

25 / 05 / 2005



# SOCIETE GENERALE

## FIRST-QUARTER 2005 RESULTS





## Disclaimer

The following presentation contains a number of forecasts and comments relating to Société Générale's targets and strategies.

These forecasts are based on a series of assumptions, both general and specific. 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 are liable to be affected by a number of factors and may therefore differ from current estimates.

Readers should take into account elements of uncertainty and risk when basing their investment decisions on information provided in this presentation.

As of this quarter, the Group's results are presented in accordance with the new IFRS accounting standards. Under European regulations, Q1 05 results are presented under IFRS including IAS 32-39 and IFRS 4 (in their current form and interpretation) and 2004 results are presented under IFRS excluding IAS 32-39 and IFRS 4.



## ■ **Group results**

### ■ **Results of core businesses**

- ▶ Retail Banking & Financial Services
- ▶ Global Investment Management & Services
- ▶ Corporate & Investment Banking

### ■ **Conclusion**

### ■ **Supplements**

## A very good Q1 2005, marked by:

- Particularly robust organic growth in all the core businesses
- Continued acquisitions
- Maintenance of a very low level of risk provisioning

*The Group's results, presented under IFRS excluding IAS 32 & 39 and IFRS 4 for Q1 04, and including IAS 32 & 39 and IFRS 4 for Q1 05, have been reviewed by the Statutory Auditors.*

*The Group also provides an assessment in this presentation of the Q1 05 impact of IAS 32 & 39 and IFRS 4, which has not been reviewed by the Statutory Auditors.*

## An excellent start to the year

- **Strong organic growth in NBI: +18.2%\* vs. Q1 04**

  - ▶ of which +1.8%\* linked to implementation of IAS 32 & 39 (overall impact of EUR +70m)
  
- **Operating expenses: +10.2%\* vs. Q1 04**

  - ▶ Unaffected by implementation of IAS 32 & 39
  
- **Very low cost of risk: 17 bp**

  - ▶ Increase linked to discounting of provisions (IAS 39): EUR +15m
  
- ↪ **Group ROE\*\* after tax: 29.5%**

In EUR m	Q1 04	Q1 05	Change	
Net banking income	3,934	4,704	+19.6%	+18.2%*
Operating expenses	(2,667)	(2,985)	+11.9%	+10.2%*
<b>Gross operating income</b>	<b>1,267</b>	<b>1,719</b>	<b>+35.7%</b>	<b>+35.0%*</b>
Net allocation to provisions	(200)	(73)	-63.5%	-66.3%*
<b>Operating income</b>	<b>1,067</b>	<b>1,646</b>	<b>+54.3%</b>	<b>+54.1%*</b>
Net income from companies accounted for by the equity method	3	5		
Net income from other assets	238	166		
<b>Net income</b>	<b>867</b>	<b>1,219</b>	<b>+40.6%</b>	<b>+42.0%*</b>
Group ROE (after tax)	21.6%	29.5%		
C/I ratio	67.8%	63.5%		
Tier-one ratio	8.4%	8.1%		
Risk-weighted assets (end of period, in EUR bn)	201.9	221.3		

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

\*\* Group ROE for Q1 05 is calculated on the basis of average net shareholders' equity under IFRS (including IAS 32 & 39 and IFRS 4), excluding unrealised capital gains or losses.

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

# Strong revenue growth across the board

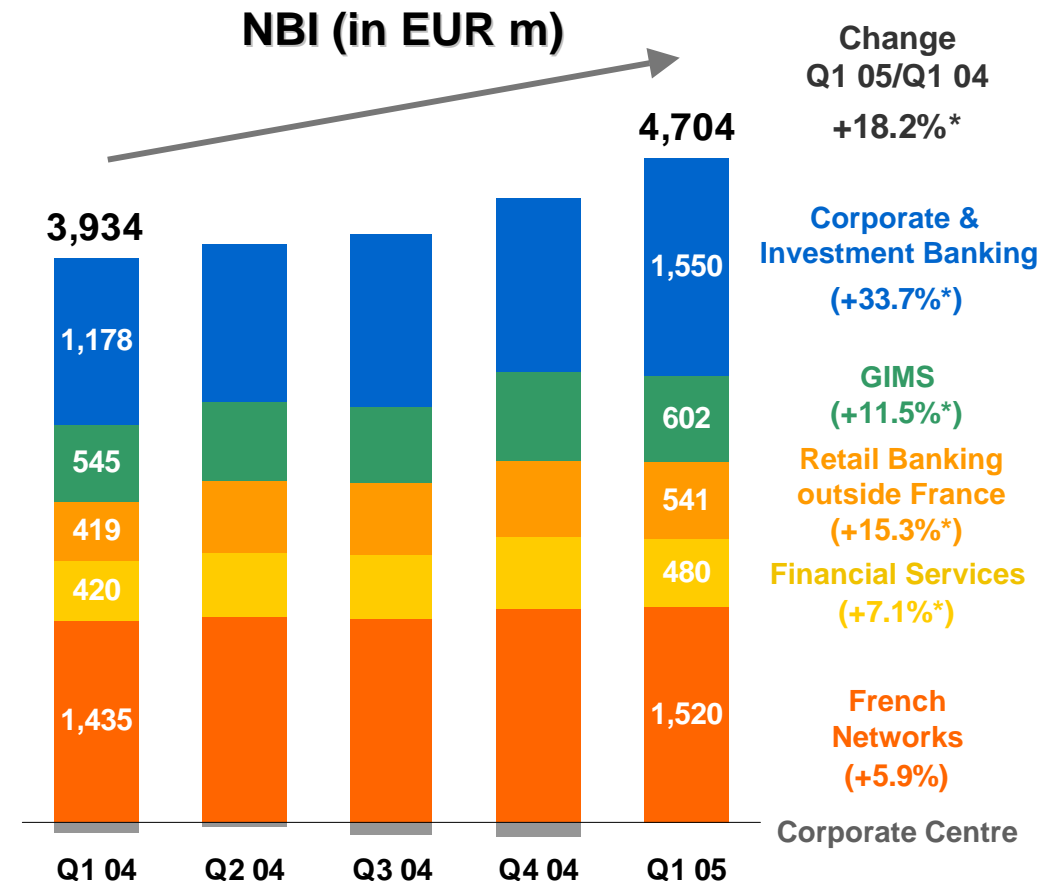
## ■ Substantial rise in Retail Banking and Financial Services activities

- ▶ NBI for French Networks: +5.9% vs. Q1 04, +4.0% excl. effect of IAS 32 & 39\*\*

## ■ Sustained business levels in Global Investment Management & Services

## ■ Exceptional quarter in Corporate and Investment Banking

- ▶ Overall neutral impact of IAS 32 & 39



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

\*\* NBI growth for the French Networks comes out at around 10% if the impact of PEL/CEL provisions is simulated for Q1 04

2004 quarters: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

# Control of costs and improvements in operating efficiency

■ **Operating expenses for French Networks: +5.6% vs. Q1 04, taking into account non-recurrent effects**

- ▶ Bonus under 2005 wage agreement
- ▶ Increase in expenses linked to IFRS 2

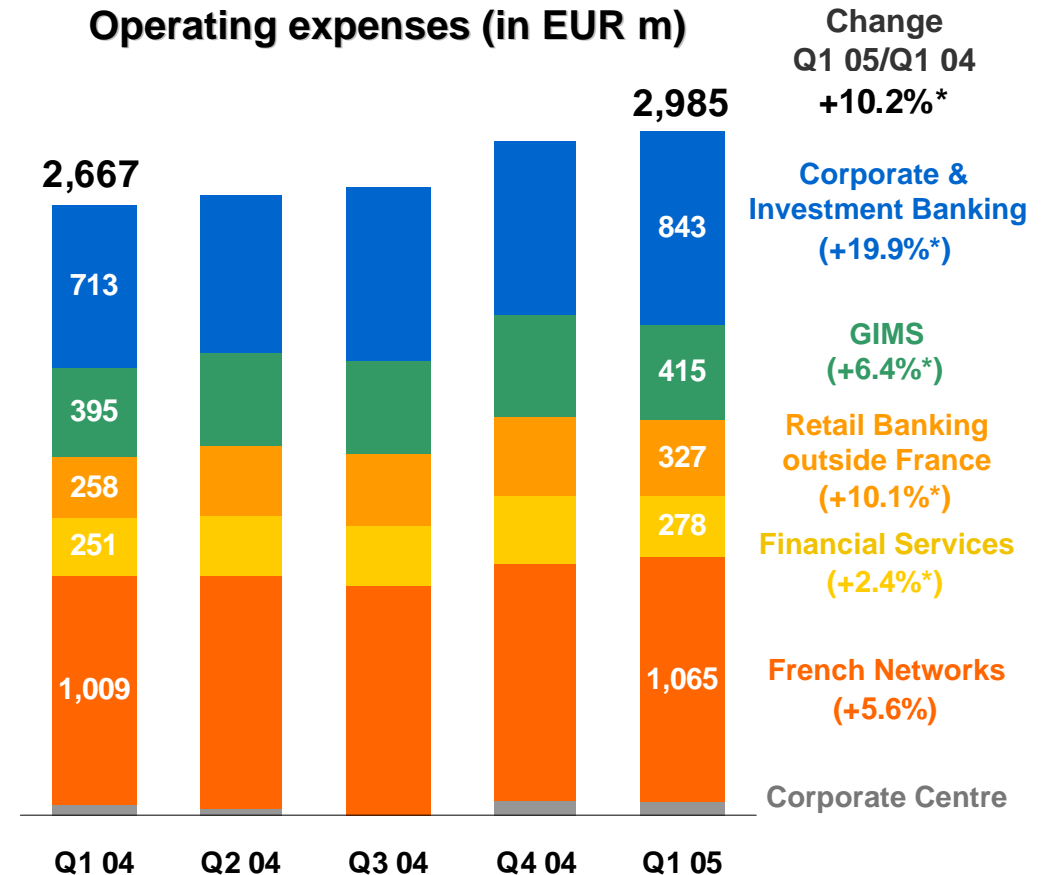
■ **Further improvements in operating efficiency**

- ▶ Global Investment Management & Services: 68.9% (vs. 72.5% in Q1 04)
- ▶ Retail Banking outside France: 60.4% (vs. 61.6% in Q1 04)
- ▶ Financial Services: 57.9% (vs. 59.8% in Q1 04)

■ **Exceptionally low C/I ratio in Corporate & Investment Banking: 54.4%**

↪ **Group C/I ratio: 63.5%**

Operating expenses (in EUR m)



2004 quarters: IFRS (excl. IAS 32 & 39 and IFRS 4)  
 Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

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

# Risk provisioning kept at a very low level

## ■ Low cost of risk for the Group

- ▶ 17 bp (vs. average of 48 bp over the period 2000-2004)
- ▶ 14 bp excluding discounting effect of IAS 32 & 39 (EUR +15m)

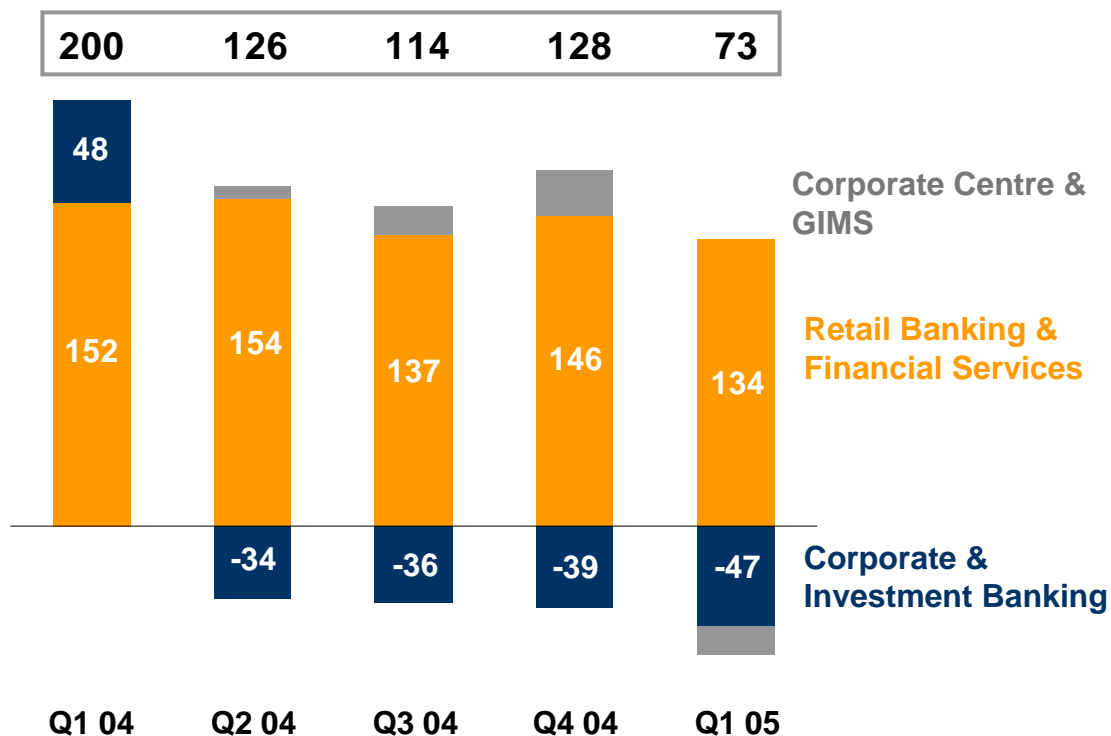
## ■ French Networks

- ▶ Cost of risk: 28 bp in Q1 05 (vs. 33 bp in Q1 04)

## ■ Corporate & Investment Banking

- ▶ Very few new loans provisioned
- ▶ Write-back of specific provisions following repayment or sale of loans

Net allocation to provisions (in EUR m)



Annualised cost of commercial risk\* as proportion of RWA at end of period (in bp)

Risk-weighted assets at end of period (excl. Market activities), in EUR bn

Quarter	Q1 04	Q2 04	Q3 04	Q4 04	Q1 05
Annualised cost of commercial risk*	31	22	18	13	17
Risk-weighted assets	194	201	206	210	215

\* Specific provisioning for identified risks + general credit risk reserve in 2004; specific provisioning for identified risks + portfolio-based provisions as of Q1 05.

