



15 June 2010

INVESTORday 2010

French Networks
Be the benchmark for customer satisfaction

Jean-François Sammarcelli

Deputy CEO & Head of the French Networks

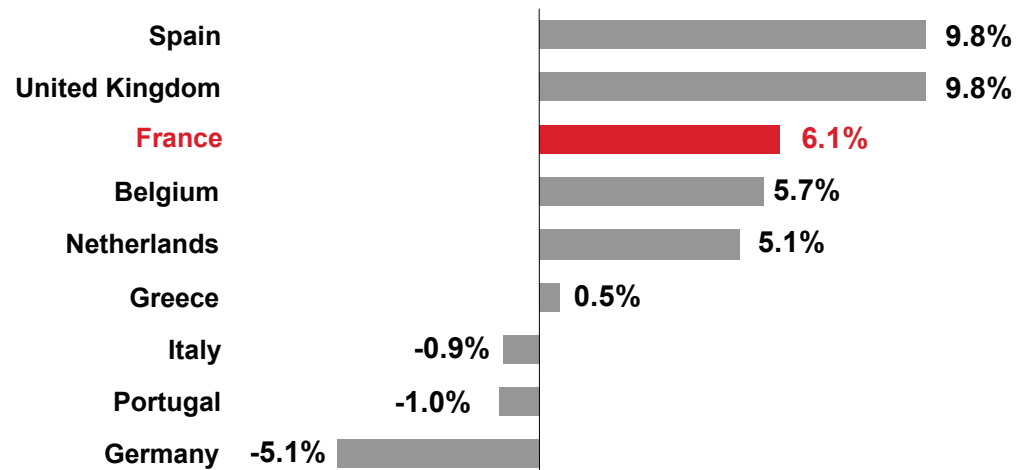
Vincent Taupin

CEO of Crédit du Nord



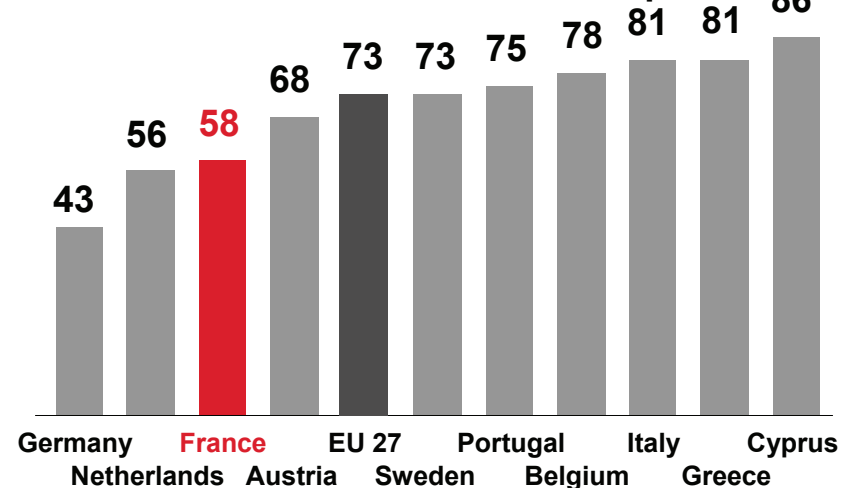
An economic environment supporting banking activity

Population growth from 2010 to 2030



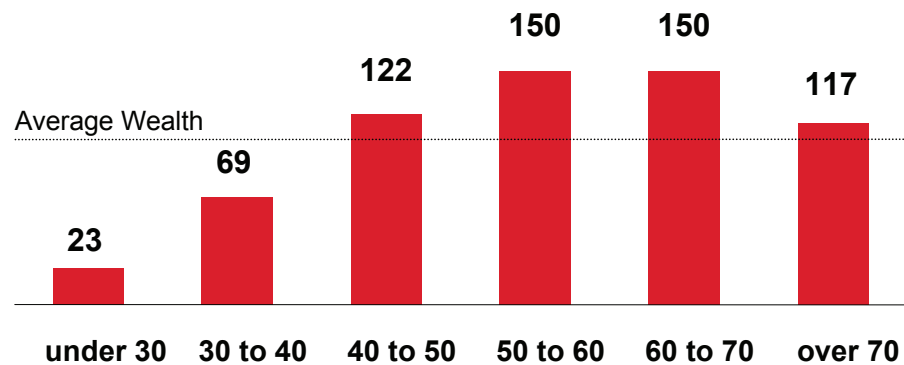
Source: UN

% of home ownership



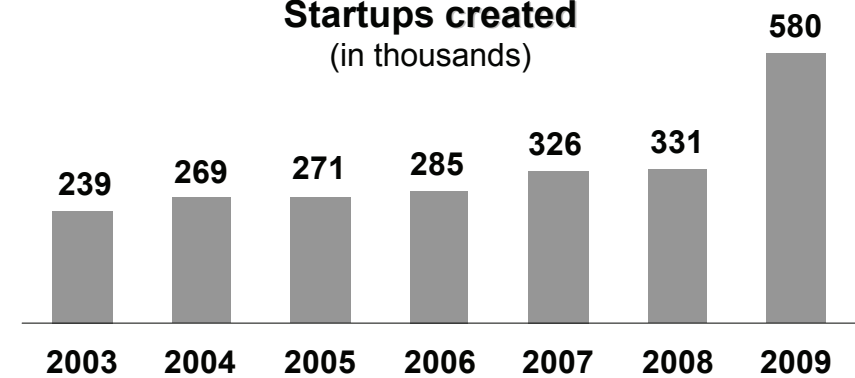
Source: « European Property Market » - 2008 Review - ERA

Wealth concentration by age bracket



Source: INSEE, Wealth Survey

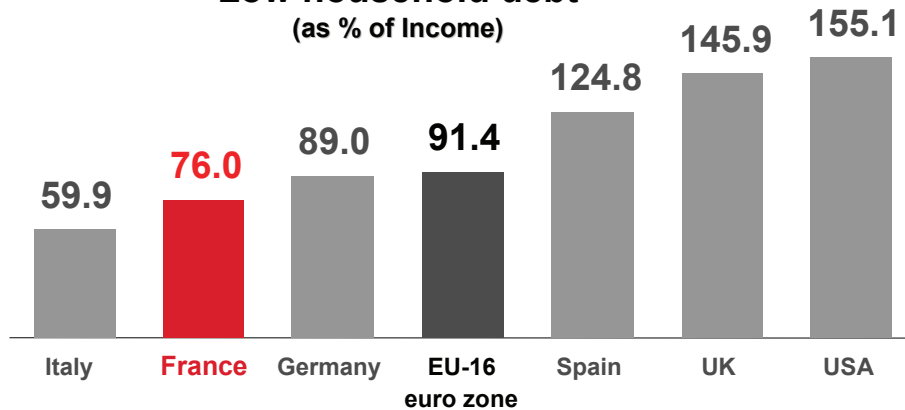
Startups created
(in thousands)



Source: INSEE

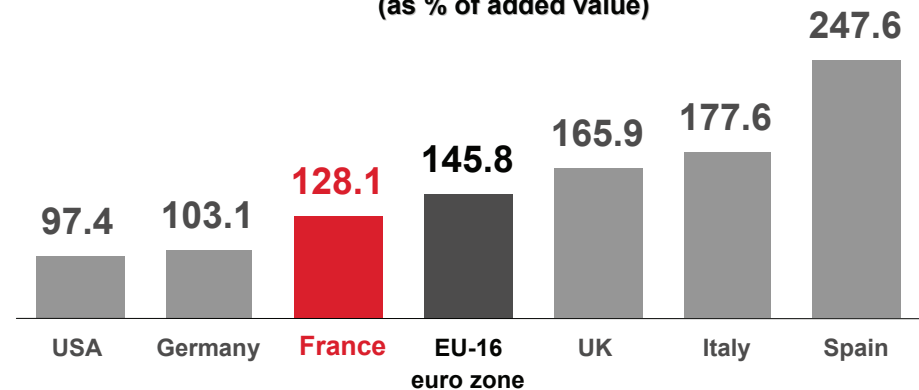
A low risk market

Low household debt
(as % of Income)



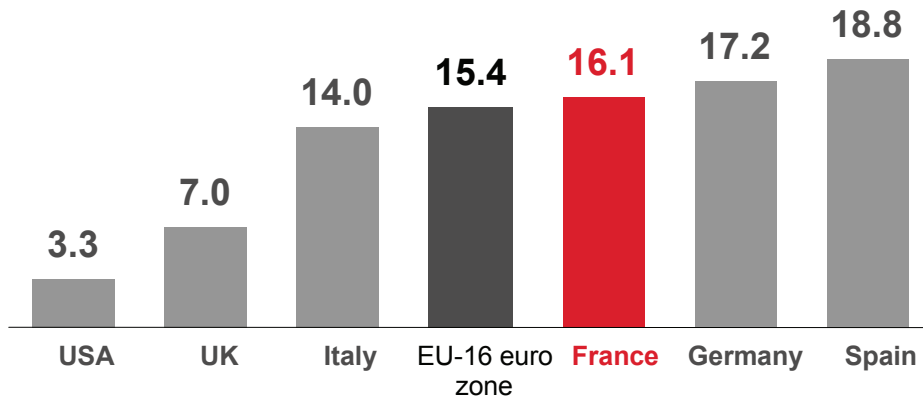
Source: Banque de France, May 2010

Low corporate debt
(as % of added value)



