SOCIETE GENERALE

Deep Dive into French Retail Banking and Global Banking and Investor Solutions

07.05.2019





AGENDA

8h30-9h00 Introduction

9h00-9h45 Deep dive into

French retail banking

9h45-10h15 Q&A session

10h15-10h30 Coffee break

10h30-11h15 Deep dive into Global Banking and

Investor Solutions

11h15-11h45 Q&A session

OUR MODEL EXPERTISE AND INNOVATION FOR OUR CLIENTS

FOCUSING ON OUR CLIENTS

B2C



COMMITTED TO POSITIVE TRANSFORMATIONS

Mobility, Africa, Positive Impact finance

RESPONSIBLE BANKING

OUR DNA: EXPERTISE & INNOVATION

_ Expertise

Advisory to accompany retail clients in their key projects
Structured and Asset Based Finance Investment solutions

_At the forefront of innovation (Boursorama, ALD, cross asset approach, renewable energies financing...)

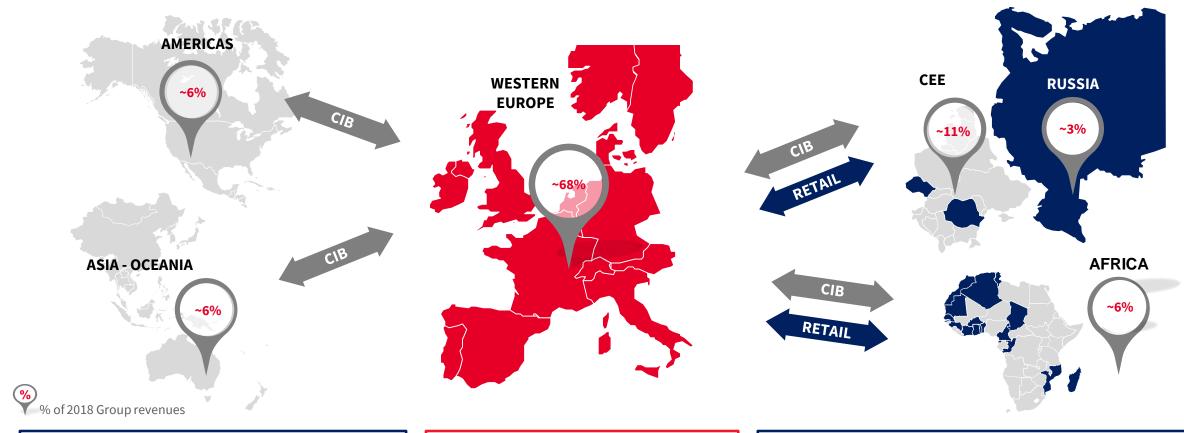
HIGHLY SYNERGETIC MODEL

ca. 1/3 of Group revenues from synergies



OUR MODEL INTEGRA CLIENTS

INTEGRATED REGIONS FOR OUR



Presence in **SELECTED WHOLESALE MARKETS** for our core clients **CONNECTING WITH EUROPE**

LEADERSHIP positions in Western Europe A reference **RETAIL BANK in**

France

Reference bank in **HIGH POTENTIAL RETAIL MARKETS** Leveraging on **GROUP PRESENCE** for our corporate clients



A REFERENCE BANK WITH A PROFITABLE MODEL IN FRENCH RETAIL BANKING







NETWORKS

Digitalise day-to-day banking & leverage our **expertise** to improve our client **experience**

Enhanced efficiency of the model thanks to the transformation underway

BOURSORAMA

Undisputed **leader** in online banking in France

Targeting >3M clients by 2021

On the road to **profitability**

CAGR2015-2018 # of clients +30%

2020 RONE: **11.5%** - **12.5%**



GLOBAL BANKING & INVESTOR SOLUTIONS: A RELATIONSHIP, PIONEER AND RESPONSIBLE BANK

PROVIDE THE BEST CLIENT **EXPERIENCE WITH THE BEST PRODUCT**

Developing investment & financing solutions for institutions and high net worth clients

Further strengthening leadership in **structured and asset finance** for Corporates

Developing transaction banking

BY FURTHER LEVERAGING ON OUR **INNOVATIVE APPROACH**

Partnerships (ABSA, DBS...)

Open architecture

Coverage

B2B market place strategy

AND SUPPORTED BY ADJUSTMENT OF **CAPITAL ALLOCATION CONSISTENT WITH OUR STRATEGIC FOCUS**

2020 RONE: **11.5%** - **12.5%**



FURTHER STRENGTHENING OUR GROWTH PLATFORM IN INTERNATIONAL RETAIL BANKING

LEVERAGE ON FAVOURABLE MARKET DYNAMICS

Positive tailwind in Central Europe and Russia | Strong momentum in Consumer Finance | Strong long term outlook in Africa

STRENGTHEN COMMERCIAL PLATFORMS

- State-of-the-art digital improving client experience in retail banking
- Best-in-class integrated POS tools & market place for car dealers & e-commerce
- **≠ Differentiated & integrated offer** for Corporates

FURTHER IMPROVE OPERATIONAL EFFICIENCY

- Refocus **central organization of IBFS**
- Switch to **agile** and **integrated organisation**
 - Creation of **regional hubs and support local IT** in Africa and Russia
 - Further improve **strict risk** management

IBFS 2020 RONE: 17% - 18%



FURTHER INVESTING IN OUR HIGH-GROWTH STORY IN INSURANCE AND FINANCIAL SERVICES TO CORPORATE

INSURANCE

ALD

EQUIPMENT FINANCE

Integrated **Bancassurance model** to capture synergies **Partnership** to accelerate growth

Leader in mobility Pioneer in partnership model Private lease

Leader partner for international vendors at the heart of the financing of real economy

#5 Bankinsurance in France

EUR 2.3bn of synergies revenues in 2018 $(+13\% CAGR_{2016-2018})$

1 Full service leasing in Europe # 2 Worldwide

1.7 million cars (+10.5% CAGR₂₀₁₃₋₂₀₁₈)

#1 in Europe

#2 Worldwide

EUR 28.4bn outstandings*

IBFS 2020 RONE: 17% - 18%



STRONG RISK PROFILE AND CULTURE



WELL MANAGED CREDIT RISK

HIGH ORIGINATION AND PORTFOLIO QUALITY

WELL-ESTABLISHED TRACK RECORD OF LOW COST OF RISK

ca. 25 bps on average since 2016

KEEPING NPL AT A LOW LEVEL

NPL ratio at 3.5%

vs. 5.0% in March 16

*Quarterly Average of 1-Day, 99% Trading VaR Based on published data



CONTAINED MARKET RISK

MARKET RISK

~5% of total RWA since 2016

HIGHLY DISCIPLINED APPROACH TO RISK APPETITE

VaR*<EUR 35m since 2013



A STRICT FOCUS ON OPERATIONAL RISK

COMPLIANCE

TRANSVERSAL CULTURE & CONDUCT PROGRAMME

RESPONSIBLE
REMUNERATION SCHEME FOR MANAGEMENT TEAMS



EXECUTING OUR ROADMAP TO PROFITABILITY







GROWING REVENUES

Fully **LEVERAGING OUR EMERGING MARKET PRESENCE**

Working on **GROWTH INITIATIVES** in more mature markets

Revenue objectives taking into account **CURRENT ENVIRONMENT**

COST DISCIPLINE

Taking advantage of **DIGITAL TRANSFORMATION** in all

businesses

Transforming our model, leveraging on digital, in French retail banking Supporting growth & transformation in International Retail Banking & Financial Services Leveraging on SG markets platform in Global Banking & Investor Solutions

