15 June 2010

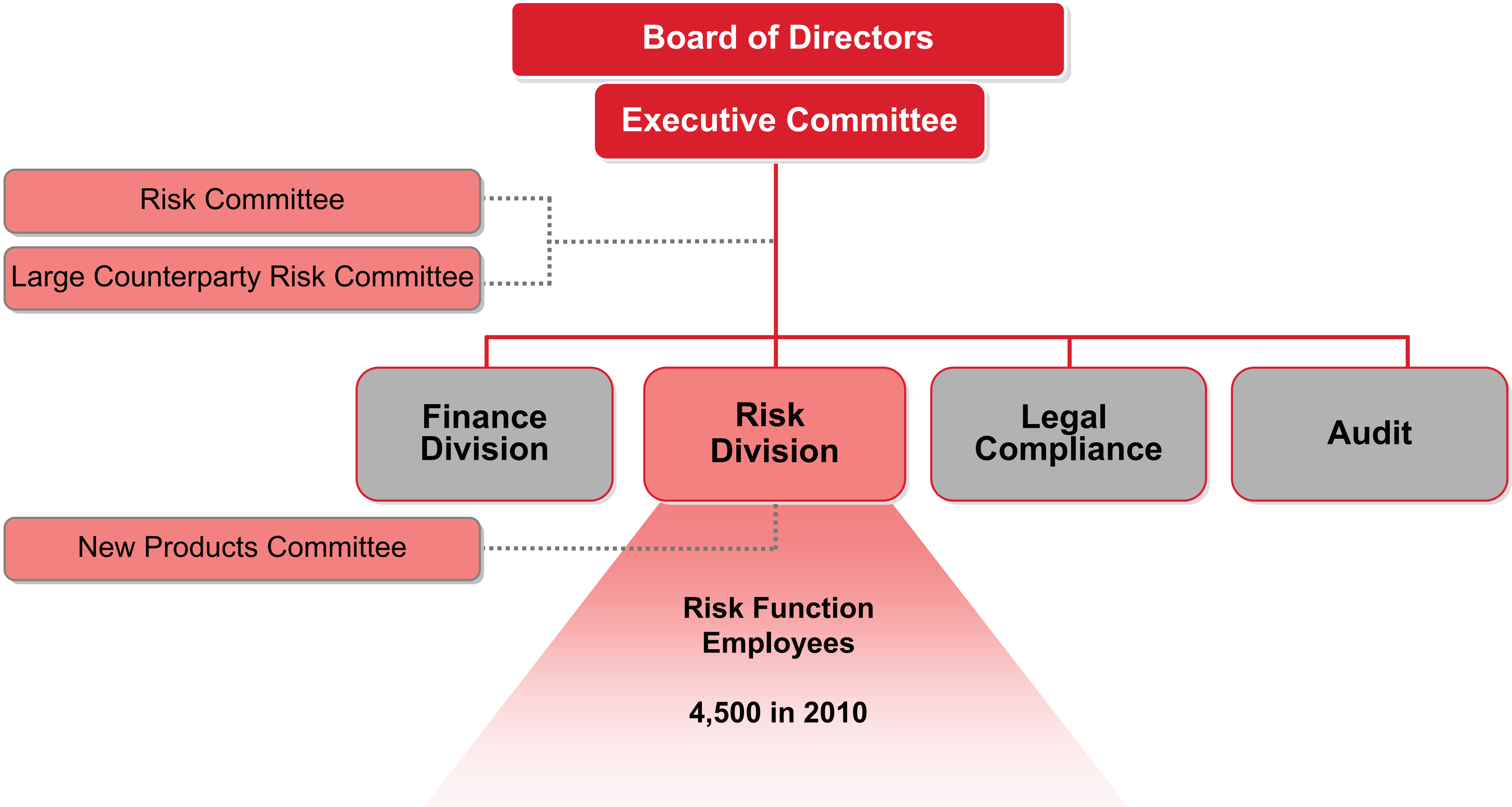
INVESTORday 2010

Risk Management

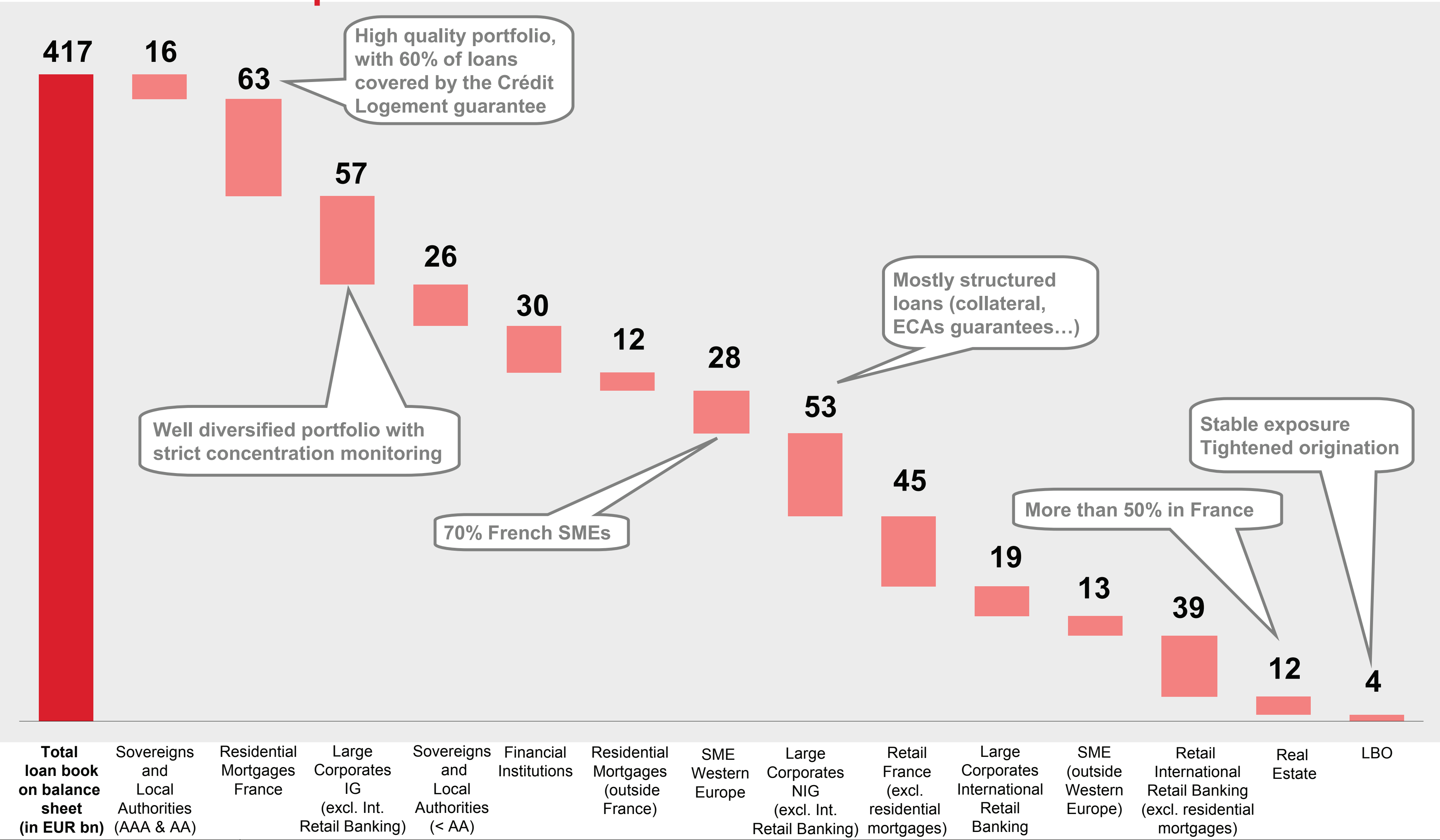
Benoît Ottenwaelter
Group Chief Risk Officer