2004 quarters: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)





## ■ Group results

## ■ **Results of core businesses**

- ▶ Retail Banking & Financial Services
- ▶ Global Investment Management & Services
- ▶ Corporate & Investment Banking

## ■ Conclusion

## ■ Supplements

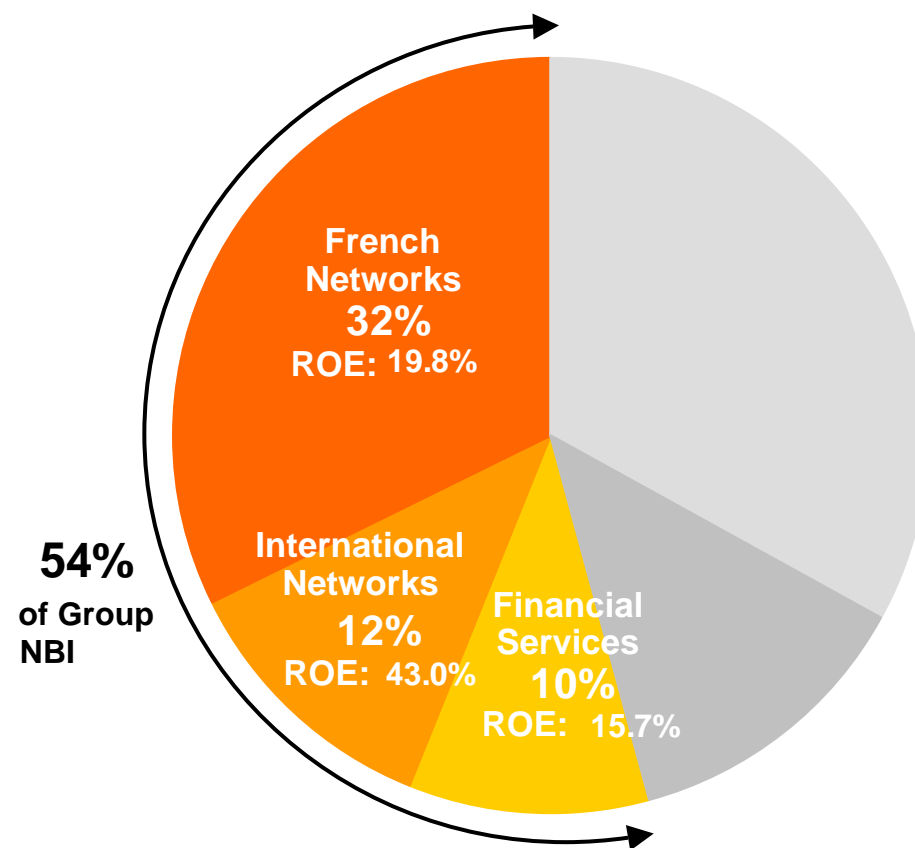
## RETAIL BANKING AND FINANCIAL SERVICES

**Q1 05 NBI:**  
+11.7% vs. Q1 04; +7.9% like-for-like

**Q1 05 net income:**  
EUR 438m, +23.0% vs. Q1 04

**Q1 05 ROE after tax:**  
20.9%

**Individual customers:**  
17.1 million (+12% vs. end-March 2004)



**Q1 05 NBI: EUR 2,541m**

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

# Very dynamic commercial activity

## ■ Steady rise in number of personal current accounts

- ▶ +132,600 current accounts vs. Q1 04 (+2.4%)  
o/w +28,400 in Q1 05

## ■ High savings inflows

- ▶ Life insurance: EUR 2.3bn (+2.6% vs. Q1 04) o/w investments in unit-linked policies: +52% vs. Q1 04
- ▶ Customer deposits: EUR 1.5bn (+23% vs. Q1 04)

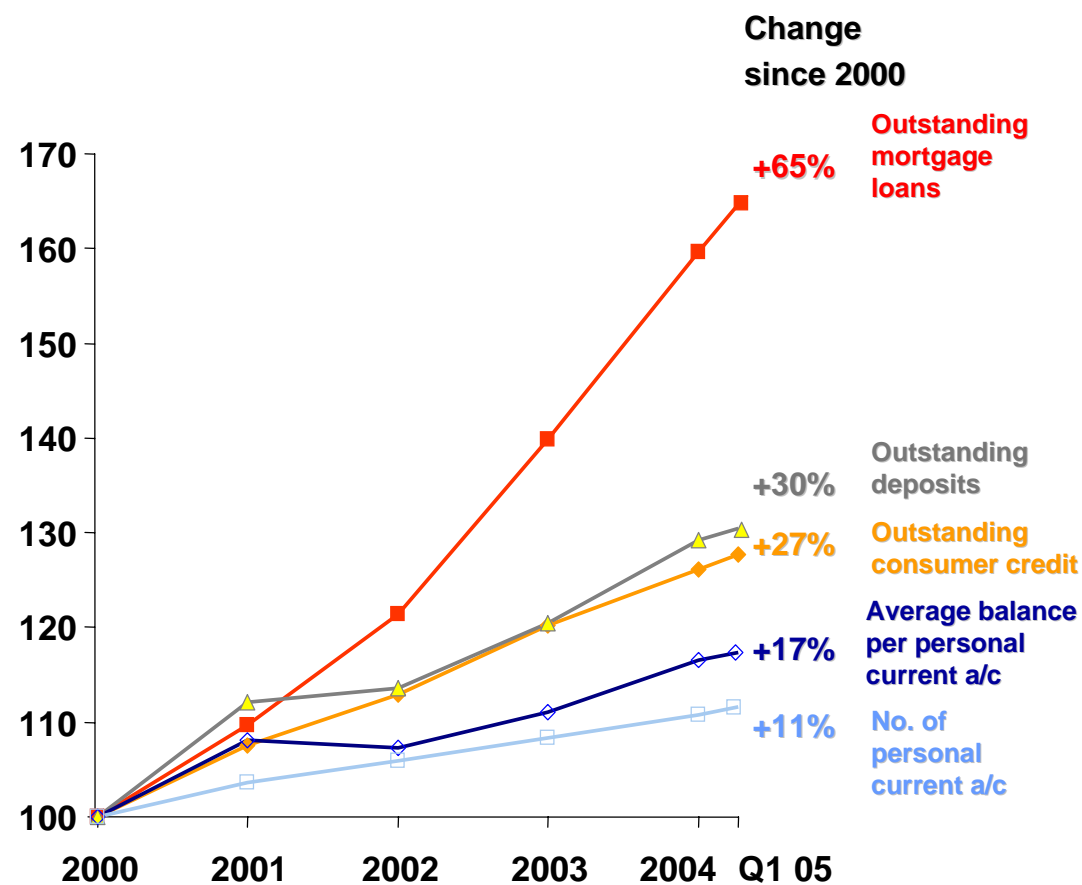
## ■ Strong rise in new lending to individuals

- ▶ Mortgage loans: EUR 3.4bn (+27.5% vs. Q1 04)
- ▶ Consumer instalment loans: EUR 0.9bn (+18.4% vs. Q1 04)
- ▶ Revolving loans: EUR 1.2bn (+8.8% vs. Q1 04)

## ■ Expansion of business customer base

- ▶ 840 new relationships established with good quality SMEs (+5.5% vs. Q1 04)
- ▶ Investment loans: outstanding of EUR 33.4bn (+7.2% vs. Q1 04)
- ▶ Operating loans: outstanding of EUR 12.0bn (+3.8% vs. Q1 04)

## Individual customers: steady performances



## Sustained rise in revenues

■ **NBI: +5.9% vs. Q1 04 but needs to be adjusted for IAS 32 & 39**

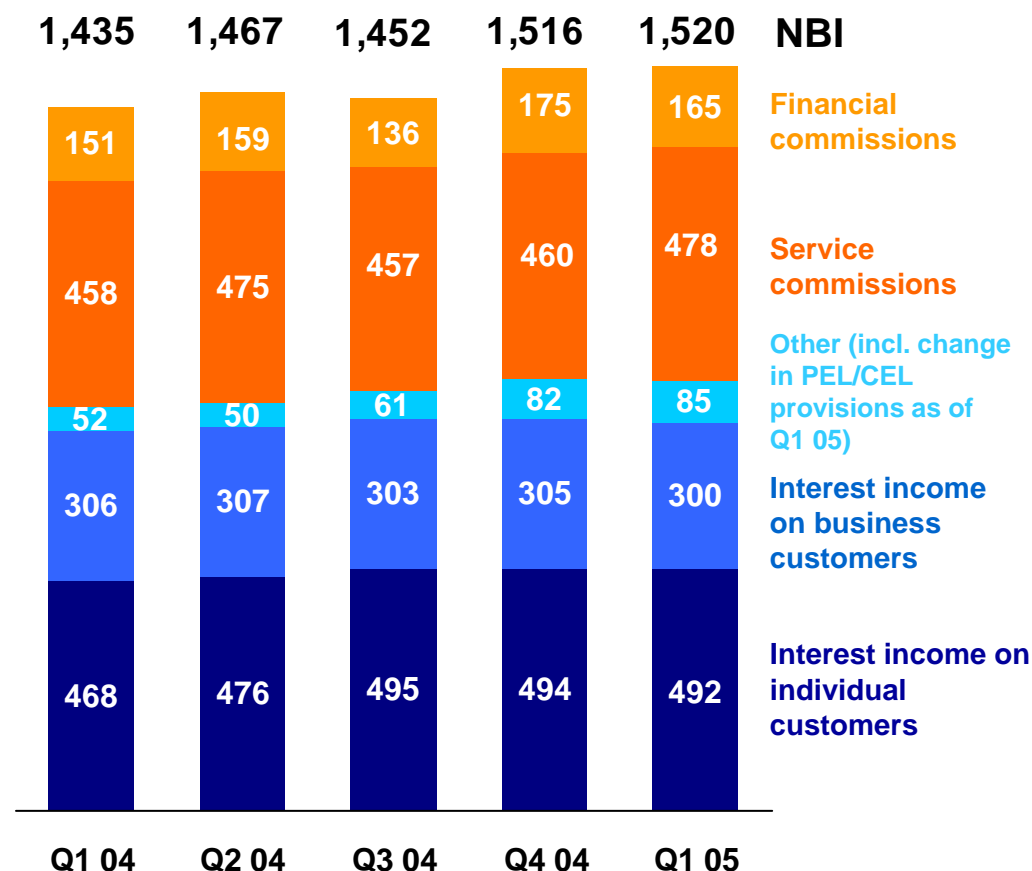
- ▶ NBI growth excl. effect of IAS 32 & 39: +4.0% vs. Q1 04
- ▶ Main impact in Q1 05: EUR 23m write-back of provisions for PEL/CEL mortgage savings accounts

■ **Fee & commission income: +5.6% vs. Q1 04**

- ▶ Financial commissions: +9.3% vs. Q1 04
- ▶ Service commissions: +4.4% vs. Q1 04
  - o/w price effect: +0.5%

■ **Net interest income: +2.9% vs. Q1 04 excl. effect of IAS 32 & 39**

- ▶ Average outstanding deposits
  - Sight deposits: +7.1%
  - Special savings a/c: +5.1%
- ▶ Average outstanding loans: +8.3%
  - o/w individual customers: +12.5%
  - o/w business customers: +4.1%
- ▶ Interest margin: 3.19%; -17 bp vs. Q1 04  
-4 bp vs. Q4 04



2004 quarters: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

## Good results

- **NBI: +5.9% vs. Q1 04**
- **Operating expenses: +5.6% vs. Q1 04**
  - ▶ One-off bonus linked to 2005 wage agreement: EUR 18.7m
  - ▶ Increase linked to impact of IFRS 2: EUR +4m
  - ▶ 4D programme: 59% of back-offices at sales outlets were managed by a regional Customer Service Department at 31/03/05
- **Cost of risk: 28 bp vs. 33 bp in Q1 04**

In EUR m	Q1 04	Q1 05	Change
Net banking income	1,435	1,520	+5.9%
Operating expenses	(1,009)	(1,065)	+5.6%
<b>Gross operating income</b>	<b>426</b>	<b>455</b>	<b>+6.8%</b>
Net allocation to provisions	(71)	(68)	-4.2%
<b>Operating incomes</b>	<b>355</b>	<b>387</b>	<b>+9.0%</b>
<b>Net income</b>	<b>218</b>	<b>240</b>	<b>+10.1%</b>
ROE after tax	18.8%	19.8%	
C/I ratio	70.3%	70.1%	

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
 Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

## Dynamic pace of growth

### ■ Excellent commercial performances

- ▶ Customer base:
  - +620,000 individual customers vs. Q1 04 (+14%) on same scope basis
    - o/w Europe (EU and pre-EU): +344,000 vs. Q1 04 (+12%) on same scope basis
- ▶ Outstanding deposits: +7.8%\* vs. Q1 04
- ▶ Outstanding loans: +17.8%\* vs. Q1 04 (o/w individuals: +35%\*)

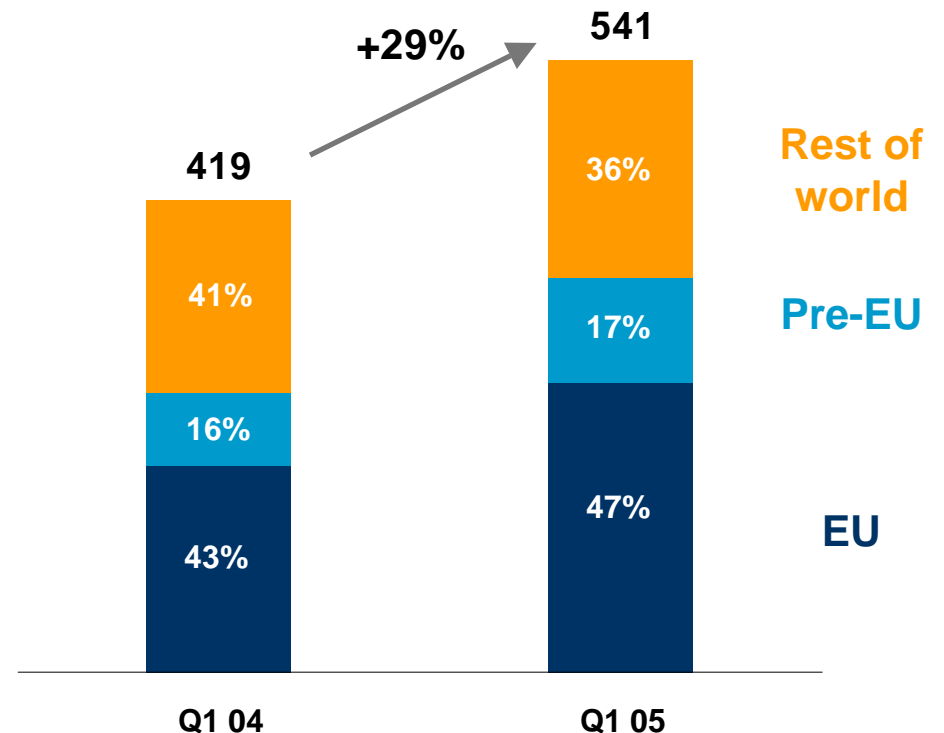
### ■ Continued expansion of the network

- ▶ +94 branches vs. Q1 04 on same scope basis
- ▶ +17 branches in Q1 05 on same scope basis

### ■ Change in consolidation scope

- ▶ Sale of Argentine subsidiary and of stake in United Arab Bank
- ▶ Increase in stake in Egypt from 54% to 78%
- ▶ Integration of Algeria

Geographical breakdown of NBI



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

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
 Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

## Substantial rise in contribution to Group results

■ **Strong increase in NBI: +15.3%\* vs. Q1 04**

▶ Impact of IAS 32 & 39 not significant this quarter

■ **Costs kept under control, in a context of sustained investment: +10.1%\* vs. Q1 04**

■ **Decline in cost of risk**

In EUR m	Q1 04	Q1 05	Change	
Net banking income	419	541	+29.1%	+15.3%*
Operating expenses	(258)	(327)	+26.7%	+10.1%*
<b>Gross operating income</b>	<b>161</b>	<b>214</b>	<b>+32.9%</b>	<b>+23.4%*</b>
Net allocation to provisions	(44)	(28)	-36.4%	-42.2%*
<b>Operating income</b>	<b>117</b>	<b>186</b>	<b>+59.0%</b>	<b>+47.5%*</b>
Net income from other assets	20	8	-60.0%	NM
<b>Net income</b>	<b>55</b>	<b>94</b>	<b>+70.9%</b>	<b>+47.4%*</b>
ROE after tax	32.5%	43.0%		
C/I ratio	61.6%	60.4%		