Delivering **EUR 1.6bn EFFICIENCY PLAN**

COST OF RISK MONITORING

COMFORT in cost of risk trajectory



DELIVERING POSITIVE JAWS ACROSS ALL BUSINESSES BY 2020 AND BEYOND



DELIVERING OUR ROADMAP TO CAPITAL TARGET



CLOSE MONITORING OF ORGANIC GROWTH



+2% CAGR 2018-2020 organic growth of RWA



RWA REDUCTION & OPTIMISATION



ca. +25bp from Global **Markets RWA reduction in** 2019-2020

ca. +10bp/+20bp optimization in 2019-2020



REFOCUSING ON CORE FRANCHISES



Target +80/+90bp by 2020



DISCIPLINED AND SELECTIVE CAPITAL ALLOCATION

RWA CAGR ²⁰¹⁸⁻²⁰²⁰ constant scope and currency which excludes all model reviews (e.g. TRIM) and IFRS 16

ca. +5%

ca. +4% ca. +1%/+2% ca. +0.5%/+1%













Global Markets & Investor Services

ca. -9%

International **Retail Banking** **Financial** Services Financing & Advisory

French Retail Banking

Wealth & Asset

Management

ca. -2%

Group

RWA organic growth offset deleveraging & optimisation



COMMITTED TO POSITIVE TRANSFORMATIONS







FULLY DIGITALISING THE BANK FOR A BETTER CLIENT EXPERIENCE

BUILDING GROWTH MODELS, TAILORED TO THE FUTURE OF BANKING

TAKING FULL ADVANTAGE OF DIFFERENTIATING POSITIONING IN HIGH GROWTH POTENTIAL REGIONS



LEADER IN RESPONSIBLE AND INNOVATIVE BANKING





DEEP DIVE INTO FRENCH RETAIL BANKING

AN ATTRACTIVE FRENCH RETAIL MARKET

DYNAMIC FRENCH RETAIL MARKET

GDP / capita: USD 42,470

Above European Average



2019e GDP growth

+1.3%



Household financial savings: EUR 5,117 bn



French population: CAGR₁₈₋₂₄ +0.6%

STRUCTURAL CHANGES UNDERWAY



CHANGING CLIENT EXPECTATIONS

NEW ENTRANTS



INCREASING REGULATION

RATE ENVIRONMENT LOW FOR LONG



HIGHLY COMPETITIVE SITUATION IN FRANCE

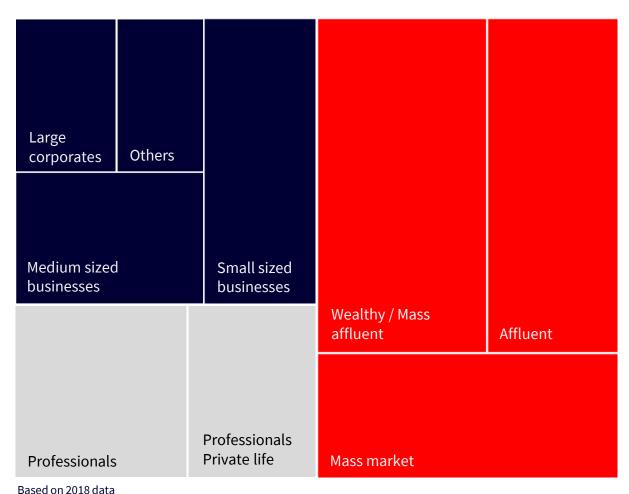
PREDOMINANCE OF RELATIONSHIP MODEL

Source: IMF, Banque de France



SOCIETE GENERALE: A HIGH POTENTIAL CLIENT BASE

SPLIT OF FRENCH RETAIL BANKING REVENUES



ca. EUR 8 bn

Revenues

>EUR 3 bn

Fees & Commissions

ca. EUR 159 bn

Wealthy and Mass affluent Assets Under Management⁽¹⁾

ca. EUR 1.9 bn

Insurance Revenues



(1) As of March 2019

3 COMPLEMENTARY BRANDS ADDRESSING OUR CLIENTS EXPECTATIONS



Crédit du Nord 🖈

REGIONAL BANKS



THE LEADING FULL

ONLINE BANK

3 COMPLEMENTARY BRANDS WITH DIFFERENT CLIENT BASES



~1% of common clients between CDN and SG ca. 15% of Boursorama clients are CDN or SG clients

UNIVERSAL BANK

















Focus on premium clients looking for the highest quality of service



Leveraging on a **strong** established client base Focus on wealthy clients Strong on nationwide SMEs and large corporates



Highly recognised professional franchise High penetration on **local SMEs** and **Entrepreneurs**

Digital & autonomous clients



Individual clients **38 years** old on average, mainly city dwellers

PHYGITAL MODEL

FULLY DIGITAL



2018 REVENUES

Individuals Professionals

Corporate



LEVERAGING ON MUTUALISATIONS











BANKING PAYMENT PLATFORM (TRANSACTIS) AGGREGATION AND ONLINE CAPABILITIES **BEST PRACTICES AND INNOVATIONS SPREAD ACROSS THE BRANDS**



IT SYSTEMS AND INFRASTRUCTURE LARGELY SHARED



60% of Run investments mutualized

85% of Infrastructure mutualised >80% of Digital Hubs mutualised: Exchange Hub, Process Hub, Data Hub and Business Platform Hub





COMPLIANCE, RISK, FINANCE

ORGANISED IN « STREAMS »



EXPANDING OUR REACH Clients and services



CROSS SELL / UP SELL

DEVELOP PARTNERSHIPS (BANK AS A PLATFORM)







KEEP INNOVATING

BIOMETRIC CARD, BIOMETRIC RELATIONSHIP, SYNOE, CHATBOT, GOOGLE HOME, APPLE / SAMSUNG PAY, INSTANT PAYMENT, INTERNAL START UP CALL...















CAPITALISE ON GROUP EXPERTISE

PAYMENT

SAVINGS

LOANS

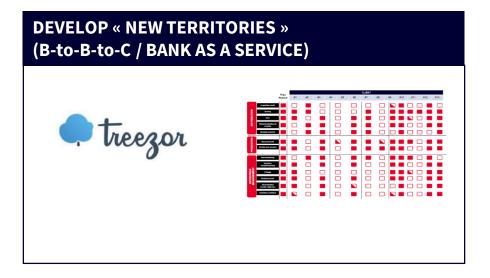
PRIVATE BANKING

BANK INSURANCE

RFAL FSTATE

OTHER: CAR FINANCE, LEASING...

ALD, SG Factoring, Insurance, Private Banking, Investment Banking, Transaction banking...



ACQUIRE NEW CLIENTS

WEALTHY CLIENTS

+6% VS. 2015

PROFESSIONALS & CORPORATES

+5% VS. 2015

BOURSORAMA

+30% CAGR ²⁰¹⁵⁻²⁰¹⁸

>3M CLIENTS IN 2021





ADAPTING OUR MODEL Improve client experience and reduce cost to serve

STANDARD OPERATIONS

CUSTOMERS' KEY PROJECTS

FULLY AUTOMATED

ADVISORY

FULLY AUTOMATED

APPLI for Selfcare (day-to-day banking)
Transfers, online payments, cards,

budget management

40 features in 2020 (from 17 in 2016)

Purchase of products and services with electronic signature

Client Journey digitalisation

Main front-to-back banking processes: Account opening, Consumer Credit, Mortgage, Corporate credit...

