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**SOCIETE GENERALE**

DEEP DIVE INTO  
MARKET ACTIVITIES & ASIA

■  
06.03.2018  
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# DISCLAIMER

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*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.*

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*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



**EUR 5.0bn**  
revenues

**5.2%**

2016 market share<sup>(1)</sup>

**24**

Primary dealerships

**130**

Market venues presence

**35%**

revenues derived from  
**Top 3** positions segments

## 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**

~**60%** of Global Markets  
**staff** and **revenues**

**Americas**

~**20%** of Global Markets  
**staff** and **revenues**

**Asia**

~**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

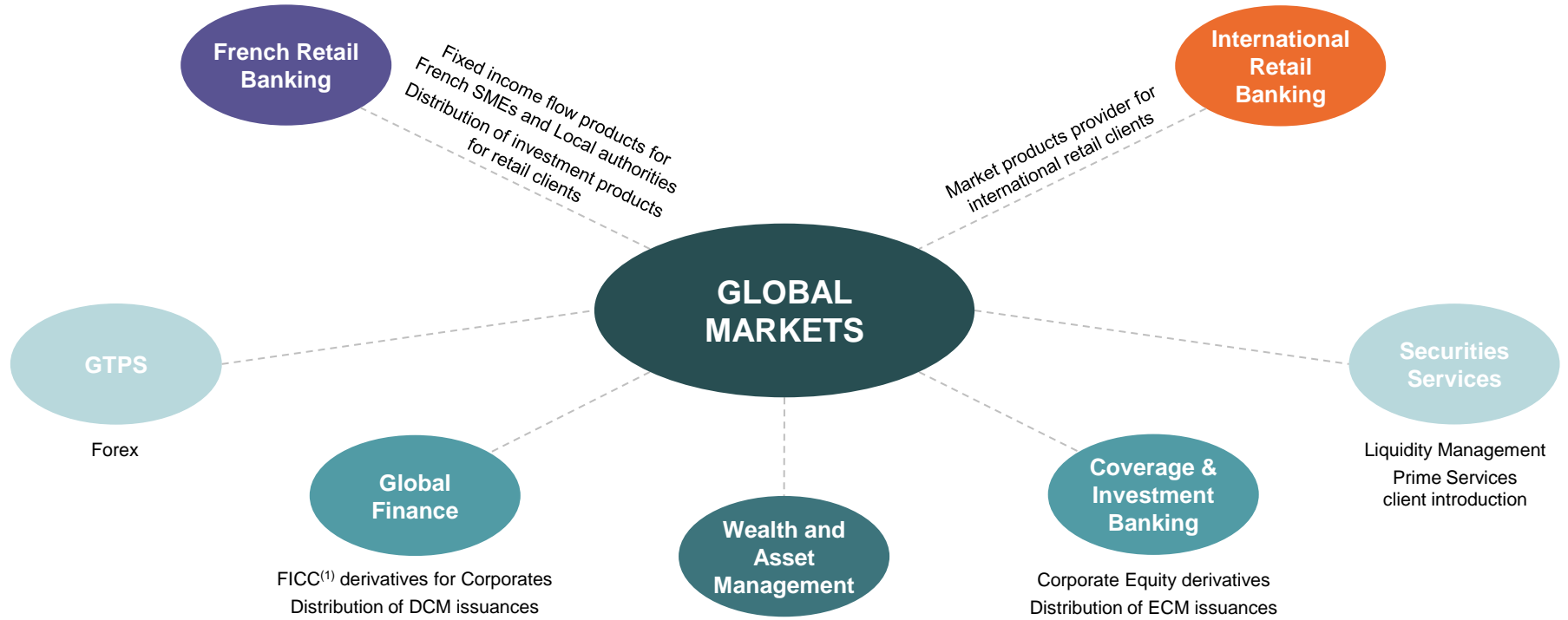
**RONE**

Contribute to Global  
Banking and Investor  
Solutions target of  
~**14%**

*In the presentation, Global Markets includes Fixed Income, Equity and Prime Services*

*(1) Source: 2016 Coalition Index*

# AN ACTIVITY AT THE SERVICE OF SOCIETE GENERALE'S MODEL



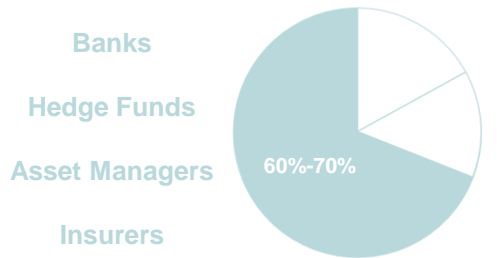
(1) Fixed Income, Currencies and Commodities

