DEEP DIVE INTO MARKET ACTIVITIES & ASIA

06.03.2018
This presentation contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;

- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale’s markets in particular, regulatory and prudential changes, and the success of Societe Generale’s strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale’s financial results can be found in the Registration Document filed with the French Autorité des Marchés Financiers.

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

Figures in this presentation are unaudited.
DEEP DIVE INTO MARKET ACTIVITIES

FRANK DROUET
HEAD OF GLOBAL MARKETS

06.03.2018
# GLOBAL MARKETS WITHIN SOCIETE GENERALE

## A STRONG FRANCHISE

<table>
<thead>
<tr>
<th>EUR 5.0bn revenues</th>
<th>150 structurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.2%</td>
<td>One of the largest teams in the industry</td>
</tr>
<tr>
<td>2016 market share(^{(1)})</td>
<td>500+</td>
</tr>
<tr>
<td>24 Primary dealerships</td>
<td>APIs in our catalogue</td>
</tr>
<tr>
<td>130 Market venues presence</td>
<td>60%</td>
</tr>
<tr>
<td>35% revenues derived from Top 3 positions segments</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Source: 2016 Coalition Index

## INNOVATION IS OUR DNA

- **150 structurers**
- One of the largest teams in the industry
- **500+ APIs in our catalogue**
- **60% IT infrastructure on a Public/Private cloud**

## INTERCONNECTING REGIONS

- **Europe**
  - \(\sim 60\%\) of Global Markets staff and revenues
- **Americas**
  - \(\sim 20\%\) of Global Markets staff and revenues
- **Asia**
  - \(\sim 20\%\) of Global Markets staff and revenues

## TRANSFORM TO GROW: 2020 OBJECTIVES

- **\(~+2.5\%~\)** CAGR NBI 2016-2020
  - Global Markets and Investor Services
  - **RWA**
    - Global Markets <20% of Group total
  - **RONE**
    - Contribute to Global Banking and Investor Solutions target of \(~14\%\)**
AN ACTIVITY AT THE SERVICE OF SOCIETE GENERALE’S MODEL

- French Retail Banking
  - Fixed income flow products for French SMEs and Local authorities
  - Distribution of investment products for retail clients

- International Retail Banking
  - Market products provider for international retail clients

- GTPS
  - Forex

- Global Finance
  - FICC derivatives for Corporates
  - Distribution of DCM issuances

- Wealth and Asset Management
  - Lyxor: distribution of ETFs, hedging, swaps
  - Private Banking: distribution of structured products, execution of client orders

- Coverage & Investment Banking
  - Corporate Equity derivatives
  - Distribution of ECM issuances

- Securities Services
  - Liquidity Management
  - Prime Services
  - Client introduction

(1) Fixed Income, Currencies and Commodities
A CLIENT ORIENTED BUSINESS CONSTANTLY ADAPTING TO THEIR NEEDS

Financial Institutions
Own account

Global Markets acts as an intermediary and a solution provider to FIs for their own execution and hedging needs.

Share in Global Markets client revenues

- Equities ~50%
- FICC ~50%

Financial Institutions
Distribution

Global Markets acts as an investment solutions provider for FIs which sell our products to their own final clients.

Share in Global Markets client revenues

- Equities ~70%
- FICC ~30%

Corporate
Own account

Global Markets provides corporate clients with hedging solutions of their risks.

Share in Global Markets client revenues

- Equities ~10%
- FICC ~90%

Equities includes Prime Services. 2016 data
AN AGILE AND DIVERSIFIED BUSINESS MIX

INVESTMENT SOLUTIONS 28%
Strong ability to address our clients investment requests
- One of the largest structuring teams in the industry
- An all-assets Structured Products house
- A distribution leader

FINANCING SOLUTIONS 24%
Servicing clients needs in a low rates environment
- Development via Newedge acquisition
- Active player in Bonds and Equity repo markets
- Asset backed products push
- Balance sheet optimisation

FLOW BUSINESS 48%
Constant provider of liquidity
- Leader in Equity flow derivatives
- Long standing commitment to Commodities
- Leader in agency listed products

(1) Source: 2016 Coalition Index, Top 12 banks excl. SG (BoA, Barc, BNPP, Citi, CS, DB, GS, HSBC, JPM, MS, UBS), excl. US munies