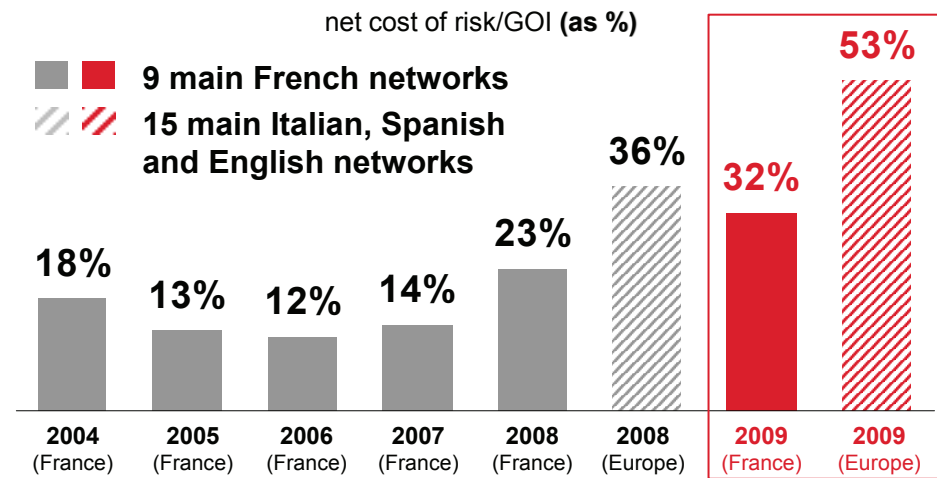
Source: Banque de France, May 2010

High savings rate
(as % of Income)



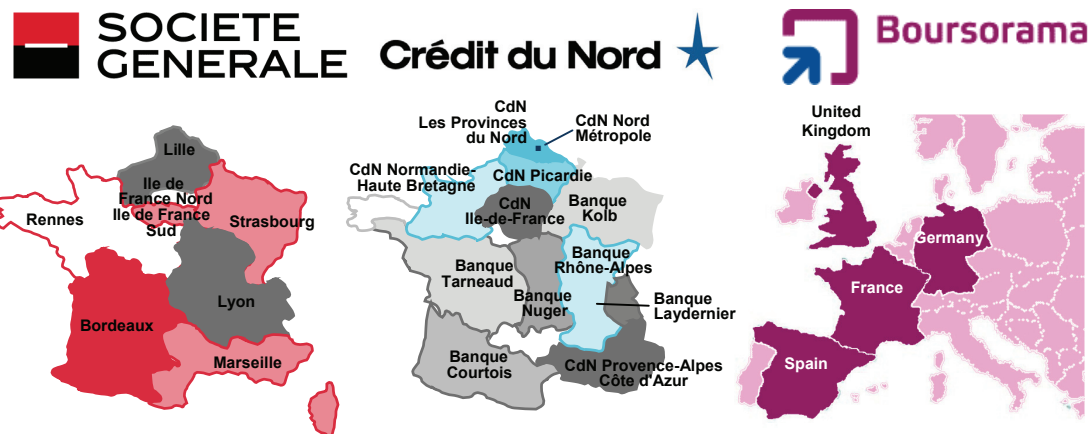
Source: Eurostat

Low cost of risk



Source: Trapeza

Three brands with total NBI of EUR 7.5 billion



Total French Networks

Total headcount	28,400	8,600	800	37,800
Branches	2,282	785	15	3,082
Business centres/Corporate branches	97	124		221
Regions/subsidiaries - RD - Countries	8	12	4	
Individual customers (m)	8.3	1.4	0.5	10
2009 NBI (EUR m)	7,280		186	7,466
2009 operating expenses (EUR m)	4,778		133	4,911
2009 cost/income ratio	65.6%		71.5%	65.8%

Three brands to meet all customers' expectations



2,282 branches
8.3 million individual customers

Crédit du Nord 

785 branches
1.4 million individual customers



483,000 customers,
including 104,000 bank accounts
in France

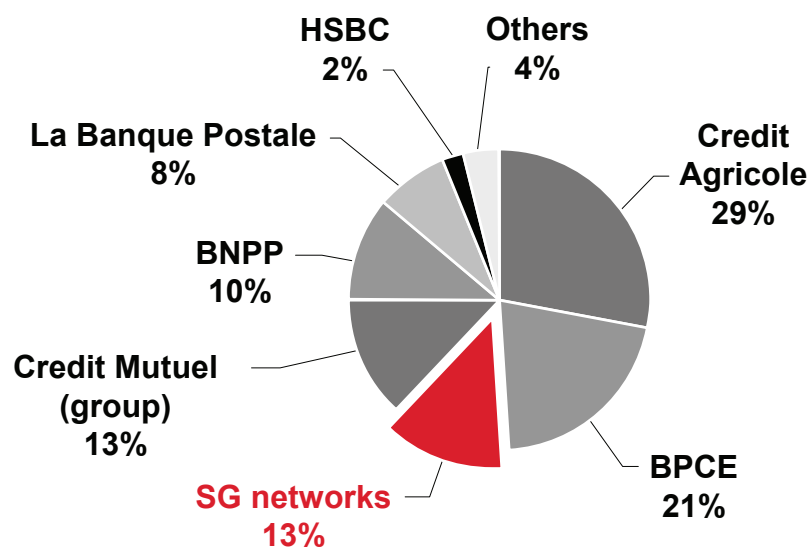
- **Customers looking for a major national brand with branches across the country**
 - ▶ Target: all customers (from individuals to CAC 40 companies)
- **Customers preferring a more regional brand with a more personalised service**
 - ▶ Target: from fairly affluent individuals to SMEs with a large professional customer base
- **Individual customers looking for a purely online service**
 - ▶ Target: mainly young, economically active customers

Best NBI growth for the last 5 years; No. 3 retail bank in France

■ Strong growth in NBI due to:

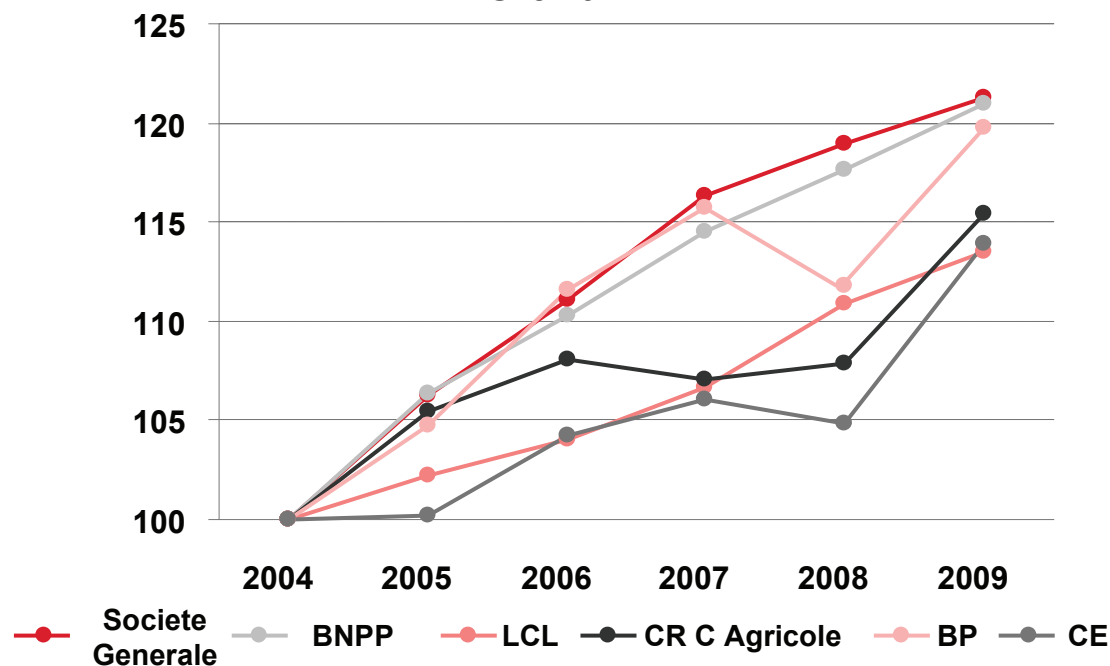
- ▶ Market share gains
- ▶ A diversified portfolio of individual and business customers
- ▶ Well balanced management of price and volume

NBI share of French banks



Source: Trapeza

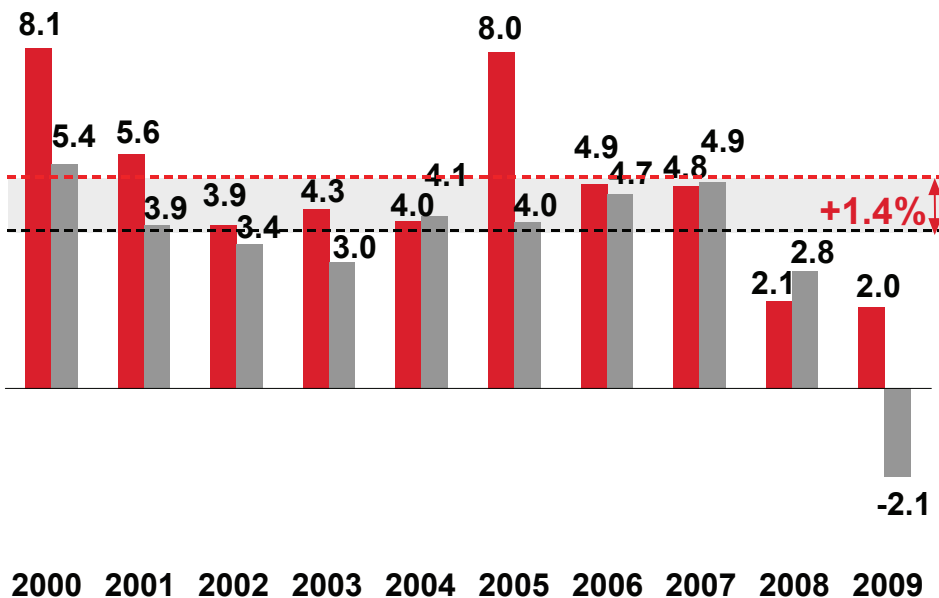
Growth in NBI



Source: Trapeza (base 100: 2004)