# 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

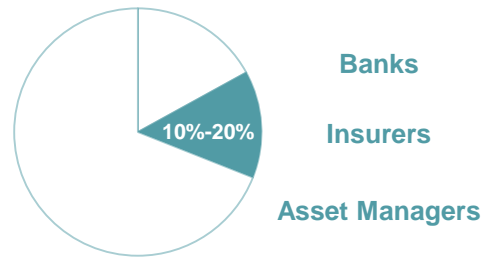
■ Equities ■ FICC

~50% ~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

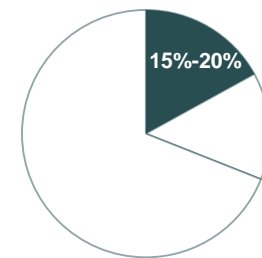
■ Equities ■ FICC

~70% ~30%

## Corporates

Own account

Global Markets provides corporate clients with hedging solutions of their risks



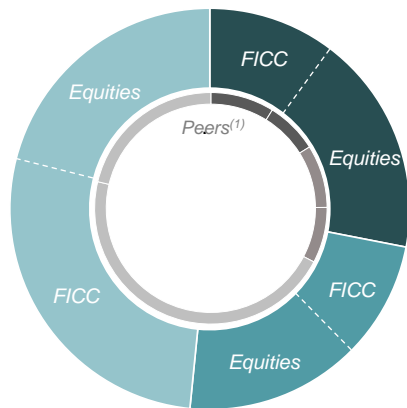
Share in Global Markets client revenues

■ Equities ■ FICC

~10% ~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%

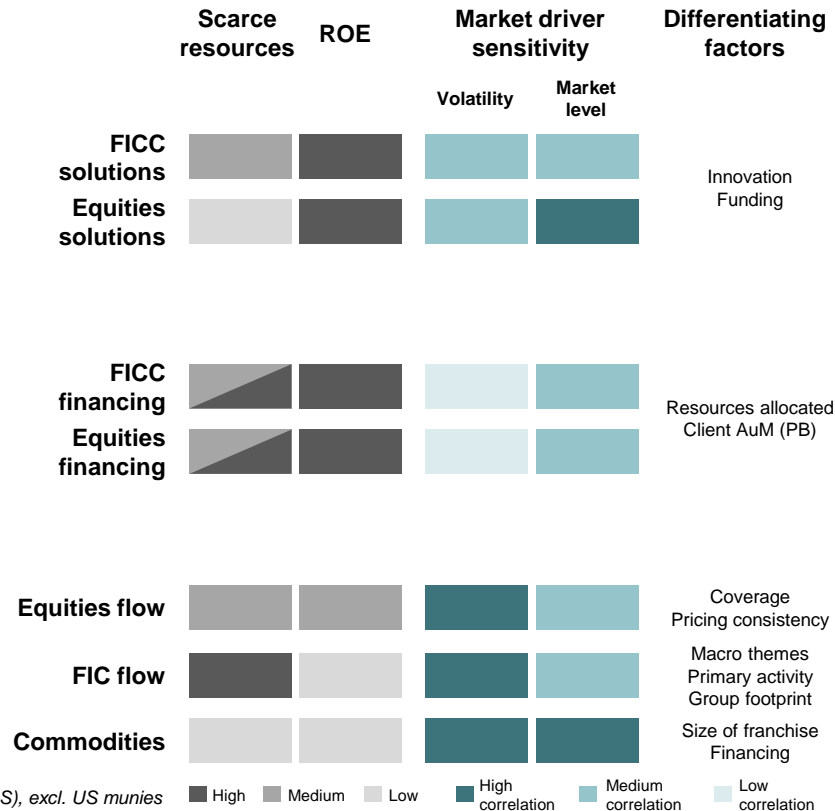
Servicing clients needs in a low rates environment

