June 15th, 2010

Ambition SG 2015: Deliver growth with lower risk

- Ambition SG 2015
  - Enhance a client-oriented universal banking model refocused on 3 core pillars with strong potential (Retail Banking in France, International Retail Banking and Corporate & Investment Banking)
  - Complete the optimisation of the Group’s portfolio of activities
  - Maintain a strict risk management
  - Transform the operational model

- Main Financial Targets
  - Group net earnings target around EUR 6 bn in 2012
  - C/I ratio below 60% in 2012
  - RoE after tax = 14-15% in 2012
  - Core Tier 1 ratio above 8% by 2012 (under Basel II and post CRD3)
Societe Generale announces the details of its 2015 plan today at an Investor Day in Paris, hosted by Frédéric Oudéa, Chairman and CEO and senior members of the management team.

Frédéric Oudéa, Chairman and CEO said:
"In an environment that will experience considerable changes going forward, I definitely consider that Société Générale has a very strong business model with key competitive edges to be one of the most successful European banks. The last few years have been challenging for the Group, its shareholders and employees but we have learnt from the crisis. 2010 represents the beginning of a new period for Société Générale. In this respect, the results delivered in the first quarter are a first tangible proof of our ability to rebound. My strategy for the coming years will be to enhance our client-oriented and integrated universal banking model, take advantage of our strong positions in regions with high growth potential and further transform our operational model. Keeping as a priority the high quality banking services we want to bring to our clients, we will deliver strong results on the back of a sustainable growth, and strictly discipline financial and risk management."

1. AMBITION SG 2015

**A client-oriented universal bank refocused on three pillars**

The Group confirms its universal banking model, which demonstrated its resilience during the crisis and should remain effective in a 2010-2015 environment marked by considerable uncertainty and increasing constraints.

The strength of this model is based not only on the long-term relationships that it builds with clients, but also on its diversification (multi-businesses and multi-clients) and on an appropriate balance between financing solutions and deposits collection.

From five business lines on an equal footing, the model has been refocused on three pillars:
- French Networks,
- International Retail Banking,
- Corporate and Investment Banking.

These pillars are at the heart of relationships with clients. Their solid positioning offers significant growth potential for the Group.

The two other businesses, Specialised Financial Services & Insurance and Global Investment Management & Services are expected to consolidate their respective leadership positions. They will support the above mentioned pillars, and be developed based on four simple criteria:
- the level of potential synergies with the Group’s three pillars,
- their consumption of scarce resources,
- their contribution to the Group’s financial results,
- their ability to maintain competitive positions.

**Fully unlock the Group’s growth potential**

Societe Generale’s portfolio of activities is unique in that it offers, compared to a large number of peers, significant potential for sustainable and profitable growth. In addition to holding significant competitive advantages, the Group operates in geographies with significant potential going forward.

The Group’s renewed management team intends to accelerate this growth through more than 50 initiatives involving all its business lines and reflecting the “Ambition SG 2015” plan. In a nutshell, Societe Generale aspires to the following accomplishments:
• Be the benchmark for customer satisfaction in French retail banking,
• Top 3 in Central and Eastern Europe and Russia,
• Top 5 position in Europe in Corporate & investment banking,
• For the Group as a whole, return to profitable and mainly organic growth over the 2009-2015 period.

By 2012, Societe Generale will roll out its ‘Ambition 2015’ initiatives and fully unlock the potential of its franchises. The Group will continue with the arbitrages in its business portfolios that were initiated with the creation of Amundi, the restructuring of peripheral activities, the consolidation of the Russian activities, the purchase of 20% in Crédit du Nord and, as announced by the Groupe on 14 June 2010, the start of exclusive negotiations regarding the potential acquisition of Société Marseillaise de Crédit by Crédit du Nord.

Transform the operational model and strictly control risks

Capitalising on the lessons learnt from the crisis, Societe Generale will continue to adapt to the environment and, by focusing on:
• The improvement of its operational efficiency through the industrialisation of processes and the pooling of resources
• The development of internal synergies
• Attracting talents and developing best practices in terms of management
• A constant and reinforced vigilance on risk control

Deliver around EUR 6bn in earnings target by 2012

In a scenario of modest GDP growth worldwide, Societe Generale is targeting:
• Net earnings group share around EUR 6 bn in 2012
• An annual 4% revenue growth between 2009 and 2012¹
• C/I ratio below 60% in 2012
• An average cost of risk of 55-65bps of loans and receivables outstandings across the cycle
• After tax RoE of around 14-15% in 2012

The Group will maintain a solid capital position over the period with a minimum Core Tier 1 ratio of 8% by 2012 (under Basel II and post CRD3).

2. FRENCH NETWORKS: Be the benchmark for customer satisfaction

Societe Generale’s ambition for 2015 in French retail banking is centred around 4 main priorities:
• Be the benchmark in terms of customer satisfaction,
• Increase the number of individual customers from 10 to 12 million,
• Gain 1% of market share with business customers,
• Improve the C/I ratio to 60% and below.