LEVERAGE ON DATA AND IA

Increase in revenues

Data Marketing for cross-selling and up selling

Real time rebound

Fight against fraud in real-time Automatic decisions on simple overdraft

EXPERTISE & SPECIALISATION

Training of account managers and back-office staff

1 million hours in 2019 in SG

networks

New dedicated experts for core clients
Professionals, Wealthy clients, Liberal
professions

Optimised managerial practices

SET UP ADJUSTMENT

Specialised set up for corporates & professionals

~30 business centers/

~**150** pro branches & corners

Fewer, more adapted branches

Branches 2015-2020 ca. **-22%** in SG

network, **-9%** in CDN network

Leveraging on call centers

Transforming back-offices

Expert platforms, 6 back offices closed between 2016 and 2020

DIGITALISED AND DATA CENTRIC IT SYSTEM

5 LEVERS



REVENUE GENERATION SUPPORTED BY BUSINESS INITIATIVES



NET INTEREST MARGIN NORMALISING

DEPOSIT MARGIN

impacted by negative replacement rate but progressively normalising

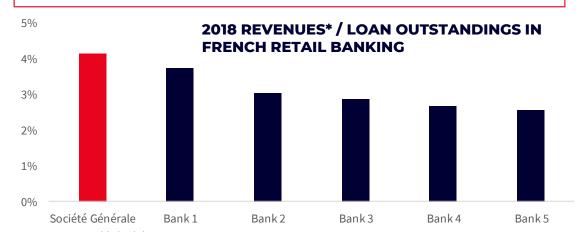
CREDIT MARGIN

Developing with a selective origination strategy





A SUCCESSFUL SELECTIVE ORIGINATION STRATEGY



Source: Companies on published data * Revenues Ex PEL / CEL as published

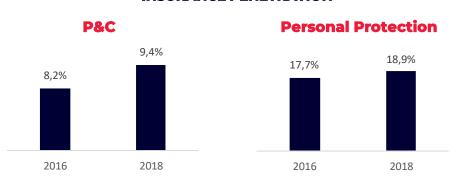
SOCIETE GENERALE

FOCUS ON FEES GENERATION

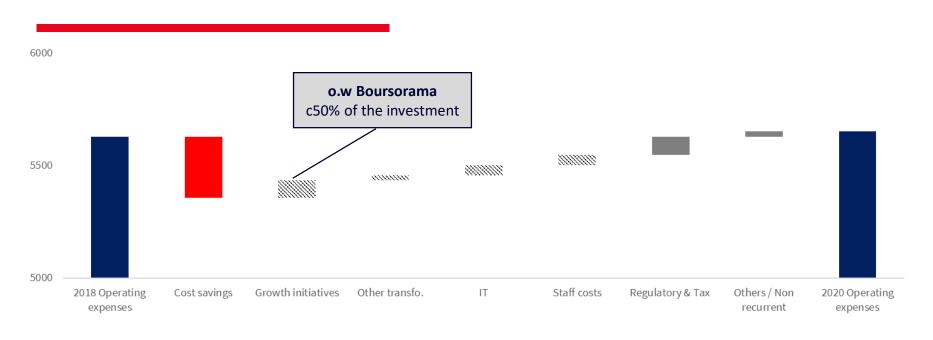
FEES DRIVEN BY REVENUE INITIATIVES

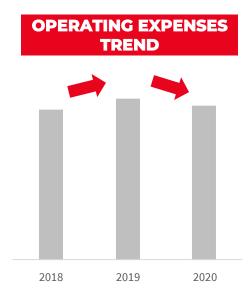


INSURANCE PENETRATION



INVESTING IN TRANSFORMATION





TRANSFORMATION COSTS fully supported by the business

Well engaged in TRANSFORMATION OF THE NETWORKS

Delivering **COST SAVINGS** according to the plan

Cost savings partly offset by **INVESTMENTS IN TRANSFORMATION AND GROWTH** and **REGULATORY & TAX COSTS**



PROFITABLE FRANCHISES IN FRENCH RETAIL BANKING

		SOCIETE GENERALE Crédit du Nord 🛨	Boursorama
2018, in EUR m	FRENCH RETAIL BANKING	NETWORKS	BOURSORAMA FRANCE
REVENUES ex PEL/CEL	7,838	7,673	153
Excluding commercial offers			220
OPERATING EXPENSES	-5,629	-5,429	-190
COST OF RISK	-489	-474	-16
NET INCOME	1,237	1,271	-35
		R	ONE EXCLUDING INVESTMENT IN CLIENT ACQUISITION*
RONE	11.0%	11.6%	>14%

^{*} Acquisition costs : commercial offers (in revenues) and direct acquisition costs (in costs). On Boursorama France perimeter and with standard method Boursorama France : excluding Germany and Spain effects



DELIVERING A PROFITABLE RETAIL BANKING MODEL

PROGRESSIVE REVENUE IMPROVEMENT, IN THE CURRENT RATE ENVIRONMENT

2019	2020
0% to -1% vs. 2018	Increasing revenues vs. 2019

OPERATING EXPENSES: FULLY BENEFITING FROM THE TRANSFORMATION

2019	2020
+1% to +2%	Decreasing cost base
vs. 2018	vs. 2019

POSITIVE JAW EFFECT FROM 2020 AND BEYOND COST OF RISK BETWEEN 35BP AND 40BP IN 2020 2020 RONE 11.5% - 12.5%



SOCIETE GENERALE NETWORK

A REFERENCE BANK FOR FRENCH CORPORATES



NEEDS

expertise, availability, tailor-made solutions, beyond the traditional banking needs

LEVERAGING ON SG EXPERTISE

Trade finance, Structured finance, LBO, M&A...

ADAPTED SET UP

PROXIMITY AND EXPERTISE

Target 30 business centres by 2020, 9 already rolled out

FOCUS ON GROWTH POTENTIAL

Start-up offer aiming at supporting 500 companies by 2020

Important player in « Grand Paris» project financing





LEVERAGE ON EXPERTISE FOR WEALTHY & MASS AFFLUENT CLIENTS



ca. 489,000 CLIENTS

ca. EUR 127 bn AuM | Accretive ROE

(i) FRENCH WEALTHY CLIENTS

Clients' AuM > EUR 500k



ca. EUR 58 bn AuM



(io) FRENCH MASS AFFLUENT CLIENTS

Clients' AuM > EUR 150k



ca. EUR 69 bn AuM

DIFFERENTIATED PRIVATE BANKING VALUE PROPOSITION FOR FRENCH WEALTHY CLIENTS THROUGH THE CONTINUUM CREDIT / ADVISORY, LEVERAGING ON A DEDICATED SETUP Cumulated net inflows ca. EUR 10bn since 2014

EXTENDING OUR EXPERTISE TO FRENCH MASS AFFLUENT CLIENTS

Reshaping coverage of mass affluent clients leveraging on private banking expertise

Dedicated omnichannel setup

Data including 100% of French private banking as of March 2019 Including only Société Générale network



