

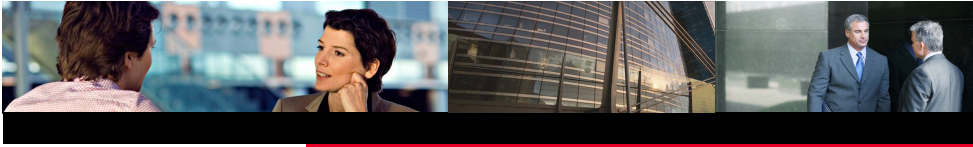


18 / 03 / 2010

## **2009: a year of transition and the 1<sup>st</sup> step in the Group's transformation**

**Didier VALET, Group Chief Financial Officer**

*Cheuvreux Pan-European Paris Conference*



## Disclaimer

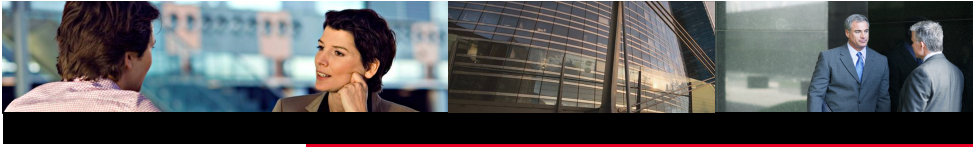
The following presentation contains a number of forward-looking statements relating to Societe Generale's targets and strategy. These forecasts are based on a series of assumptions, both general and specific. As a result, there is a risk that these projections will not be met. Readers are therefore advised 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. Neither Societe Generale nor its representatives shall have any liability whatsoever for any loss arising from any use of this presentation or its contents or otherwise arising in connection with this presentation or any other information or material discussed.

The Group's consolidated income statements were approved by the Board of Directors on February 17th 2010.

The consolidated income statements for the fourth quarter 2009 and the full year 2009, as well as the comparative information for the fourth quarter 2008 thus produced, have undergone a review by the Statutory Auditors.

The figures provided for the financial year ended December 31st 2009 and the comparative information for 2008 have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union and applicable at these dates. The consolidated financial statements have undergone a review by the Statutory Auditors.

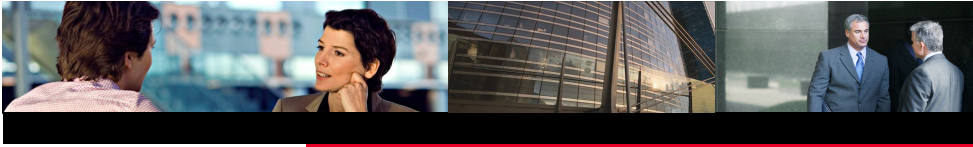
Unless otherwise specified, the sources for the business rankings are internal.



## 2009 Highlights

- **Globally satisfactory commercial performance, in France and abroad**
- **Effects of the crisis**
  - ▶ Increase in commercial cost of risk
  - ▶ Losses linked to legacy assets managed within Corporate and Investment Banking
- **Realignment with the new environment**
  - ▶ Reduction of the risk profile
  - ▶ Realignment of the business portfolio
- **Success of the capital increase and strict management of financial resources**

- **Net Income: EUR 678m**
- **EPS: EUR 0.45 - Dividend of EUR 0.25 per share**
- **Solid financial structure: Tier 1 of 10.7% and Core Tier 1 of 8.4%**