To achieve these objectives, the Group will leverage its three complementary brands – Societe Generale, Crédit du Nord (strengthened by the SMC acquisition) and Boursorama - which together cover the entire range of customers’ expectations. It will also draw on a network geographic coverage ideally suited for market share gains, a high-performance multi-channel approach and high quality customer franchises. A number of strategies differentiated by customer segment have

¹ At constant exchange rates, excluding legacy assets, asset management (except TCW) and non-recurring items (MtM on CDS portfolio and own credit risk)
already been rolled out, together with a comprehensive project to develop the pooling of IT and back offices between the three networks and to share best practices.

In French Networks, this strategy should lead to:
- Revenue growth of around 3% per year from 2009 to 2012,
- C/I ratio of 63% in 2012 and below 60% in 2015,
- Net earnings target of EUR 1.4-1.6 bn in 2012.

3. INTERNATIONAL RETAIL BANKING: Top 3 in Central and Eastern Europe & Russia

In International Retail Banking, Societe Generale has 5 main ambitions:
- Create a leading player in Russia,
- Intensify customer relationships in the most mature entities,
- Accelerate growth in areas with potential for higher banking penetration and seize external growth opportunities,
- Deliver growth through innovation,
- Improve operational efficiency.

These objectives will be met first of all through an ambitious project in Russia, where the Group aims to create an undisputable leader. SG Russia will roll out an approach targeted by product in the individual customers segment, leveraging several acquisition channels: the two universal banks (Rosbank and BSGV), the consumer credit subsidiary (Rusfinance) and the housing loans specialist (Delta Credit). In the corporate customers segment, the sales structure will be boosted, as well as the product offering and the synergies with SG CIB.

Aside from Russia, the Group will work on intensifying business relationships with customers in more mature countries, particularly in the Czech Republic: intra-Group synergies and cross-selling will be actively developed. In countries with lower banking penetration, Societe Generale will open more than 700 branches and look for significant increases in customers. Additional growth will be delivered through innovative solutions that already proved successful in a number of countries. The transformation of the operational model, initiated a few years ago in the International retail networks, will be completed. This will consist primarily in standardising, mutualising and centralising processes and resources. The largest entities’ IT platforms will converge to the French Networks systems. Regional hubs, such as the one launched in Africa, will be developed for CEE.

International Retail Banking’s financial targets are:
- Russia within International Retail Banking 15% of earnings in 2012, the largest contributor in 2015,
- Revenue growth of around 8% from 2009 to 2012,
- Net earnings target of EUR 0.9-1.1bn in 2012.

4. CORPORATE & INVESTMENT BANKING: Top 5 position in Europe

Strategic priorities of Societe Generale in Corporate & Investment Banking will be the following:
- Expand its worldwide leadership in equity derivatives and cross-asset structured products,
- Develop structured financing by capitalising on high-growth segments,
- Leverage a solid European client franchise to further develop Fixed Income and Investment Banking,
- Develop CIB activities in CEE and Russia, leveraging the Group’s presence in those regions.

In equity derivatives, priority will be given to cross-selling with SG CIB existing clients in Asia and the US and to increase coverage of institutional clients in Europe. As regards cross-asset structured products, synergies will be activated between Equity and Fixed Income teams, with a segmented client approach and increased regional sales teams. SG CIB’s goal is to enter the Top 5 for euro structured rates products by 2012.
The structured finance franchises will be developed through targeted investments in high growth segments, notably commodities and infrastructure. Teams dedicated to the main emerging markets will be expanded in order to establish a broad positioning in Asia and CEEMEA.

In fixed income flow products, operations will be realigned to develop Corporates and Financial Institutions franchises. In addition, SG CIB will seek to consolidate its global positioning by hiring 200 front officers, developing an origination and distribution capacity in USD and GBP and expanding the foreign exchange offer. As far as Investment Banking is concerned, 200 front office hirings will allow increased coverage of European clients, targeting a Top 10 position in Europe.

The Group will leverage its presence in CEE and Russia to distribute SG CIB’s products, by developing local market platforms with dedicated origination/sales teams.

All these initiatives reflect the Group’s belief that it can - with limited execution risk - capture new business with existing clients, or with products where it enjoys clear competitive advantages.

At the same time, an ambitious programme has been launched to improve efficiency at SG CIB and control even more operational risks. This plan, named Resolution, will involve a EUR 600m investment, and is expected to yield lasting gains on C/I after 2012.

All in all, Societe Generale’s financial targets for CIB core activities are:
- Revenues nearing EUR 9.5bn in 2012,
- A 2012 C/I ratio of around 55% and potentially lower thereafter,
- Net earnings target of EUR 2.3-2.8bn in 2012.

