

TRANSFORM FRENCH RETAIL

FRENCH RETAIL

BERNARDO
SANCHEZ INCERA



28.11.2017

KEY MESSAGES

1

A CLEAR VISION

A client centric, expert and efficient bank driven to satisfy our customers

2

A BANK ADAPTING TO AN INDUSTRIAL REVOLUTION

Strong transformation period for Societe Generale and Credit du Nord

3

AN AMBITIOUS FINANCIAL TRAJECTORY

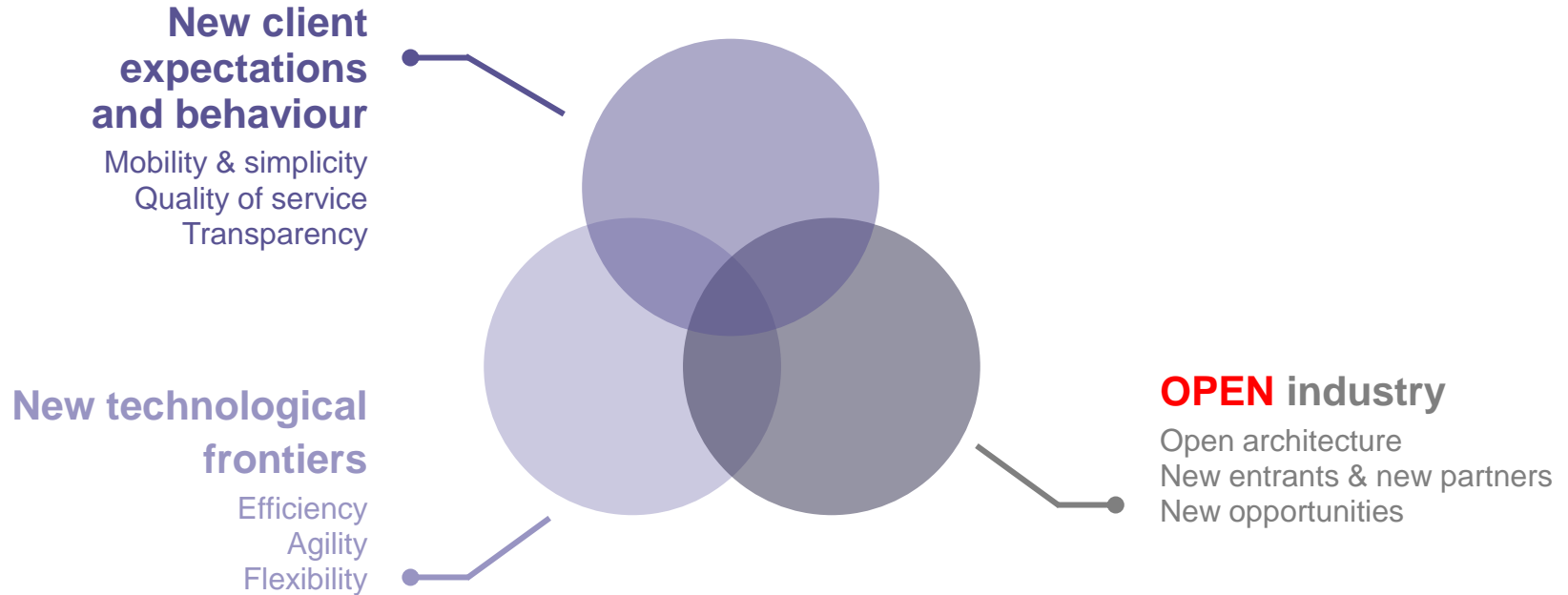
A short-term effort for a long-term gain, with a stronger performance by 2020