- 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

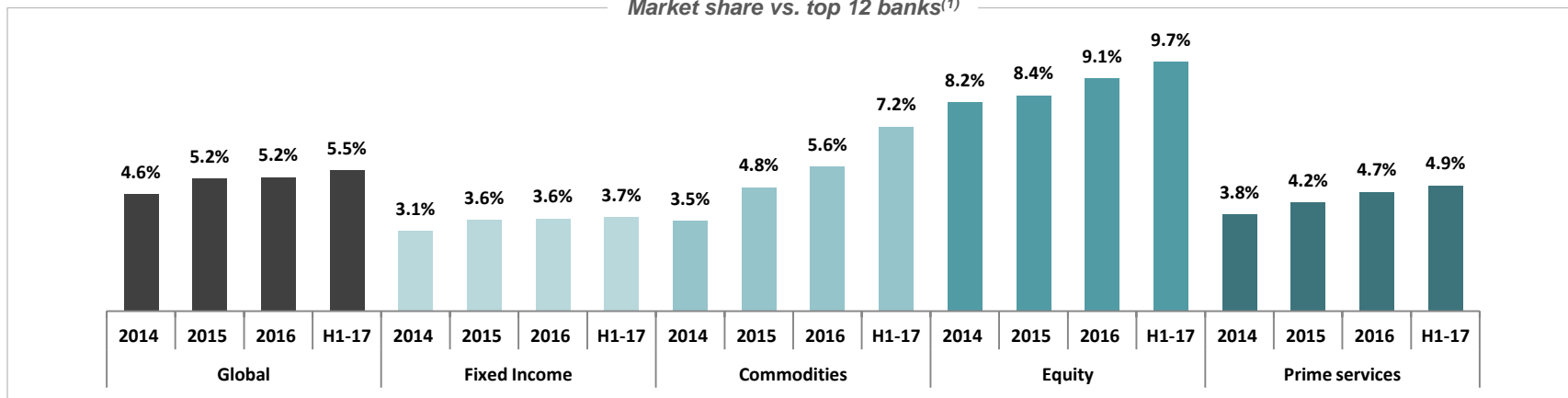
- Leader in Equity flow derivatives
- Long standing commitment to Commodities
- Leader in agency listed products