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(1) Source: 2016 Coalition Index, Top 12 banks excl. SG (BoA, Barc, BNPP, Citi, CS, DB, GS, HSBC, JPM, MS, UBS), excl. US munies
A BUSINESS MODEL GAINING MARKET SHARE

Market share vs. top 12 banks\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Global</th>
<th>Fixed Income</th>
<th>Commodities</th>
<th>Equity</th>
<th>Prime services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4.6%</td>
<td>3.1%</td>
<td>3.5%</td>
<td>3.8%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2015</td>
<td>5.2%</td>
<td>3.6%</td>
<td>4.8%</td>
<td>4.2%</td>
<td>4.7%</td>
</tr>
<tr>
<td>2016</td>
<td>5.2%</td>
<td>3.6%</td>
<td>5.6%</td>
<td>4.7%</td>
<td>4.9%</td>
</tr>
<tr>
<td>H1-17</td>
<td>5.5%</td>
<td>3.7%</td>
<td>7.2%</td>
<td>9.7%</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

\(\text{(1)}\) Source: Coalition report. Top 12 banks: BoA, Barc, BNPP, Citi, CS, DB, GS, HSBC, JPM, MS, SG, UBS
WE FACED CHALLENGES AND SUCCESSFULLY ADAPTED OUR BUSINESS

WE HAVE REMAINED SIGNIFICANTLY MORE PROFITABLE THAN THE INDUSTRY
GLOBAL MARKETS: 2016-2020 ROADMAP

STRENGTHEN OUR EDGE AS A GLOBAL LEADER IN DERIVATIVES
- Prime brokerage platform development
- Expand our SG Index Platform
- Grow our derivatives solutions franchise with Corporate clients

BECOME A TOP PLAYER ACROSS PRODUCTS IN EUROPE
- Invest in Fixed Income, notably Rates and Credit
- Leverage our Bank network in Eastern Europe

OPTIMISE OUR RESOURCES
- Right capital allocation
- Active risk recycling
- Adapting to regulatory changes
- Tight cost management

BUILD THE PARTNER BANK
- Enhance our digital offering and client experience: a portal and an open library of APIs
- Provide advisory in risk management
- Extend our Positive Impact offering

GLOBAL MARKETS & INVESTOR SERVICES REVENUES ~+2.5% CAGR 2016-2020
GLOBAL MARKETS: 2016-2020 ROADMAP
OUR AMBITION

STRENGTHEN OUR EDGE AS A GLOBAL LEADER IN DERIVATIVES

BECOME A TOP PLAYER ACROSS PRODUCTS IN EUROPE

Share of 2016-2020 Global Markets revenue growth

- Prime Services
- FICC
- Equity

A well-balanced contribution
Prime Services development increases model diversification while improving revenues stability
Stable regional contribution

Close the gap in Europe

- EUR 6bn
- Commodities
- Fixed Income
- Prime Services
- Equities

US bank 1
EU bank 1
US 2
US 3
SG
US 4
EU 3
EU 4
US 5
EU 5
EU 6
EU 7
MAINTAIN AN EFFICIENT RISK FRAMEWORK

**Continued risk optimization**
- Very limited daily losses for market activities among the past years
- LCR well-above 100%, NSFR in excess

**Diversification & Innovation**
- We focus on diversification (by client, product, market, …)
- We have developed the capability to recycle our risks while meeting client demand

**Risk management advisory**
- Our dedicated Market Risk Advisory provides tailored solutions to help our clients successfully address their risk management issues

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**The quality of risk management of Société Générale market activities is RECOGNIZED BY THE INDUSTRY:**

- Very limited daily losses for market activities among the past years
- LCR well-above 100%, NSFR in excess
- We focus on diversification (by client, product, market, …)
- We have developed the capability to recycle our risks while meeting client demand
- Our dedicated Market Risk Advisory provides tailored solutions to help our clients successfully address their risk management issues

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**GLOBAL MARKETS: 2016-2020 ROADMAP**

**OPTIMIZE OUR RESOURCES**

**Maintaining an efficient risk framework**

**1. BEST-SELLING STRUCTURED PRODUCTS**

- Increased capacity for structured products

**2. TRADING POSITIONS**

- Development of trade opportunities

**3. ALTERNATIVE RISK TRANSFER TO HEDGE FUNDS**

- Inventory of risks in our trading books
Effective capacity to **ACT AS ONE**

- **A ONE STOP SHOP** as a MARKETS EXPERT / ADVISOR
- **RELIABLE DELIVERY** Products & Services, MASS RELEVANT
- **CLIENTS AS PARTNERS** Quality & performance matter for a sustainable long term relationship