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

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

## Business finance and services: continued expansion in Europe

### ■ Vendor and equipment finance

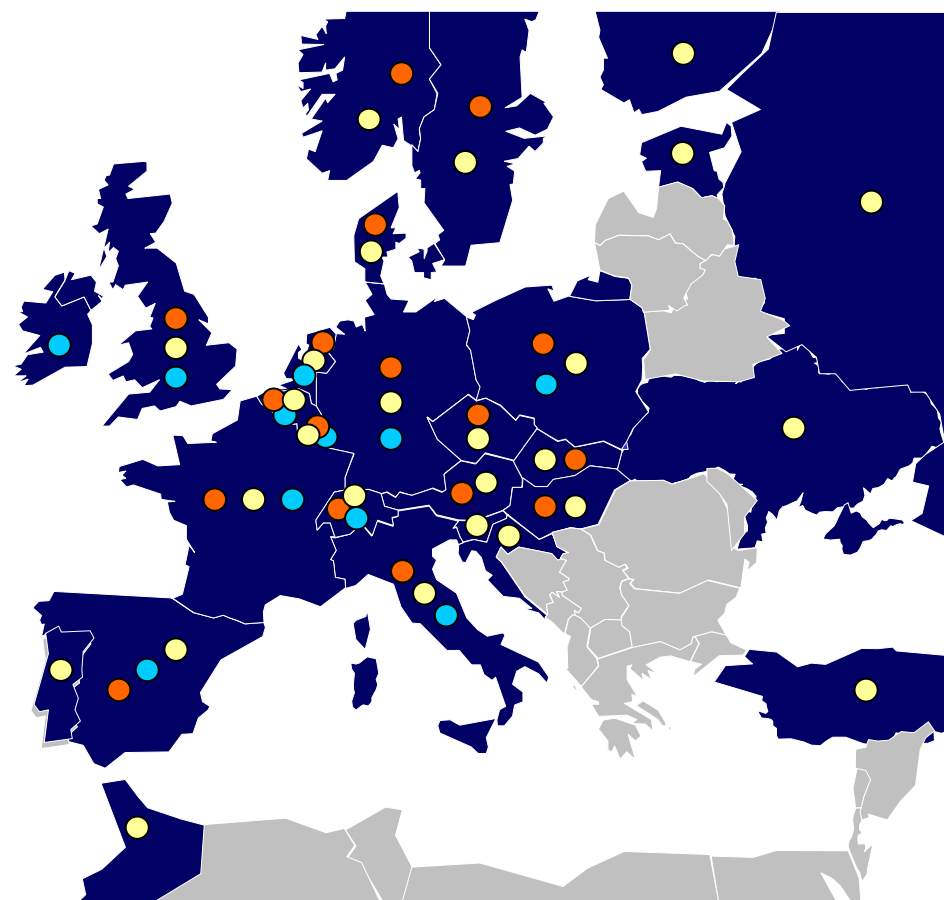
- ▶ SG Equipment Finance No.1 in Europe
- ▶ New financing in Q1 05: +10.8%\* vs. Q1 04

### ■ Operational vehicle leasing and fleet management

- ▶ ALD No.2 in Europe in terms of outstanding loans
- ▶ Fleet under management: 527,000 vehicles\*\* (+14.8% vs. Q1 04)
- ▶ Acquisition of Alfa Oto in Turkey, creation of subsidiary in Croatia

### ■ IT asset leasing and management

- ▶ ECS No.1 in Europe
- ▶ New financing in Q1 05: +6% vs. Q1 04
- ▶ Creation of services subsidiaries (Solutis) in Switzerland, the Netherlands and Poland



- Operational vehicle leasing & fleet management
- Vendor & equipment finance
- IT asset leasing & management

\* When adjusted for changes in Group structure

\*\* Accounting treatment modified as of Q1 05



# Consumer credit: buoyant growth in Europe

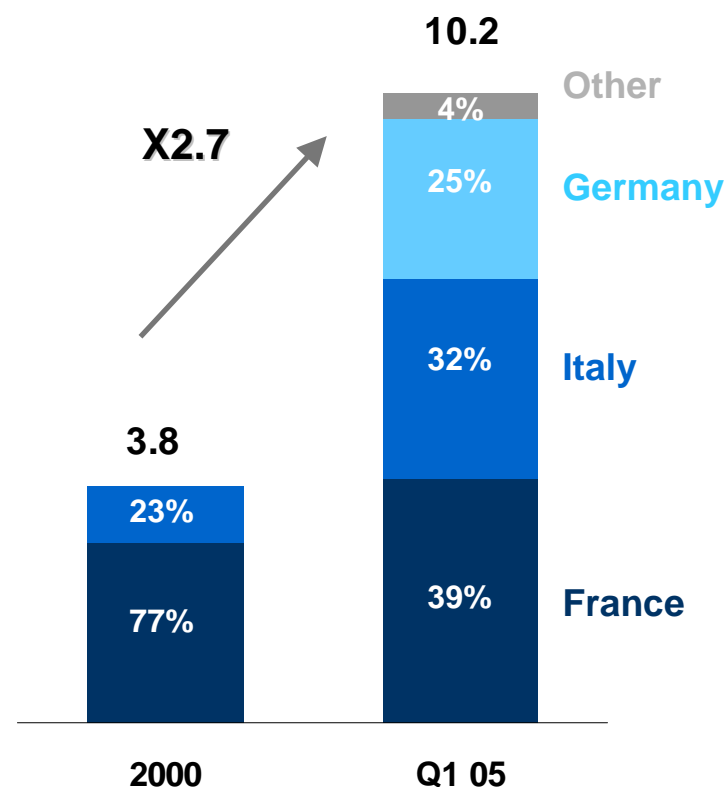
## ■ Commercial activity

- ▶ Sustained loan issuance: +6.7%\* vs. Q1 04
- ▶ Outstanding loans: +16.0%\* vs. Q1 04

## ■ An expanding business

- ▶ Organic growth in France
  - Loan issuance\*\*: +9% vs. Q1 04
  - Outstanding loans\*\*: +8% vs. Q1 04
  - Resilient margins
- ▶ Acquisitions in Europe
  - Consolidation of Hanseatic Bank's results for March
  - Announced acquisitions of Promek Bank in Russia and Eurobank in Poland

Geographical breakdown  
of outstanding loans\*\* (in EUR bn)



\* When adjusted for changes in Group structure

\*\* Excluding EUR 7.5bn of outstanding loans for the French Networks

## Growth in financial results

### ■ Specialised Financing

- ▶ NBI: +7.8%\* vs. Q1 04
  - Impact of IAS 32 & 39: EUR +5m
- ▶ Operating expenses: +7.3%\* vs. Q1 04
- ▶ ROE after tax: 18.6%

### ■ Life insurance

- ▶ NBI: +14.7%\* vs. Q1 04
  - Impact of IAS 32 & 39: EUR +2m

In EUR m	Q1 04	Q1 05	Change	
Net banking income	420	480	+14.3%	+7.1%*
<i>o.w. specialised financing</i>	321	374	+16.5%	+7.8%*
Operating expenses	(251)	(278)	+10.8%	+2.4%*
<b>Gross operating income</b>	<b>169</b>	<b>202</b>	<b>+19.5%</b>	<b>+14.2%*</b>
Net allocation to provisions	(37)	(38)	+2.7%	-8.1%*
<b>Operating income</b>	<b>132</b>	<b>164</b>	<b>+24.2%</b>	<b>+20.5%*</b>
<i>o.w. specialised financing</i>	92	114	+23.9%	+16.3%*
<b>Net income</b>	<b>83</b>	<b>104</b>	<b>+25.3%</b>	<b>+22.9%*</b>
ROE after tax	14.5%	15.7%		
C/I ratio	59.8%	57.9%		

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

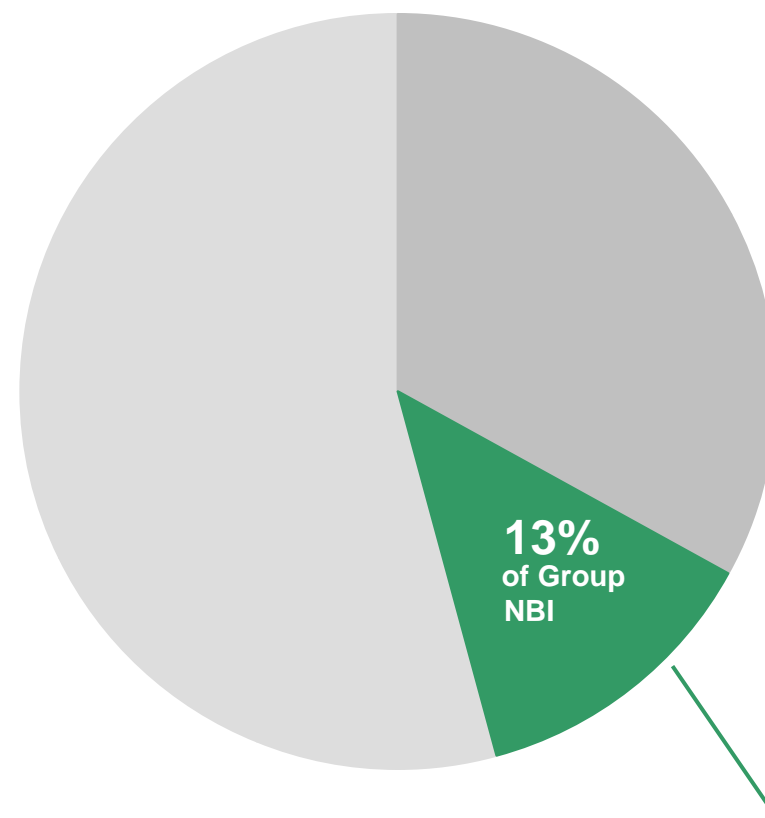
Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

## GLOBAL INVESTMENT MANAGEMENT & SERVICES

**Q1 05 NBI:**  
**+10.5% vs. Q1 04; +11.5% like-for-like**

**Q1 05 net income:**  
**EUR 127m (+33.7% vs. Q1 04)**

**Q1 05 net inflows:**  
**EUR 5.5bn (i.e. on annualised basis, 7%  
of assets under management)**



**Q1 05 NBI: EUR 602m**

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

## Maintenance of growth momentum

### ■ Asset Management

- ▶ Strong performances, notably from TCW and in Asia

### ■ Private Banking

- ▶ Excellent business levels across the board

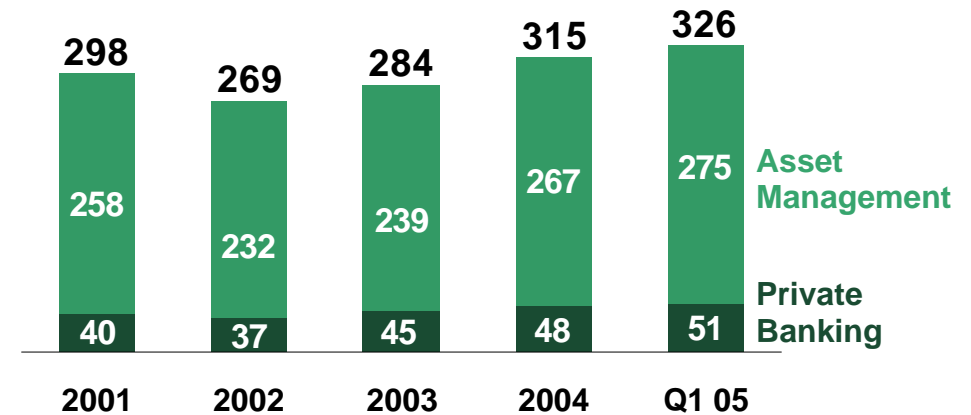
### ■ GSSI

- ▶ FIMAT:
  - Increase in number of lots processed: 161 million (+5% vs. Q1 04)
- ▶ Rise in assets under custody: EUR 1,180bn (+10% vs. Q1 04)

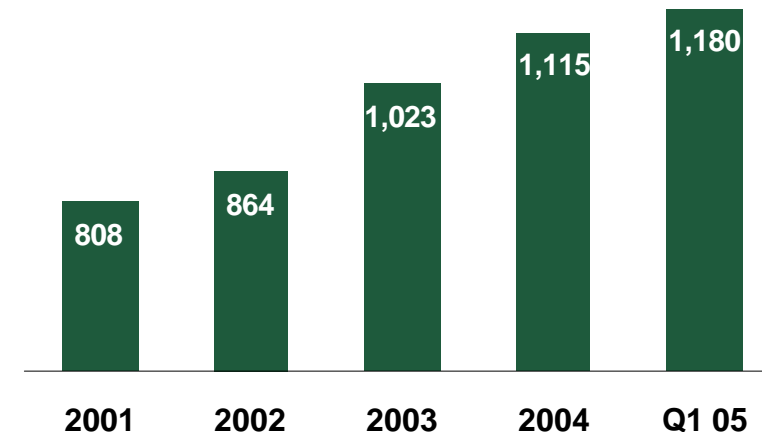
### ■ Boursorama

- ▶ AuM: EUR 4bn (+36%\* vs. Q1 04)
  - Strong growth in savings inflows. Outstanding of EUR 1.5bn at 31/03/05 (+96%\* vs. Q1 04)
- ▶ Finalisation of acquisition of Veritas AG, consolidated as of Q1 05

Assets under management (in EUR bn)



Assets under custody (in EUR bn)



\* When adjusted for changes in Group structure

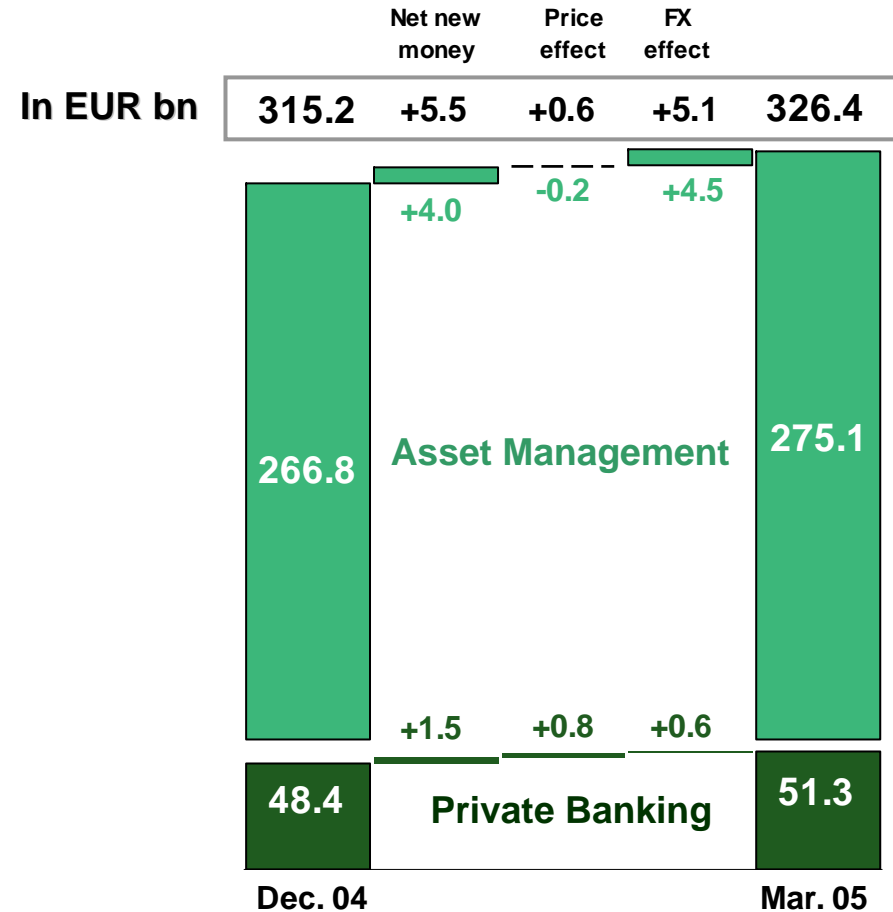
## Healthy net inflows: EUR 5.5bn

### ■ Asset Management

- ▶ Net new money in Q1 05: EUR 4bn, i.e. on annualised basis, 6% of AuM
- ▶ Assets under management: EUR 275.1bn (EUR 252.9bn at 31/03/04)

### ■ Private Banking

- ▶ Net new money in Q1 05: EUR 1.5bn, i.e. on annualised basis, 12% of AuM
- ▶ Assets under management: EUR 51.3bn (EUR 47.1bn at 31/03/04)



Reminder: these figures do not include EUR 79bn of assets held by customers of the French Networks (investible assets exceeding EUR 150,000) or assets managed by Lyxor AM, whose results are consolidated in the Equity & Advisory business line (EUR 47bn)

## Good financial performances

### ■ Asset Management

- ▶ NBI: +19.0%\* vs. Q1 04
  - Exceptional distribution fee of EUR 38m (vs. EUR 13m in Q1 04)
  - Strong contribution from TCW
- ▶ Good control of operating expenses: +5.5%\* vs. Q1 04