1



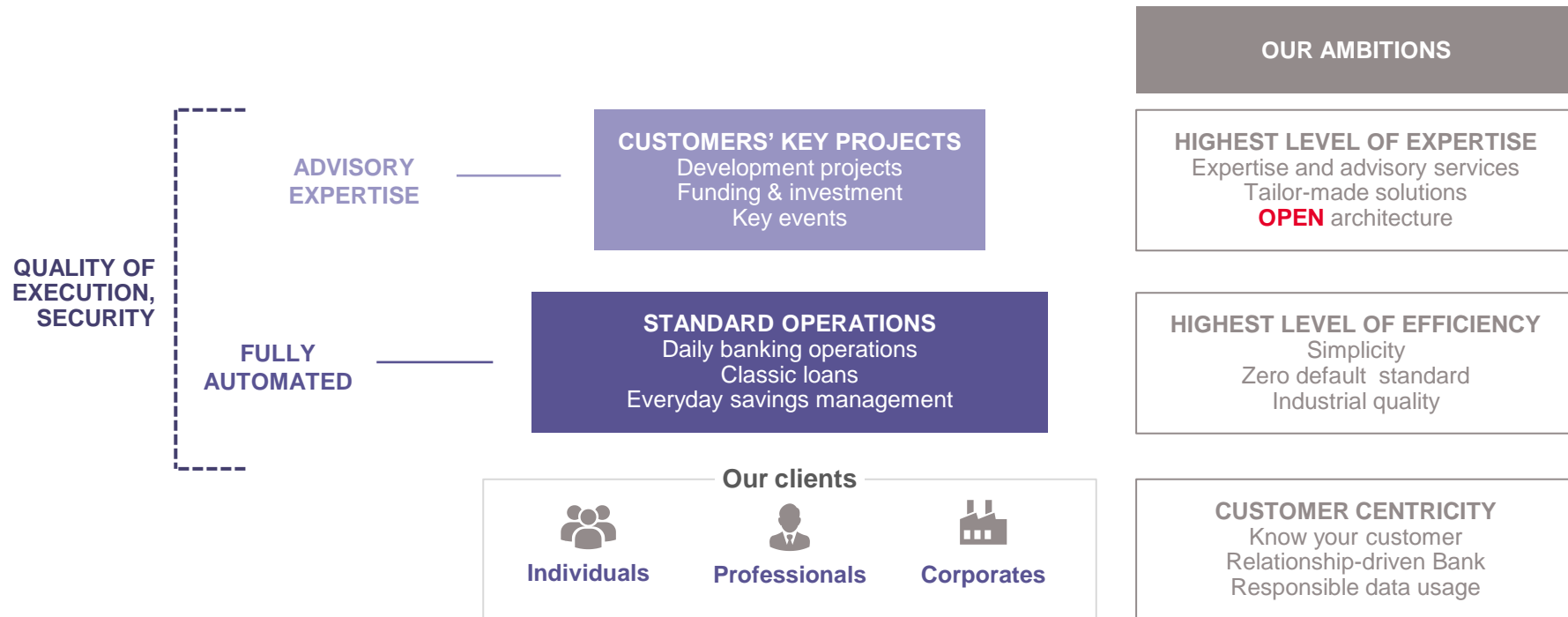
**BUILD
A NEW BANK**

AN INDUSTRIAL REVOLUTION IN RETAIL BANKING



A NEW ERA FOR RETAIL BANKING

AN EXPERT, EFFICIENT, CUSTOMER CENTRIC BANK



THREE BRANDS IN TRANSFORMATION



STRENGTHS

- Solid nationwide franchise operating in the most dynamic regions
- Digital offer at the highest market standard

- Strong local footprint, with eight regional brands
- Exceptional quality of service and client satisfaction

- Leader in online banking
- Simple, complete and affordable offer
- High level of client satisfaction