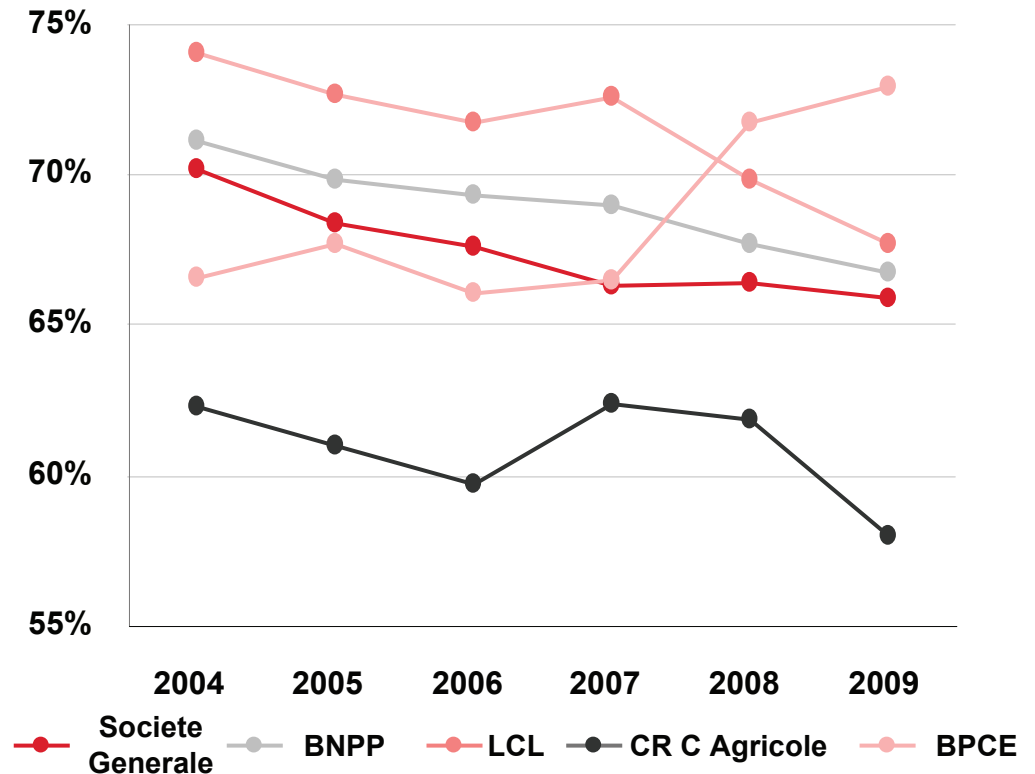
Regular revenue growth and effective cost control

NBI growth an average of 1.4%
higher than nominal GDP



■ French Networks (exc Boursorama, PEL/CEL and capital gains)
■ nominal GDP (source : INSEE)

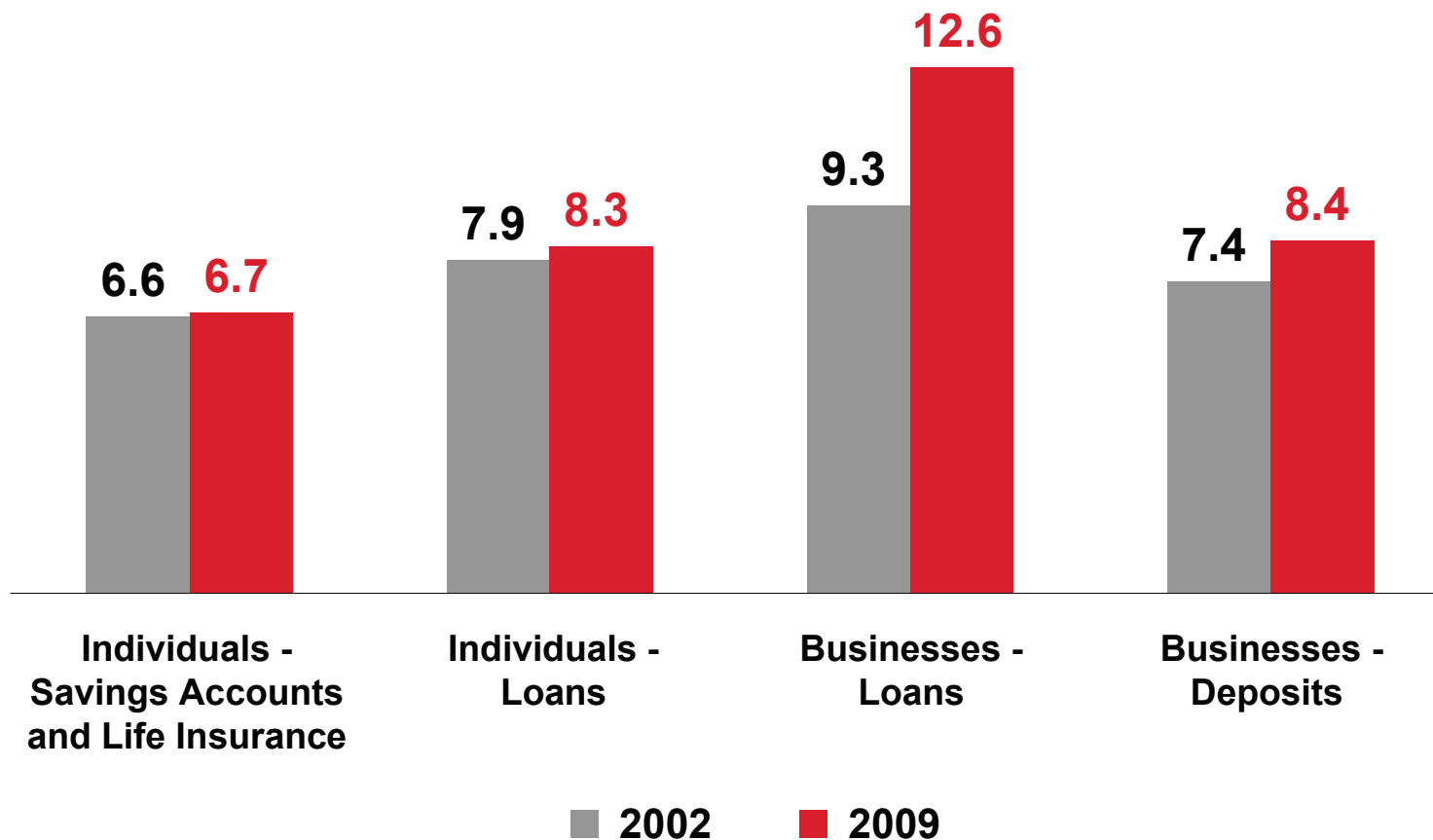
2nd best performance in terms of cost/income ratio