5. LEGACY ASSETS

The situation with respect to legacy assets is under control:
- In 2010, pretax losses should not exceed the EUR 0.7 to 1.0bn guidance previously communicated
- Besides, the results of an independent valuation of the assets run by BlackRock Solutions in Q2 10 provides comfort on the Group marks. At maturity, BlackRock Solutions credit valuation of the assets would imply an overall gain estimated at EUR 1.5bn before tax (EUR 0.8bn in positive variation of the equity, EUR 0.7bn in pre-tax income) compared to end March 2010 valuation.

Through amortisation, the size of the legacy assets portfolio will be reduced by 60% by 2015. Beyond this natural decrease, the Group will continue to implement a targeted and opportunistic deleveraging strategy.

6. RISK PROFILE & OPERATIONAL MODEL

The reduction of the Group’s risk profile will continue.

Between 2009 and 2012, the major portion of Group capital generation will be allocated to the French Networks and International Retail Banking activities. In those two businesses, the Group’s risk appetite will remain stable.

In Corporate and Investment Banking, risk appetite will be lowered in market activities, by concentrating on liquid assets. In credit activities, risk appetite will remain stable, with a focus on high-quality counterparties and structuring expertise.
In 2012, a good balance will be maintained between Corporate and Investment Banking (around 33% of allocated capital including goodwill and the new CRD3 requirements) and French and International Retail Banking activities (40% to 42% of allocated capital including goodwill). The remainder will be split between capital allocated to GIMS and Specialised Financial Services & Insurance (25% to 27%).

Operational efficiency will be enhanced, with an objective of going below the 60% C/I ratio threshold by 2012. Within the retail banking activities, the priorities will be industrialisation and pooling of resources. The French retail networks will operate on a single information system by 2013. The largest international entities will be aligned on this same information system. Saller entities will operate on regional hubs. In Corporate and Investment Banking, the Resolution project is expected to deliver significant cost savings and decrease of operational risks.

7. **Update on Q2 Results to Date**

During the first 2 months of the second quarter 2010:

- The French Networks have experienced a strong commercial activity. The full year revenue guidance is comforted by Q2 trends to date.
- In the International Retail Banking division, first signs of recovery in Central and Eastern Europe and Russia have been witnessed while business trends remain positive in other geographies. Revenues should be above the Q1 2010 level.
- The Corporate and Investment Banking division has been marked by satisfactory results in Fixed Income and Financing and Advisory. However, the Equity division has mixed performances as a result of a reduced risk appetite in volatile markets. The impact of legacy assets is in line with the full year guidance.
- As in previous quarters, production volumes have been weak in Specialised Financial Services while margins were resilient. The insurance business has demonstrated sustained activity.
- For Global Investment Management & Services, revenues have shown an improvement vs. Q1 in a still unfavourable environment.

8. **Main Financial Targets**

**GROUP**

- Net earnings target around EUR 6 bn in 2012
- An annual 4% revenue growth between 2009 and 2012\(^1\)
- C/I ratio below 60% in 2012
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FRENCH NETWORKS
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- C/I ratio of 63% in 2012 and below 60% in 2015
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INTERNATIONAL RETAIL BANKING
- Top 3 in CEE and Russia
- Russia within International Retail Banking: 15% of earnings in 2012, the largest contributor in 2015
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- Net earnings target of EUR 0.9-1.1bn in 2012

CORPORATE AND INVESTMENT BANKING
- Top 5 position in Europe
- Revenues nearing EUR 9.5bn in 2012
- A 2012 C/I ratio around 55% and potentially lower thereafter
- Net earnings target of EUR 2.3-2.8bn in 2012

SPECIALISED FINANCIAL SERVICES AND INSURANCE
- Net earnings target of EUR 0.7-0.9bn in 2012

GLOBAL INVESTMENT MANAGEMENT AND SERVICES
- Net earnings target of EUR 0.5-0.7bn in 2012

This document contains a number of forecasts and comments relating to the targets and strategies of Société Générale Group. These forecasts are based on a series of assumptions, both general and specific, notably – unless specified otherwise – the application of accounting principles and methods in accordance with IFRS as adopted in the European Union and applied by the Group in its financial statements as at December 31, 2009, as well as the application of existing prudential regulations. As a result, there is a risk that these projections will not be met. Readers are therefore advised not to rely on these figures more than is justified as the Group's future results may be affected by a number of factors and may therefore differ from current estimates.

Investors are advised to take into account factors of uncertainty and risk when basing their investment decisions on information provided in this document.

Neither Société Générale nor its representatives may be held liable for any loss resulting from the use of these forecasts and/or comments relating to the targets and strategies of Société Générale Group to which the presentation may refer.

Unless otherwise specified:
- the sources for the ranking are internal;
- figures concerning French Networks are given excluding Société Marseillaise de Crédit.