### ■ Private Banking

- ▶ Gross margin in excess of 100 bp

### ■ GSSI + Boursorama

- ▶ NBI: +7.4%\* vs. Q1 04

↘ **Net income: +33.7% vs. Q1 04**

In EUR m	Q1 04	Q1 05	Change	
Net banking income	545	602	+10.5%	+11.5%*
<i>o/w Asset Management</i>	230	269	+17.0%	+19.0%*
<i>o/w Private Banking</i>	122	127	+4.1%	+4.1%*
<i>o/w GSSI &amp; Boursorama</i>	193	206	+6.7%	+7.4%*
Operating expenses	(395)	(415)	+5.1%	+6.4%*
<b>Gross operating income</b>	<b>150</b>	<b>187</b>	<b>+24.7%</b>	<b>+24.8%*</b>
Net allocation to provisions	0	0	NM	NM
<b>Operating income</b>	<b>150</b>	<b>187</b>	<b>+24.7%</b>	<b>+24.8%*</b>
<i>o/w Asset Management</i>	81	115	+42.0%	+43.8%*
<i>o/w Private Banking</i>	40	41	+2.5%	+2.5%*
<i>o/w GSSI &amp; Boursorama</i>	29	31	+6.9%	+3.4%*
Net income from other assets	0	0	NM	NM
<b>Net income</b>	<b>95</b>	<b>127</b>	<b>+33.7%</b>	<b>+34.0%*</b>
Cost/income ratio	72.5%	68.9%		

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

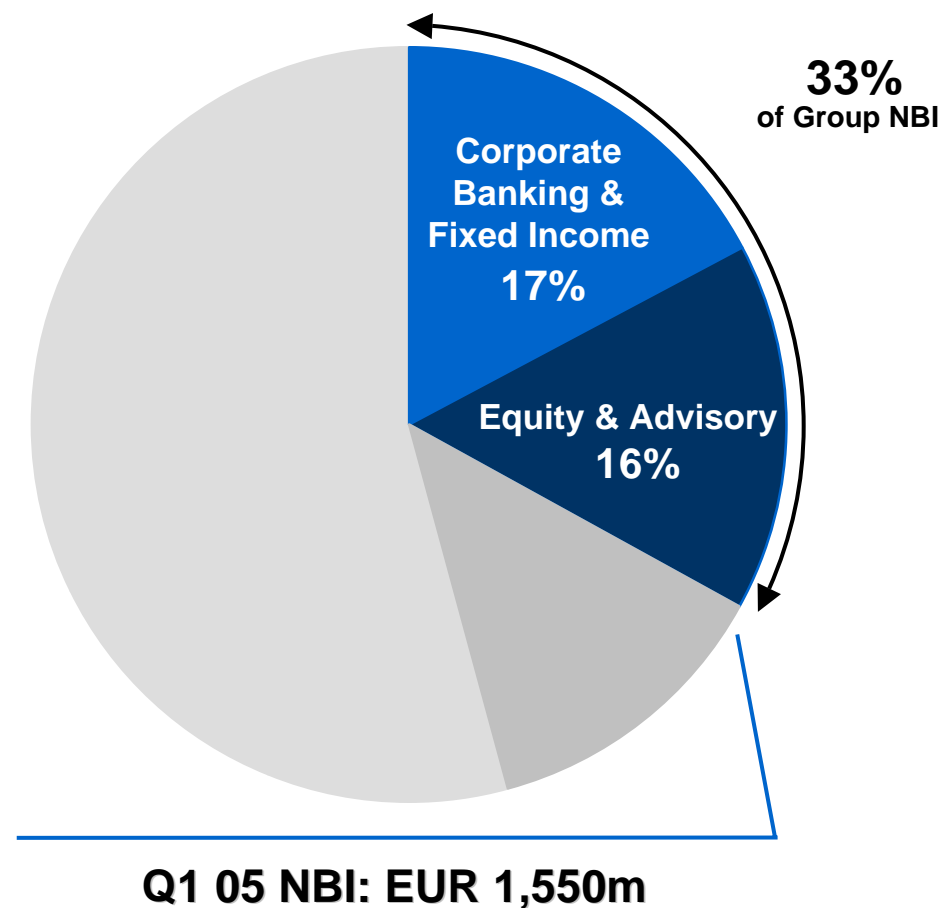
Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

## CORPORATE & INVESTMENT BANKING

**Q1 05 NBI:**  
+31.6% vs. Q1 04; +33.7% like-for-like

**Q1 05 net income:**  
EUR 498m, +57.1% vs. Q1 04

**Q1 05 ROE after tax:**  
54.0%



Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

# Exceptional start to the year

## ■ Corporate Banking & Fixed Income

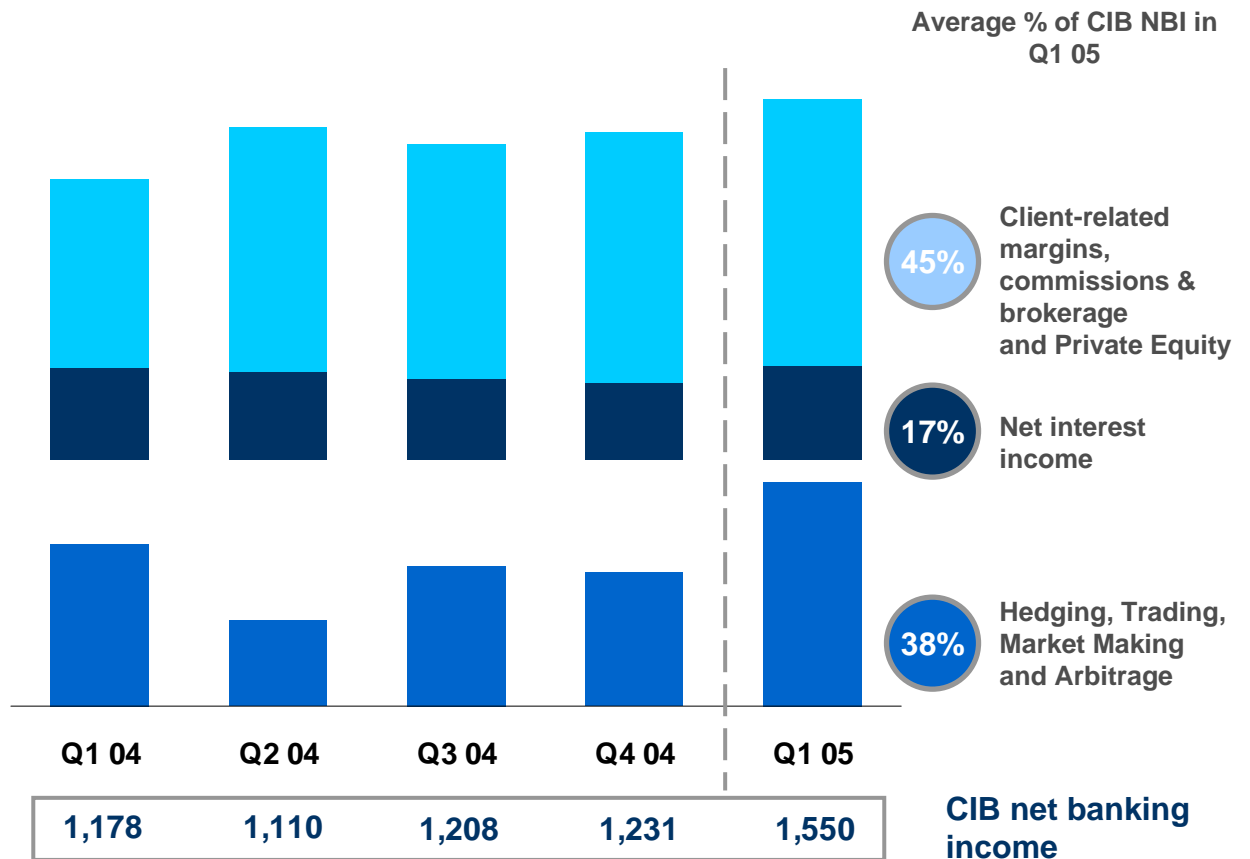
- ▶ Strong growth in Fixed Income: very good performance from trading and sales activities, notably in fixed income products and interest rate derivatives
- ▶ Reasonable growth in financing activities

## ■ Equity & Advisory

- ▶ Equity derivatives
  - Very good client driven performances in all businesses
  - Exceptional quarter in a very favourable market context for trading activities, notably arbitrage
- ▶ Moderate rise in Cash Equity & Advisory activities

## ■ Continuation of growth plans

Quarterly NBI (in EUR m): consistently high share of client-driven revenues



2004 quarters: IFRS (excl. IAS 32 & 39 and IFRS 4)  
 Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)



## Record results

### ■ Sharp rise in revenues

- ▶ NBI: +33.7%\* vs. Q1 04
- ▶ Marginal impact of IAS 32 & 39:  
EUR +1m

### ■ Exceptionally low C/I ratio: 54.4%

↪ **GOI: +55.0%\* vs. Q1 04**

### ■ Cost of risk: another net write-back of provisions

↪ **Operating income: +83.9%\* vs. Q1 04**

In EUR m	Q1 04	Q1 05	Change	
Net banking income	1,178	1,550	+31.6%	+33.7%*
<i>o/w Equity &amp; Advisory</i>	440	740	+68.2%	+71.7%*
<i>o/w Corp. Bkg &amp; Fixed Income</i>	738	810	+9.8%	+11.3%*
Operating expenses	(713)	(843)	+18.2%	+19.9%*
<b>Gross operating income</b>	<b>465</b>	<b>707</b>	<b>+52.0%</b>	<b>+55.0%*</b>
Net allocation to provisions	(48)	47	NM	NM
<b>Operating income</b>	<b>417</b>	<b>754</b>	<b>+80.8%</b>	<b>+83.9%*</b>
<i>o/w Equity &amp; Advisory</i>	93	381	x4.1	x4.3*
<i>o/w Corp. Bkg &amp; Fixed Income</i>	324	373	+15.1%	+16.2%*
<b>Net income</b>	<b>317</b>	<b>498</b>	<b>+57.1%</b>	<b>+59.6%*</b>
ROE after tax	36.0%	54.0%		
C/I ratio	60.5%	54.4%		

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

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

## Impact of IAS 32 & 39 on Q1 05 NBI in line with estimates

### ■ Day One P&L: EUR -39m

- ▶ Negative impact on CIB's NBI in line with estimates

### ■ Mark to market valuation of CDS: EUR +15m

- ▶ Overall sensitivity to credit spreads: EUR +26m impact on NBI of a +10 bp variation in spreads

### ■ Valuation of some assets and liabilities at mark to market: EUR +25m

- ▶ Effect of new accounting classification of financial instruments previously valued using accrual of interest method and now valued at mark to market

### ■ Hedging: EUR +2m

- ▶ Impact of residual ineffectiveness of hedging transactions

### ■ Treasury shares: EUR -2m



## ■ Group results

## ■ Results of core businesses

- ▶ Retail Banking & Financial Services
- ▶ Global Investment Management & Services
- ▶ Corporate & Investment Banking

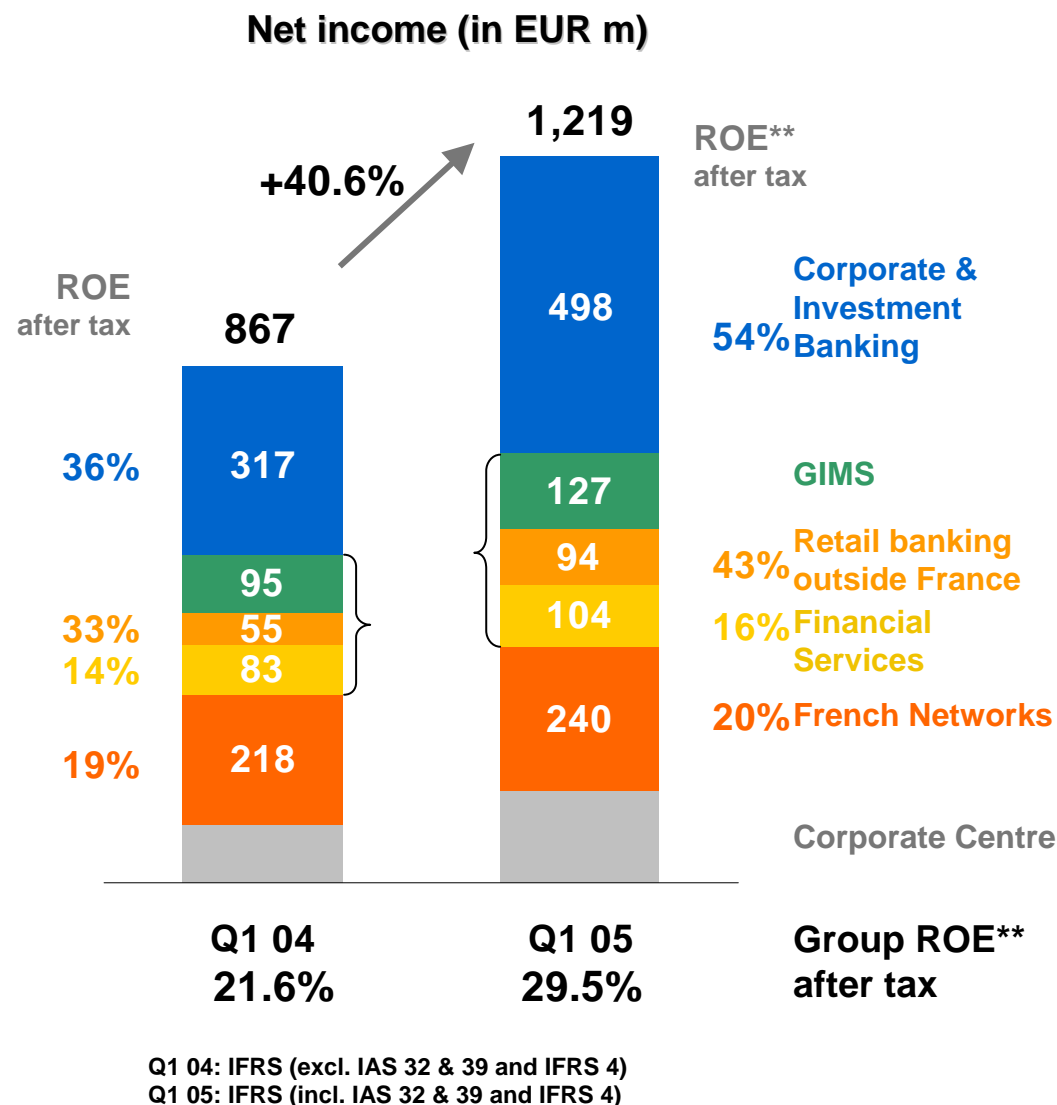
## ■ Conclusion

## ■ Supplements

## Conclusion

- **Strong growth in activity in all the core businesses**
  - ▶ Very good commercial activity in French Networks in a highly competitive market
  - ▶ Confirmation of potential for expansion in growth drivers
  - ▶ Exceptional contribution from Corporate & Investment Banking
- **Maintenance of very low level of risk provisioning**
- **Very limited impact of IAS 32 & 39**
- ↶ **EPS: EUR 3.0 (+54% vs. end-March 2004)**
- ↶ **Tier one ratio: 8.1% at 31/03/05**

\*\* Group ROE for Q1 05 is calculated on the basis of average net shareholders' equity under IFRS (including IAS 32 & 39 and IFRS 4), excluding Other Comprehensive Income (unrealised capital gains or losses).