Source : Trapeza

Significant increase in market share and loans to the French economy

French Networks* market share, as a %



Source : Banque de France quarterly reporting, Q3 09

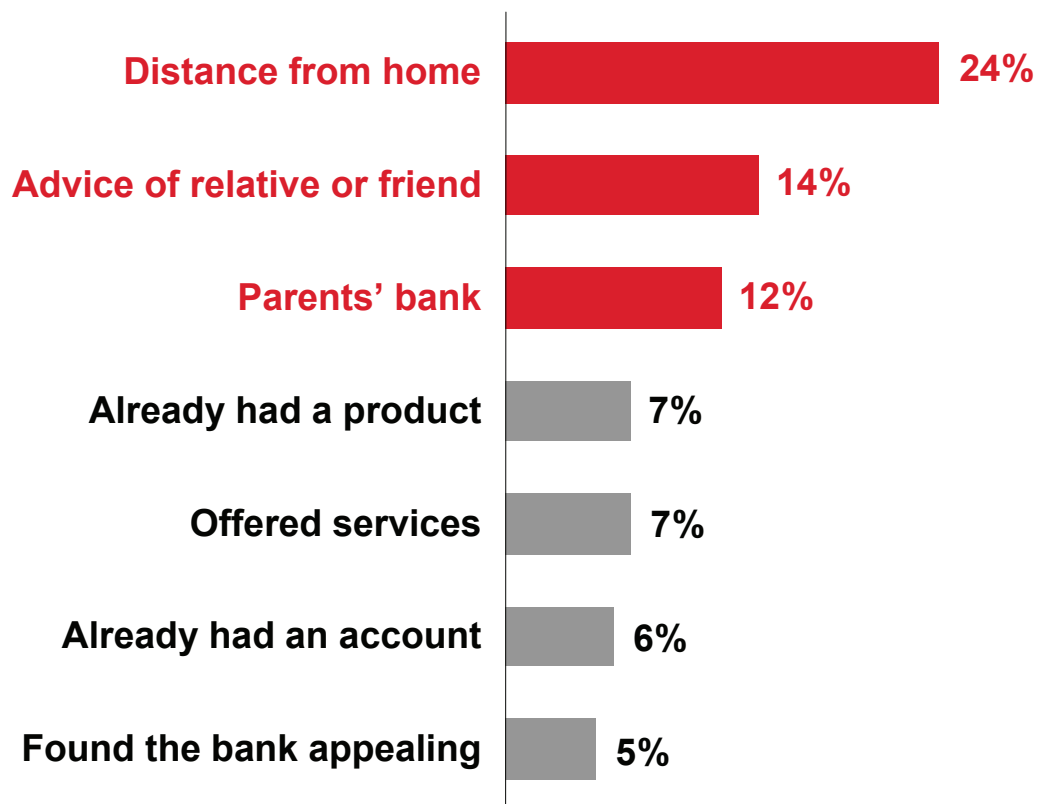
* Exc. Boursorama

A leading retail bank in France by 2015

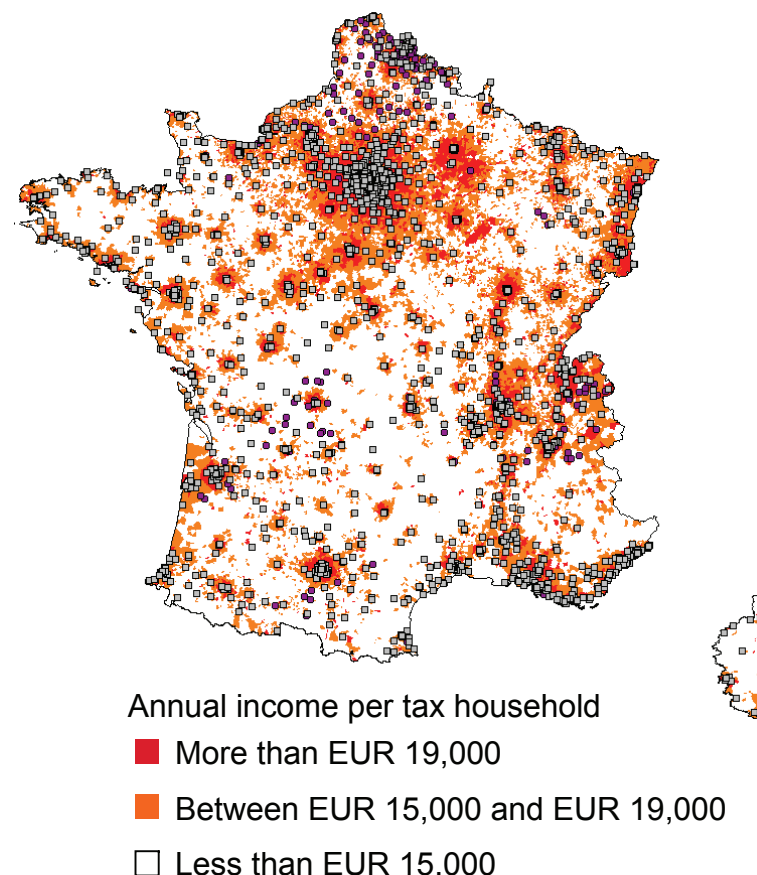
- 1 Be the benchmark bank in terms of customer satisfaction**
- 2 Increase the number of individual customers from 10 to 12 million**
- 3 Gain 1% market share with business customers**
- 4 Improve the cost/income ratio to 60% and below**

A network of branches well positioned to gain market share

**Geographic proximity:
the No. 1 criterion when choosing a brand**



**French Networks: branches located
in high potential regions**



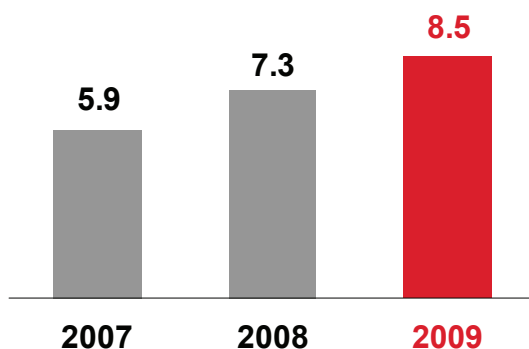
Source: Account Opening Barometer interbank survey – TNS Sofres – 40,000 interviewees

Combined with a high-performance, multi-channel framework

Societe Generale & Crédit du Nord Increasing importance of remote channels

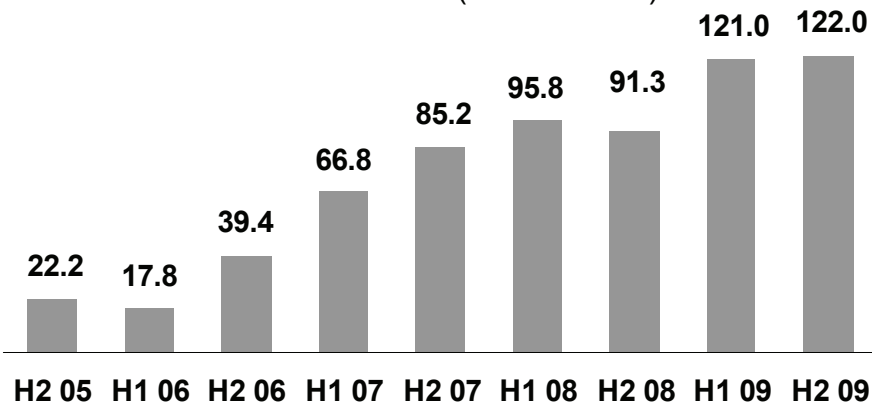
Internet

Number of unique visitors per month (in millions)



Telephone

SG's on-line sales (in thousands)

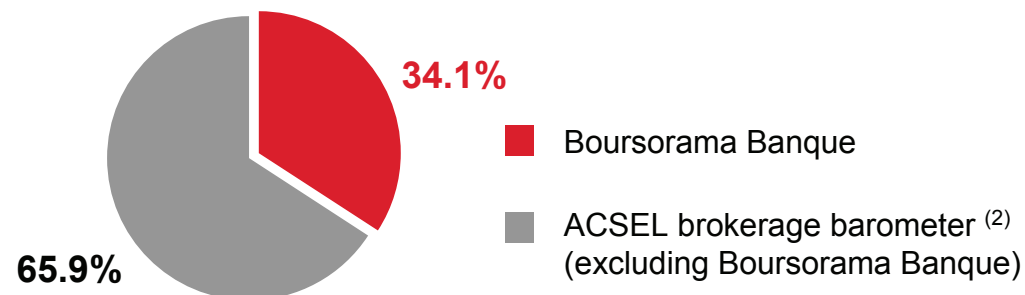


Boursorama Banque Online banking leader

- ▶ Leading financial information website, with 7 million unique visitors ⁽¹⁾
- ▶ Online banking leader with NBI in France of EUR 162m in 2009
- ▶ Online brokerage leader, with 4.4 million stock market orders executed in 2009

(1) Google Analytics, April 2010

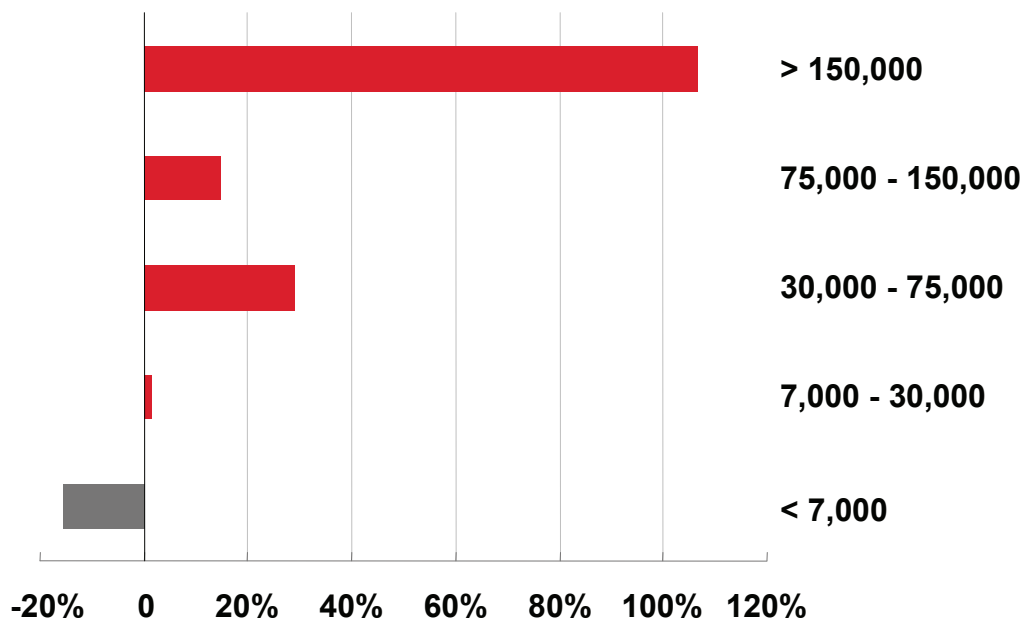
Boursorama Banque's 2009 online brokerage market share



(2) The online brokerage figures in France (2009) are calculated based on data collected from the following ACSEL member brokers: BARCLAYS BANK, BOURSE DIRECT, BOURSORAMA, CORTAL-CONSORS, CPR-ONLINE, FORTUNEO, ING DIRECT, NATIXIS, BANQUE PRIVEE 1818.