## Main achievements in 2009

Renewal of the management team



First step in the Operational Efficiency Plan



Capital increase



Buyout of Crédit du Nord's minority shareholders



Realignment of Russian operations and review of agreements with Interros



Streamlining of consumer finance activities



Creation of Amundi



Private Banking & French Networks JV



Reorganisation of CIB and reduction of market risks

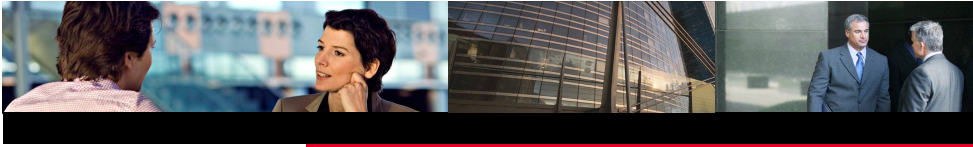


Centralised management of legacy assets and reduction of exposures

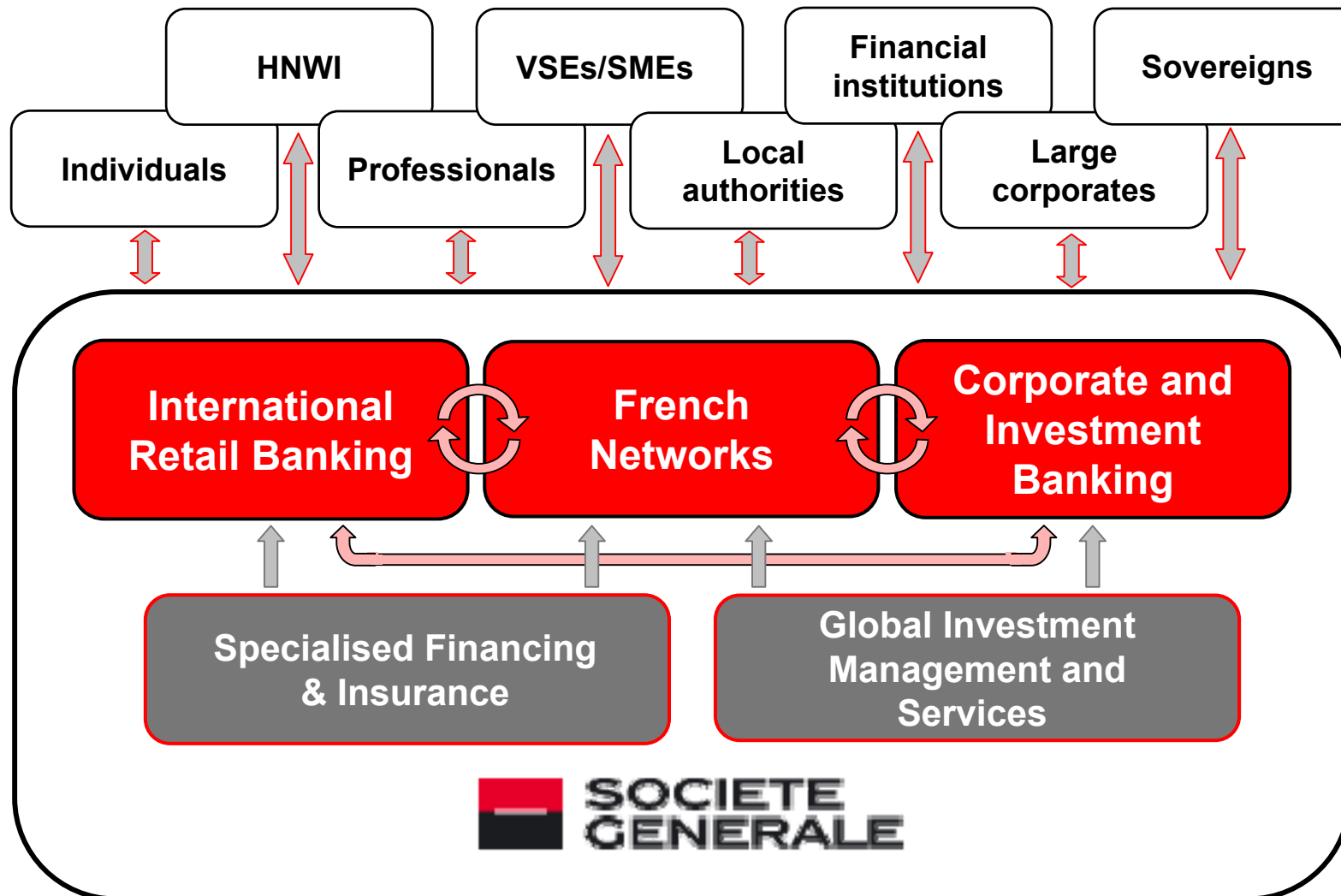


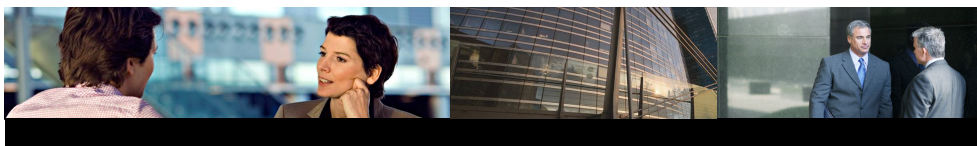
Strict compliance with G20 agreements (compensation of market professionals)