TRANSFORMATION STRATEGY

Ongoing execution of an extensive transformation programme

- Process digitalisation
- Optimised set up
- Push of growth drivers

Highlight the bank's uniqueness on the French market

- Focus on core clients
- Renewed relationship model
- More efficiency

A fast-growth strategy rooted in an optimised structure

- Reach more than 2m clients by 2020

SYNERGIES

COMPLEMENTARITY

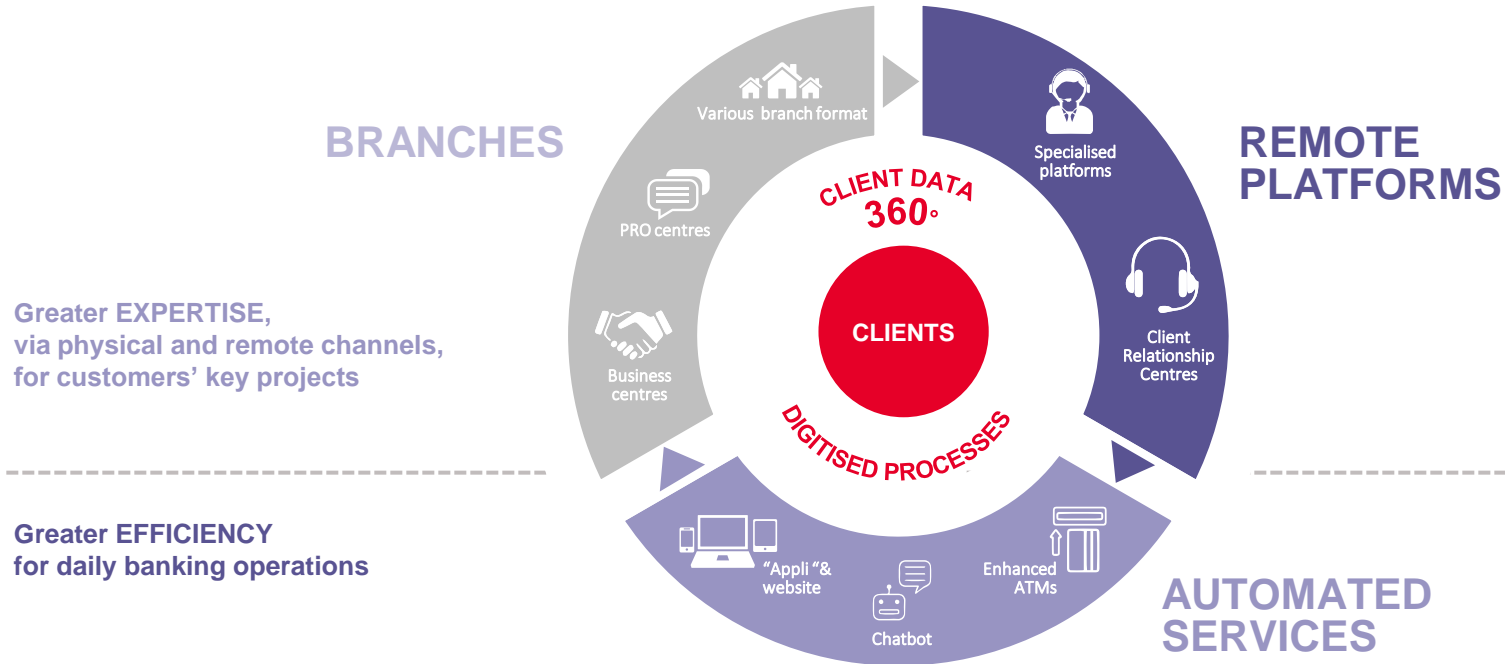
OPTIONALITY

2



**SOCIETE
GENERALE**

TOWARDS AN OMNI-CHANNEL BUSINESS MODEL COMBINING HUMAN EXPERTISE AND DIGITAL EFFICIENCY



TWO CONDITIONS FOR AN OMNI-CHANNEL MODEL



DIGITALISATION OF PROCESSES

- **Redesign, dematerialisation** and **automation** of the 25 main Front-to-Back processes
- **Client visibility** on operations in progress, **decision-making tools**



EFFICIENT USE OF CLIENT DATA

- **A concise, 360° view of client data in real time**, covering their activities and opportunities in all channels
- **Smart management of massive data**
- **Secure, responsible use of client data**: personal data protection, collection of consent, opt-in/opt-out



Vision 360

Example

Customer Journey For Home Loans

- New online simulator
- Fully remote
- Web page for customers to check the progress of their home loan application
- Documents fully digitalised
- Electronic signature of the loan offer



► IMPROVEMENT IN USER EXPERIENCE AND CUSTOMER SATISFACTION



2016



2017



2018

80%



2020



ONLINE AND REMOTE MANAGEMENT OF DAY-TO-DAY OPERATIONS



DAILY BANKING 100% ONLINE

- All **daily banking** services available on the “Appli” in self-care mode
- Increasingly **personalised services tailored** to the client’s specific needs
- Use of state-of-the-art **artificial intelligence** (chatbots, fraud detection, etc.)



