
Segment assets	1,460,243	1,334,391	222,637	219,420	147,187	120,221
Segment liabilities ⁽³⁾	1,398,230	1,271,716	218,114	210,926	101,075	93,692

International Retail Banking & Financial Services

	International Retail Banking		Financial Services to Corporates		Insurance	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
<i>(In millions of euros)</i>						
Segment assets	112,717	109,039	33,825	31,481	123,553	120,371
Segment liabilities ⁽³⁾	85,217	83,912	10,477	10,125	116,236	113,483

Global Banking and Investor Solutions

	Global Markets and Investors Services		Financing and Advisory		Asset and Wealth Management	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
<i>(In millions of euros)</i>						
Segment assets	684,138	603,471	96,653	96,157	39,533	34,231
Segment liabilities ⁽³⁾	803,726	702,901	31,892	28,393	31,493	28,284

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

(4) Assets and liabilities not directly related to the business lines activities are recorded on the Corporate Centre's balance sheet. Thus the debt revaluation differences linked to own credit risk and the revaluation differences of the credit derivative instruments hedging the loans and receivables portfolios are allocated to the Corporate Centre.

2. SEGMENT REPORTING BY GEOGRAPHICAL REGION

GEOGRAPHICAL BREAKDOWN OF NET BANKING INCOME

<i>(In millions of euros)</i>	France		Europe			Americas			
	1st half of 2016	2015	1st half of 2015	1st half of 2016	2015	1st half of 2015	1st half of 2016	2015	1st half of 2015
Net interest and similar income ⁽⁵⁾	2,367	4,403	2,080	1,795	3,894	1,921	214	(115)	(26)
Net fee income	1,948	3,918	2,067	894	1,634	831	240	555	283
Net income / expense from financial transactions ⁽⁵⁾	1,743	3,844	2,470	973	1,739	701	546	1,472	753
Other net operating income	335	17	(31)	773	1,401	653	-	20	11
Net banking income	6,393	12,182	6,586	4,435	8,668	4,106	1,000	1,932	1,021

<i>(In millions of euros)</i>	Asia/Oceania		Africa			Total			
	1st half of 2016	2015	1st half of 2015	1st half of 2016	2015	1st half of 2015	1st half of 2016	2015	1st half of 2015
Net interest and similar income ⁽⁵⁾	126	320	153	423	804	415	4,925	9,306	4,543
Net fee income	91	218	91	177	353	169	3,350	6,678	3,441
Net income / expense from financial transactions ⁽⁵⁾	490	1,100	646	26	69	37	3,778	8,224	4,607
Other net operating income	9	7	6	(11)	(14)	(8)	1,106	1,431	631
Net banking income	716	1,645	896	615	1,212	613	13,159	25,639	13,222

(5) Dividend income was transferred from Net interest and similar income to Net income / expense from financial transactions.

GEOGRAPHICAL BREAKDOWN OF BALANCE SHEET ITEMS

<i>(In millions of euros)</i>	France		Europe		Americas	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Segment assets	1,048,966	955,096	247,403	227,120	106,136	96,289
Segment liabilities ⁽⁶⁾	992,485	898,441	243,612	222,822	107,188	97,489

<i>(In millions of euros)</i>	Asia/Oceania		Africa		Total	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Segment assets	37,854	35,795	19,884	20,091	1,460,243	1,334,391
Segment liabilities ⁽⁶⁾	36,593	34,386	18,352	18,578	1,398,230	1,271,716

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

NOTE 8.2 - PROVISIONS

1. BREAKDOWN OF PROVISIONS

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Provisions for financial instruments and disputes (see Note 3.7)	3,349	3,148
Provisions for employee benefits (see Note 5)	2,090	1,784
Provisions for tax adjustments (see Note 6)	322	286
Total	5,761	5,218

2. UNDERWRITING RESERVES OF INSURANCE COMPANIES

<i>(In millions of euros)</i>	30.06.2016	31.12.2015
Life insurance underwriting reserves for unit-linked policies	20,339	20,043
Life insurance underwriting reserves	79,434	78,316
Non-life insurance underwriting reserves	1,182	1,175
Deferred profit-sharing booked in liabilities	10,398	7,723
Total	111,353	107,257
Attributable to reinsurers	(231)	(293)
Underwriting reserves of insurance companies (including deferred profit-sharing) net of the share attributable to reinsurers	111,122	106,964

4.2 Statutory Auditor's Review Report on the Half-yearly Financial Information for 2016

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Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2016

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

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, 2016,
- 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.

I- Conclusion on 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.

II- 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 and Neuilly-sur-Seine, August 4, 2016

The statutory auditors
French original signed by

ERNST & YOUNG et Autres

DELOITTE & ASSOCIÉS

Isabelle SANTENAC

José-Luis GARCIA