DIGITALISE DAY-TO-DAY BANKING



DAILY BANKING 100% ONLINE AND STANDARD OFFER 100% DEMATERIALISED BY 2020

MORE AND MORE FUNCTIONNALITIES AVAILABLE THROUGH THE APP

. Onboarding

. Credit card / account & budget management

. Consumer loans

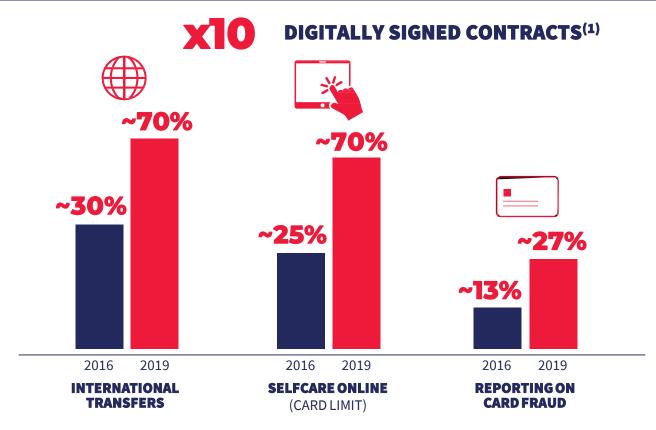
. Car & home insurance

. Protection insurance









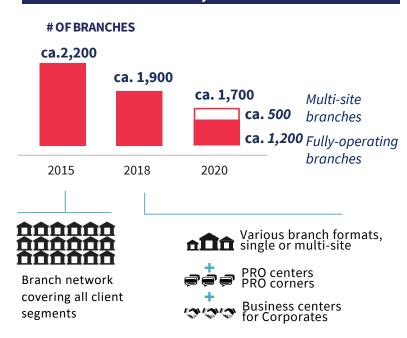
. AT THE FOREFRONT OF INNOVATION ON PAYMENT METHODS





TOWARDS AN OMNI-CHANNEL BUSINESS MODEL

FEWER BRANCHES, MORE ADAPTED



DESIGN THINKING APPROACH to redefine client experience in branches with a focus on expertise vs. autonomy for day-to-day operations

NO MORE « ONE SIZE FITS ALL » branches

DEDICATED SET UP FOR EXPERTISE

REMOTE PLATFORMS



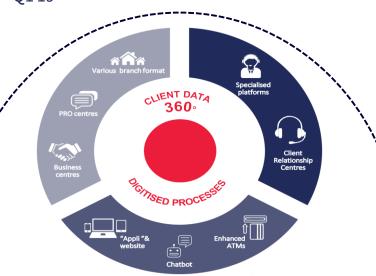
4 Customer Relation Centers

Enlarged scope of banking operations

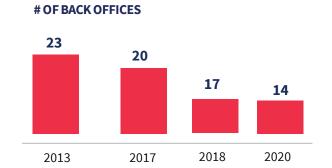
More proactive calls, follow-up calls...

Dedicated experts for specific issues

ca. 13% OF CONSUMER CREDIT PRODUCTION in O1 19



LEVERAGING ON SPECIALISED BACK OFFICES



Targeting 14 back offices specialised by market Individuals vs. Professionals and corporates

Expert platforms for complex home loans, inheritance...

Leveraging on artificial intelligence: 300k documents directly recognised using A.I, facial biometry



CREDIT DU NORD

REGIONAL BANKS WITH LOCAL AGILITY, FOCUSED ON **ENTREPRENEURS**

HISTORICAL REGIONAL BANKS WITH STRONG CHARACTERISTICS

DEDICATED TO LOCAL SUCCESSFUL ENTREPRENEURS

CLIENT SATISFACTION DRIVEN EXTENSIVE REGIONAL ROOTS

ca. 60%

of global revenues generated by Professional and Corporate clients Banque Courtois Société Marseillaise de Crédi

Client Satisfaction is an essential component of our DNA (1)



for Corporates



for Retail clients

Agile Organisation with only 3 hierarchical levels between an account manager and the Head of Credit du Nord

Source: (1) 2018 CSA Institute / (2) KANTAR survey / (3) Exton Survey * Variation in number of core clients



FOCUSED ON CORE CLIENTS

ca.18%⁽²⁾ of penetration rate for Corporate clients in France

ca.9.5%⁽³⁾ of revenue market share for Professional clients in France

70% of Professionals also have their personal accounts

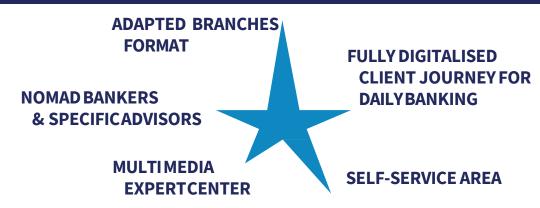
GROWTH FOR OUR CORE CLIENTS (VAR 2014 - 2018)*:

+10% for Professionals

+8% for Corporates

+10% for Premium clients

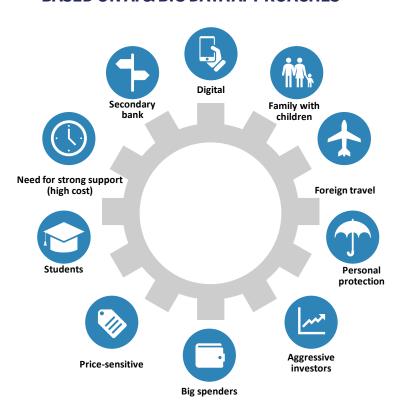
THROUGH AN ADAPTED RELATIONAL MODEL



COMMITTED TO A "CLIENT-DRIVEN" TRANSFORMATION

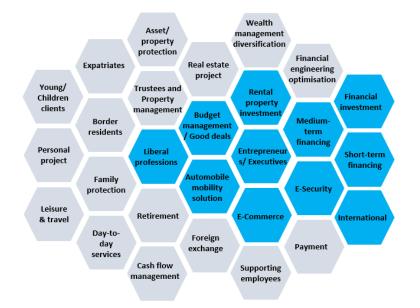
BETTER KNOW OUR CLIENTS

THANKS TO NEW BEHAVIOURAL PROFILING **BASED ON AI & BIG DATA APPROACHES**



BETTER IDENTIFY THEIR NEEDS

REFLECTED THROUGH 28 CLEARLY IDENTIFIED **CLIENTNEEDS**







BETTER SERVE THEM

THANKS TO AN OPEN ARCHITECTURE MODEL -THE CDN PLATFORM-

> INTERNAL CREDIT DU **NORD PRODUCTS AND SERVICES**

SYNERGIES WITH THE GROUP

PAYMENT

Specific credit

insurance dedicated to

medical professions

INSURANCE

CIB **CAR LEASE OFFER**

WITH ALD

REAL ESTATE SOLUTION

PRIVATE **BANKING**

FINANCE

CONSUMER

EXTERNAL PARTNERSHIPS **FACTORING OFFER**

WITH CGA

PARTNERSHIPS FINTECH & INSURANCE

OXATIS website creation

PAYZEN & HIPAY Web payment solution **(Harris)**

EXPENSYA

Expenses reporting solution

Financial Control offer for

FIZEN

very small enterprises

MORE THAN 100 SIGNED PARTNERSHIPS UP TO NOW



BOURSORAMA

THE UNDISPUTED FRENCH ONLINE LEADER

THE LEADING ONLINE BANK IN FRANCE



#0 clients end of the send of

#1 in new clients acquisition: **+465K** new clients over the last 12 months

#1 in notoriety: **1**st top of mind among online banks⁽¹⁾

ca.30% market share in online banking (2)

Capturing ca. 8% of banking mobility in France⁽⁴⁾

(1) SmartTest D2D April 2019 (2) Based on ACPR September 2018 study (3) Based on INSEE data (4) Arcane research and Internal Data Sources: press, companies, ACPR, internal data