Individual customers: attractive franchises

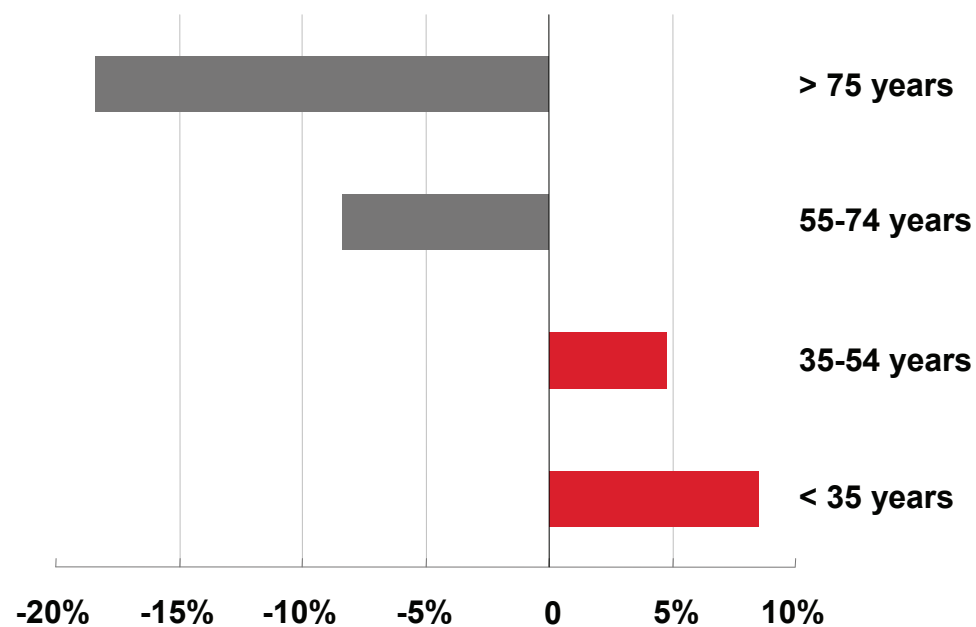
Wealthier customers than average



% of SG and Crédit du Nord Customers

% reported as national average

And an over-representation of young people and young workers, ensuring long term performance



% of SG and Crédit du Nord Customers

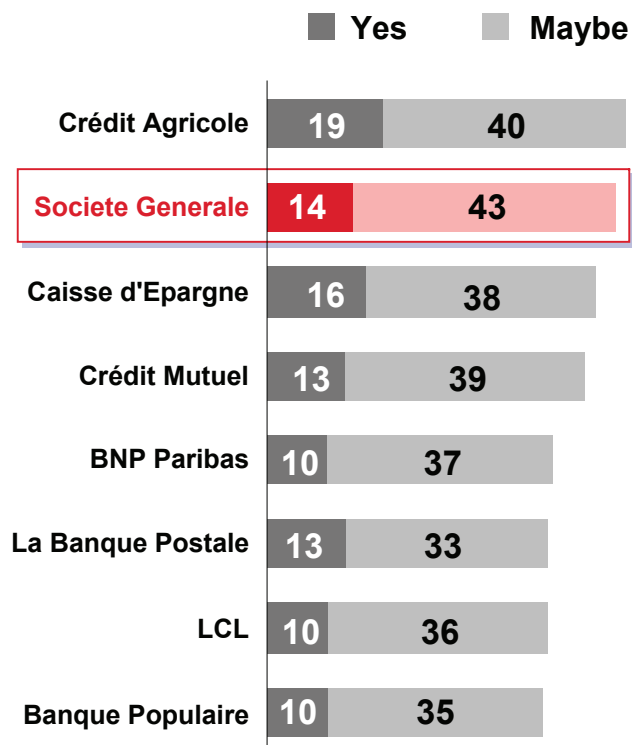
% reported as national average

Source: Interbank survey, Operbac, CSA, 2008

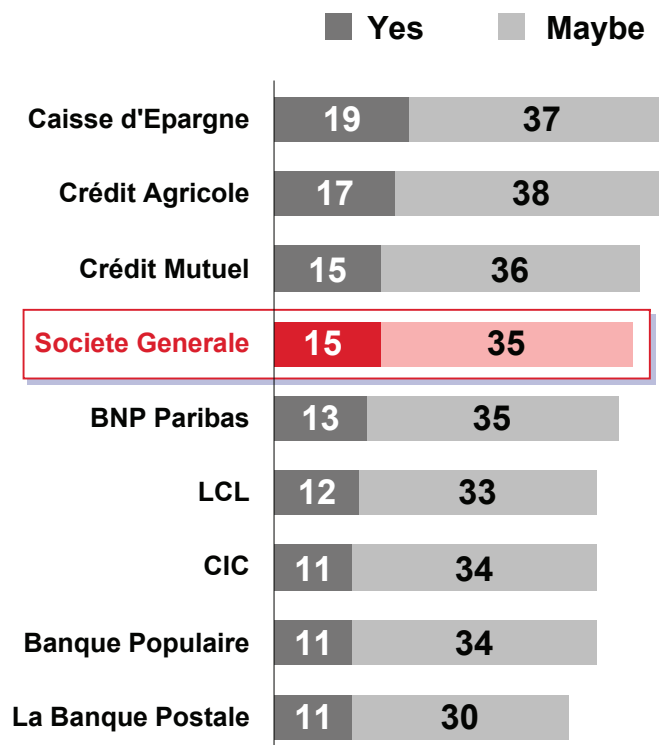
A reaffirmed capacity to win new customers

Whether or not you are happy with your current bank, if you had to change it which of the banks on this list might you choose?