STANDARD OFFER 100% DEMATERIALIZED

- **Fully dematerialised offer** easily accessible online and via other remote channels

Example : Online New Customer Relationship with facial biometry

Available in Q1 18

80% faster



100% remote



100% compliant



Biometric facial
recognition



Personalised
video
appointment

Account opening
via electronic
signature



100%



2016



2017



2018



2020



FOCUS BRANCHES ON EXPERTISE AND ADVISORY SERVICES

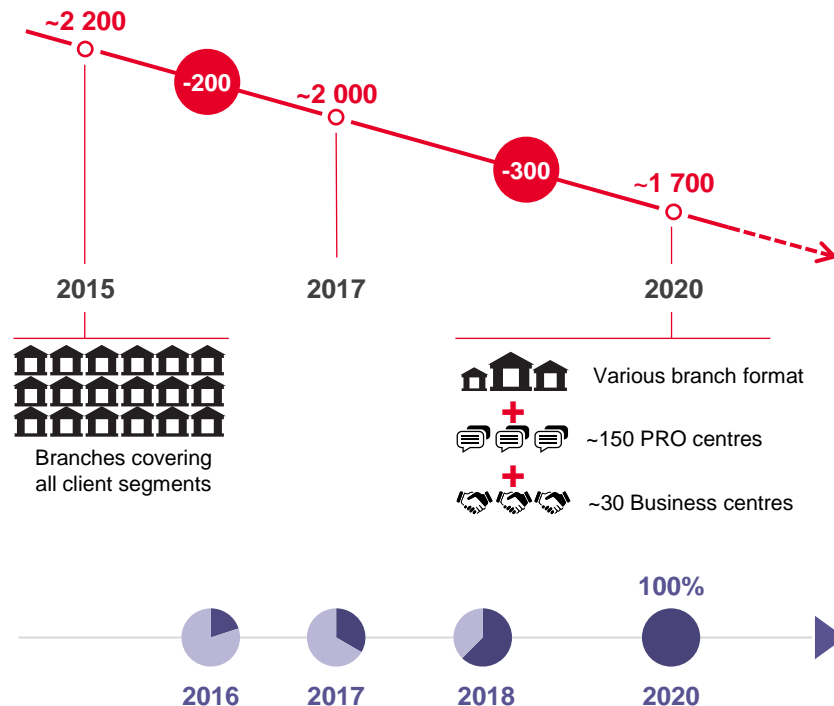


NETWORK RECONFIGURATION

- **Fewer branches:** 500 closed by 2020
- **Diversified set up**
- **Focused on specific markets**

A CENTRE OF EXPERTISE AND ADVISORY SERVICES

- **No need for branch support for daily banking activities**
- **Simplified managerial pyramid** for faster decision-making
- **Intensive training** of Client Relationship Managers
- **Dedicated relationship managers** for customers' key projects



SPECIALISE REMOTE PLATFORMS



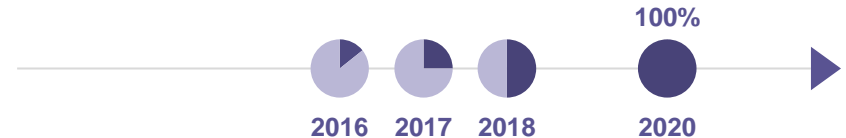
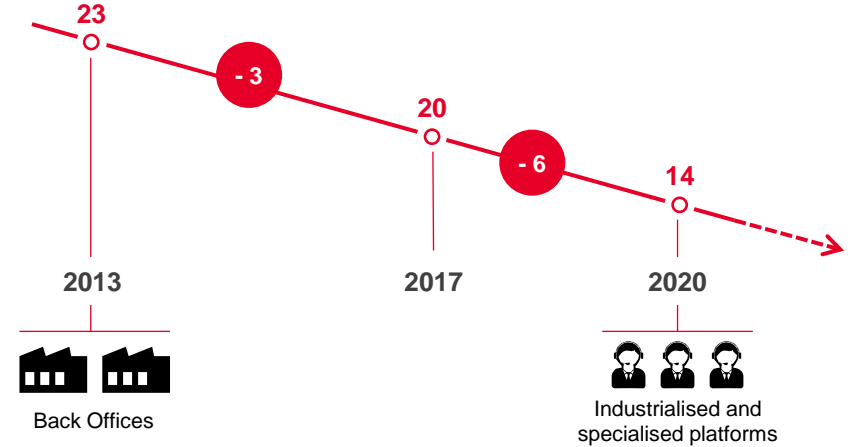
INDUSTRIALISATION OF BACK OFFICES