Sources: press, companies, ACPR, internal data SOCIETE GENERALE

ACCELERATING CLIENT ACQUISITION

of clients **Ca.** + 30% CAGR²⁰¹⁵⁻²⁰¹⁸, **X2.2** in 3 years

ca.3% yearly churn rate

of clients RECORD CLIENT ACQUISITION in April 19



HIGH POTENTIAL CLIENTS



38 years old on average50% have been clients for less than 2 years

Large proportion of managers (**35%**)
Mainly city dwellers (**70%**)

Penetration rate⁽³⁾

6% of 30-somethings

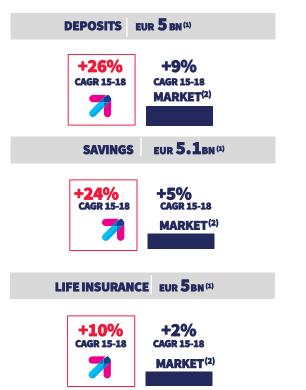
8% of Parisians

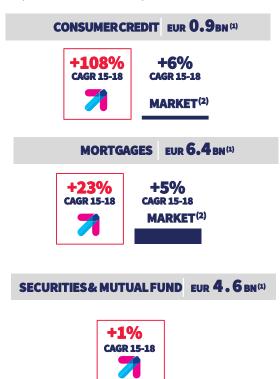
14% of French managers

A FULL-SERVICE BANKING MODEL

A FULL-SERVICE BANKING MODEL

A SIMPLE BUT COMPREHENSIVE OFFER (30 PRODUCTS)





ACTIVE AND EQUIPED CLIENTS + 48% YOY(3) + 47% YOY(3) + 38% yoy(4) **WEB & APPLI TOTAL CARD** CONNECTIONS TRANSACTIONS / **SUBSCRIP** / MONTH **TIONS/MONTH** MONTH 18 M(3) 180 K(3) 18 M(3)



FIRST QUARTERS WITH BOURSORAMA FOR A NEW CLIENT



AUA / CLIENT CA. EUR 12 000 & LOANS / CLIENT CA. EUR 4 500 (1)

- (1) As of December 2018 and including all recent clients at that date (2) Source Banque de France, Boursorama (3) As of March 2019 and including all recent clients, YoY: from March 2018 to March 2019 (4) From December 2017 to December 2018
- (5) Average outstandings of a new client (deposits and regulated savings) rebased on 100



A SUCCESS BASED ON SINGLE MODEL FOCUSED **ON CUSTOMER AUTONOMY**

A FULL DIGITAL AND AUTOMATED **MODEL**

- . A full online offer, with 0 paper
- . 850 functionalities & services
- . More than 100 types of notifications / alerts
- Continuous automation

EFFICIENT COST BASE ALLOWING AGGRESSIVE PRICING

- . More than 2300 clients per employee
- . +800K clients since end 2016 (+80%) vs. +80 staff (+10%)
- . #1 in pricing: Least expensive Bank for the last











CUSTOMER SATISFACTION

#1 in France - NPS $> +40^{(1)}$

Recommendation rate⁽²⁾ >90% fuelling > 50% of new clients

CUSTOMER AUTONOMY

< 1.4 contacts / year per client with client service

LEVERAGING ON OPEN BANKING TO PROPOSE THE BEST OFFERS

- . Acquisition partners Veepee

showroomprive.com

- . Best services



- . Best products



- . Best contents
- **#1** economic and financial website in France with
 - >32M visits per month (3)

A CUSTOMER SERVICE DESIGNED TO PROCESS EXCEPTIONS

- . No branches
- . Chatbot answering most questions 🔈 Eliott
- . Human advisors available 6/7 until 10pm

STRONG DIFFERENTIATION

Towards neobanks through the comprehensive offer

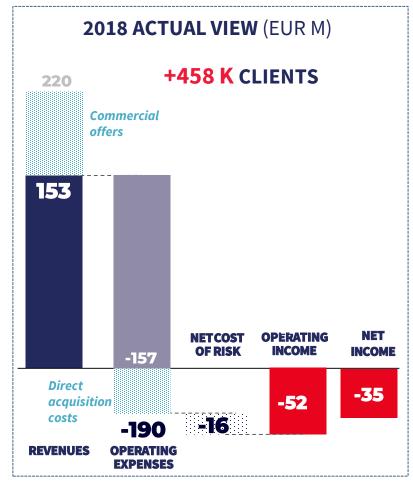
Towards traditional banks through pricing power

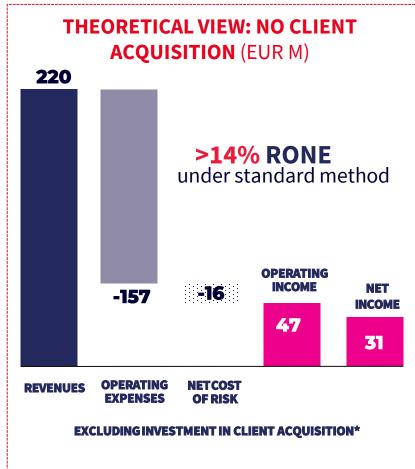




A FLEXIBLE MODEL INTRINSICALLY PROFITABLE

BOURSORAMA FRANCE





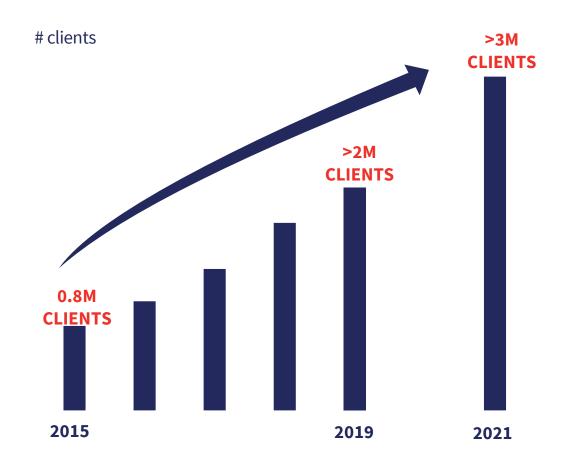


^{*} Including commercial offers recognized in revenues and direct acquisition costs recognized in operating expenses





TARGETING > 3M CLIENTS BY 2021



PHASE 1



Focus on **CLIENT ACQUISITION** to reach adequate scale within the French retail market and to confirm our **LEADERSHIP POSITION IN ONLINE BANKING**

TARGET > 3M CLIENTS IN 2021

PHASE 2



IMPROVED PROFITABILITY

Post acquisition phase, mid term RONE between 20% and 25% (IRBA method)





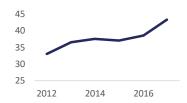
DEEP DIVE INTO GLOBAL BANKING AND INVESTOR SOLUTIONS

RECOGNISED LEADERSHIP IN GROWING SEGMENTS

STRUCTURAL GROWTH DRIVERS

MARKET-LEADING EXPERTISE

SAVING FOR RETIREMENT



Global retirement savings US\$ trillion (OECD)

GLOBAL LEADER IN INVESTMENT PRODUCTS

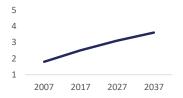


STRUCTURED PRODUCTS
HOUSE OF THE YEAR
(RISK MAGAZINE)

"Societe Generale is, by far, our most efficient counterpart for Structured Products"

Structured Products Specialist at a Tier 1 European Private Bank

INFRASTRUCTURE AND ENERGY TRANSITION NEEDS



Annual Infrastructure Investment, Current Trends US\$ Trillion (Global Infrastructure Hub)

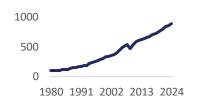
GLOBAL LEADER IN STRUCTURED FINANCE



GLOBAL PROJECT FINANCE ADVISOR OF THE YEAR (PFI) "Societe Generale's speed of execution as well as its significant knowledge in the fibre space was instrumental..."