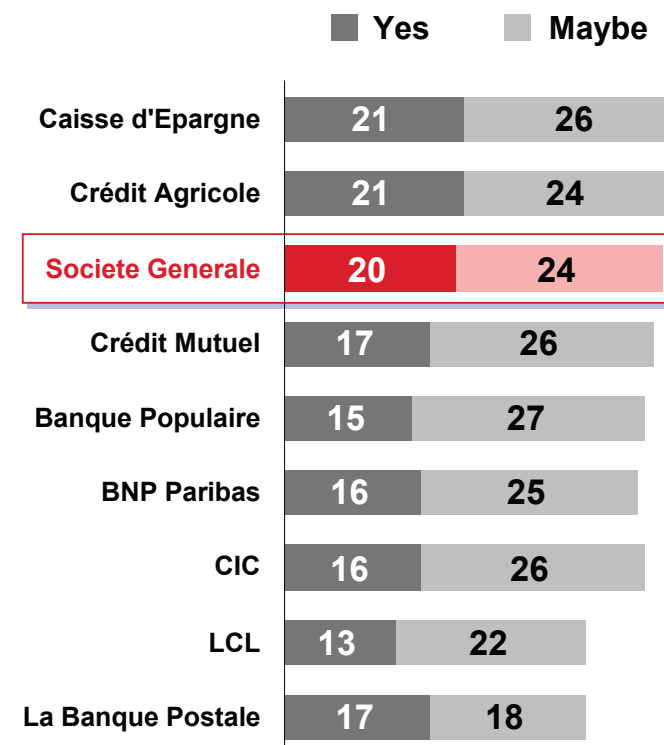
No. 2 bank in March 2007



No. 4 bank in March 2008



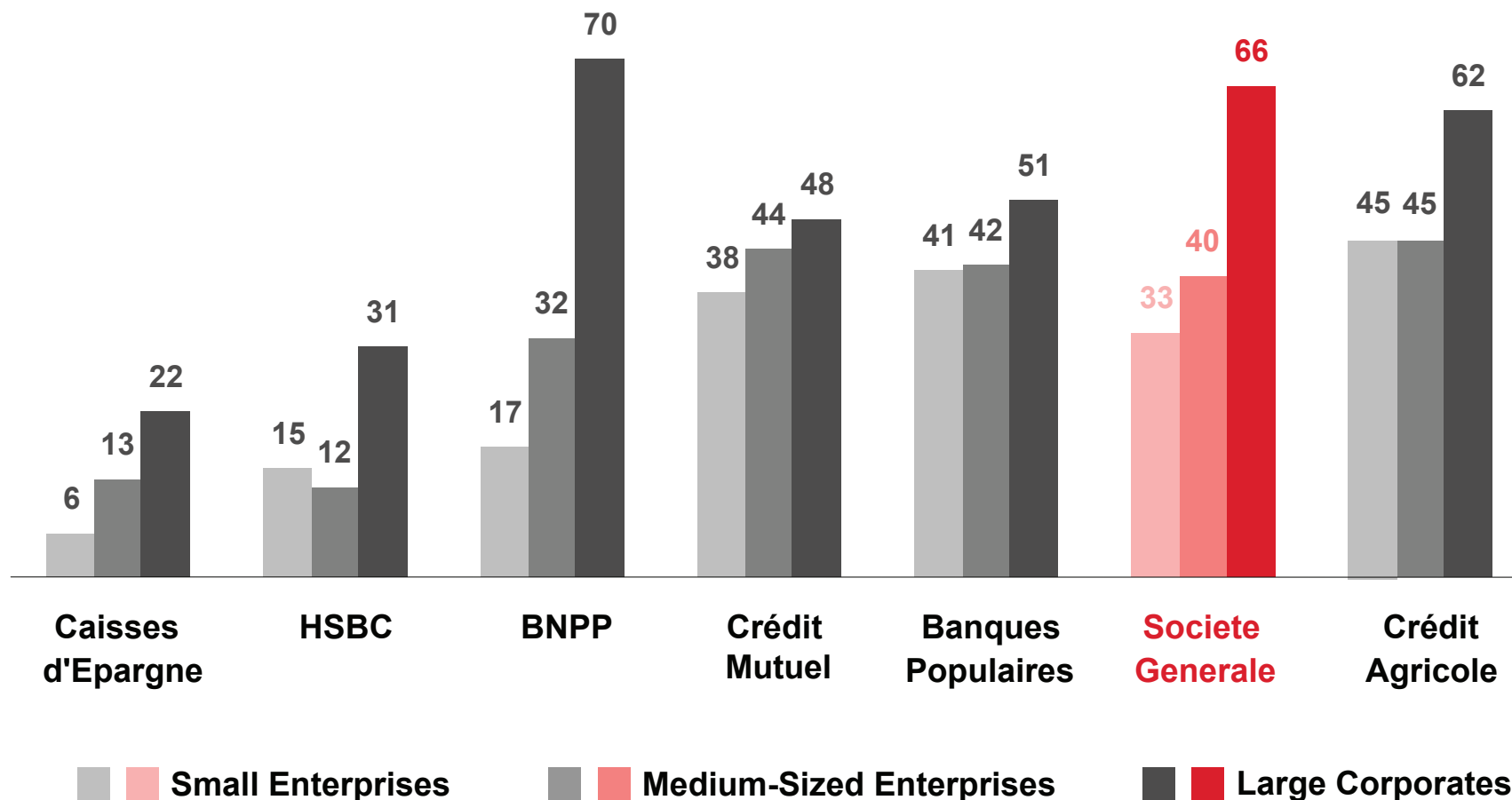
No. 3 bank in March 2010



Source: *Efficiency 3* survey, 1,000 people questioned each time

Business customers: a market leader

Groups' penetration rate as a %



Source: TNS Sofres survey, 2009

SE: EUR 1.5m < NBI < EUR 7.5m ME: EUR 7.5m < NBI < EUR 75m LC: NBI > EUR 75m

A culture of simple, customer-focused innovations

■ End of the 90s

- ▶ 1999: 1st bank to offer an account number for life
- ▶ 2002: 1st bank to offer a choice of the card's PIN code

■ 2006 to 2009

- ▶ 2006: 1st ISO 9001-certified bank call centers
- ▶ 2008: 1st bank with co-branding authorisation to offer a catalogue of affinity cards

■ 2010 and beyond

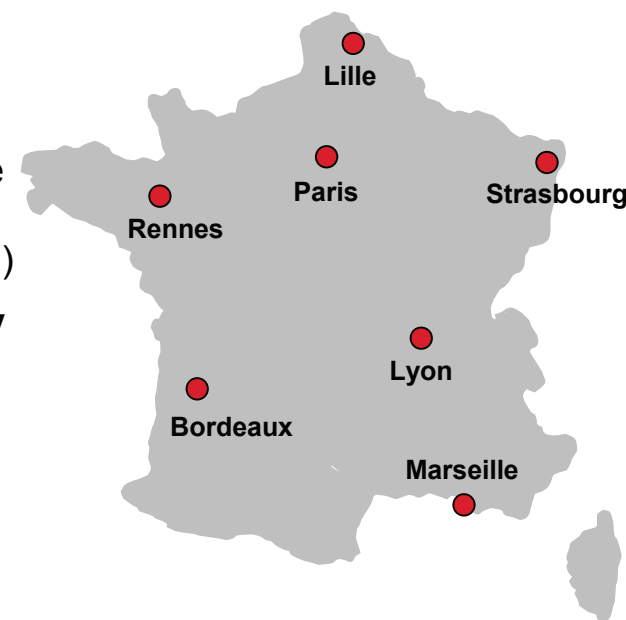
- ▶ Full online account opening
- ▶ 1st bank to offer complete banking services on iPhone
- ▶ 1st bank to offer “Money center”, an application for real time centralisation of bank accounts and expenses (Boursorama)
- ▶ 1st bank to offer debit-credit facilities as a standard option on its cards



SG individual customers - *Mass Affluent*: differentiation through an innovative offering

Ebène : Oscar for best undefined contribution, multi-fund policy, Wealth Management

- Increase in dedicated CRMs: **≈ +670 in 3 years**
 - Services matching customer expectations
 - ▶ **“Haute Fidélité” services** → close to **450,000** customers subscribed (*50% of eligible customers*)
 - ▶ **Ebène multi-vehicle life insurance** → **6,400** contracts making **EUR 1.6bn** in outstandings at end-2009
 - ▶ **Discretionary management** → almost twice the mandates since the launch of the new offering (more than 6,500 new mandates)
 - **High net worth individuals: extension of the Private Banking JV**
 - ▶ 2010: opening of centers in Rennes and Lille, extending the JV to the Paris region
 - ▶ AUM of EUR 1.5bn in the JV in April 2010
- ➔ **Increase in life insurance market share from 9.3% to 9.7% in one year** (change from Q1 2009 – Q1 2010)



SG individual customers – *Mass Market*: simplifying banking relationships

“Customer expectations”

SG response

“I want a simpler bank”

- ▶ Sales initiatives focused on a reduced number of products
- ▶ Sales initiatives segmented and targeted to each customer’s banking potential

“My bank where I want it, when I want it”

- ▶ Introduction of ≈ 350 ATMs with deposit-taking facilities
- ▶ Development of online banking services
- ▶ Increased use of call centers

“The best service at the best price”

- ▶ Time-savings on administrative tasks
- ▶ Price competitiveness maintained

“A need for recognition”

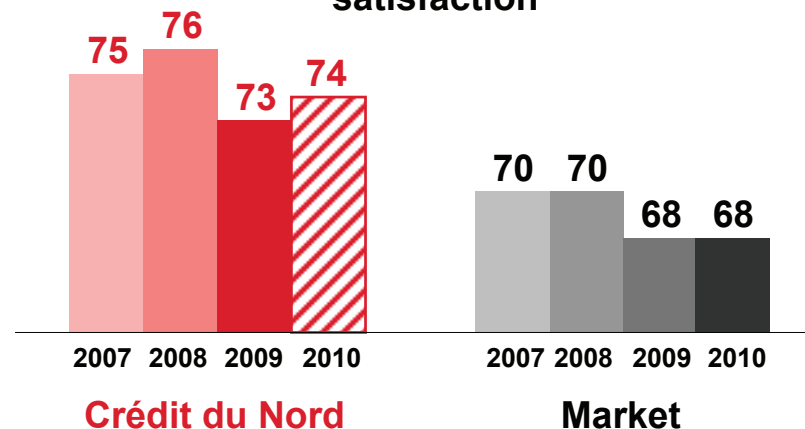
- ▶ A dedicated CRM for every customer, regardless of their profile, who can be contacted directly = a differentiating factor in the French market

Crédit du Nord individual customers: maximising satisfaction and benefiting from a regional presence

- **Focus on customer satisfaction: Crédit du Nord leader for the last 6 years**
 - ▶ Products constantly adapted to customer needs
 - ▶ Clear, consistent customer policy focused on quality of service

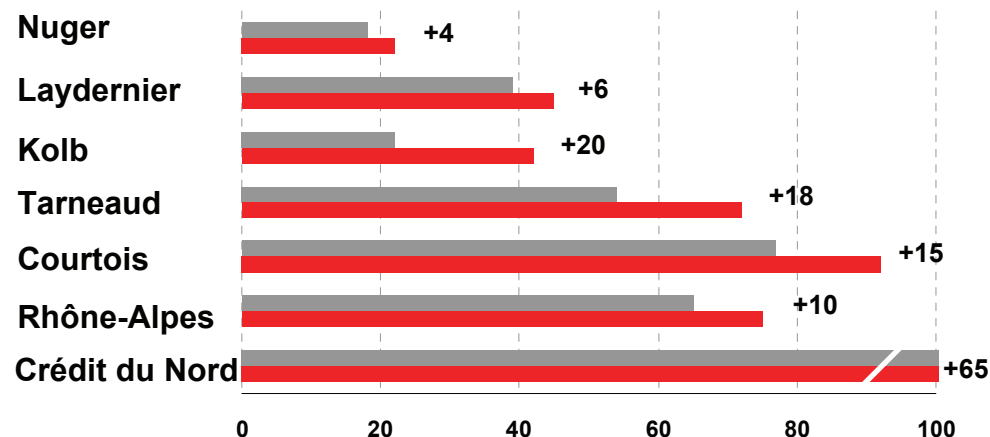
- **Continued development in French regions**
 - ▶ Success based on recommendations by current customers
 - ▶ Leveraging recently established branches

Crédit du Nord: No. 1 in terms of client satisfaction



Source: Satisfaction Barometre CSA

Change in number of branches between 2004 and 2009



Boursorama individual customers: strong development ahead

■ Strong growth expected in number of banking customers in France

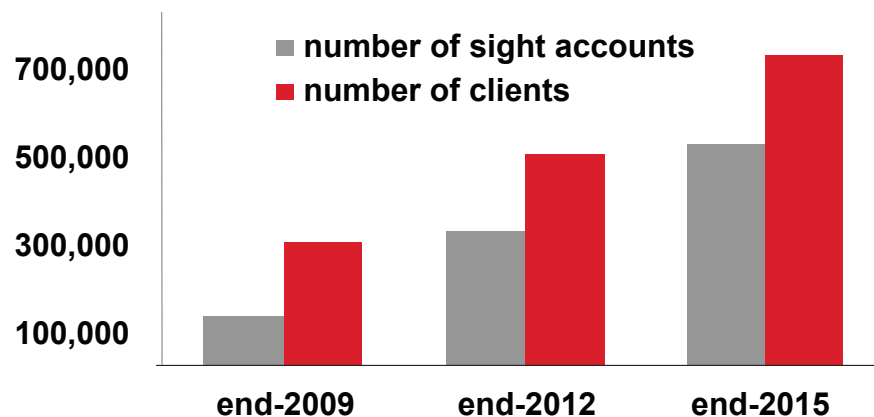
- ▶ Wide range of products and services at highly competitive prices (sight accounts, life insurance, savings, brokerage)
- ▶ Constant development of the range, particularly for housing loans
- ▶ Highly skilled and responsive customer service team
- ▶ +66,000 sight accounts per year to reach 700,000 customers by end-2015