25 / 05 / 2005

# SUPPLEMENTS



## Quarterly income statement by core business

In EUR m

	Retail Banking & Financial Services		Global Investment Management & Services		Corporate & Investment Banking		Corporate Centre		Group	
	Q1 05	Q1 04	Q1 05	Q1 04	Q1 05	Q1 04	Q1 05	Q1 04	Q1 05	Q1 04
Net banking income	2,541	2,274	602	545	1,550	1,178	11	(63)	4,704	3,934
Operating expenses	(1,670)	(1,518)	(415)	(395)	(843)	(713)	(57)	(41)	(2,985)	(2,667)
<b>Gross operating income</b>	<b>871</b>	<b>756</b>	<b>187</b>	<b>150</b>	<b>707</b>	<b>465</b>	<b>(46)</b>	<b>(104)</b>	<b>1,719</b>	<b>1,267</b>
Net allocation to provisions	(134)	(152)	0	0	47	(48)	14	0	(73)	(200)
<b>Operating income</b>	<b>737</b>	<b>604</b>	<b>187</b>	<b>150</b>	<b>754</b>	<b>417</b>	<b>(32)</b>	<b>(104)</b>	<b>1,646</b>	<b>1,067</b>
Net income from companies accounted for by the equity method	1	2	0	0	4	0	0	1	5	3
Net income from other assets	8	17	0	0	0	2	158	219	166	238
Impairment of goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	(246)	(213)	(58)	(45)	(257)	(100)	57	(7)	(504)	(365)
Net income before minority interests	500	410	129	105	501	319	183	109	1,313	943
Minority interests	(62)	(54)	(2)	(10)	(3)	(2)	(27)	(10)	(94)	(76)
<b>Net income</b>	<b>438</b>	<b>356</b>	<b>127</b>	<b>95</b>	<b>498</b>	<b>317</b>	<b>156</b>	<b>99</b>	<b>1,219</b>	<b>867</b>
Average allocated capital	8,374	7,619	825	718	3,686	3,524	3,644 *	4,183 *	16,529	16,044
<b>ROE after tax</b>	<b>20.9%</b>	<b>18.7%</b>	<b>61.6%</b>	<b>52.9%</b>	<b>54.0%</b>	<b>36.0%</b>	<b>NM</b>	<b>NM</b>	<b>29.5%</b>	<b>21.6%</b>

\* Calculated as the difference between total Group capital and capital allocated to the core businesses.

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

## Quarterly income statement

In EUR m

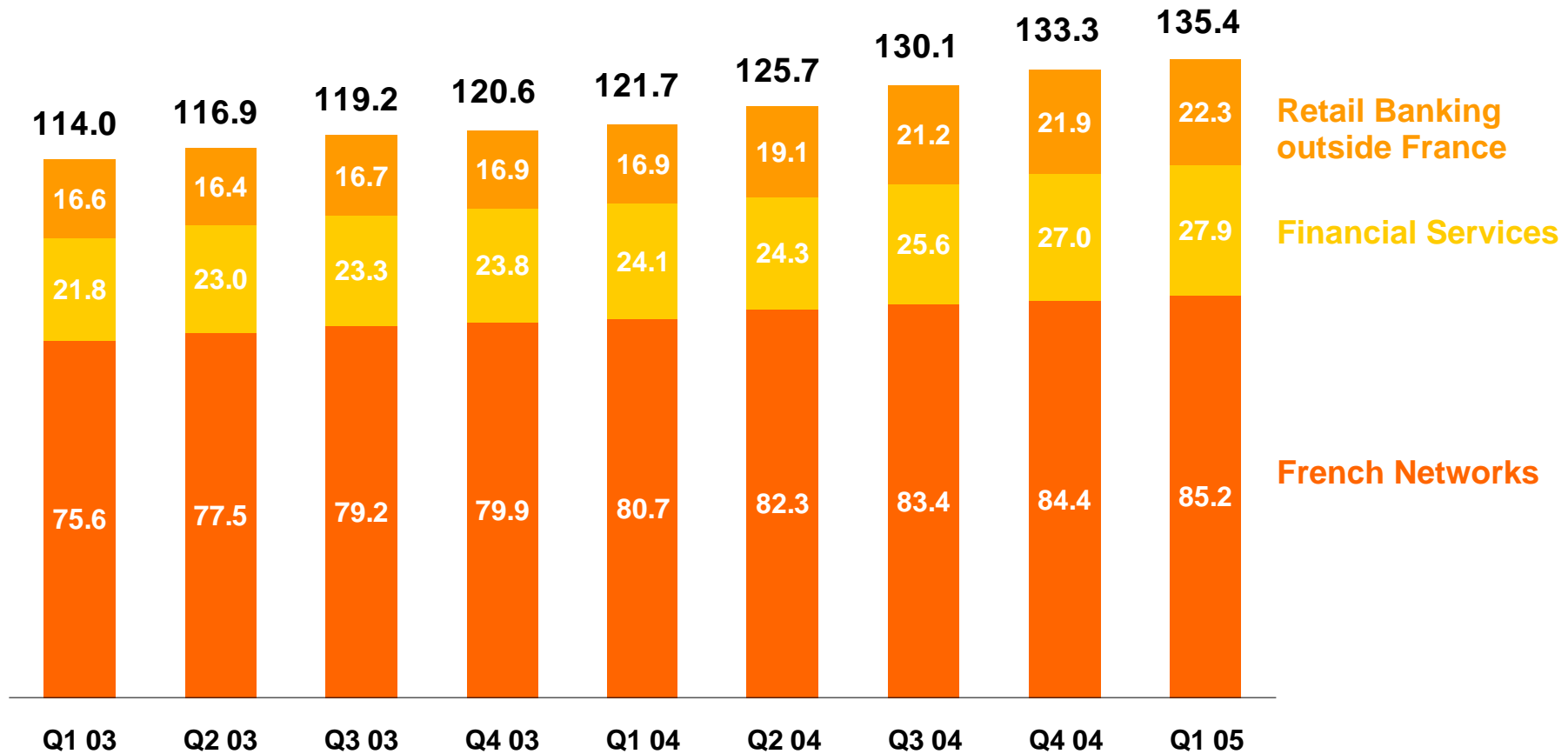
	French Networks			Retail Banking outside France			Financial Services			Total Retail Banking and Financial Services			
	Q1 05	Q1 04	Change	Q1 05	Q1 04	Change	Q1 05	Q1 04	Change	Q1 05	Q1 04	Change	
Net banking income	1,520	1,435	+6%	541	419	+15%*	480	420	+7%*	2,541	2,274	+12%	+8%*
Operating expenses	(1,065)	(1,009)	+6%	(327)	(258)	+10%*	(278)	(251)	+2%*	(1,670)	(1,518)	+10%	+6%*
<b>Gross operating income</b>	<b>455</b>	<b>426</b>	<b>+7%</b>	<b>214</b>	<b>161</b>	<b>+23%*</b>	<b>202</b>	<b>169</b>	<b>+14%*</b>	<b>871</b>	<b>756</b>	<b>+15%</b>	<b>+12%*</b>
Net allocation to provisions	(68)	(71)	-4%	(28)	(44)	-42%*	(38)	(37)	-8%*	(134)	(152)	-12%	-16%*
<b>Operating income</b>	<b>387</b>	<b>355</b>	<b>+9%</b>	<b>186</b>	<b>117</b>	<b>+48%*</b>	<b>164</b>	<b>132</b>	<b>+20%*</b>	<b>737</b>	<b>604</b>	<b>+22%</b>	<b>+19%*</b>
Net income from companies accounted for by the equity method	0	1	NM	1	1		0	0		1	2	-50%	
Net income from other assets	0	(3)	NM	8	20		0	0		8	17	-53%	
Income tax	(135)	(123)	+10%	(54)	(42)		(57)	(48)		(246)	(213)	+15%	
Net income before minority interests	252	230	+10%	141	96		107	84		500	410	+22%	
Minority interests	(12)	(12)	NM	(47)	(41)		(3)	(1)		(62)	(54)	+15%	
<b>Net income</b>	<b>240</b>	<b>218</b>	<b>+10%</b>	<b>94</b>	<b>55</b>	<b>+47%*</b>	<b>104</b>	<b>83</b>	<b>+23%*</b>	<b>438</b>	<b>356</b>	<b>+23%</b>	<b>+19%*</b>
Average allocated capital	4,854	4,649	+4%	875	676		2,645	2,294		8,374	7,619	+10%	
<b>ROE after tax</b>	<b>19.8%</b>	<b>18.8%</b>		<b>43.0%</b>	<b>32.5%</b>		<b>15.7%</b>	<b>14.5%</b>		<b>20.9%</b>	<b>18.7%</b>		