German Telco CFO

NEEDS OF MULTINATIONAL AND EXPORTING CORPORATES



Volume of global exports, 1980 = 100 (IMF)

REGIONAL LEADER IN TRANSACTION BANKING



LEADER IN EMEA

"Societe Generale's expertise, innovation spirit and daily customer service has been essential for the setup of our global payment & reporting factory across CEEMEA"

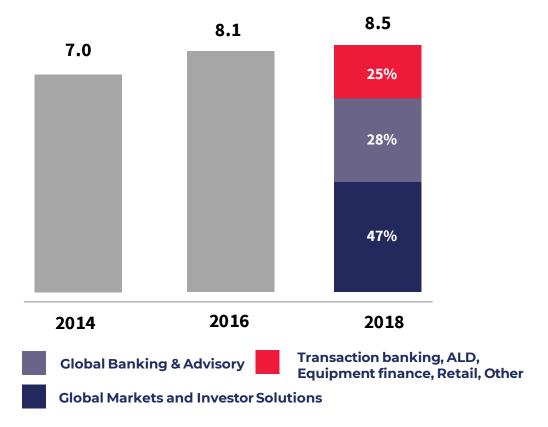
Luxury Goods Company



LEVERAGING ON LONG TERM CLIENT RELATIONSHIPS

_WHOLESALE CLIENT REVENUES (EUR BN)

48% OF REVENUES WITH CORPORATES
52% WITH FINANCIAL INSTITUTIONS



FOCUS ON **CLIENT SELECTIVITY** AND **CLIENT PROFITABILITY**

800 <u>Strategic Clients</u>: 55% of total client revenues

NPS constantly improving with both corporate clients and financial institutions

More than 70% of <u>Strategic Client</u> revenues is from clients that work with us in 3 or more regions*



AN INTERCONNECTED MODEL FOR OUR CLIENTS

Americas





STRONG POSITIONS IN TARGETED SEGMENTS

Top foreign bank in Equity Derivatives & leading position in Structured Finance

SUCCESSFUL GROWING CORPORATE CLIENT BASE

21% of Americas revenues with

European

clients



EMEA



LEADERSHIP POSITION IN CIB

World leader in Equity derivatives World leader in Structured Finance **EMEA leader in Investment Banking EMEA leader in Transaction Banking** French Leader in Private Banking

Asia, Pacific & Other





CONNECTING ASIA TO THE WORLD

Financial Institutions: focused on distribution of investment solutions to private banks.

Corporates: increased penetration with EMEA clients



17% of Asia Pacific &

other revenues with European clients



ALLOCATING CAPITAL TO MOST RELEVANT FRANCHISES

		% OF 2018 RWAs	2018 RETURN	SYNERGIES	2020 ROADMAP: STRATEGIC PRIORITIES
GLOBAL MARKETS AND INVESTOR SERVICES	INVESTMENT SOLUTIONS	~15%	10-15%		STRENGTHEN LEADERSHIP
	FINANCING	~10%	> 15%		PROMOTE CROSS-ASSET AND INNOVATIVE SOLUTIONS
	FLOW*	~25%	< 5%		RESTRUCTURE
FINANCING & ADVISORY	STRUCTURED & ASSET FINANCE, INVESTMENT BANKING, TRANSACTION BANKING	~30%	> 15%		GROW
	CORPORATE LENDING	~10%	< 5%		INCREASE SELECTIVITY
WEALTH & ASSET MANAGEMENT	~10% < 5% GROW PRIVALENCE AND ETFS				
*Including Securities Services				VERY HIGH LEVEL OF SYNERGIES	GOOD LEVEL FEWER SYNERGIES



REFOCUSING ON CORE EXPERTISE IN GLOBAL MARKETS

OUR **STRATEGY** IN GLOBAL MARKETS IS BASED ON **THREE FRANCHISES**

STRENGTHEN LEADERSHIP IN CROSS-ASSET INVESTMENT SOLUTIONS

INCREASE EXECUTION CAPABILITIES IN FINANCING

OPTIMISE FLOW PRODUCTS
LEVERAGING ON GROUP
CORPORATE FRANCHISE

CONCENTRATE RESOURCES
ON MOST PROFITABLE
ACTIVITIES & RESTRUCTURE
FLOW

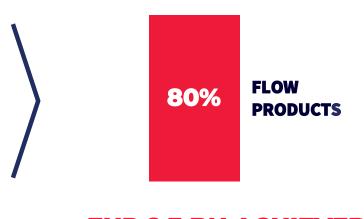
Closure of OTC commodities

Closure of Descartes proprietary trading

Increase client selectivity in Prime Services

Downsize Fixed Income and Currencies

EUR 8 BN RWA REDUCTION 2020 **TARGET***



EUR 2.3 BN ACHIEVED IN 01 19



^{*} At constant regulatory environment

ADJUSTING THE COST BASE

STRATEGIC ACTIONS

GLOBAL MARKETS AND INVESTORSERVICES

Global Markets: business closures and staff reduction, mainly in FICC

Securities Services: exit from wealth management services and clearing in the UK

FINANCING & ADVISORY

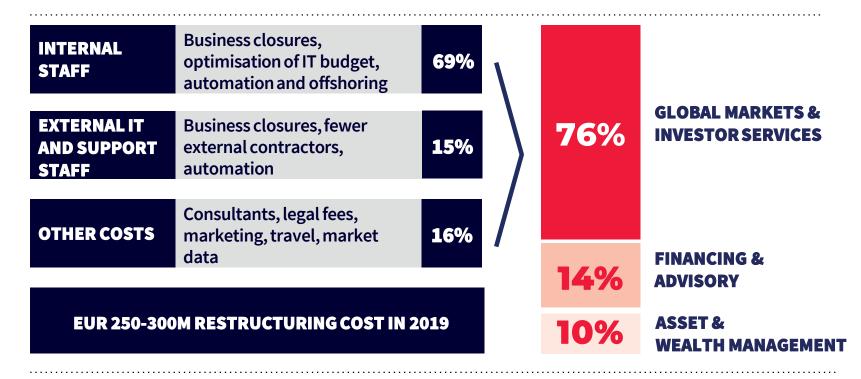
Merger of Global Finance, Coverage and Investment Banking

ASSET & WEALTH MANAGEMENT

Restructure private banking headquarters

GLOBAL REORGANISATION OF IT AND OPERATIONS

% OF EUR 500M additional savings plan

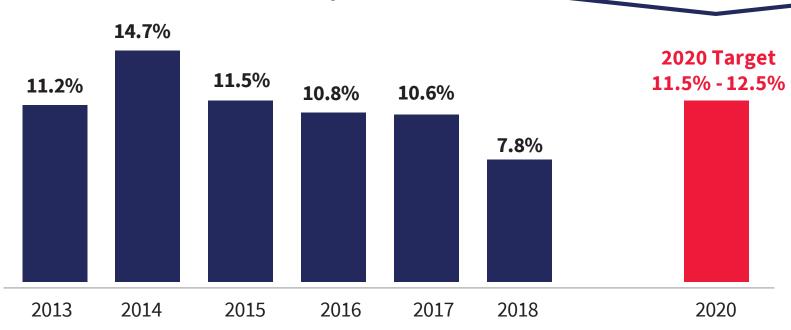




REACHING OUR 11.5%-12.5% 2020 RONE TARGET









*Adjusted for regulatory fines in 2013 and in 2016 (EURIBOR fine and partial reimbursement)
2013 and 2014 as published in 2014, 2015 and 2016 as published in 2016, 2017 and 2018 as published in 2018