## Strategy of a universal bank prioritising customer service





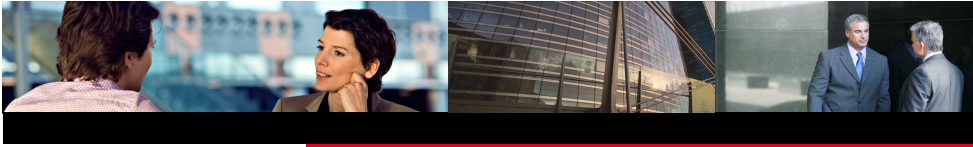
## SOCIETE GENERALE GROUP

### 2009 Group result: EUR 678m

In EUR m	Yearly				4 <sup>th</sup> quarter			
	2009	2008	Change 2009/2008		Q4 09	Q4 08	Change Q4/Q4	
Net banking income	21,730	21,866	-0.6%	+0.7%*	5,131	5,495	-6.6%	-3.0%*
Operating expenses	(15,766)	(15,528)	+1.5%	+2.5%*	(3,984)	(3,969)	+0.4%	+0.9%*
Gross operating income	5,964	6,338	-5.9%	-3.6%*	1,147	1,526	-24.8%	-14.4%*
Net allocation to provisions	(5,848)	(2,655)	x2.2	x2.3*	(1,906)	(983)	+93.9%	+93.5%*
Operating income	116	3,683	-96.9%	-94.9%*	(759)	543	NM	NM*
Group share of net income	678	2,010	-66.3%	-64.1%*	221	87	x2.5	x5.8*

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





## Cost of risk impacted by the economic crisis

### French Networks

- ▶ 72 bp in 2009 (vs. 36 bp in 2008)
- ▶ Deterioration of the cost of risk for Business customers
- ▶ Continued limited housing loan defaults

### International Retail Banking

- ▶ 191 bp in 2009 (vs. 73 bp in 2008)
- ▶ Strong rise in Russia (490 bp vs. 130 bp in 2008)
- ▶ More limited increase in the other countries of Central and Eastern Europe

### Specialised Financing and Insurance

- ▶ 250 bp in 2009 (vs. 123 bp in 2008)
- ▶ Strong deterioration in the consumer finance risk
- ▶ Equipment finance: effect of the economic crisis in Germany and Northern Europe

### Corporate and Investment Banking

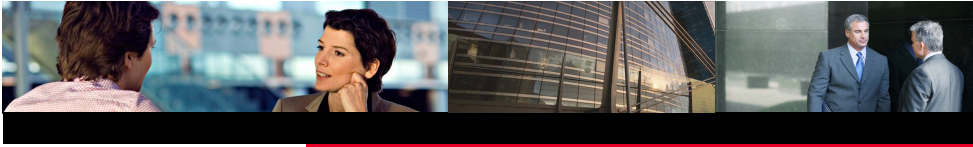
- ▶ 88 bp\* in 2009 (vs. 92 bp\* in 2008)
- ▶ Strong resilience of the Large Corporate portfolio
- ▶ EUR 1,398m allocation to provisions for legacy assets (o.w. EUR 1,025m for reclassified CDOs of RMBS')

↪ **Group cost of risk: 117 bp\* in 2009 (vs. 66 bp\* in 2008)**

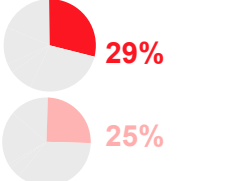
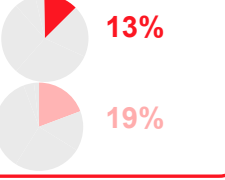
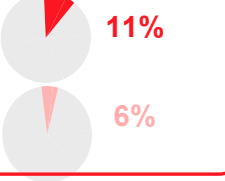
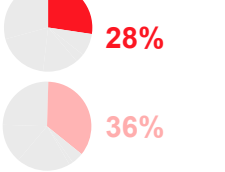
Net allocation to provisions (in EUR m) and Cost of risk (in bp)\*\*

	2006	2007	2008	2009	
French Networks	27 bp 275	28 bp 329	36 bp 494	72 bp 968	
International Retail Banking	55 bp 215	44 bp 204	73 bp 500	191 bp 1,298	
Specialised Financing and Insurance	73 bp 273	89 bp 374	123 bp 587	250 bp 1,224	
Corporate and Investment Banking			92 bp* 838	88 bp* 926	
Core activities					
Legacy assets			195	1,398	
<b>Group</b>	<b>679</b> 25 bp	<b>905</b> 25 bp	<b>2,655</b> 66 bp*	<b>5,848</b> 117 bp*	

\* Excluding Legacy assets \*\* Annualised Basel 1 (excluding disputes)