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

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

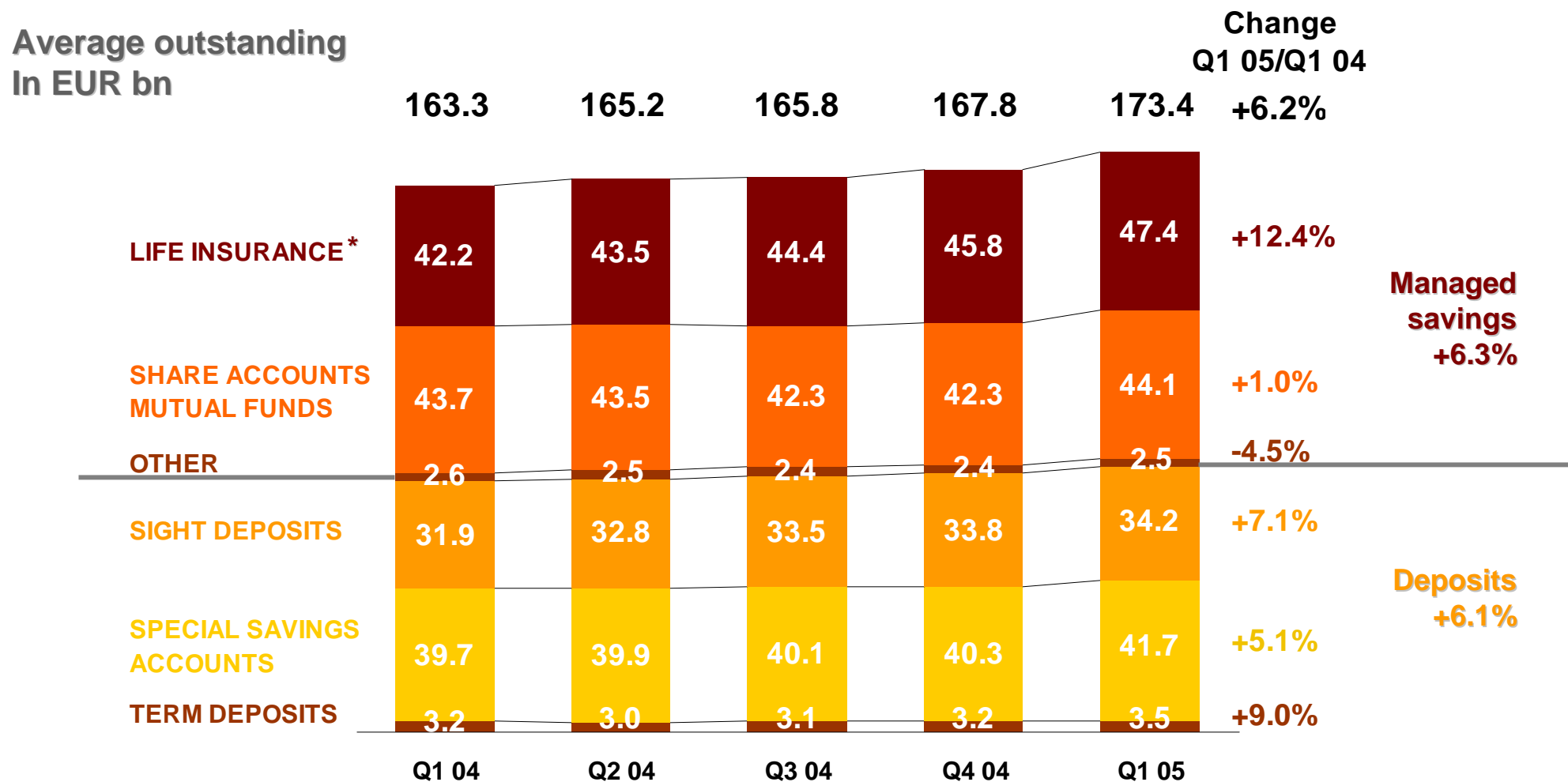
## Change in risk-weighted assets

Average credit risk equivalent in EUR bn





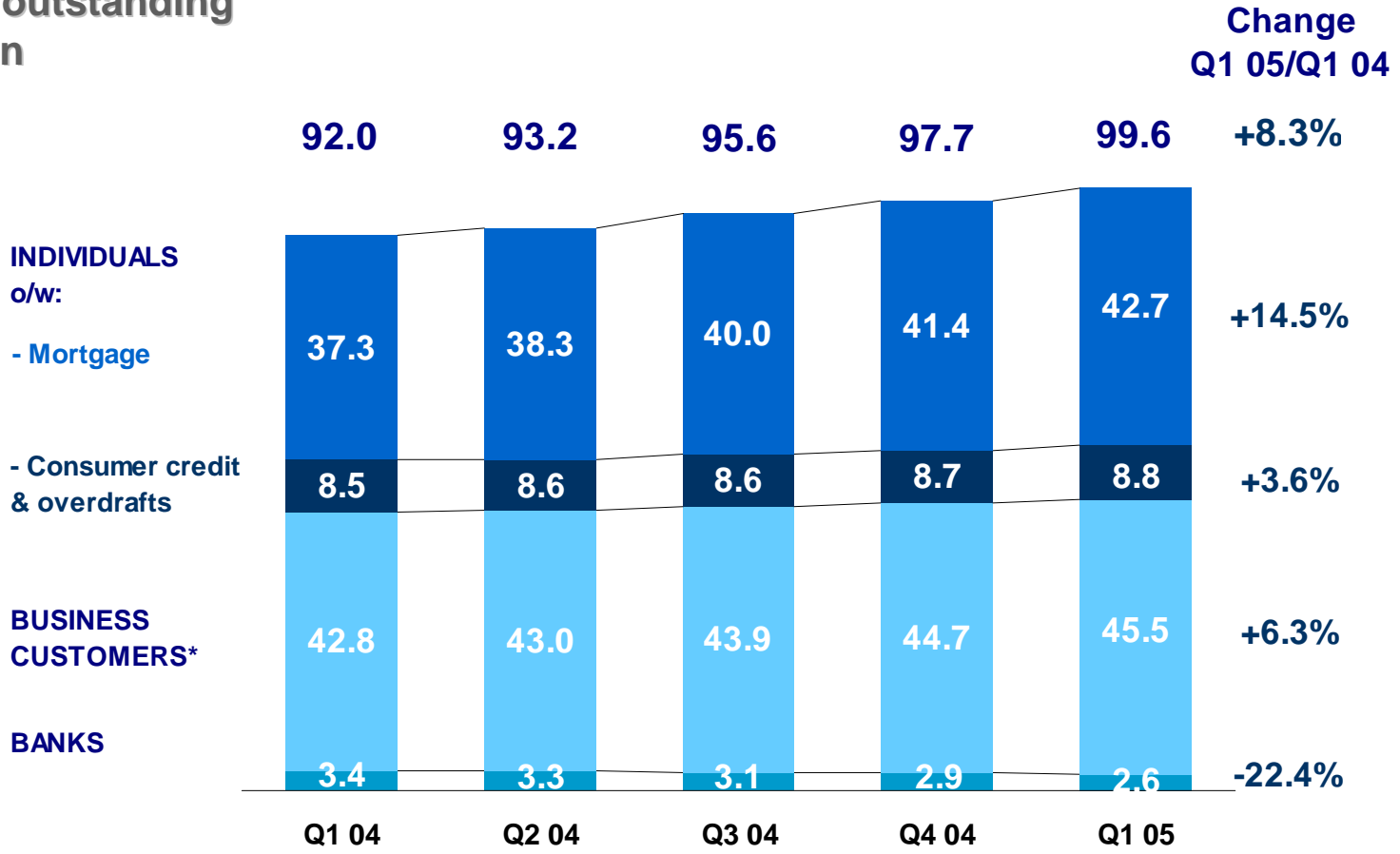
# Customer deposits and savings



\* Mathematical reserves

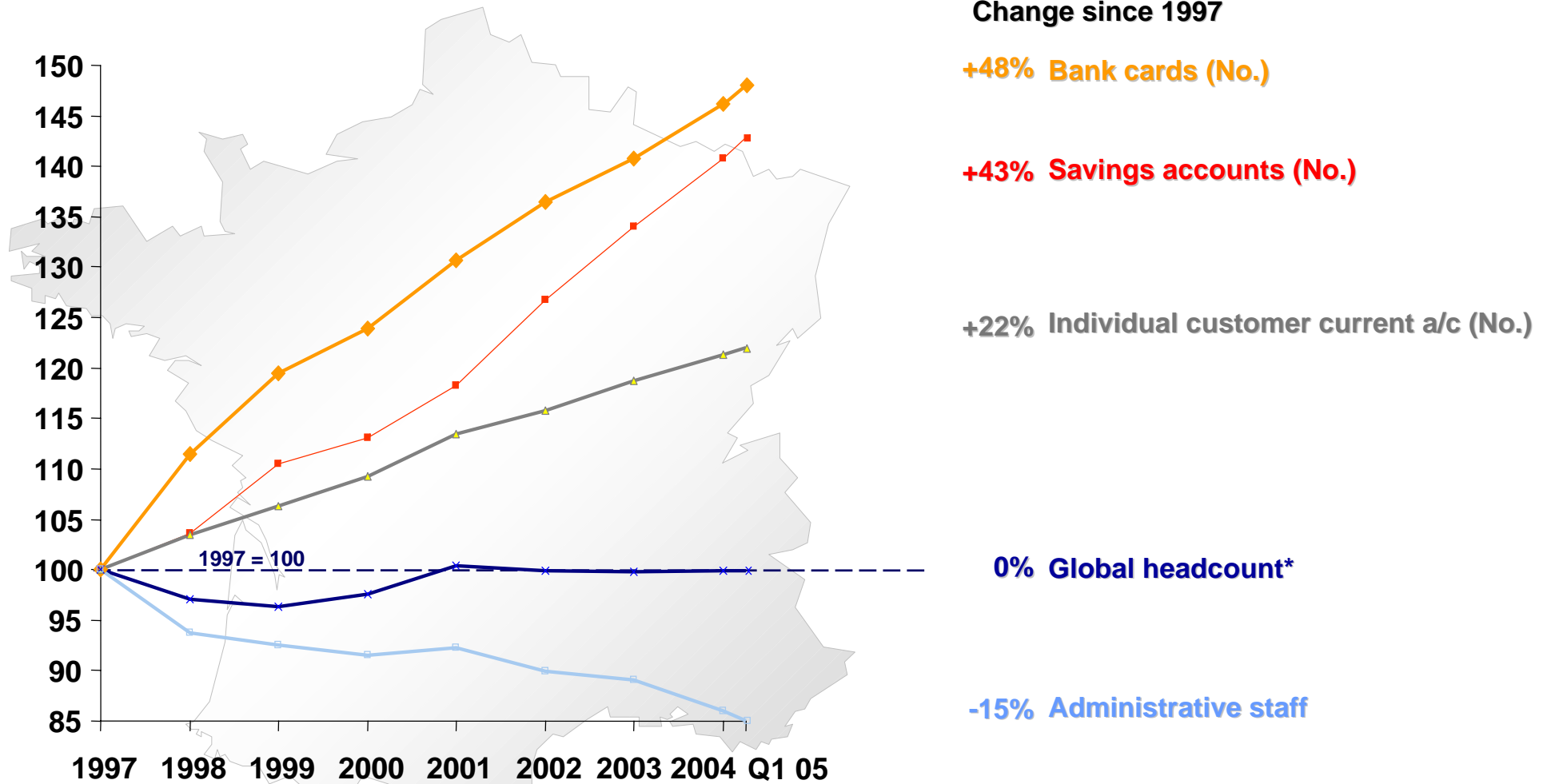
# Customer loans

Average outstanding  
In EUR bn



\* In descending order: SMEs, self-employed professionals, local authorities, corporates, NPOs.

# Productivity of the French Networks



Change since 1997

**+48% Bank cards (No.)**

**+43% Savings accounts (No.)**

**+22% Individual customer current a/c (No.)**

**0% Global headcount\***

**-15% Administrative staff**

\* Including telemarketing platforms and call centre platforms

## Interest margin of the French Networks

■ **The interest margin is an aggregate indicator dependent on 5 elements:**

- ▶ Overall level of client assets
- ▶ Interest earned on interest-earning assets
- ▶ Interest paid on interest-bearing liabilities
- ▶ Refinancing costs  
(Refinancing Rate x [Client Assets – Client Liabilities])
- ▶ Interest from ALM hedging policy

■ **Interest margin:**

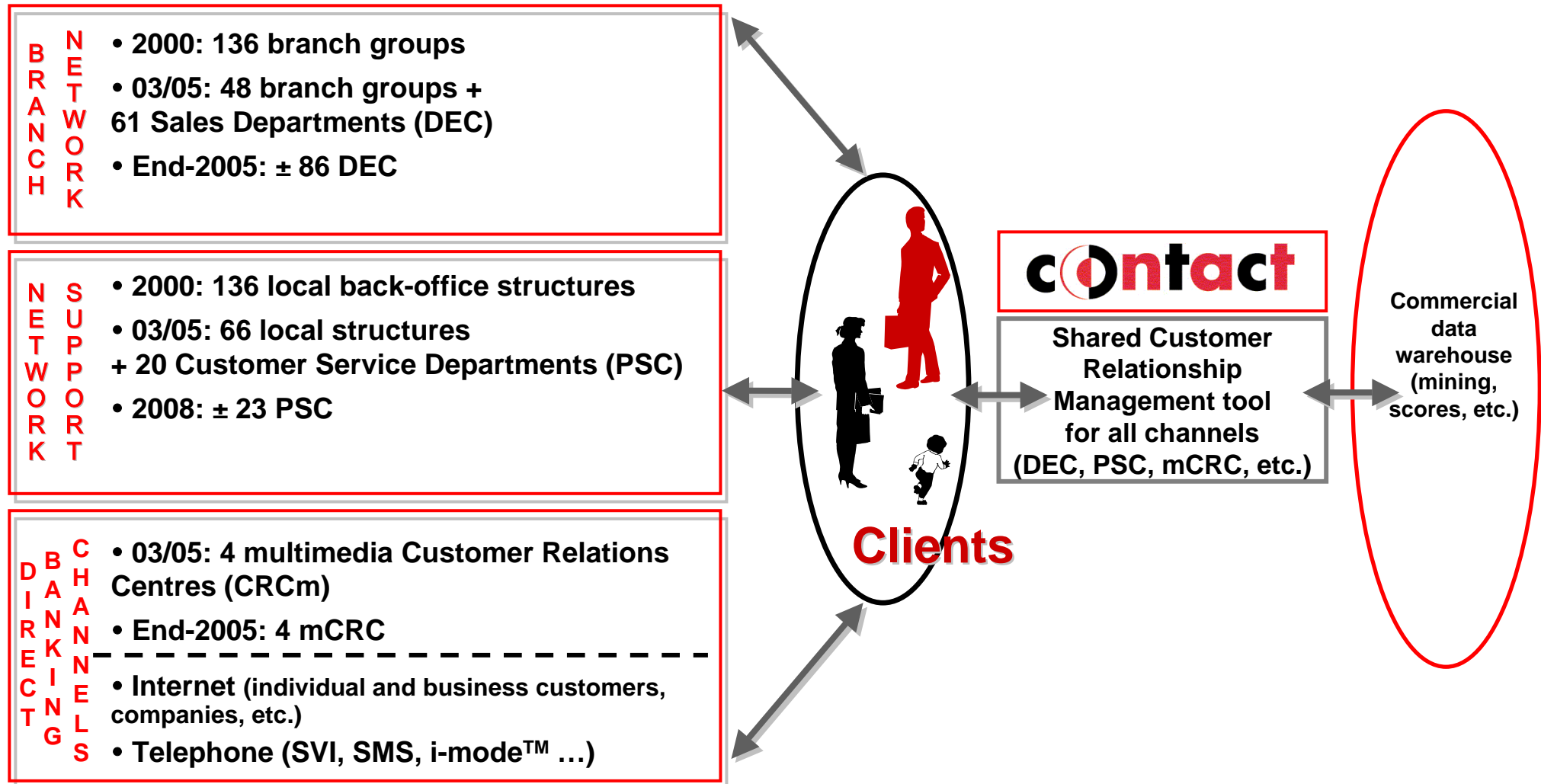
- ▶ Does not indicate the evolution of product- or client-margins
- ▶ Is not the sole factor in determining the evolution of net interest income

	In %									
	Q1 03	Q2 03	Q3 03	Q4 03	Q1 04	Q2 04	Q3 04	Q4 04	Q1 05	
① <b>Interest margin</b> (12-month moving average)	3.54	3.49	3.43	3.40	3.36	3.31	3.27	3.23	3.19	
② <b>Av. interest rate earned on interest-earning assets</b> (12-month moving average)	5.49	5.37	5.22	5.09	4.96	4.87	4.81	4.74	4.70	
③ <b>Av. interest paid on interest-bearing liabilities</b> (12-month moving average)	1.95	1.89	1.78	1.69	1.60	1.56	1.54	1.52	1.51	

$$\underbrace{\text{Interest margin}}_{\text{①}} = \underbrace{\frac{\text{Interest earned from clients}}{\text{Client assets}}}_{\text{② Av. interest rate earned on interest-earning assets}} - \underbrace{\frac{\text{Interest paid to clients} + \text{Refinancing cost}^* + \text{Interest from ALM hedging policy}}{\text{Client assets}}}_{\text{③ Av. interest paid on interest-bearing liabilities}}$$

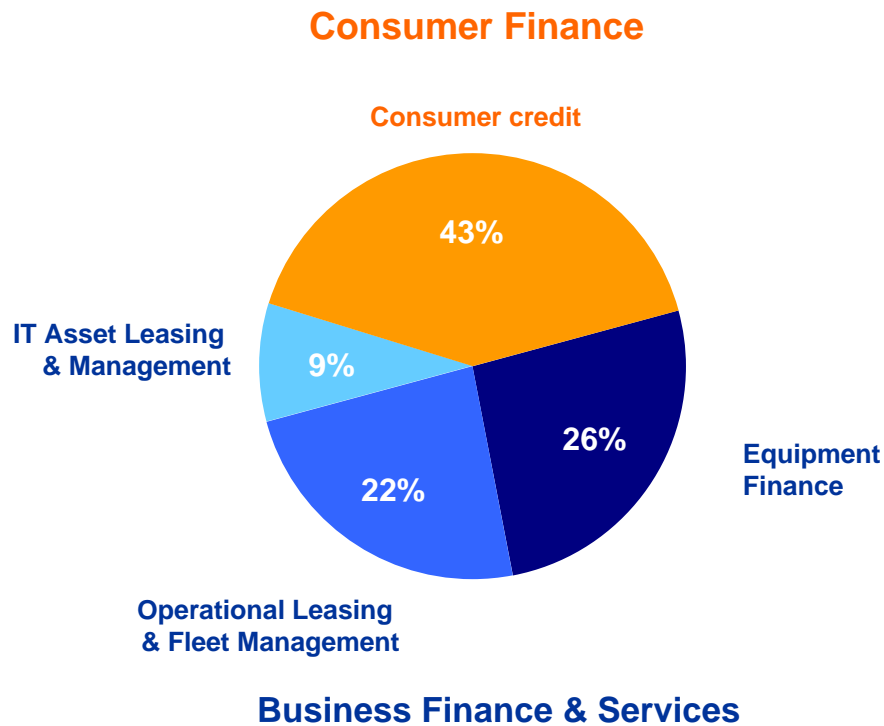
\* Refinancing cost = Refinancing Rate x (Client Assets – Client Liabilities)

## A productive organisation

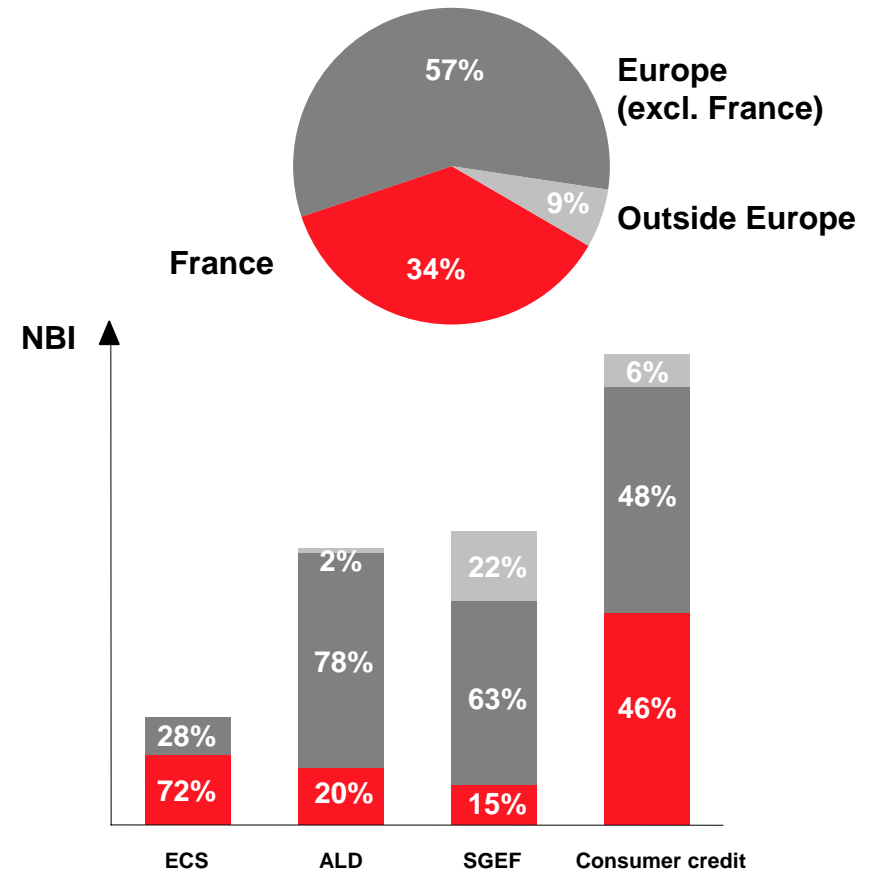


# Specialised Financing<sup>1</sup>: a major European player with diversified and growing businesses

Breakdown of Q1 05 NBI<sup>(1)</sup> by activity



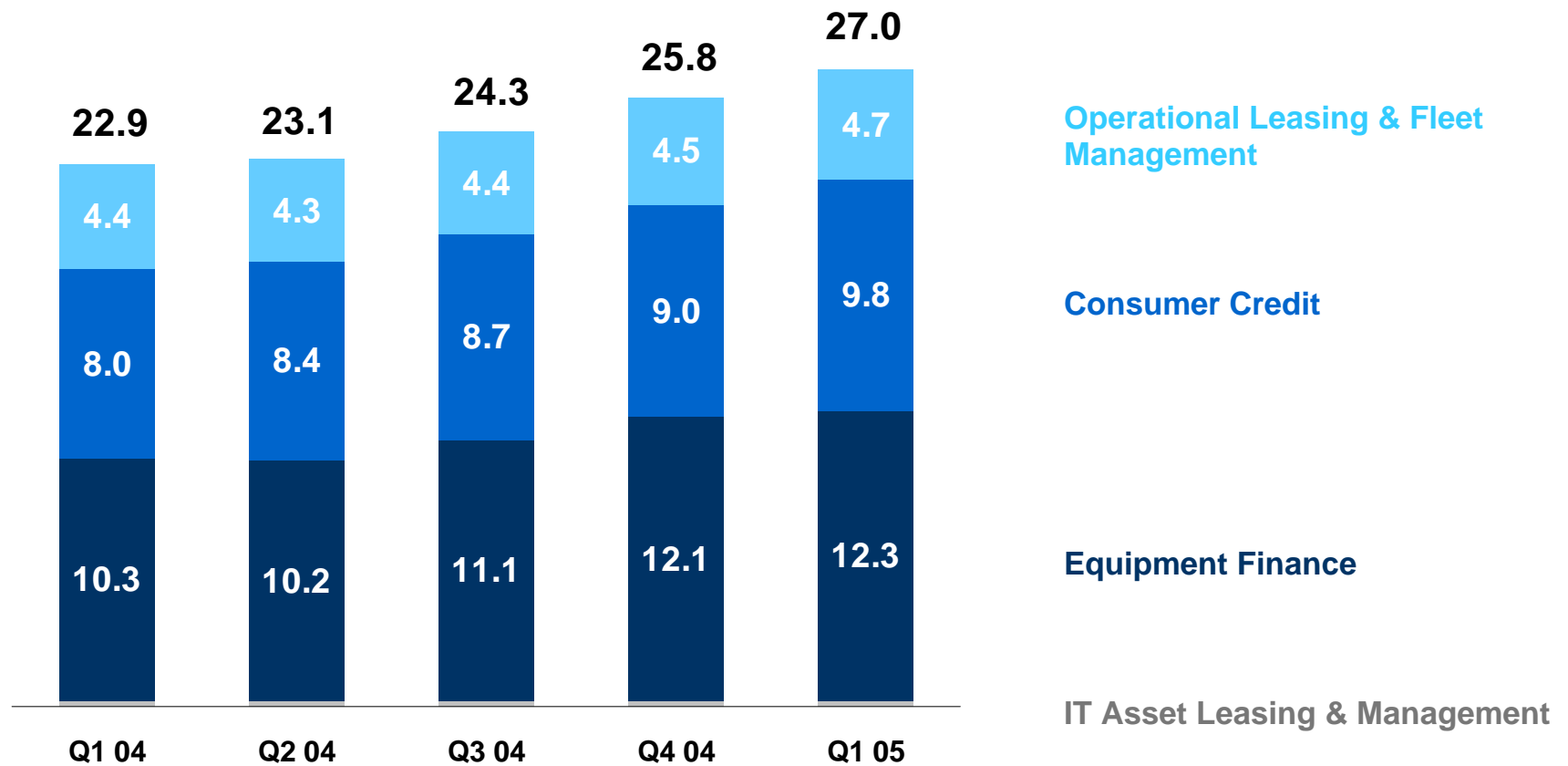
Breakdown of Q1 05 NBI<sup>(1)</sup> by geographical region