- Fewer Back Offices: 6 closed by 2020
- **Specialised by client segment**
- **Automatic processing** of transactions and operations



SPECIALISATION AND PERSONALISATION

- **Specialisation for complex operations:** complex home loans, divorces/separations, inheritance, etc.
- **Personalised** operations and optimised response to client needs by client relationship centres



OUR EMPLOYEES: KEY PLAYERS IN THE TRANSFORMATION PROCESS



22,000 EMPLOYEES FULLY COMMITTED

- High level of **social dialogue**
- 75% of employees directly impacted by the transformation process



PROMOTE DEVELOPMENT OF EXPERTISE

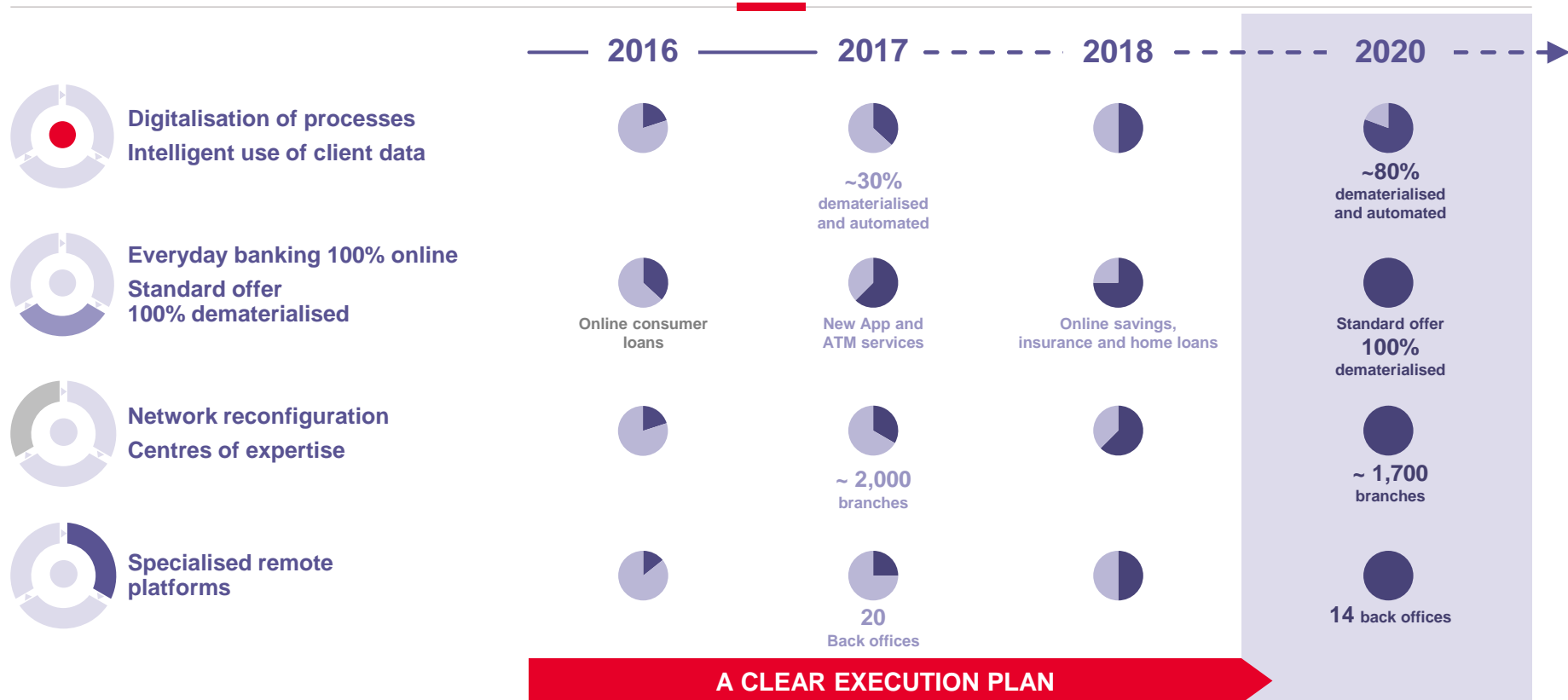
- **EUR 150m of training budget** to enhance specialisation of relationship managers
- **New format of training** (anytime, anywhere, any device, any content) for a more accessible, flexible experience