## Transition year but resilient operating & commercial performances

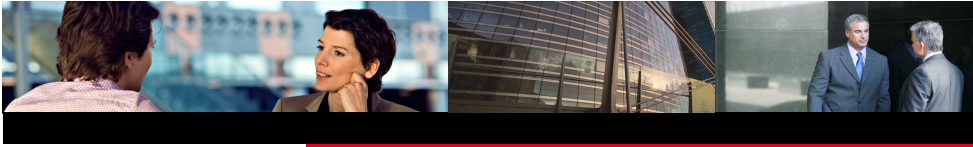
<p><b>French Networks</b></p>		<ul style="list-style-type: none"> <li>- Good commercial performances in 2009</li> <li>- 2% <sup>(1)</sup> growth in NBI and 0.5pts improvement in CI ratio over 2008</li> <li>- Acquisition of 20% CDN and integration of Boursorama</li> </ul>
<p><b>International Retail Banking</b></p>		<ul style="list-style-type: none"> <li>- Ongoing realignment of operations in a challenging 2009 environment</li> <li>- Good resilience of revenues: NBI +1.9%*</li> <li>- 2009 ROE of 14.4%</li> </ul>
<p><b>Specialised Financing &amp; Insurance</b></p>		<ul style="list-style-type: none"> <li>- Specialised Financing: 2.8%* NBI growth, higher cost of risk</li> <li>- Insurance: strong life inflows (+78%)</li> <li>- Breakeven in 2009 after exceptional costs linked to SFS realignment</li> </ul>
<p><b>Private Banking, Global Investment Management and Services</b></p>		<ul style="list-style-type: none"> <li>- Private Banking: 13% AUM growth, stable revenues, cost control</li> <li>- Asset Management: transformed business line, Breakeven GOI in 2009</li> <li>- Securities Services: resilient performance</li> </ul>
<p><b>Corporate and Investment Banking</b></p>		<ul style="list-style-type: none"> <li>- Excl. EUR 1.4bn losses on legacy assets, record results of core CIB activities</li> <li>- Market activities revenues more than doubled vs. 2008</li> <li>- Record revenues of Financing &amp; Advisory activities in 2009</li> </ul>

\* When adj. for changes in Group structure and at constant exch. rates  
 (1) excl. PEL/CEL and Visa capital gain

 NBI of core businesses

 Capital allocated to core businesses





## 2010 outlook

### French Networks

- Pooling and sharing of good practices
- Multi-channel commercial development through recognised expertise

### International Retail Banking

- Differentiated geographic strategies to benefit from the recovery
- Transformation of Russian operations

### Specialised Financing and Insurance

- Intensification of intra-group cooperation
- Renewed momentum with the improvement of the environment

### Private Banking, Global Investment Management and Services

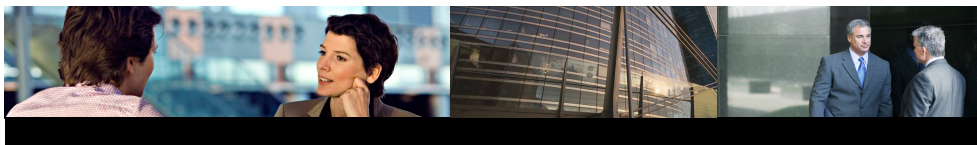
- Targeted developments in Private Banking in France and abroad
- Transformation of the asset management business
- Priority of gaining new clients

### Corporate and Investment Banking

- Reinforcement of the client-driven approach
- Increase in operational efficiency
- Continued reduction of the risk profile

### GROUP

- **Development of solid commercial franchises in all the businesses**
- **Operations, products and services adjusted for better customer relations**
- **Continued improvement of operational efficiency**



## 2010: rebound of financial results

- **2010: a year of rebound for the Group after 2009, when it felt the effects of an exceptionally severe recession**
- **Uncertainties remain**
  - ▶ Extent and speed of the economy recovery
  - ▶ Changes to the banking regulations
- **Societe Generale will accelerate its transformation around the following priorities through a 5-year transformation plan ("Ambition SG 2015"):**
  - ▶ Reinforcement of our universal banking strategy refocused on its core businesses, which form the base of its customer relations (French Networks, International Retail Banking and Corporate and Investment Banking), with which Specialised Financing and Insurance, and the Global Investment Management and Services businesses, are working in synergy
  - ▶ Acceleration of the Group's growth through a product and service range designed more than ever to guarantee customer service
  - ▶ Human resource policy promoting the development of talent and responsible compensation practices
  - ▶ Development of a new Group operational model drawing on the pooling of production resources and process industrialisation



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