(1) Excluding insurance and banking services

# Change in risk-weighted assets

Average credit risk equivalent in EUR bn



## Quarterly income statement

In EUR m

	Asset Management			Private Banking			GSSI + Boursorama			Total Global Investment Management & Services			
	Q1 05	Q1 04	Change	Q1 05	Q1 04	Change	Q1 05	Q1 04	Change	Q1 05	Q1 04	Change	
Net banking income	269	230	+19%*	127	122	+4%*	206	193	+7%*	602	545	+10%	+12%*
Operating expenses	(154)	(149)	+5%*	(86)	(82)	+5%*	(175)	(164)	+8%*	(415)	(395)	+5%	+6%*
<b>Gross operating income</b>	<b>115</b>	<b>81</b>	<b>+44%*</b>	<b>41</b>	<b>40</b>	<b>+2%*</b>	<b>31</b>	<b>29</b>	<b>+3%*</b>	<b>187</b>	<b>150</b>	<b>+25%</b>	<b>+25%*</b>
Net allocation to provisions	0	0	NM	0	0	NM	0	0	NM	0	0	NM	NM
<b>Operating income</b>	<b>115</b>	<b>81</b>	<b>+44%*</b>	<b>41</b>	<b>40</b>	<b>+2%*</b>	<b>31</b>	<b>29</b>	<b>+3%*</b>	<b>187</b>	<b>150</b>	<b>+25%</b>	<b>+25%*</b>
Net income from other assets	0	0		0	0		0	0		0	0	NM	
Income tax	(39)	(28)		(9)	(8)		(10)	(9)		(58)	(45)	+29%	
Net income before minority interests	76	53		32	32		21	20		129	105	+23%	
Minority interests	(1)	(6)		0	(2)		(1)	(2)		(2)	(10)	-80%	
<b>Net income</b>	<b>75</b>	<b>47</b>	<b>+63%*</b>	<b>32</b>	<b>30</b>	<b>+7%*</b>	<b>20</b>	<b>18</b>	<b>+6%*</b>	<b>127</b>	<b>95</b>	<b>+34%</b>	<b>+34%*</b>
Average allocated capital	291	264		294	232		240	222		825	718	+15%	

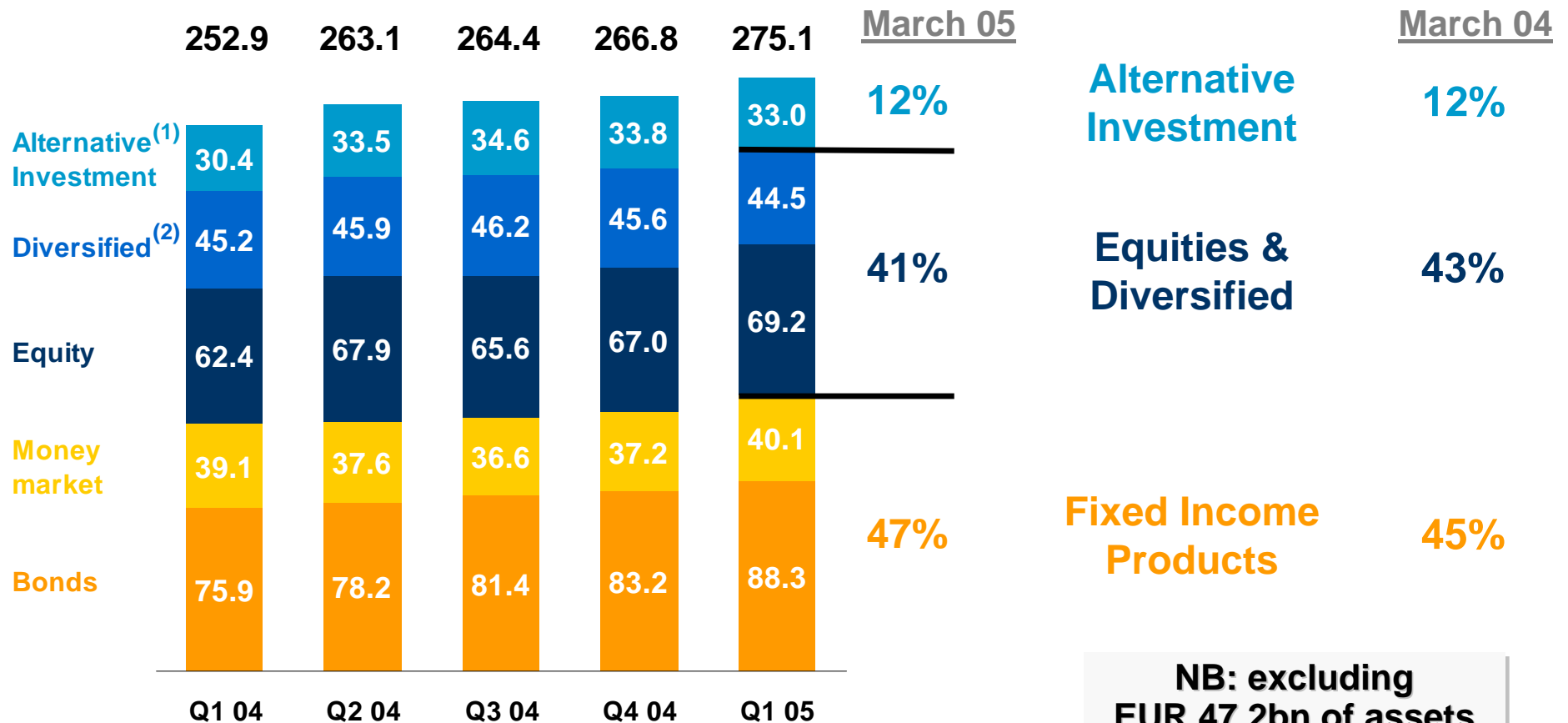
\* When adjusted for changes in Group structure and at constant exchange rates

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)



# Breakdown of assets under management by type of product

Assets under management at 31/03/05: EUR 275.1bn

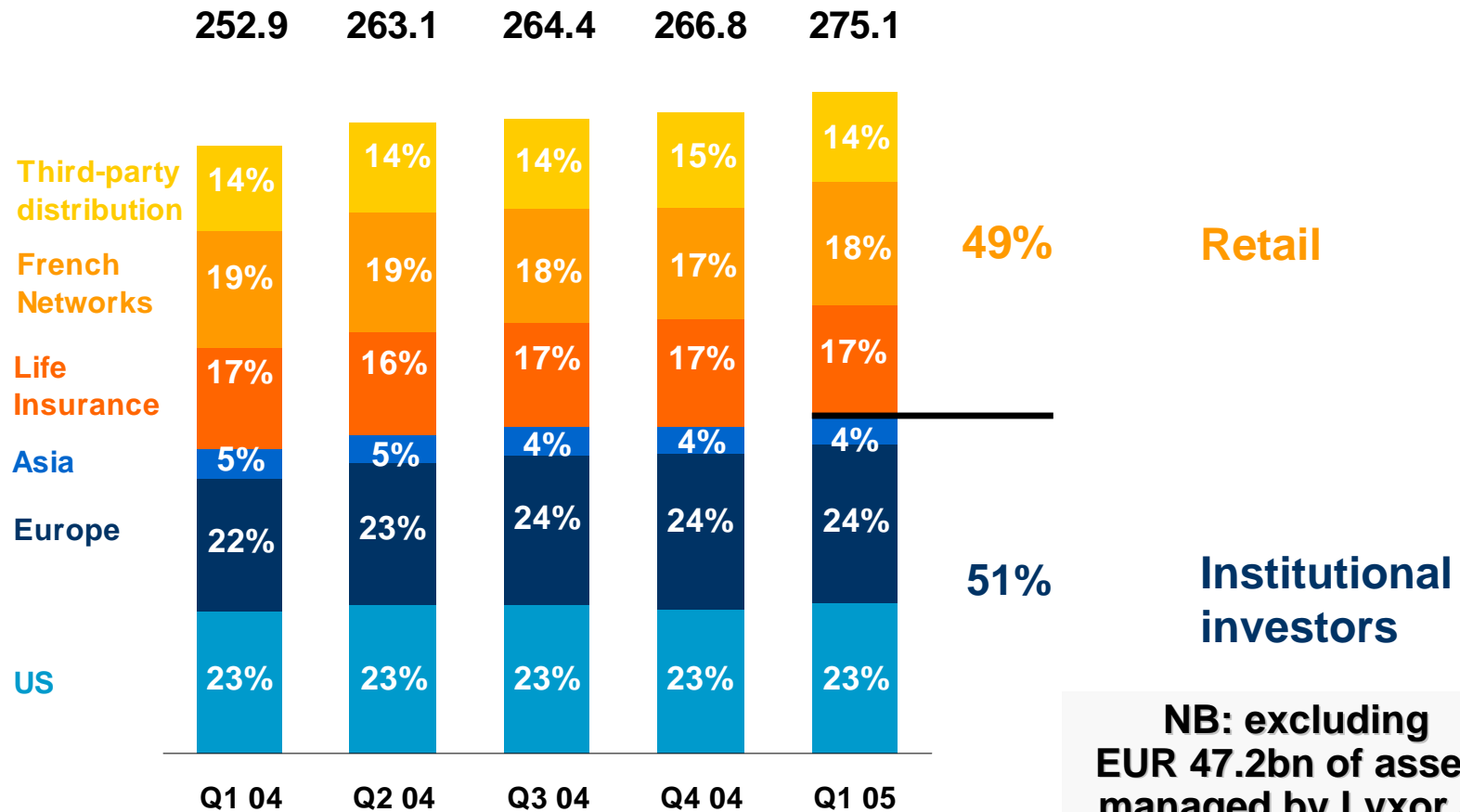


**NB: excluding EUR 47.2bn of assets managed by Lyxor at 31/03/05**

(1) Performance-guaranteed funds, futures funds, hedge funds, private equity.  
 (2) Funds combining several asset classes (bonds, equities, cash), for example risk-profiled funds.

# Breakdown of assets under management by client segment

Assets under management at 31/03/05: EUR 275.1bn



NB: excluding EUR 47.2bn of assets managed by Lyxor at 31/03/05

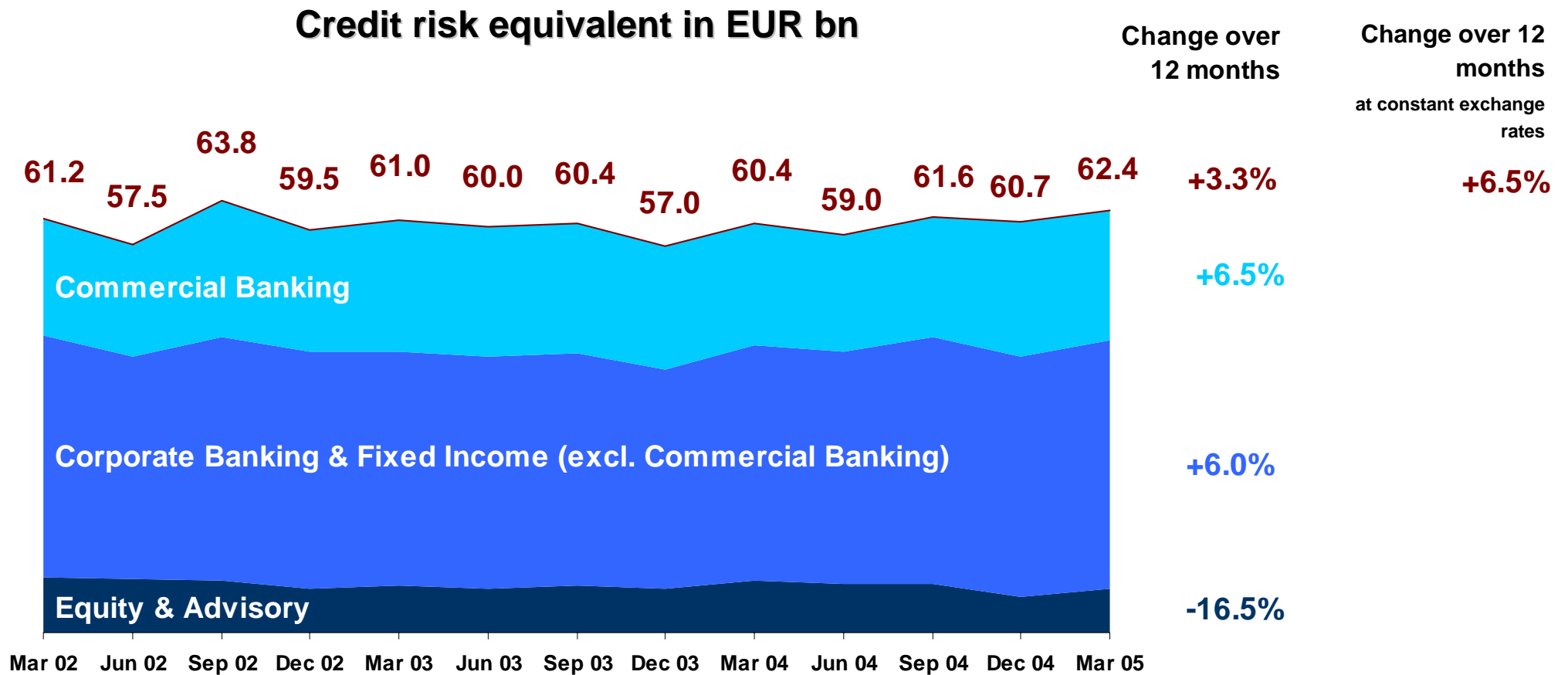
## Quarterly income statement

In EUR m	Equity & Advisory				Corporate Banking & Fixed Income				Total Corporate & Investment Banking			
	Q1 05	Q1 04	Change		Q1 05	Q1 04	Change		Q1 05	Q1 04	Change	
Net banking income	740	440	+68%	+72%*	810	738	+10%	+11%*	1,550	1,178	+32%	+34%*
Operating expenses	(378)	(316)	+20%	+22%*	(465)	(397)	+17%	+19%*	(843)	(713)	+18%	+20%*
<b>Gross operating income</b>	<b>362</b>	<b>124</b>	<b>x2.9</b>	<b>x3.0*</b>	<b>345</b>	<b>341</b>	<b>+1%</b>	<b>+3%*</b>	<b>707</b>	<b>465</b>	<b>+52%</b>	<b>+55%*</b>
Net allocation to provisions	19	(31)	NM	NM	28	(17)	NM	NM	47	(48)	NM	NM
<b>Operating income</b>	<b>381</b>	<b>93</b>	<b>x4.1</b>	<b>x4.3*</b>	<b>373</b>	<b>324</b>	<b>+15%</b>	<b>+16%*</b>	<b>754</b>	<b>417</b>	<b>+81%</b>	<b>+84%*</b>
Net income from companies accounted for by the equity method	0	(1)	NM		4	1	x4.0		4	0	NM	
Net income from other assets	0	0	NM		0	2	NM		0	2	NM	
Income tax	(162)	(17)	x9.5		(95)	(83)	+14%		(257)	(100)	x2.6	
Net income before minority interests	219	75	x2.9		282	244	+16%		501	319	+57%	
Minority interests	0	0	NM		(3)	(2)	+50%		(3)	(2)	+50%	
<b>Net income</b>	<b>219</b>	<b>75</b>	<b>x2.9</b>	<b>x3.0*</b>	<b>279</b>	<b>242</b>	<b>+15%</b>	<b>+16%*</b>	<b>498</b>	<b>317</b>	<b>+57%</b>	<b>+60%*</b>
Average allocated capital	352	428	-18%		3,334	3,096	+8%		3,686	3,524	+5%	
<b>ROE after tax</b>	<b>248.9%</b>	<b>70.1%</b>			<b>33.5%</b>	<b>31.3%</b>			<b>54.0%</b>	<b>36.0%</b>		