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

# A BUSINESS MODEL GAINING MARKET SHARE

Market share vs. top 12 banks<sup>(1)</sup>



Overall derivatives  
house of the year



Equity derivatives  
house of the year



Interest rates  
house of the year



Europe House  
of the Year



FICC House  
of the Year



Most innovative IB for  
Risk management

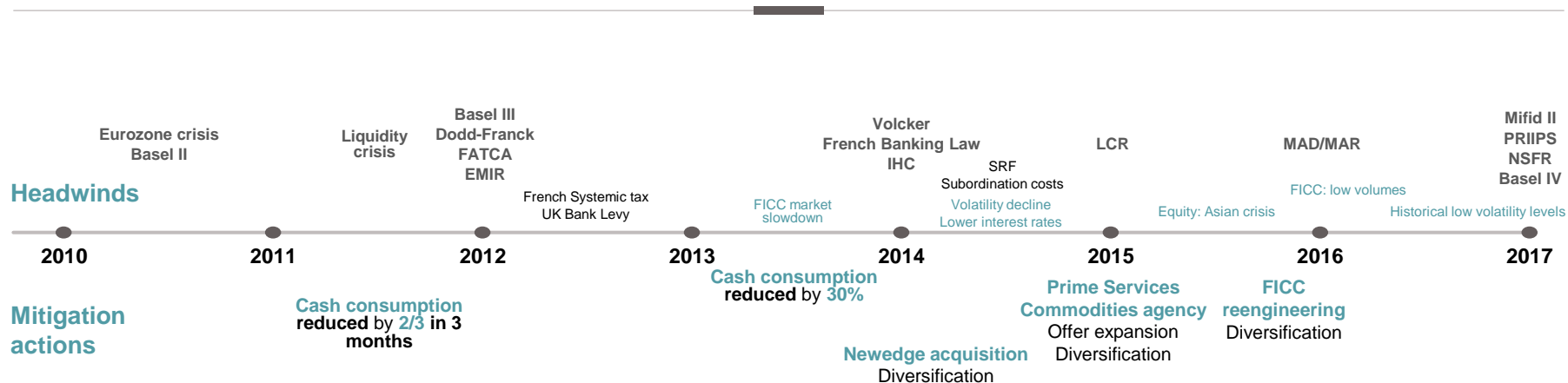


Bank technology  
provider of the year

(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

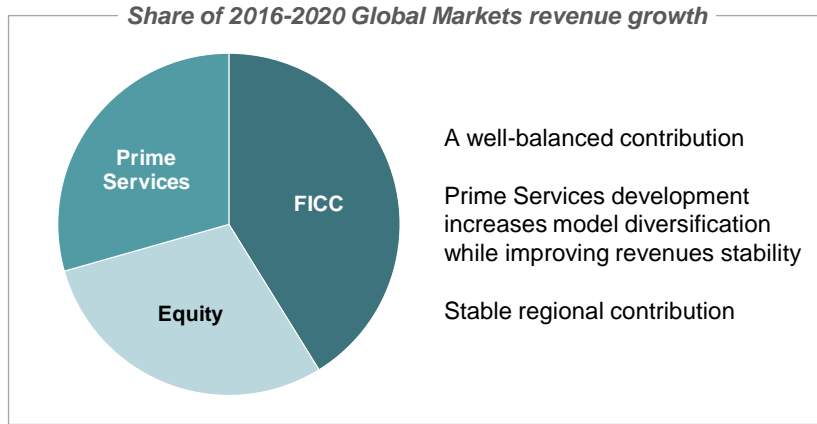
Enhance our digital offering  
and client experience:  
a portal and an open library of APIs  
Provide advisory in risk management  
Extend our Positive Impact offering

GLOBAL MARKETS & INVESTOR SERVICES REVENUES ~+2.5% CAGR 2016-2020

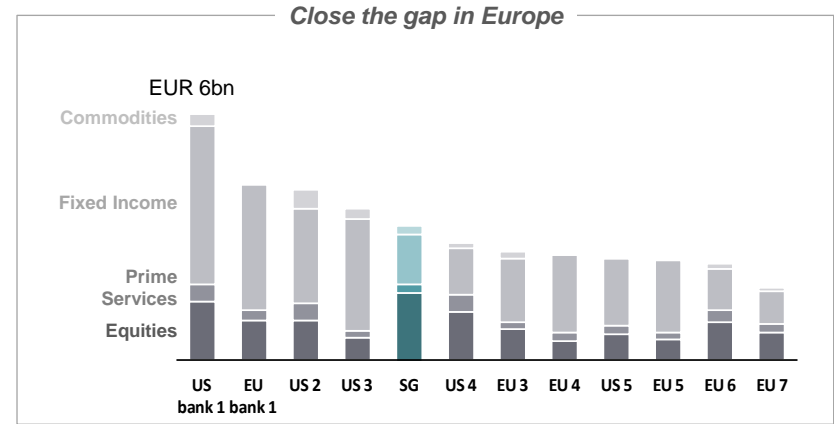
# GLOBAL MARKETS: 2016-2020 ROADMAP

## OUR AMBITION

### STRENGTHEN OUR EDGE AS A GLOBAL LEADER IN DERIVATIVES



### BECOME A TOP PLAYER ACROSS PRODUCTS IN EUROPE



# GLOBAL MARKETS: 2016-2020 ROADMAP

## OPTIMISE OUR RESOURCES

### 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

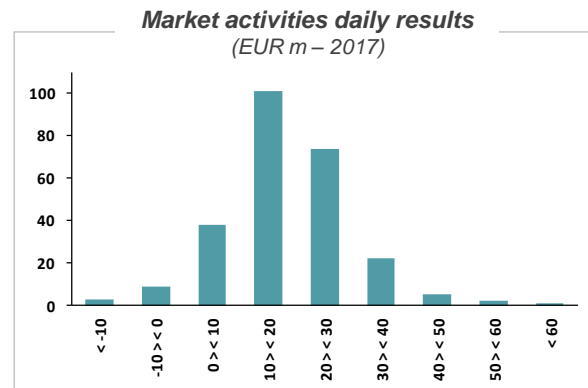
#### Diversification & Innovation

- We focus on diversification (by client, product, market,...)
- We have developed the capability to recycle our risks while meeting client demand