SOCIETE GENERALE

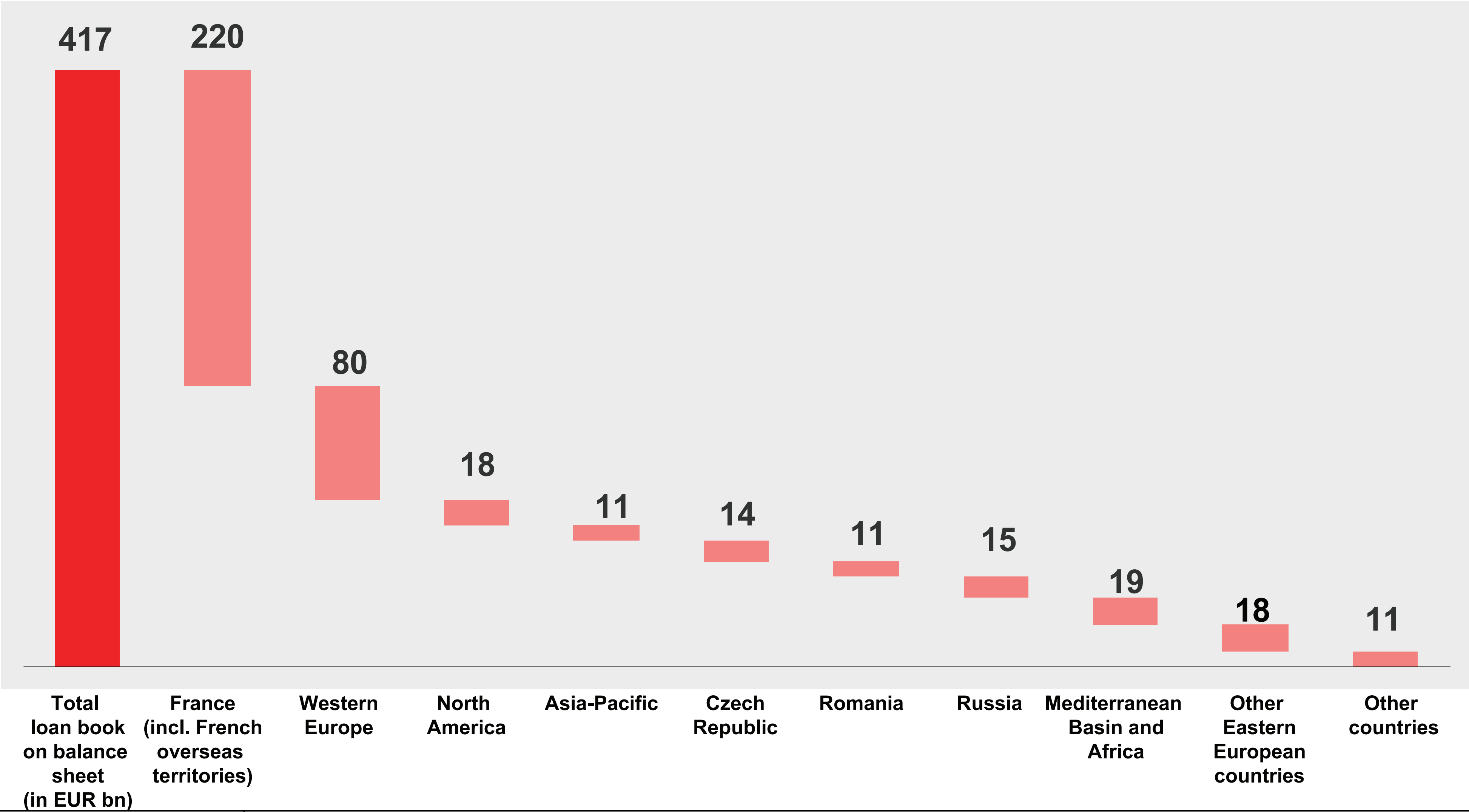
Strengthened risk governance and internal control



Diversified loan portfolio



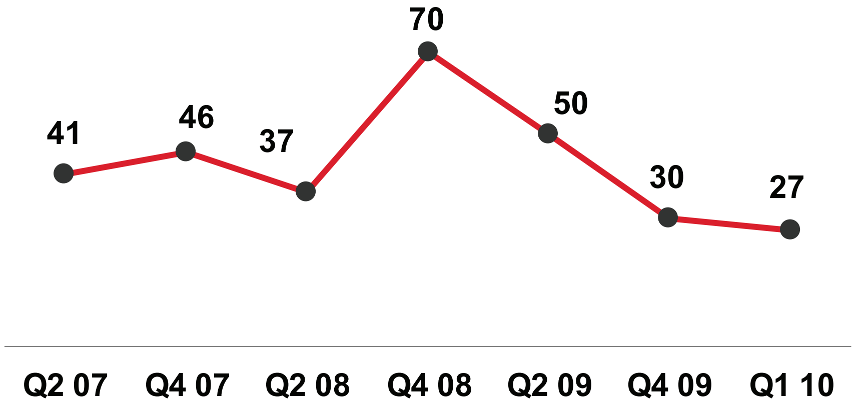
50% of the loan portfolio in France 20% in emerging/converging countries



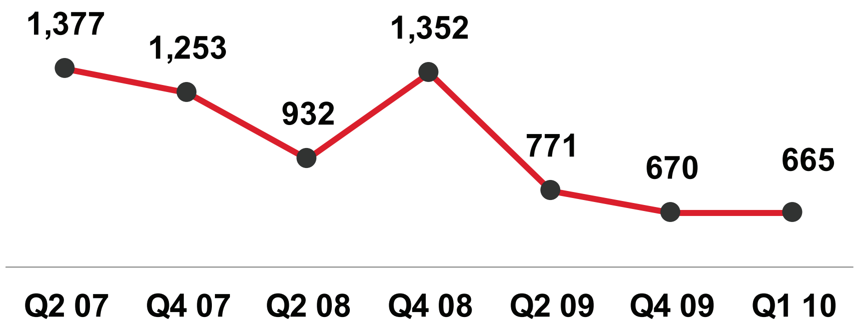
Market risk significantly reduced

- **Decrease in Trading VaR since Q4 2008**
- **Stress tests cut by 50% since June 2007**
- **Structural changes initiated**
  - Very significant refocusing of trading activities and reduced risk appetite
  - Liquidity of positions: an important factor in calibration of trading limits
  - Broadened stress approach on tail risk (in particular correlation market risk / credit risk)