■ Continued increase in deposits

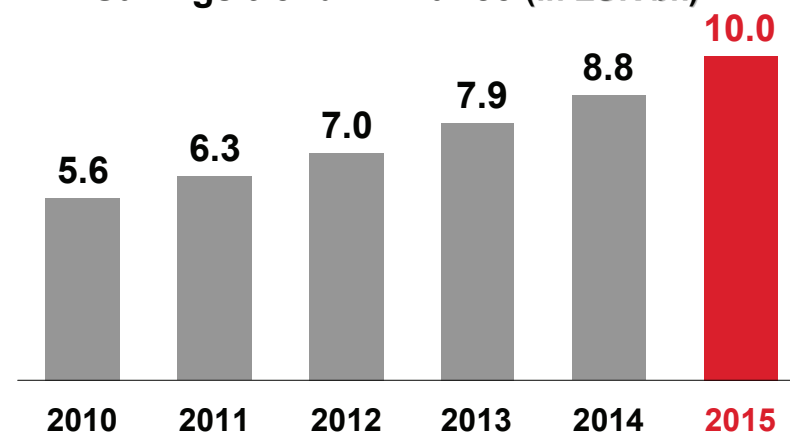
■ Strengthening of positions abroad:

- ▶ Spain and UK: enhancement of the product range
- ▶ Germany: optimisation of synergies with the financial information website Onvista.de

Boursorama Banque in France



Savings trend in France (in EUR bn)



SG business customers: continuing to gain market share

■ Capitalising on the recruitment drive of the last 5 years:

- ▶ 120 additional SME advisors in the past 4 years
- ▶ Creation of 23 customer middle offices to quickly answer the demands of company treasurers and accountants
- ▶ ≈200 outlets in France where SMEs have access to dedicated advisors

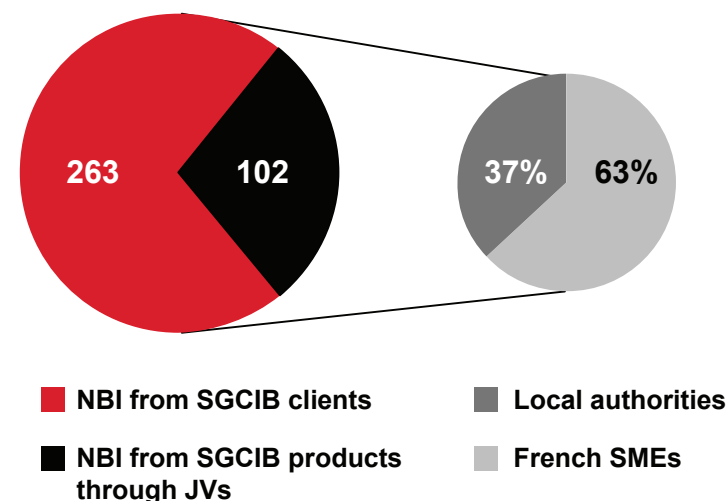
■ Using synergies with SGCIB

- ▶ Joint coverage of around 6,000 companies (Major Groups and their subsidiaries)
- ▶ JVs to offer SGCIB's expertise to French SMEs and local authorities

■ Leveraging recognised technical expertise

- ▶ 120 experts in particular businesses: advisory, international trade and flows
- ▶ SG voted Best Domestic Cash Manager in France in 2009

EUR 365 million in NBI with SGCIB



Crédit du Nord business customers: building on existing relationships

- **Relying on a recognised relationship model**
 - ▶ Small customer portfolios
 - ▶ One sales assistant for every SME customer advisor for daily relationship monitoring
- **Trying to capture additional transactions**
 - ▶ By developing ST and MT loans (complete range with Dailly and factoring)
 - ▶ Through the increased promotion of trade and flow products and asset management
- **Using synergies with SG**
 - ▶ Capitalising on SGCIB JVs
 - ▶ Stepping up of relations with Private Banking (directors)
 - ➔ Target: increasing the number of companies whose main banking relationship is with Crédit du Nord

Crédit du Nord approach

- 124 outlets dedicated to business customers



- 2 dedicated contacts per customer:

- ▶ a customer advisor
- ▶ a sales assistant



**Sales assistant's role:
quality expertise that makes
all the difference**

“The everyday facilitator”

- ▶ Flow processing
- ▶ Loan disbursement
- ▶ Management of cash imbalances
- ▶ Handling of all day-to-day requests

Convergence: developing synergies and monitoring brand identities

Preserving brand identities

- Networks that remain competitors where a multi-distribution model is adopted
- Sales networks that do not change as part of the project
- Specific aspects in terms of offerings
- 3 banking networks that target all customer segments
- Sales activities that remain separate with dedicated product offerings

Developing Synergies

Information systems

Having a shared Information System able to support the sales strategy and operational model at the best cost, while controlling the impact on the business

Back Offices

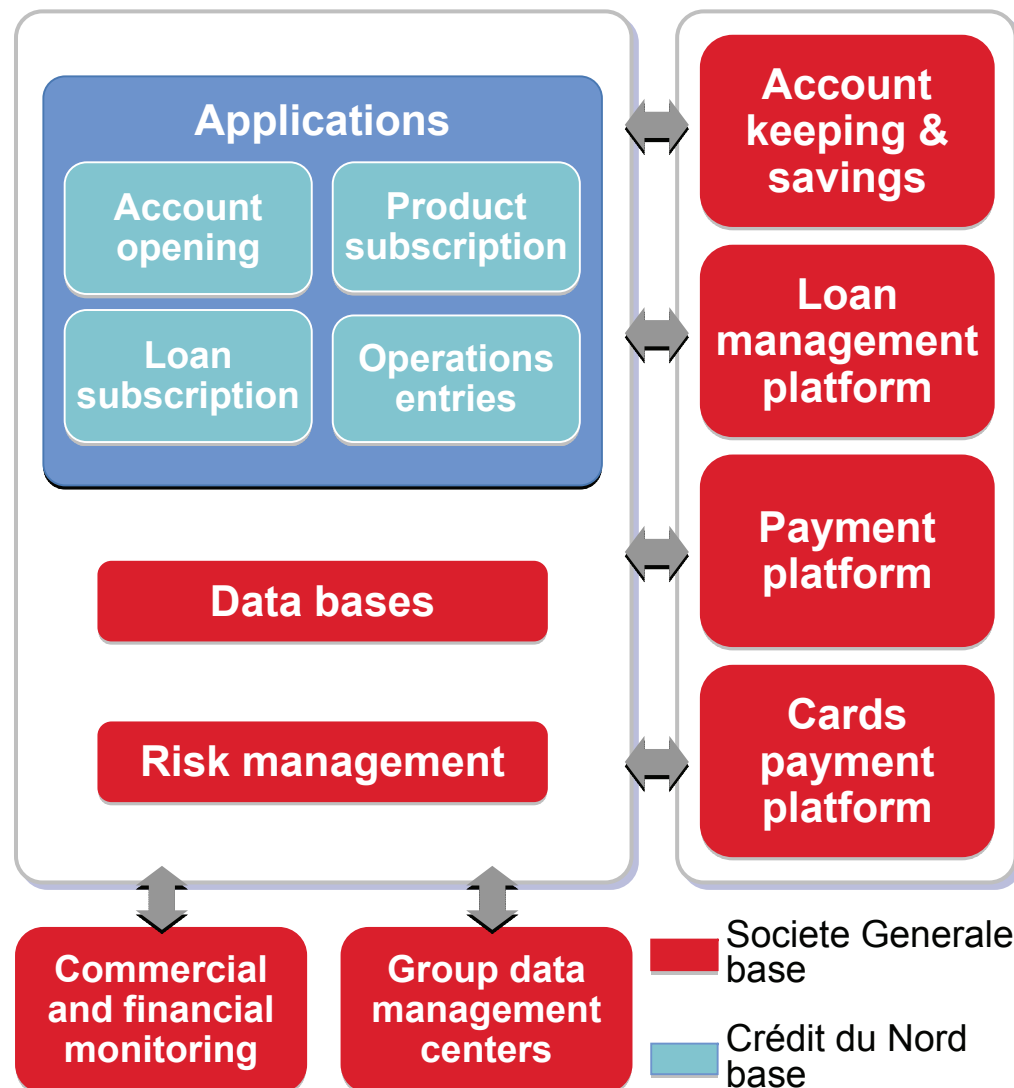
Identifying opportunities to pool operations and implement new shared solutions

Commercial development

Sharing best practices and exploring the potential of synergies to provide additional revenues