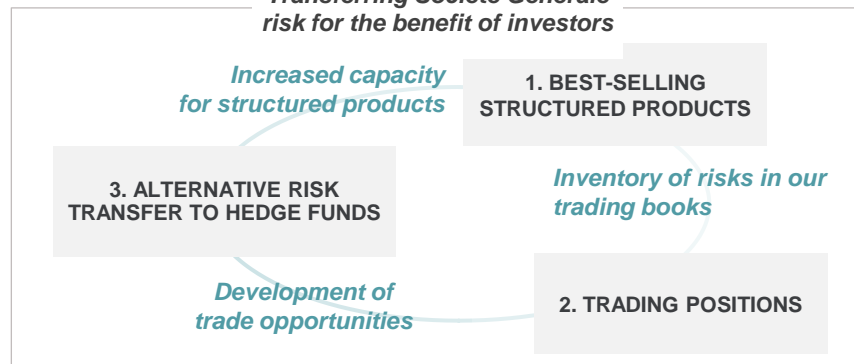
#### Risk management advisory

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

The quality of risk management of Societe Generale market activities is **RECOGNIZED BY THE INDUSTRY:**



#### Transferring Societe Generale risk for the benefit of investors



# GLOBAL MARKETS: 2016-2020 ROADMAP

## BUILD THE PARTNER BANK

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

### 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<sup>(1)</sup>

**RONE**

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

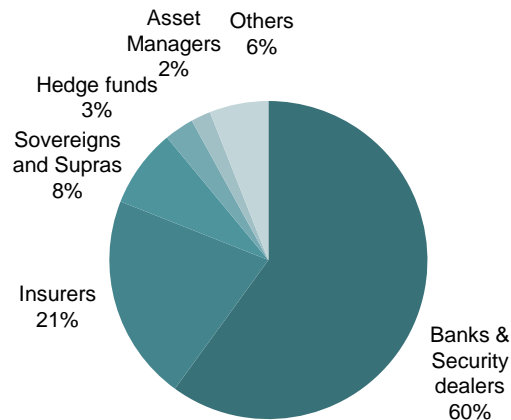
2017 data

(1) Revenues originated by ASIA business unit, 100% booked within Global Banking and Investor Solutions

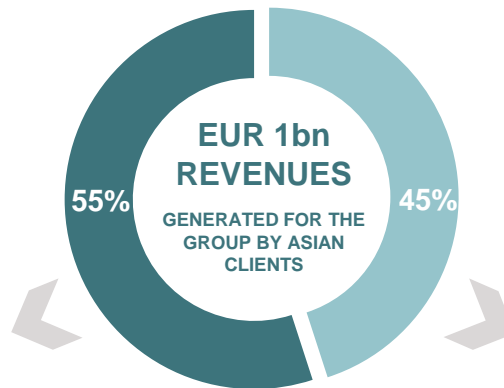
# A DIVERSIFIED AND CONNECTED CLIENT PORTFOLIO

## Financial institutions

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

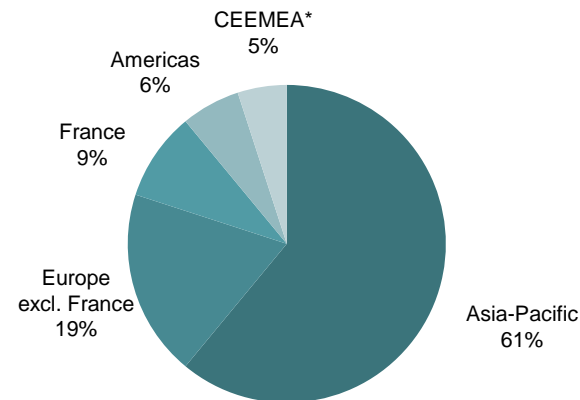


Revenues split by client segment



## 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

2017 data

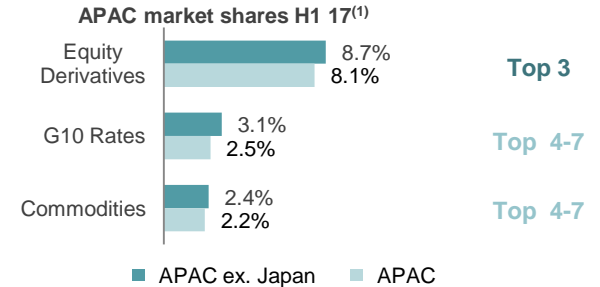
\* CEEMEA: Central Eastern Europe, Middle East and Africa



# 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



## 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)



Growing wealth creation



Increasing globalisation of Investors and Corporate clients



Strong appetite for Positive Impact Finance across the region



Need for Project, Infrastructure and Trade Financing

(1) Source: Coalition



## SOCIETE GENERALE INVESTOR RELATIONS

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