Quarterly average of Trading VaR, 1 day, 99% (in EUR m)

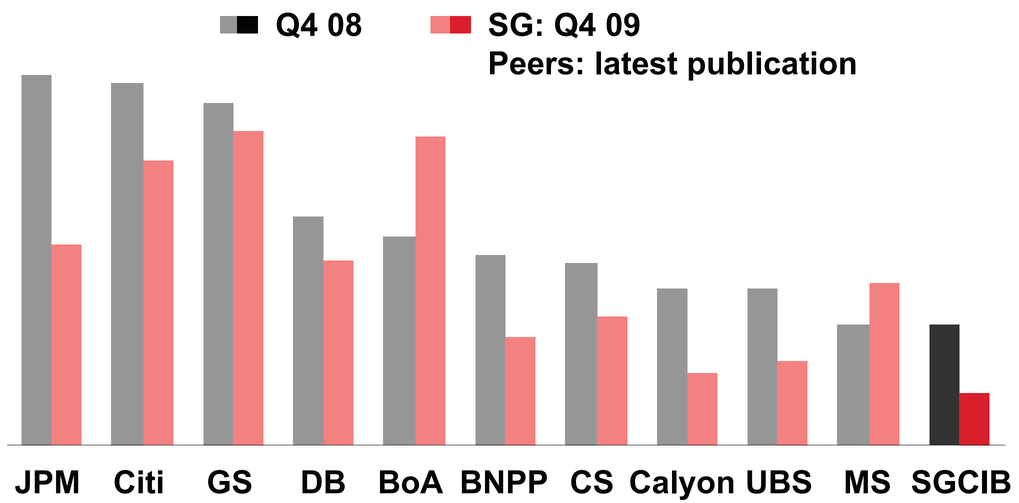


Market stress tests (average in EUR m)

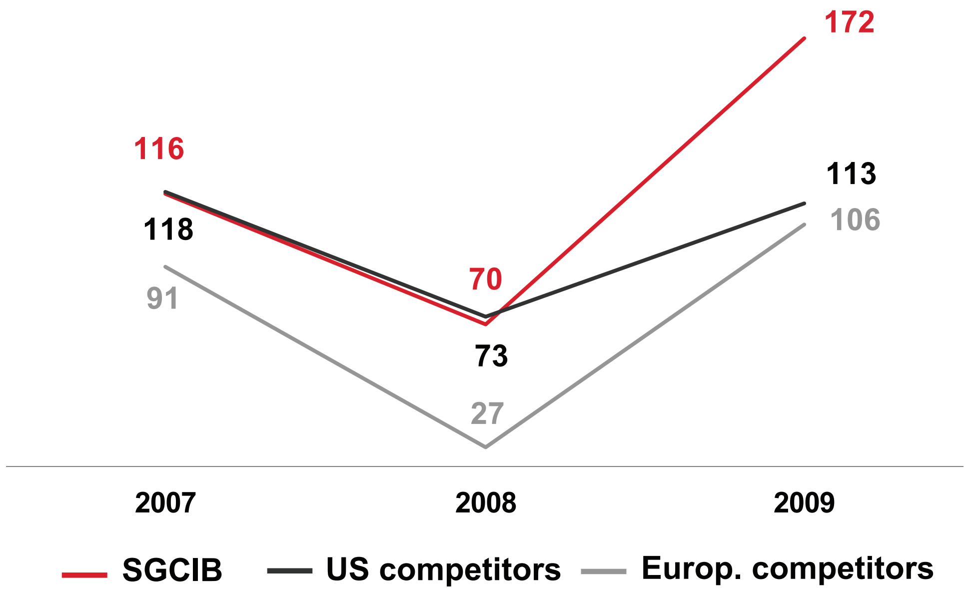


Tight monitoring of market risk

Decrease in Trading VaR vs. peers since 2008



One of the best Market NBI/Trading VaR ratios in the industry



Enhanced control: comprehensive overhaul of the Operational Risk function

- **Operational risk profile concentrated in two risk categories:**
  - Rogue Trading
  - Legal Disputes

  (approx. $^{3}/_{4}$ of regulatory capital)

- **Group Operational Risk function: fully integrated within the businesses and with a clear governance**
  - 60 Internal Control Committees in 2009 at Group level, within the businesses and support functions
  - Cross-fertilisation of initiatives
    - *Fighting Back* at SGCIB (budget of EUR 150m, 300 dedicated employees, 3-year plan)
    - Similar programme rolled out in SG Securities Services & Private Banking
    - Business continuity plans

Fighting Back Programme key initiatives

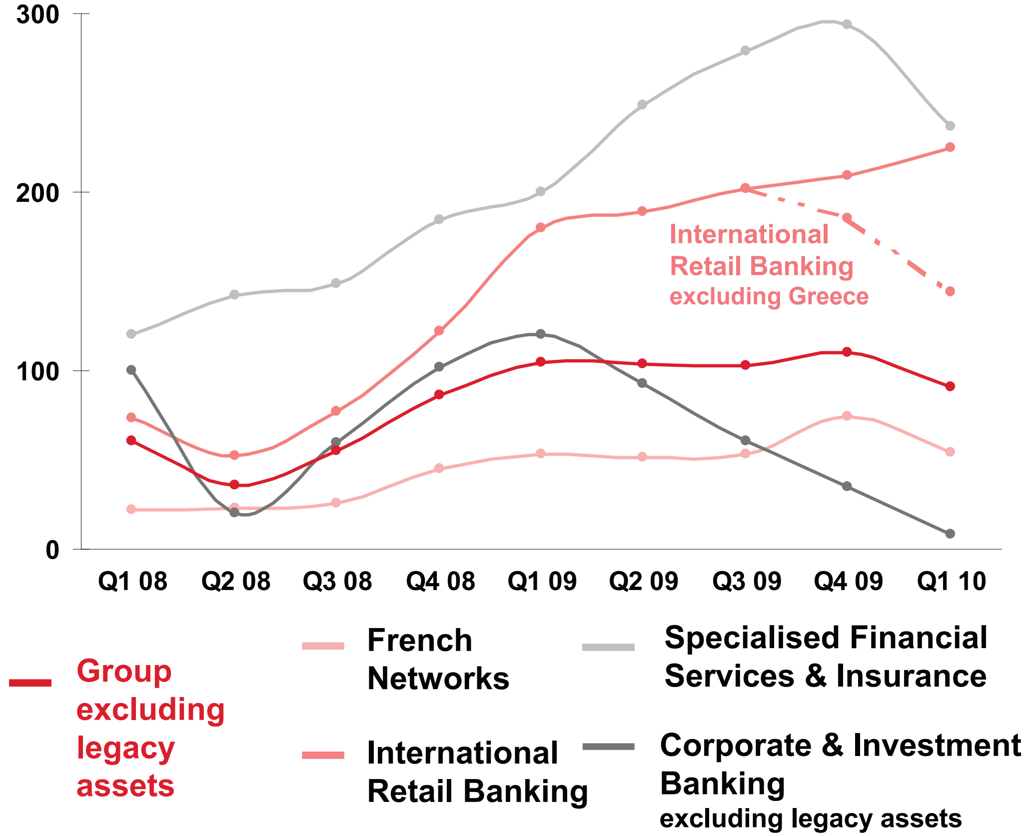
- ✓ Control of significant transactions
- ✓ Confirmation and monitoring of deferred transactions
- ✓ Confirmation of internal/intercompany transactions
- ✓ Control of amended or cancelled transactions
- ✓ Control of liquidity levels
- ✓ Monitoring of margin calls/futures
- ✓ Control of off-market price transactions
- ✓ Control of unsettled securities loans/borrowings
- ✓ Control of delayed data input