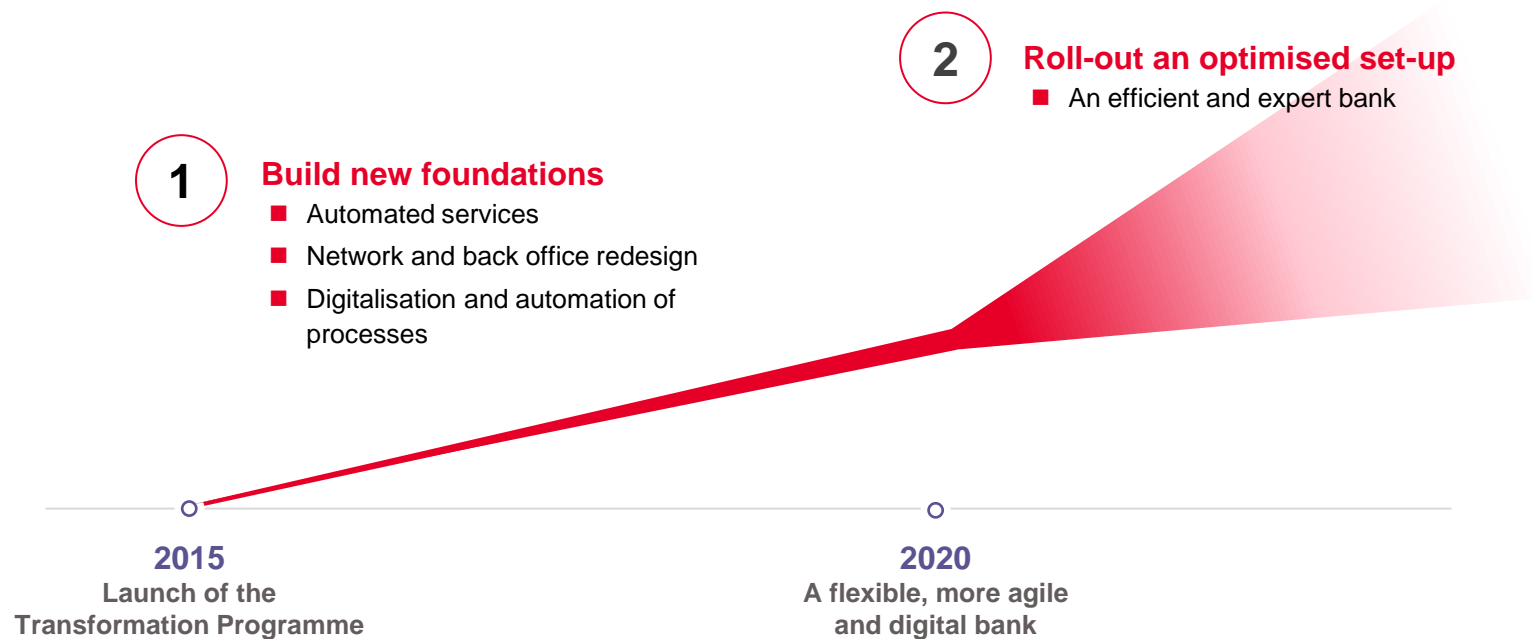
RESPONSIBLE MANAGEMENT

- Headcount reductions of around 900, in addition to the 2,550 already announced at the beginning of 2016, taking the **total number to around 3,450 by 2020**
- **Primarily internal mobility and voluntary redundancy** with a set of support measures

TOWARDS A FLEXIBLE, MORE AGILE AND DIGITAL BANK FROM 2020



STRATEGIC ROADMAP FOR TRANSFORMATION : A CONTINUOUS PROCESS



IMPROVEMENT IN USER EXPERIENCE AND CUSTOMER SATISFACTION



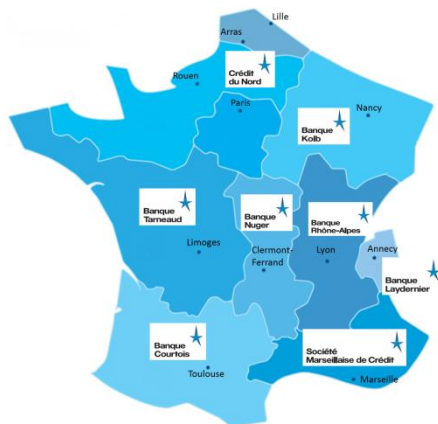
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**CREDIT
DU NORD**