A **PLATFORM** of RELEVANT content and solutions

**SIMPLIFY** our clients’ life

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**INNOVATE FOR OUR CLIENTS**

Continue to deploy new Products & Services, offered to our clients through their preferred channel

**MORE SERVICES**

- **Channels**
  - SGMarkets Single Dealer Platform
  - API
  - SGBot Chat platforms
  - Multi Dealer Platforms
DEEP DIVE INTO ASIA

HIKARU OGATA
HEAD OF ASIA-PACIFIC

06.03.2018
## ASIA PACIFIC WITHIN SOCIETE GENERALE

### A DIVERSIFIED PRESENCE
- **150 years**
  - Presence in the region
- **12**
  - Countries presence
- **17**
  - Exchange memberships
- **20**
  - Main local regulators

### A STRONG AND BALANCED CLIENT FRANCHISE
- **>2,000 clients**
- **EUR 1.0bn**
  - Asian client revenues worldwide
  - o/w 45% Corporates
  - o/w 55% Financial Institutions
- **67**
  - International awards

### A STRONG AND RESILIENT WHOLESALE FRANCHISE
- **EUR 1.2bn Revenues\(^{(1)}\)**
- **ROKE**
  - Greater than Global Banking and Investor Solutions average
- **Top positions**
  - Structured products
  - Equity derivatives
  - G10 Rates, Commodities
  - Natural Resources
- **Strong footprint**
  - Asset Finance
  - Corporate Lending
  - Prime Services

### A FRANCHISE CONNECTING ASIA AND THE WORLD
- **13%**
  - of Global Banking and Investor Solutions revenues
  - ~40% Corporate clients revenues generated outside their domestic region
- **>EUR 175m**
  - revenues generated with APAC corporate clients outside APAC region, cross-selling both wholesale and non-wholesale products

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2017 data

\(^{(1)}\) Revenues originated by ASIA business unit, 100% booked within Global Banking and Investor Solutions
A DIVERSIFIED AND CONNECTED CLIENT PORTFOLIO

Financial institutions
- 180 core clients
- Diversified portfolio
- ~70% of revenues from Japanese, Korean, and Chinese clients

Revenues split by client segment:
- Banks & Security dealers 60%
- Insurers 21%
- Sovereigns and Supras 8%
- Hedge funds 3%
- Asset Managers 2%
- Others 6%

EUR 1bn revenues generated for the group by Asian clients
- 55%
- 45%

Corporate clients
- 500 core clients
- Revenues in all the countries where the Group is present
- ~40% of revenues generated outside their domestic region

Revenues split by region:
- Asia-Pacific 61%
- Europe excl. France 19%
- Americas 6%
- France 9%
- CEEMEA* 5%

2017 data
* CEEMEA: Central Eastern Europe, Middle East and Africa
A PROFITABLE, LEADING AND GROWING FRANCHISE

A PROFITABLE AND LEADING FRANCHISE

- **Leadership positions** in Derivatives, Investment Solutions and Natural Resources
- **Financial institutions**: selective and successful expansion in Fixed Income and Prime Services
- **Corporate clients**: increased penetration with EMEA footprint, hedging solutions and DCM
- **Innovation** in product and digital delivery, including partnering with fintechs

<table>
<thead>
<tr>
<th>APAC market shares H1 17(1)</th>
<th>Top 3</th>
<th>Top 4-7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>8.7%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Derivatives</td>
<td>3.1%</td>
<td>2.5%</td>
</tr>
<tr>
<td>G10 Rates</td>
<td>2.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Commodities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A CONNECTED FRANCHISE POSITIONED TO CAPTURE MARKET GROWTH

- **Grow activities** consistently with the global CIB strategy and by tackling regional growth opportunities
- Offering clients an **access** to the best of our expertise in terms of services and network
- **Onshore teams** providing proximity to our clients in the region
- **Strong execution capacity** in all Asian markets
- Pursue strategies to **develop and gain market share** in key areas (Prime Services, Real Estate, Aircraft financing, Asset-Backed Products)
- Consolidation of our market leading positions (Equities, Japan, Korea, Taiwan) and further development in frontier markets (China)

(1) Source: Coalition