Post-2010: gradual return of cost of risk towards a mid-cycle level between 55bp and 65bp

- **French Networks**
  - Between 30bp and 35bp
- **International Retail Banking**
  - Between 90bp and 110bp
- **Specialised Financial Services & Insurance**
  - Between 120bp and 140bp
- **Corporate and Investment Banking (excluding legacy assets)**
  - Between 55bp and 65bp

→ Group cost of risk: between 55bp and 65bp

Cost of Risk (in bp*)



* Excluding disputes, annualised, compared to start of period book outstandings

A lower risk appetite post-crisis

		Risk appetite	Capital consumption in 2012
French Networks		→	 40-42% EUR +2.6bn to EUR +3.4bn vs. 2009
International Retail Banking		→	
Corporate & Investment Banking	Market	↘	 33% EUR +0.5bn* vs. 2009
	Lending	→	
Specialised Financial Services & Insurance	Consumer	↘	 25-27% EUR -0.9bn to EUR -0.1bn vs. 2009
	Equipment	→	
Global Investment Management & Services	Private Banking	→	
	Securities	→	
Group		↘	**Refocusing on strategic priorities**

* Excluding Regulatory Impact

15 June 2010

INVESTORday 2010

Transformation of the Operational Model

Françoise Mercadal-Delasalles
Group Head of Corporate Resources

SOCIETE GENERALE

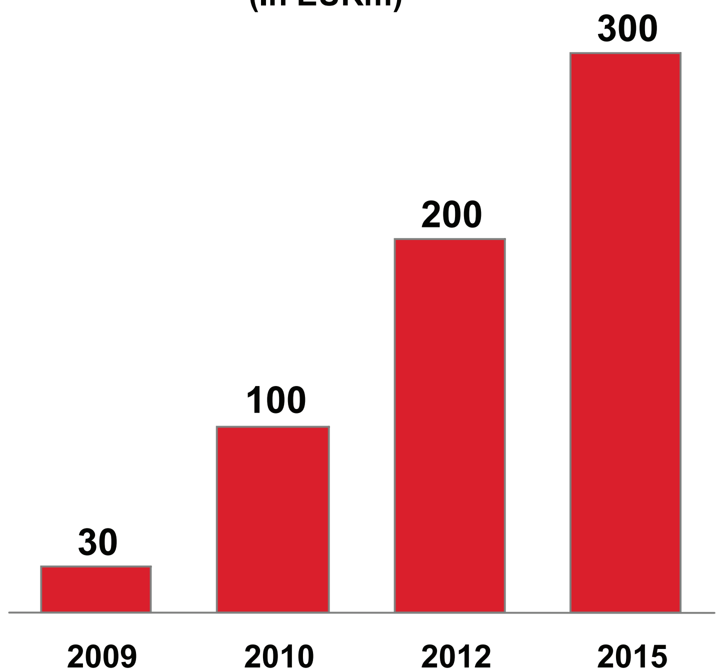
Transformation journey launched in 2008 with the Operational Efficiency Plan: 300+ projects, EUR 1bn impact

	Examples of projects	2010 impact
Optimisation of Business Processes	Daily management of Retail accounts in France Settlement and payment of vanilla OTC options	≈ EUR 460m
Pooling of Group Resources	IS infrastructure and operations (GTS) Optimisation of real estate usage	≈ EUR 280m
Optimisation of external spending	Review of Market Data contracts Extension of Group purchasing agreements	≈ EUR 260m

Illustration : creation of Global Technology Services (GTS) in 2009

- Consolidation of SG IS infrastructure and operations
- 5,500 staff (including contractors)
- Presence in around 50 countries
- EUR 1.2bn annual budget
- First results: renegotiation of contracts, organisational synergies, global partnerships with major Telcos

Impact: cost savings
(In EURm)



Acceleration of the transformation to support the Ambition SG 2015 strategy

IT transformation
- Simplification of the IT landscape
- Improvement of master data management

Shared Services
- Consolidation and industrialisation of processing and support activities

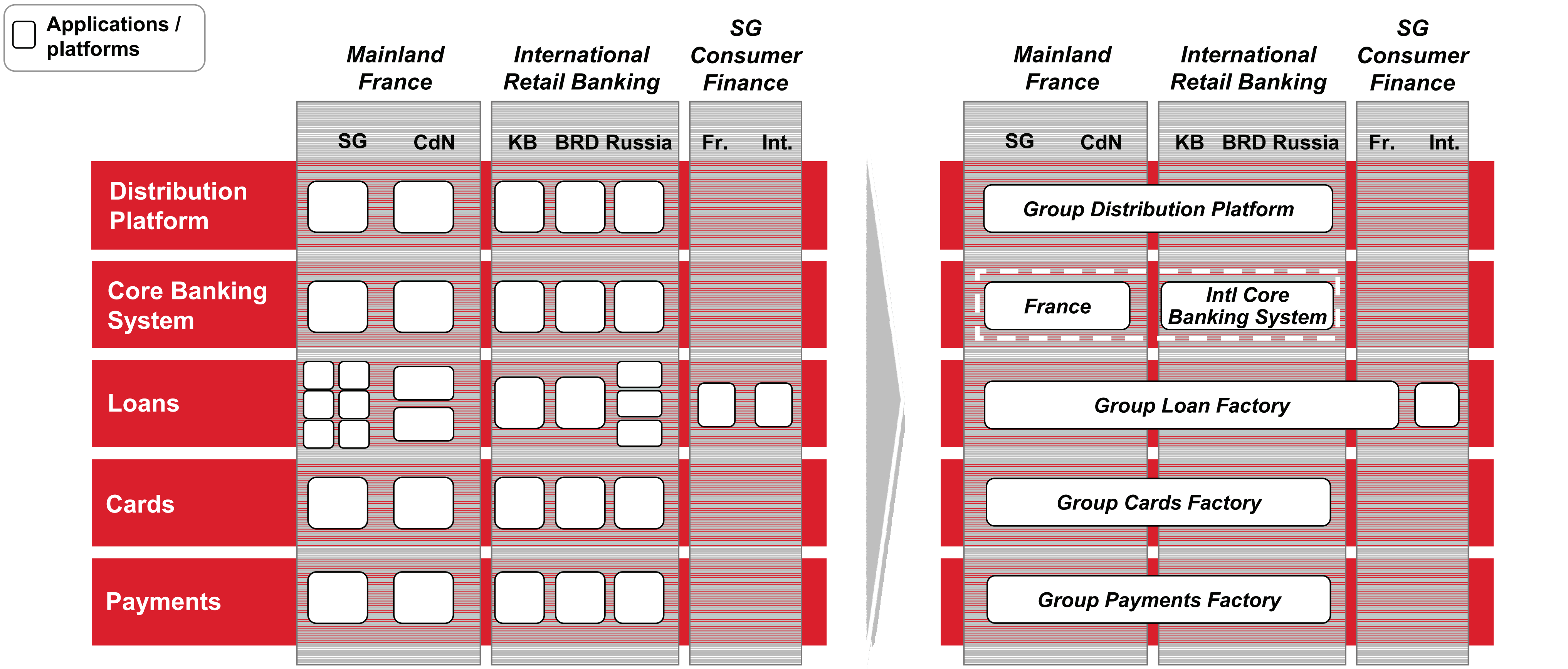
Support Functions
- Standardisation of practices and rules across the Group
- Optimisation of processes