A UNIQUE MODEL IN THE FRENCH MARKET MATCHING SPECIFIC CLIENT EXPECTATIONS

1 8 regional banks



- Extensive regional roots
- Entrepreneurial mindset
- Local agility and flexibility

2 A strong client culture



For Corporates



For Individuals



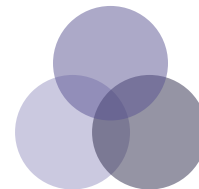
For Professionals

2017 CSA competitive survey

- User experience
- Quality of services

3 A clear positioning in the market

Strong dedicated expertise for Professionals



Tailor-made solutions for Corporates

Premium services for Individuals

- A premium customer promise
- Expertise and value added for clients

ONGOING TRANSFORMATION TO FURTHER LEVERAGE THIS SUCCESS STORY BY 2020

1

EFFICIENCY AND EXPERTISE

- A developed self-care offer and omni-channel access
- Simplified client journey and optimised processes
- Downsized number of branches

2

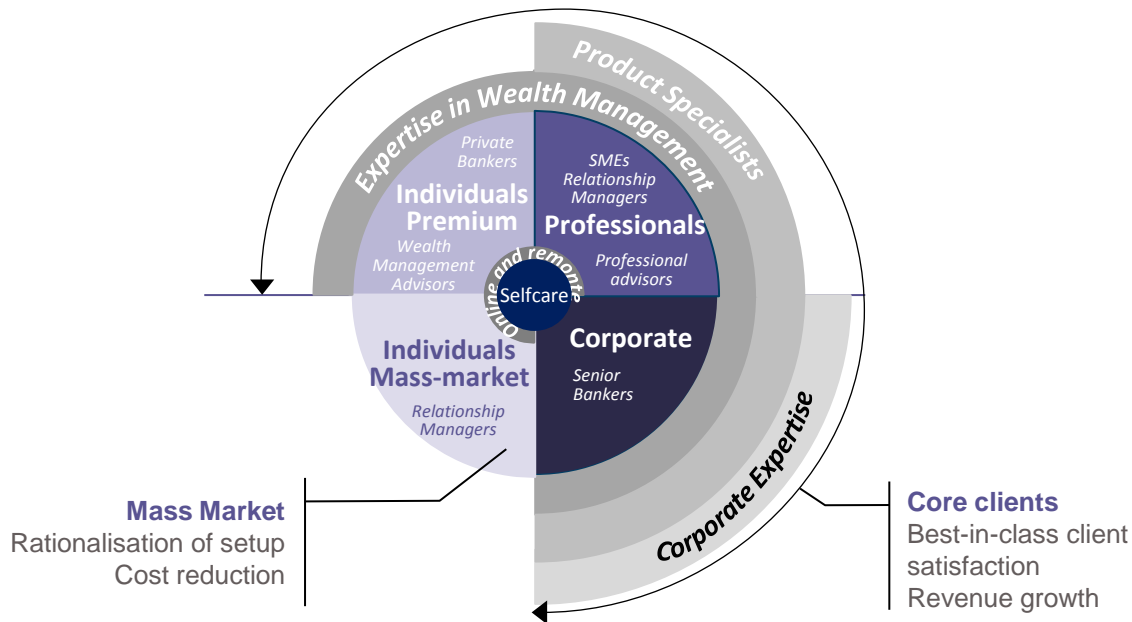
INNOVATIVE COMMERCIAL SET UP

A **flexible ecosystem** to capture synergies and share resources

- Customised branches
- Mobile relationship manager
- Expanded remote services
- New partners / Affiliate bankers