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

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)  
Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

## Change in risk-weighted assets



## League table rankings

### Euro Capital Markets

<b>Bonds</b>	<b>No.8 bookrunner</b> of euro bond issues <b>No.4 bookrunner</b> of financial institutions euro bond issues <b>No.8 bookrunner</b> of corporate euro bond issues <b>No.2 bookrunner</b> of corporate euro bond issues in France
<b>Securitisation</b>	<b>No.2 bookrunner</b> of euro-denominated securitisations
<b>Syndicated Credits</b>	<b>No.4 bookrunner</b> of syndicated credits in Europe (EMEA) <b>No.2 mandated arranger</b> of Sponsor-driven LBOs (EMEA)
<b>Equity/Credit Research</b>	<b>No.8 for credit research on investment grade companies</b> (Euromoney survey: April 2005) <b>No.1 for equity research in France</b> (Extel – June 2004)

### Structured Finance

<b>Export Finance</b>	<b>No.1 global arranger</b> (SG ranked in top 3 for the past 10 years) (Trade Finance, June 2004) <b>5 transactions awarded “Deal of the Year” in 2004</b> (Trade Finance, March 2005)
<b>Commodity Finance</b>	<b>No.1 structured financing arranger worldwide</b> (SG ranked in top 2 for the past 5 years) (Trade Finance, June 2004) <b>5 transactions awarded “Deal of the Year” in 2004</b> (Trade Finance, March 2005)
<b>Project Finance</b>	<b>No.3 European arranger for 2004</b> (Thomson Financial, December 2004) <b>Best Project Finance House of the year</b> (Finance Asia, December 2004)

## League table rankings

### Derivatives

#### *Equity Derivatives*

**Equity Derivatives House of the Year** (Risk Magazine, The Banker, IFR - 2004)

**Global leader on warrants and No.1 in Europe on ETFs**

(Reuters, Bloomberg and stock markets, March 2005)

**Best Managed accounts platform - Lyxor** (Albourne, September 2004)

**No.1 in OTC Equity options in Europe & US, index options (DJ Eurostoxx 50, SMI, DAX 30) and warrants** (Risk magazine – September 2004)

#### *Interest Rate &*

#### *Credit Derivatives*

**Among the top five players in numerous product categories**

(Risk Magazine, September 2004)

#### *Commodities*

**Among the top five players in commodity derivatives in numerous underlyings**

(Energy Risk Magazine, February 2005)

## Corporate Centre\*

### ■ Net income from other assets

- ▶ Capital gains from disposal of Argentine subsidiary and of stake in UAB

### ■ At March 31st 2005:

- ▶ IFRS net book value of industrial equity portfolio: EUR 1.5bn
- ▶ Market value: EUR 2.0bn

	Q1 05	Q1 04
Gross operating income	(46)	(104)
Net income from other assets	158	219
Impairment of goodwill	0	0
Net income	156	99

\* The Corporate Centre groups:

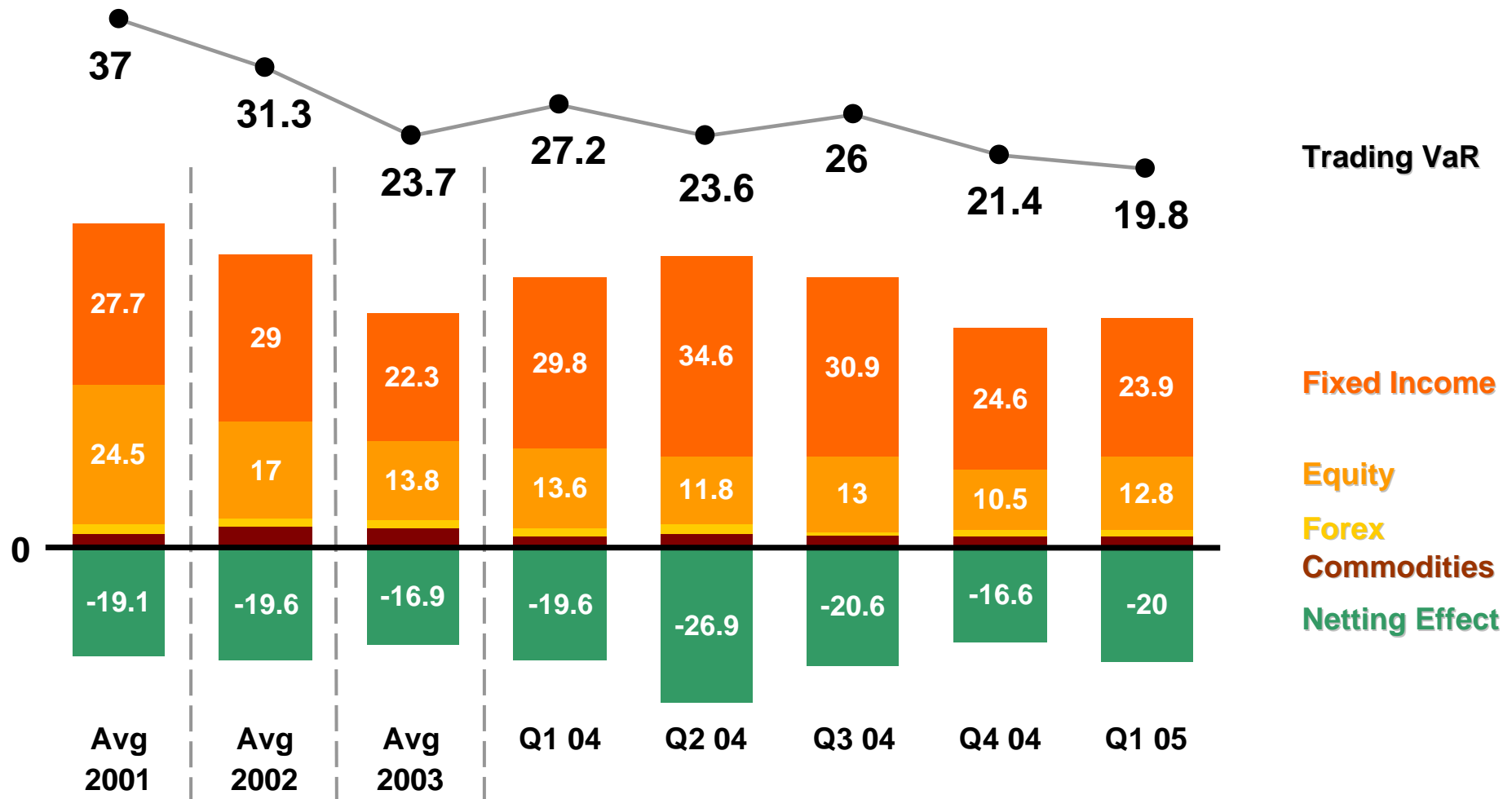
the Group's real estate portfolio, offices and other premises, industrial and bank equity portfolios, central funding functions, the cost of cross-business projects.

Q1 04: IFRS (excl. IAS 32 & 39 and IFRS 4)

Q1 05: IFRS (incl. IAS 32 & 39 and IFRS 4)

# Trading VaR

Quarterly average of 1-day, 99% Trading VaR (in EUR m)



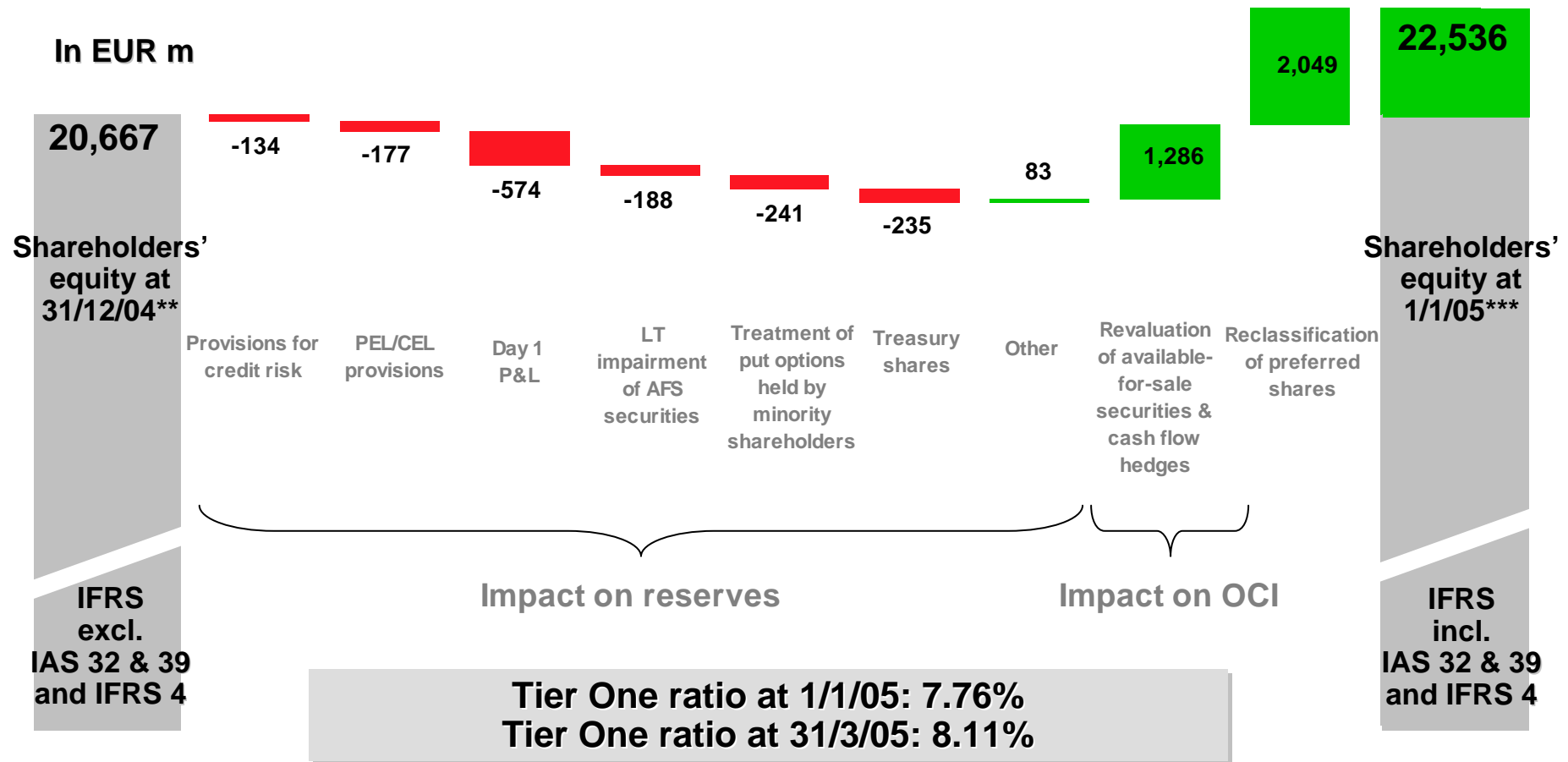


## High level of provisioning for doubtful loans

	Change in provisioning method	
	31/12/2004 French standards	31/03/2005 IFRS including IAS 32-39 & IFRS 4
Customer loans (in EUR bn)	205	214
Doubtful loans (in EUR bn)	10.3	10.3
<b>Doubtful loans/customer loans</b>	<b>5.0%</b>	<b>4.8%</b>
Provisions (in EUR bn)*	8.0	7.8
<b>Overall coverage ratio for doubtful loans</b>	<b>77%</b>	<b>76%</b>

\* Including EUR 1bn in the country risk reserve and general credit risk reserves at 31/12/04, and close to EUR 1bn of portfolio-based provisions at 31/03/05.

# Impact of IAS 32 & 39 and IFRS 4 on shareholders' equity at 1/1/05\*



\* Including minority interests, net of deferred tax

\*\* of which shareholders' equity, Group share at 31/12/04: EUR 18,576m

\*\*\* of which shareholders' equity, Group share at 01/01/05: EUR 18,682m (including OCI: EUR 1,261m)

## Determination of number of shares used to calculate EPS and book value per share

Average number of shares (thousands)	2003	2004	Q1 05
<b>Existing shares</b>	<b>434,823</b>	<b>441,157</b>	<b>439,653</b>
<b>Deductions</b>			
Treasury shares and share buy-backs	16,360	20,155	18,363
Shares allocated to cover stock options awarded to staff in 2000, 2002, 2003 and 2004	8,145*	12,693*	15,454
<b>Number of shares taken to calculate EPS</b>	<b>410,318</b>	<b>408,309</b>	<b>405,836</b>
<b>EPS (in EUR)</b>	<b>6.07</b>	<b>7.65</b>	<b>3.00</b>
<b>Book value per share** (in EUR)</b> (on the basis of number of shares at end of period)	<b>41.0</b>	<b>45.5</b>	<b>50.1</b>

\* Excluding shares allocated to cover the 1999 stock-option plan which were not deducted from shareholders' equity under French standards

\*\* Net assets are comprised of Group shareholders' equity, excluding deeply subordinated note in the amount of EUR 1 billion, but reinstating treasury shares held as part of trading activities.

## Economic and market environment

	Q1 04	Q4 04	Q1 05
<b>Interest rates (quarterly average) (%)</b>			
10-year French government bond	4.10	3.82	3.65
3-month Euribor	2.06	2.16	2.14
<b>Indices (end of period)</b>			
CAC 40	3,625	3,821	4,068
Euro Stoxx 50	2,787	2,951	3,056
Nasdaq	1,994	2,175	1,999
<b>Currencies (quarterly average, in EUR)</b>			
USD	1.25	1.30	1.31
GBP	0.68	0.69	0.69
YEN	134	137	137
<b>Issuance volumes in Europe*</b>			
Primary bond issues in euros (in EUR bn)	337	211	359
Primary equity & convertibles (in USD bn)	38	62	47

\* Thomson Financial database (Q1 05 extraction).



**GROUP**

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