Global Network
- Global management of delivery centers

Business Process Management
- Process optimisation
- Lean management

Convergence France	Synergies between Societe Generale and Crédit du Nord
HARPE	Standard platform for International Retail entities, replacing 1,500 applications
Resolution	Transformation of SGCIB's operating model
Retail Banking IT program	Global IT application for our large European Retail businesses (Societe Generale, Crédit du Nord, BRD, KB, Russia)

IT Transformation: creation of a global distribution IS and product factories for Societe Generale, Crédit du Nord, BRD, KB and Russia (1/2)



Starting point: a fragmented IT landscape

Target: a global Retail Banking IT platform for our major entities

IT Transformation: creation of a global distribution IS and product factories for Societe Generale, Crédit du Nord, BRD, KB and Russia (2/2)

State-of-the-art solutions for the major Retail entities

- Societe Generale, Crédit du Nord, KB, BRD, Russia

Rich functionalities

- Multichannel, multi-entity, multi-currency, multi-language

An ambitious program with a pragmatic approach, leveraging our existing assets and competencies

- Crédit du Nord distribution platform
- Societe Generale's loan and payments factories
- Transactis (cards processing platform developed with La Banque Postale)

A foundation to optimise our Back-Office operations

15 June 2010

INVESTORday 2010

Financial outlook

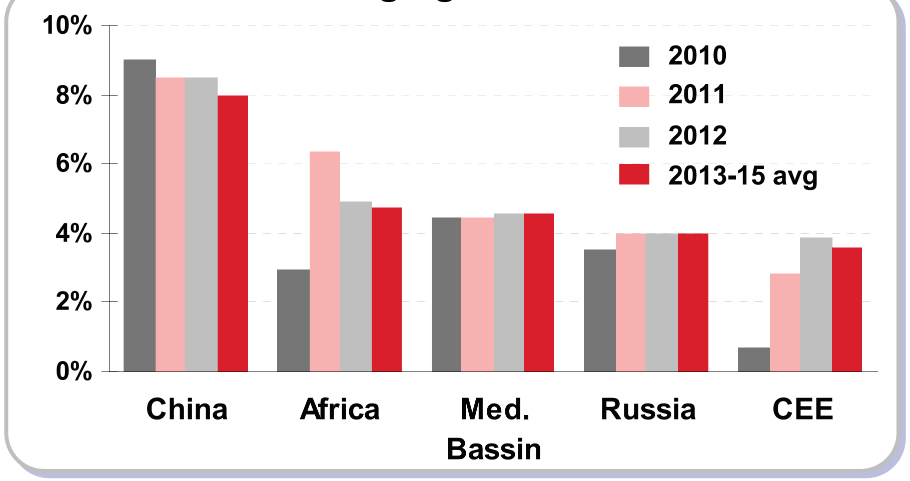
Didier Valet

CFO

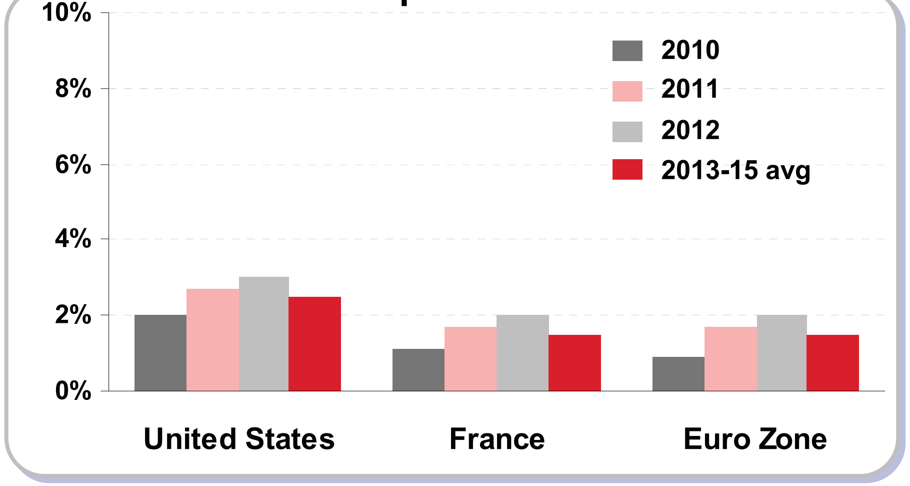
SOCIETE GENERALE

Economic scenario: a convalescent environment

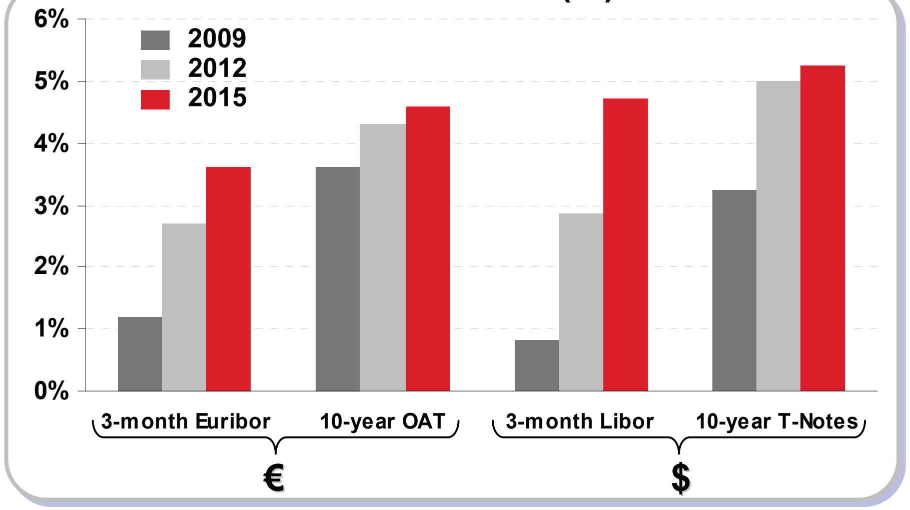
Emerging countries



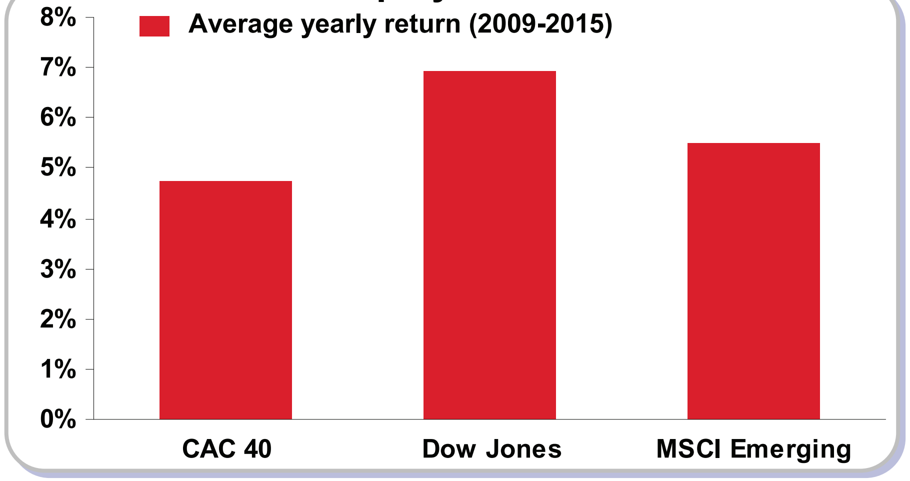
Developed countries



Interest rates (%)



Equity indices



Source: SG

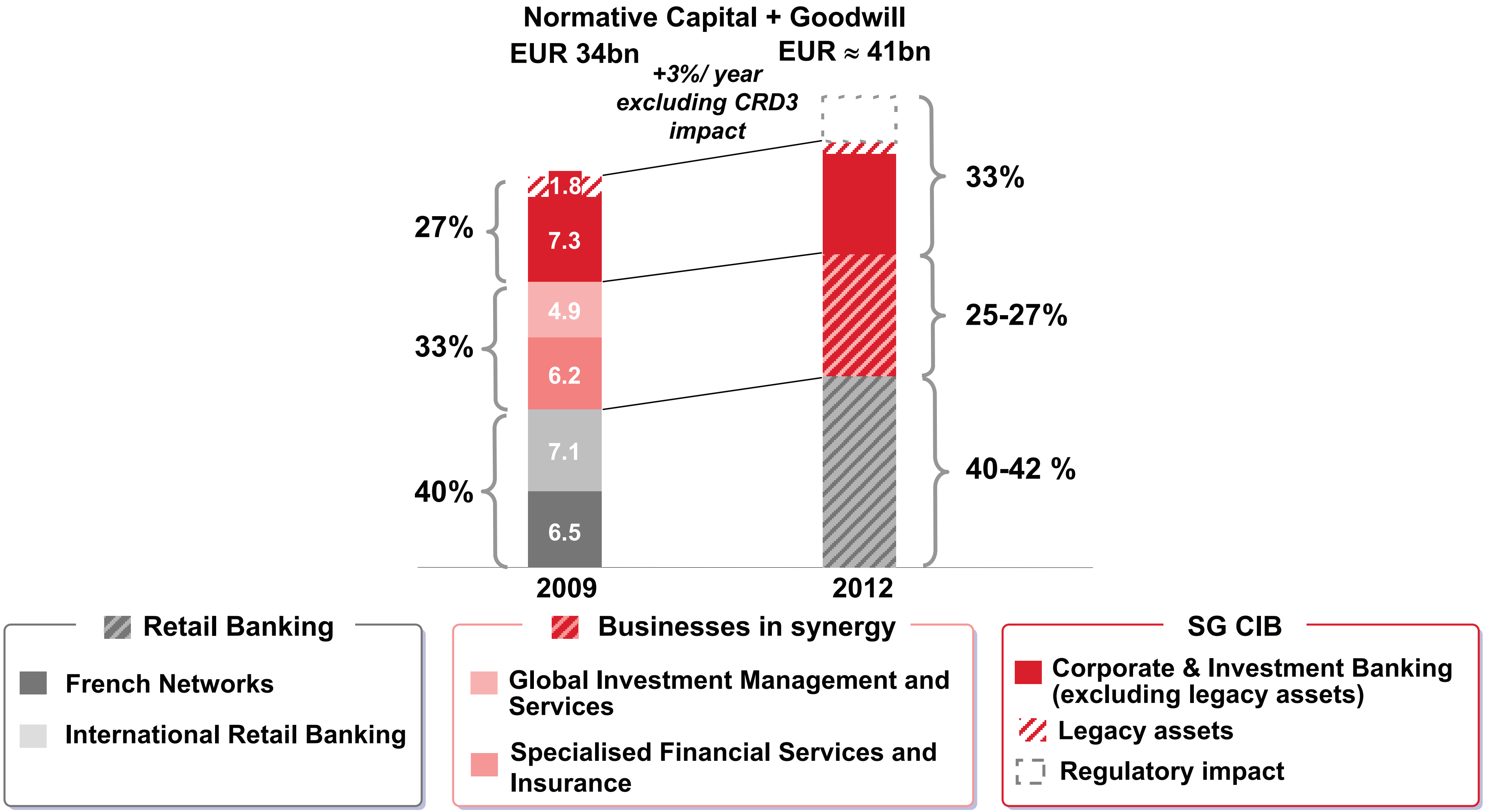
2009-2012 targets

French Networks	■ Revenue growth: ≈ +3% per year ■ 2012 Net earnings target: EUR 1.4bn to EUR 1.6bn
International Retail Banking	■ Revenue growth: ≈ +8% per year ■ 2012 Net earnings target: EUR 0.9bn to EUR 1.1bn
Corporate & Investment Banking	■ 2012 revenues: ≈ EUR 9.5bn ■ 2012 Net earnings target: EUR 2.3bn to EUR 2.8bn
SFS & Insurance	■ 2012 Net earnings target: EUR 0.7bn to EUR 0.9bn
GIMS	■ 2012 Net earnings target: EUR 0.5bn to EUR 0.7bn

- Revenues: ≈ +4% per year*
- 2012 C/I ratio less than 60%
- 2012 Group Net earnings target: ≈ EUR 6bn; ROE: 14% to 15%