OUR VISION: A RELATIONSHIP, PIONEER AND RESPONSIBLE BANK

INTEGRATED GLOBAL PRESENCE

Europe is our domestic market

US and Asia are dynamic markets where we are growing our presence

Africa is a differentiating factor

EXPERTISE AND INNOVATION

Serving the sophisticated needs of our clients is part of our DNA

Creating new investment and structured finance solutions

POSITIVE IMPACT

Leadership in renewables

Investment products and positive impact finance

PROFITABILITY ABOVE COST OF CAPITAL

Selective capital allocation

Focused on areas of strength

Adapted to a new regulatory environment (capacity to limit FRTB impact)

A WHOLESALE B2B MARKETPLACE

SG Markets: one interface for clients and teams

Successful partnerships

New services and features at a lower cost

Best in class client experience





2020 IS A KEY MILESTONE

DEVELOP FRANCHISES that are highly profitable and where we are global leaders

- **⇒** GROW most profitable businesses : INVESTMENT **SOLUTIONS, FINANCING & ADVISORY**
- **⇒ IMPROVE operating efficiency and REDUCE less** profitable activities in FLOW PRODUCTS
- **⇒ RESTORE PROFITABILITY in International Private Banking and Active Asset Management**



GLOBAL MARKETS

GLOBAL MARKETS FOOTPRINT: A POWERFUL CROSS ASSET DERIVATIVES & SOLUTIONS HOUSE

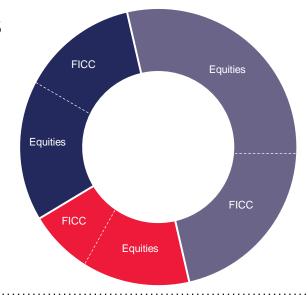
INVESTMENT SOLUTIONS (30%)

Structured Products Warrants/Certificate Proprietary Indices

3 "PRODUCT" PILLARS

FINANCING SOLUTIONS (20%)

High velocity collateral trading Structured Financing

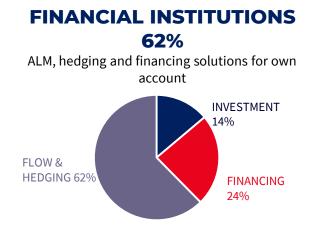


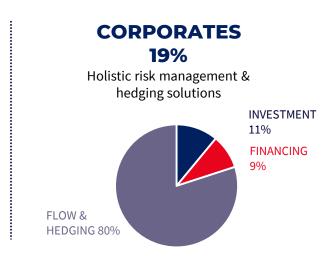
FLOW & HEDGING SOLUTIONS (50%)

Liquidity provider on cash assets and derivatives

Leading execution and clearing broker in Listed Derivatives

OUR CLIENTS









INVESTMENT SOLUTIONS: CORE ACTIVITY, LEADING POSITION

WHATWE DO: WE SOLVE CLIENT COMPLEXITY TO PROVIDE INVESTMENT SOLUTIONS TARGETING ENHANCED RETURN

INVESTMENT PRODUCTS

Structured products: High client demand for Autocall structures, leading innovation on underlying asset design, diversification towards rates and credit products

Warrants and certificates: Leading player in Asia, breakthrough in Germany with the acquisition of **EMC** activities

INVESTMENT DERIVATIVES

Societe Generale's risk exposure generated by Investment Products **turned to opportunities** for **sophisticated clients**

Key risks offset: >70% of quanto and index correlation risk, 50% of credit recovery sensitivity

INVESTMENT STRATEGIES

Quantitative Index Strategies: Systematic strategies for institutional clients with proven low volatility and superior return over the medium term. Generate no market risk and low Balance Sheet consumption

Custom Fixed Index Annuity Strategies: Designed for US insurers' fixed index annuity activity

OUR AMBITION:

MAINTAIN OUR LEADERSHIP IN INVESTMENT SOLUTIONS

STRATEGIC ACTION:

EMC ACQUISITION

OUTLOOK

- High demand for investment products
- **◆** Push on Quantitative Index Strat
- Risk appetite and market shocks
- Market concentration in some product areas



FINANCING SOLUTIONS: RECURRENT REVENUES AND RWA LIGHT

WHATWE DO: WE LEVERAGE OUR CROSS-ASSET CAPABILITIES TO MONETISE OUR ALLOCATED BALANCE SHEET

FLOW FINANCING

Continued presence to facilitate client needs in

Traditional Repo and Secured loans capabilities on all liquid assets (G10 Govies, Equities, Convertibles, Credit and EM Credit)

Growth on

Synthetic prime brokerage: Total Return Swaps / Dynamic Portfolio Swaps activity

Collateral Exchange: Client need since new Capital Requirement Regulation. Requires cross-asset trading capabilities

Cutting edge IT Investments underway

STRUCTURED FINANCING

Sophisticated assets & maturities: Large suite of eligible assets, under expansion (Private Equity, Life Settlement, Single HF shares, emerging market assets)

Tailor-made solutions to meet new client needs driven by regulation

OUR AMBITION:

OFFER BEST IN CLASS SOLUTIONS FOR OUR CLIENTS

STRATEGIC ACTION:

FURTHER PROMOTE CROSS-

ASSET AND INNOVATIVE

SOLUTIONS

OUTLOOK

- + Additional eligible collateral and structures
- + Regulation
- Abundant liquidity leading to spread compression



FLOW AND HEDGING SOLUTIONS: FOCUSED AMBITION

WHAT WE DO: WE PROVIDE ADDED VALUE CONTENT, DIGITAL SERVICES & QUANTITATIVE TRADING CAPABILITIES

CASH PRODUCTS

Support **ECM** and **DCM** franchises

Work on efficiency

CLEARING AND LISTED PRODUCT EXECUTION

Leading execution and clearing broker in **Listed Derivatives**

Adjustments to reduce capital consumption while preserving the franchise

DERIVATIVES

Equity derivatives: A worldwide franchise based on **innovative content and advisory** and our ability to execute **very large transactions** in liquid and illiquid markets

Fixed income: Leveraging our leading corporate franchise on **EUR Rates** and our Emerging Markets presence to act as a premium additional liquidity provider on FX and Rates (**CEE, Africa**)

OUR AMBITION:

A SYNERGETIC BACKBONE FOCUSED ON AREAS OF EXPERTISE

STRATEGIC ACTION:

GROW CONTENT DRIVEN FLOW

OUTLOOK

- + Strong appetite for content
- Extended period of low volatility
- Increased competition, in particular on corporates clients



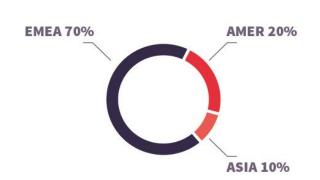
FINANCING AND ADVISORY

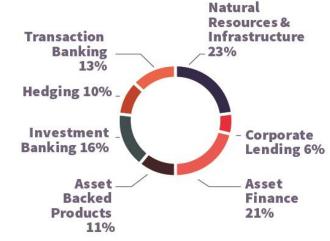
DIVERSIFIED FINANCING AND ADVISORY SOLUTIONS SERVING THE NEEDS OF WHOLESALE CLIENTS