3

TOWARDS A MORE FOCUSED BUSINESS MODEL

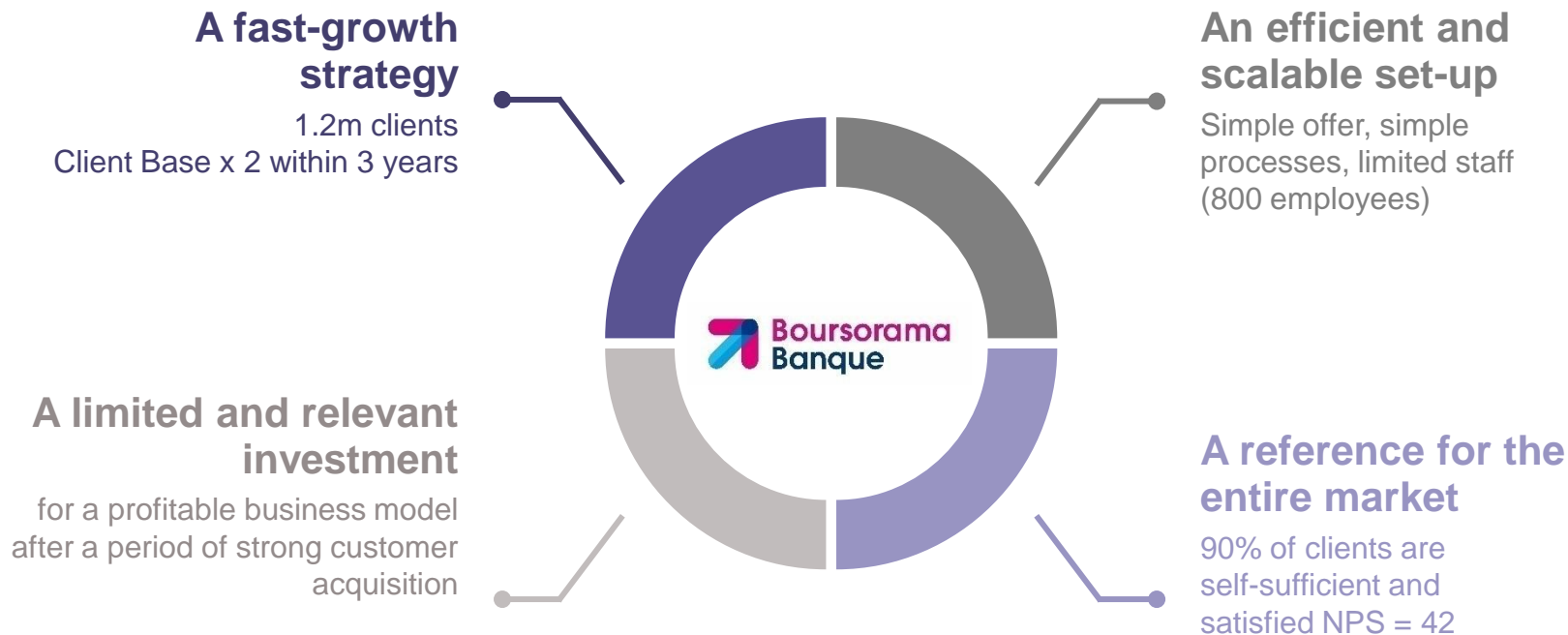


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BOURSORAMA

BOURSORAMA : A FULLY-FLEDGED BANK, WITH NO BRANCHES



REACH MORE THAN 2 MILLION CLIENTS BY 2020

5



FINANCIAL TRAJECTORY

TRANSFORMATION OF FRENCH RETAIL ECONOMIC MODEL

TRANSFORMATION PROCESS GENERATING RECURRING SAVINGS

~ EUR 0.4bn EXCEPTIONAL
CHARGE IN 2017

~ EUR 0.25bn YEARLY RECURRING
SAVINGS FROM 2020 ONWARDS

REVENUES FROM GROWTH DRIVERS

Individuals

- Expand the offer for the **Mass Affluent** market and leveraging **Bancassurance** model

Professionals

- **Differentiate the strategy** by client segment and **broaden the offer**

Corporates

- **Accompany** Corporate development and being a partner with **dedicated Investment Bank**

2020 TARGETS

Revenues CAGR 2016-2020: >+1%

- Towards a fee driven model
- RWA: CAGR 2016-2020 ~+3%

Operating expenses
CAGR 2016-2020: <+1%

2020 C/I : < 65%

2020 RONE : ~14.5%

MORE THAN OFFSET DOWNWARD
PRESSURE

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