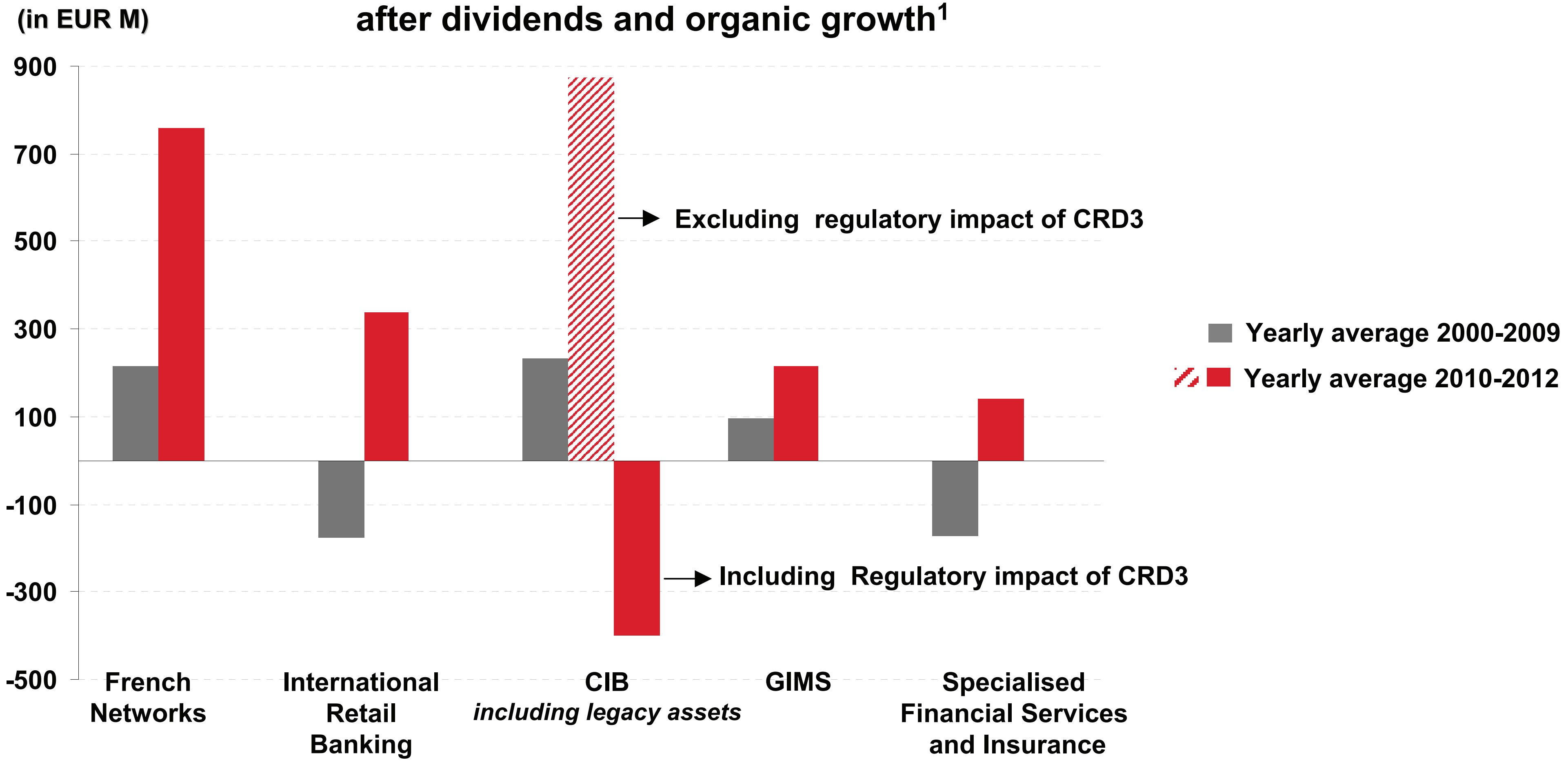
* Excluding legacy assets, asset management (except TCW), and non recurring items (MtM on CDS portfolio and own credit risk)

A balanced universal banking model



All the businesses contribute to the generation of available earnings

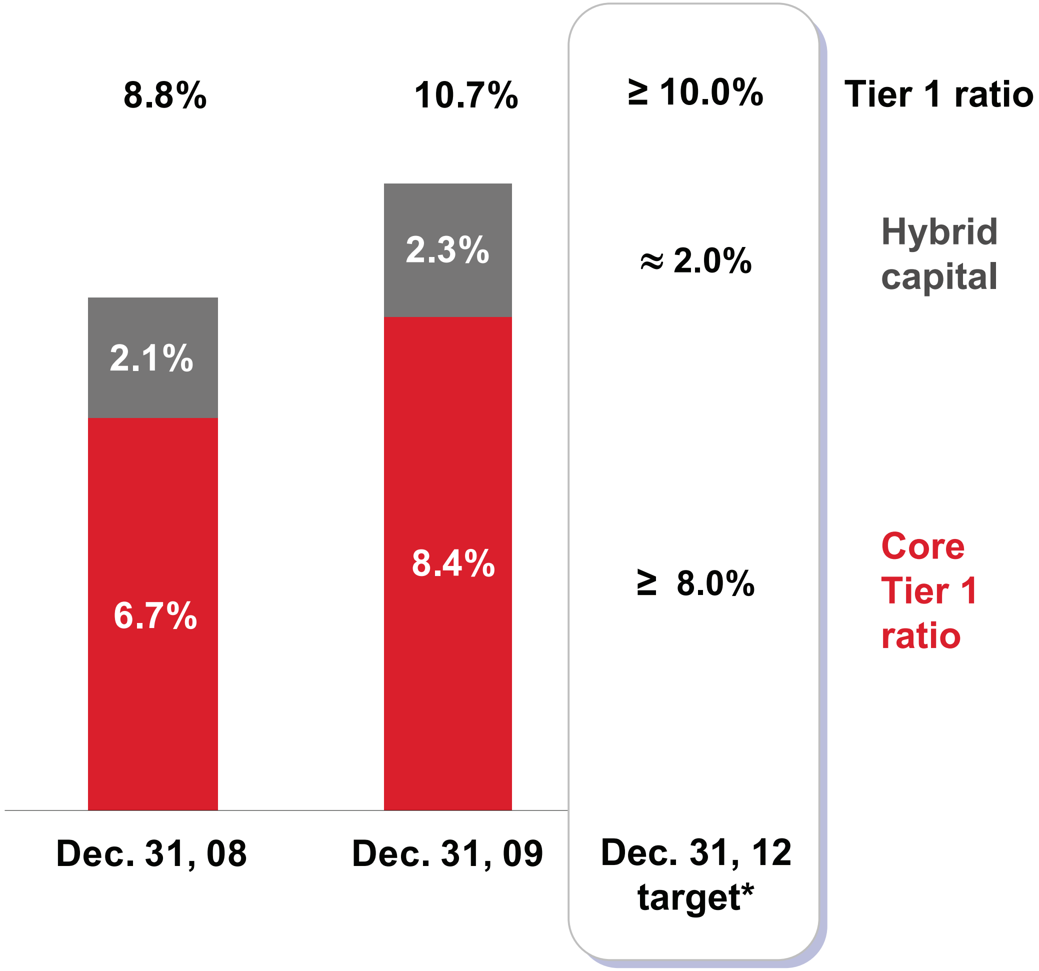
Contribution of businesses to available earnings after dividends and organic growth[1]



1Cash flow = NI*(1-payout ratio)-100% average normative capital Delta Historic payout ratio and 35% assumption from 2010-2012