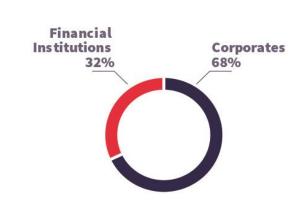
REVENUES BY REGION

REVENUES BY BUSINESS

REVENUES BY CLIENT TYPE







Recognized industry knowledge thanks to a long-standing presence in core markets

First-class expertise in structured finance

Global approach of the financing markets

- . Worldwide footprint businesses
- . From capital markets to banking markets

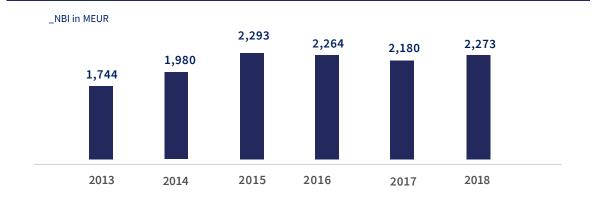
Strong risk awareness



DELIVERING OUR BUSINESS INITIATIVES TO BRING MORE VALUE TO OUR CLIENTS

GLOBAL BANKING & ADVISORY REVENUES

BUSINESS PUSHES DELIVERING



	NBI CAGR 2016-2018		
Assetfinance	9%		
Asset-backed products	19%		
Renewable finance	x2		

COLIDCE

EV2017

GAINING MARKET SHARE IN MOST MARKETS

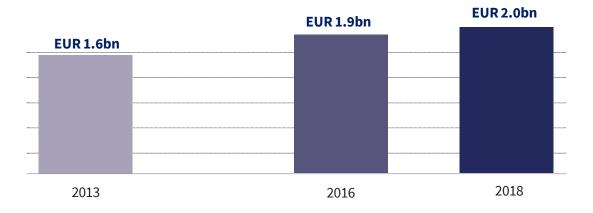
	SOURCE	FY2017	FY2018
Global Securitisation in euros	IFR	#2 8.7% mkt share	#1 10.1% mkt share
Real Estate Finance in EMEA (volume by MLA)	Dealogic	#5 4.8% mkt share	#2 8.2% mkt share
Global Project Finance by Financial Advisor	PFI	#11	#1
EMEA Project Finance by MLA	PFI	#5	#2
All International Euro-denominated bonds	IFR	#4	#3
		5.9% mkt share	6% mkt share



EV2010

INCREASED TRANSACTION BANKING MARKET SHARE IN WESTERN EUROPE

GROUP REVENUES FROM GLOBAL TRANSACTION BANKING*



ADVANTAGES FOR THE GROUP

- + Client proximity helps to cross-sell all Group products
- + Stable revenue base
- + Accretive

NBI growth & market share gains in cash management in Western Europe – double digit volume growth From #10 to #7 ranking in Western Europe for Payment and Cash Management (Source: Euromoney) Investments ongoing to complete a pan-European product suite in line with highest standards Leveraging synergies with SG clients worldwide

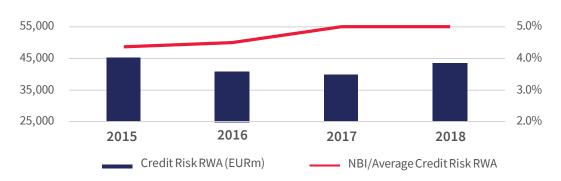
*Management data



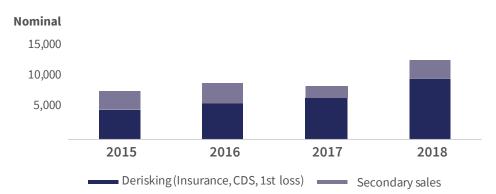
ACTIVE CAPITAL MANAGEMENT BASED ON AN EFFICIENT OTD MODEL

A STRONG CAPITAL MARKETS APPROACH AND ACTIVE PORTFOLIO MANAGEMENT TO SUCCEED IN AN INCREASINGLY DISINTERMEDIATED MARKET

FINANCING BUSINESSES*: CREDIT RISK RWA AND NBI/AVERAGE CREDIT RISK RWA



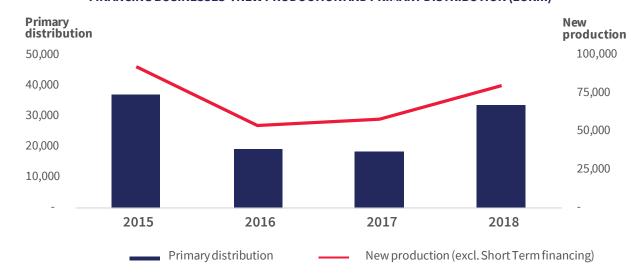
FINANCING BUSINESSES*: PORTFOLIO MANAGEMENT ACTIONS (EUR M)



^{*}Financing businesses: F&A excluding GTB and JVs on market activities

SOCIETE GENERALE

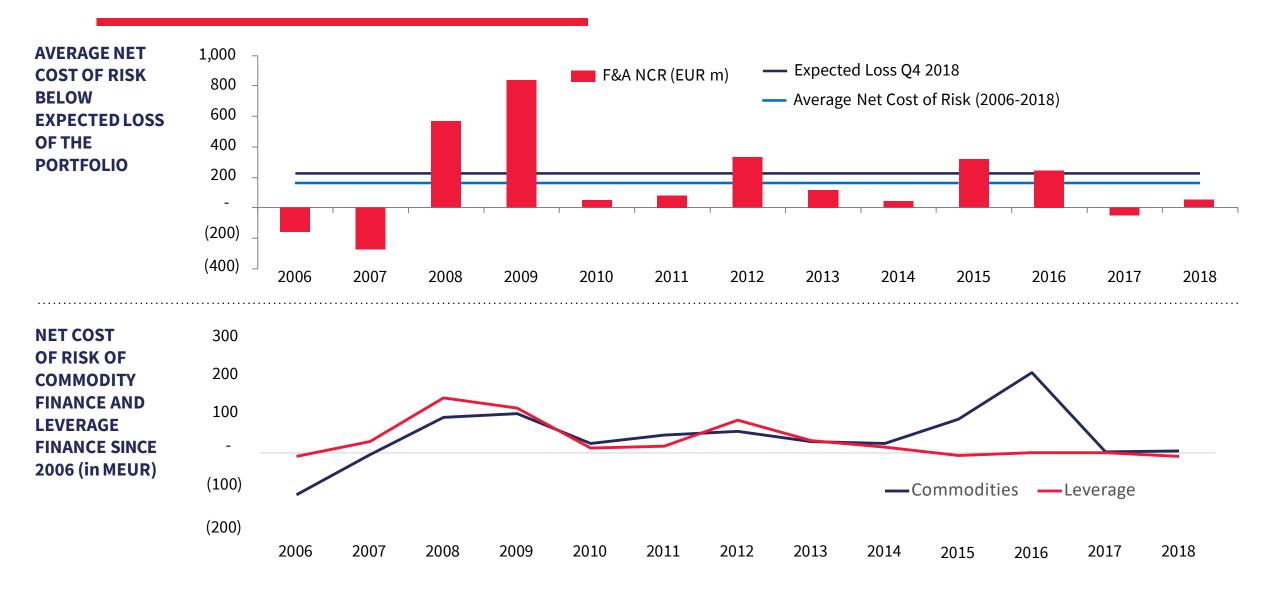
FINANCING BUSINESSES*: NEW PRODUCTION AND PRIMARY DISTRIBUTION (EURm)



FEES: 49% OF 2018 REVENUES

A FEE-DRIVEN MODEL BASED ON STRONG ADVISORY CAPABILITIES

STRONG RISK MANAGEMENT TRACK RECORD





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