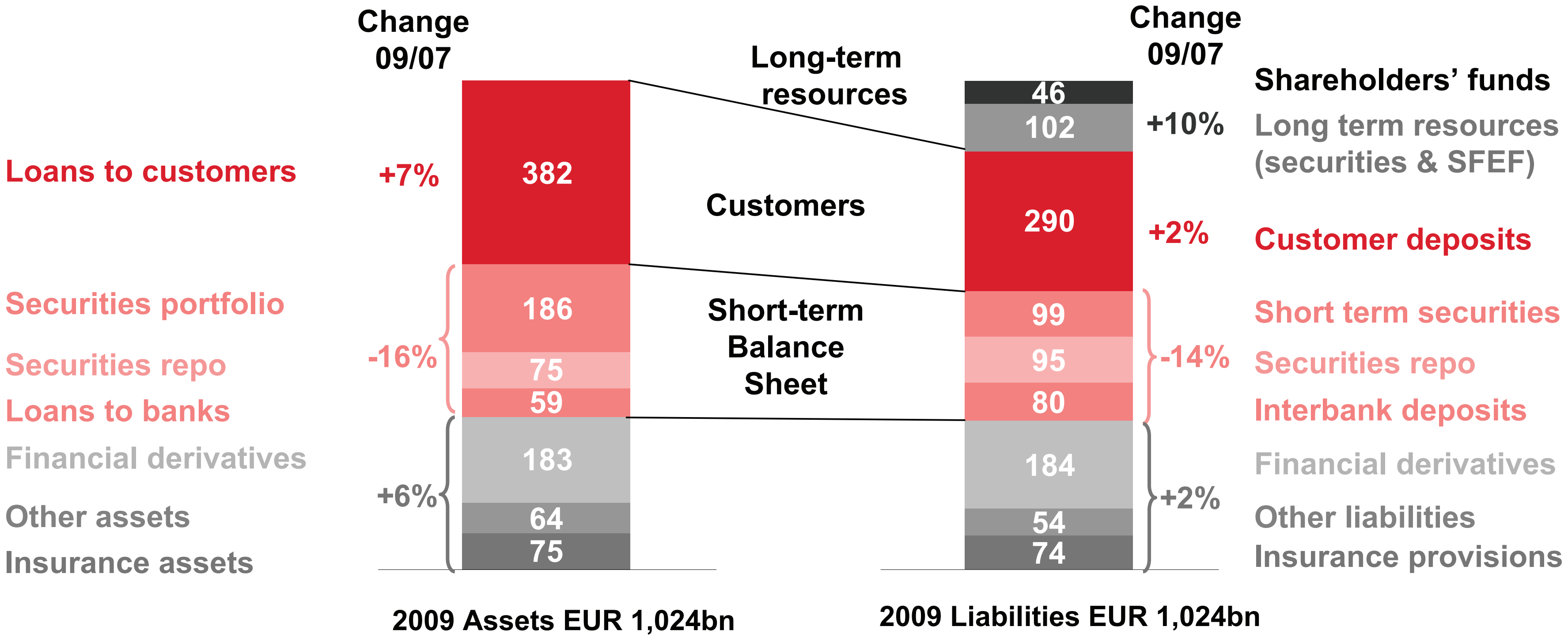
Robust financial solidity maintained

- **Significant organic capital generation sufficient …**
  - to absorb the regulatory impact of CRD3 (Core Tier One impact of around -100 bp)
  - to sustain sound organic growth (≈ +5% per year)
  - to distribute a dividend to shareholders (pay-out ratio assumption: 35%)
- **… providing leeway to address Basel III additional capital requirements**



* Basel II - Including regulatory impact (CRD 3)

Proactive management of the balance sheet



- **Careful management of the balance sheet:**
  - Medium and long-term resources are intended to finance commercial activities
  - SG Group short-term financing needs relate mainly to CIB market activities
- **Prudent 2012 Targets:**
  - Limited growth of the balance sheet
  - Tier 1 leverage ratio[1] slightly below 5% vs. 4.2% in 2009

1 Tier One capital / Total Balance Sheet except MtM on derivatives and margin calls

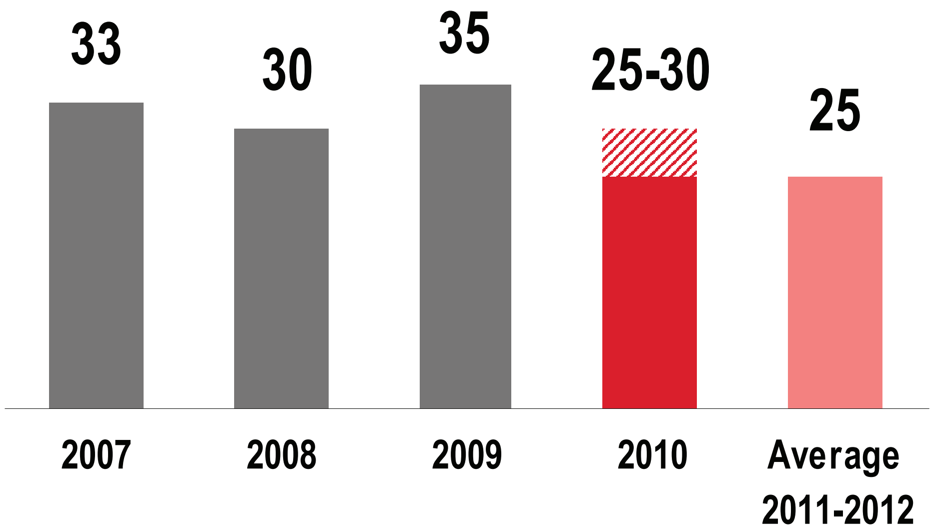
Short-term funding: a proven capacity to face well a turbulent environment

- **SG remains a counterpart of choice in the market**
  - Comfortable rolling of our short-term resources in EUR and USD but with shorter duration in USD (as for the whole market)
  - Significant long position overnight at the ECB and the Fed
  - No need of ECB facility to raise EUR or USD (through the swap lines)

- **Additional room for manoeuvre**
  - ≈ EUR 50bn of eligible assets after haircut
  - Capacity to quickly decrease the Securities portfolio

Reduction of the annual long-term funding programme in line with Group's needs and market appetite

Annual senior funding programme
excluding subordinated debt (in EUR bn)



- **An active and well diversified programme across various capital market segments (senior plain vanilla, senior structured, covered bonds, etc.)**
- **Programme size reduced to EUR 25-30bn in 2010 (EUR 25bn on average going forward) of which EUR 13bn already executed (and EUR 5bn in excess in 2009 leading to 60-70% already completed)**

Conclusion

- **Solid capital generation: Group net earnings target ≈ EUR 6bn**
- **Robust financial stability maintained: ≥ 8% Core Tier 1 by 2012 after CRD3 impact**
- **Balance sheet size and funding programme closely monitored**

Disclaimer

This document contains a number of forecasts and comments relating to the targets and strategies of Societe Generale Group. These forecasts are based on a series of assumptions, both general and specific, notably – unless specified otherwise – the application of accounting principles and methods in accordance with IFRS as adopted in the European Union and applied by the Group in its financial statements as at December 31, 2009, as well as the application of existing prudential regulations. 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 may be affected by a number of factors and may therefore differ from current estimates.

Investors are advised to take into account factors of uncertainty and risk when basing their investment decisions on information provided in this document.

Neither Societe Generale nor its representatives may be held liable for any loss resulting from the use of these forecasts and/or comments relating to the targets and strategies of Societe Generale Group to which the presentation may refer.

Unless otherwise specified:
- the sources for the ranking are internal;
- figures concerning French Networks are given excluding Société Marseillaise de Crédit.

SOCIETE
GENERALE

INVESTORday
2010