An information system shared by 2 networks by 2013

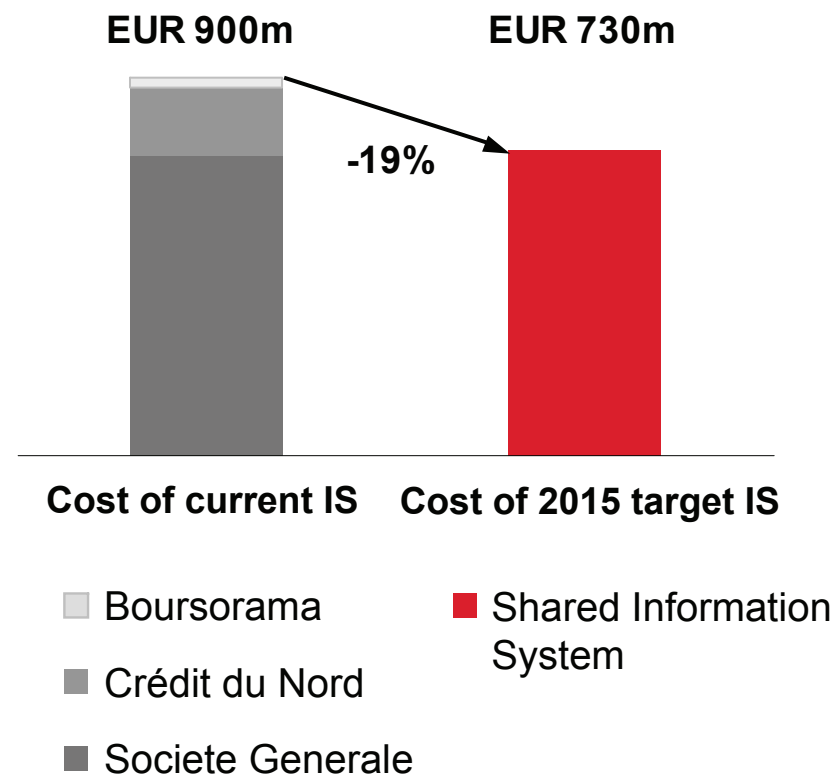
- **Target architecture for France already defined, with one principle: capitalising on the best of each bank**
 - ▶ Retail (applications & architecture): Crédit du Nord
 - ▶ Production and industrial systems: Societe Generale
 - ▶ Securities process: Boursorama
- **Main deliveries staggered between 2011 and 2013**
 - ▶ 2011: design of multi market applications
 - ▶ 2012: deployment for professionals and corporates (signing of contract and on boarding)
 - ▶ 2013: deployment for individuals (signing of contract and on boarding)
- **French retail Information System made available to the Group's other retail entities**



EUR 220m of operating expense savings

- **An ambitious project: EUR 570m**
 - ▶ EUR 320m in IT capital expenditures
 - ▶ 50% self-financed through the pooling of development capacities

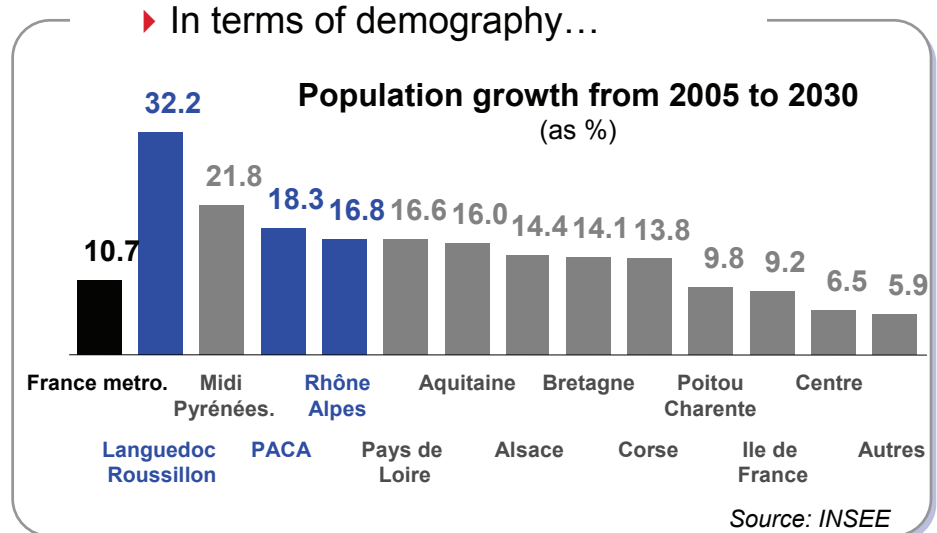
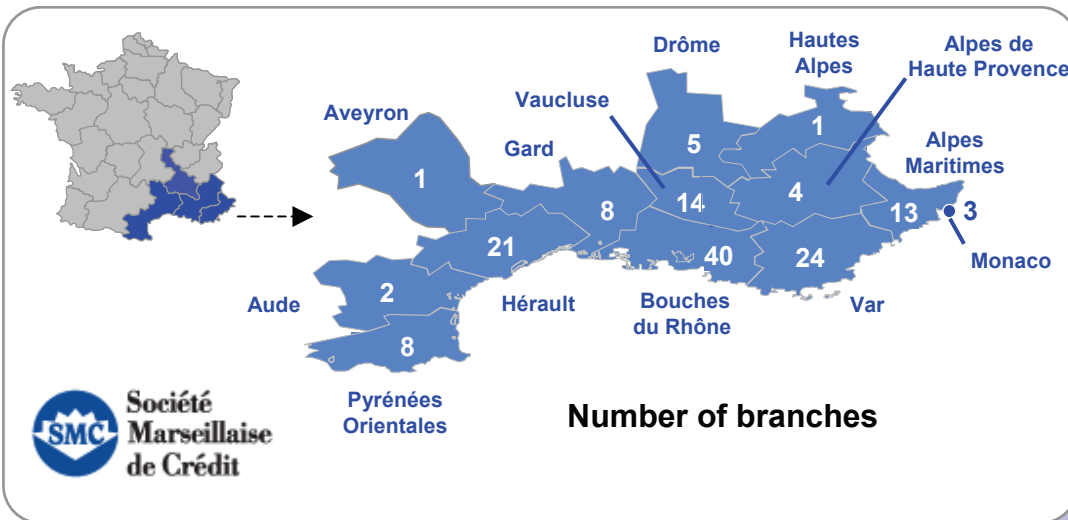
- **Very significant savings in operating expenses: EUR -220m in 2015 (France only)**



SMC acquisition project⁽¹⁾: a major step forward for Crédit du Nord in the South of France

SMC: a strong position in the South-East of France...

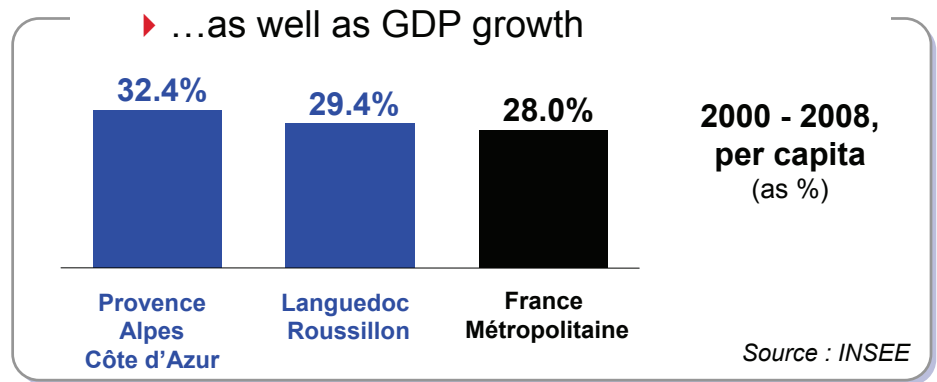
... A very attractive geographic area



2009 Key metrics

NBI (EURm): 193	200,000 customers
Total loans (EURbn): 2.5	144 branches
Total deposits (EURbn): 3.0	Market share: 2-3%*

(* average for the regions where SMC operates)

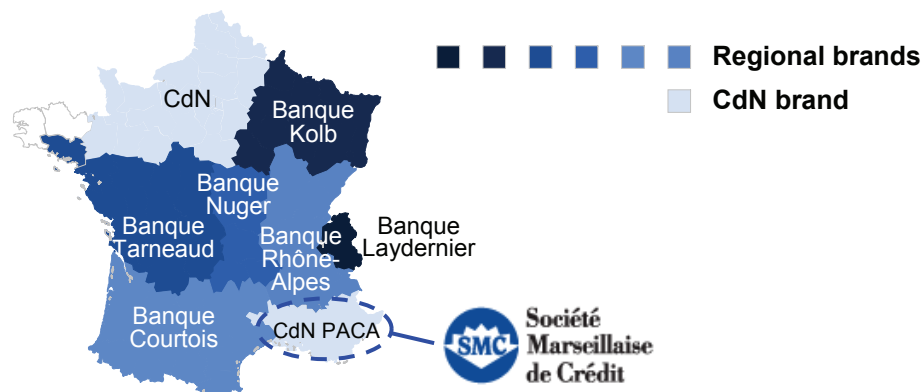


(1) Crédit du Nord has entered into exclusive negotiations with BPCÉ regarding the potential acquisition of Société Marseille de Crédit. This transaction remains subject to consultation of employee representatives and approval by competent regulatory authorities.

Excellent fit with Crédit du Nord

Clear industrial rationale

- ▶ CdN-SMC: same regional and relational business model
- ▶ Opportunity for Crédit du Nord to capitalize on a regional brand in the South



CdN: unique capacity to smoothly integrate SMC

- ▶ Preservation of the well-known brand name “SMC”
- ▶ Favourable age pyramid at SMC
More than 50% of the FTE staff is over 50 years old



➔ Major move with the constitution of a significant player in the South-East

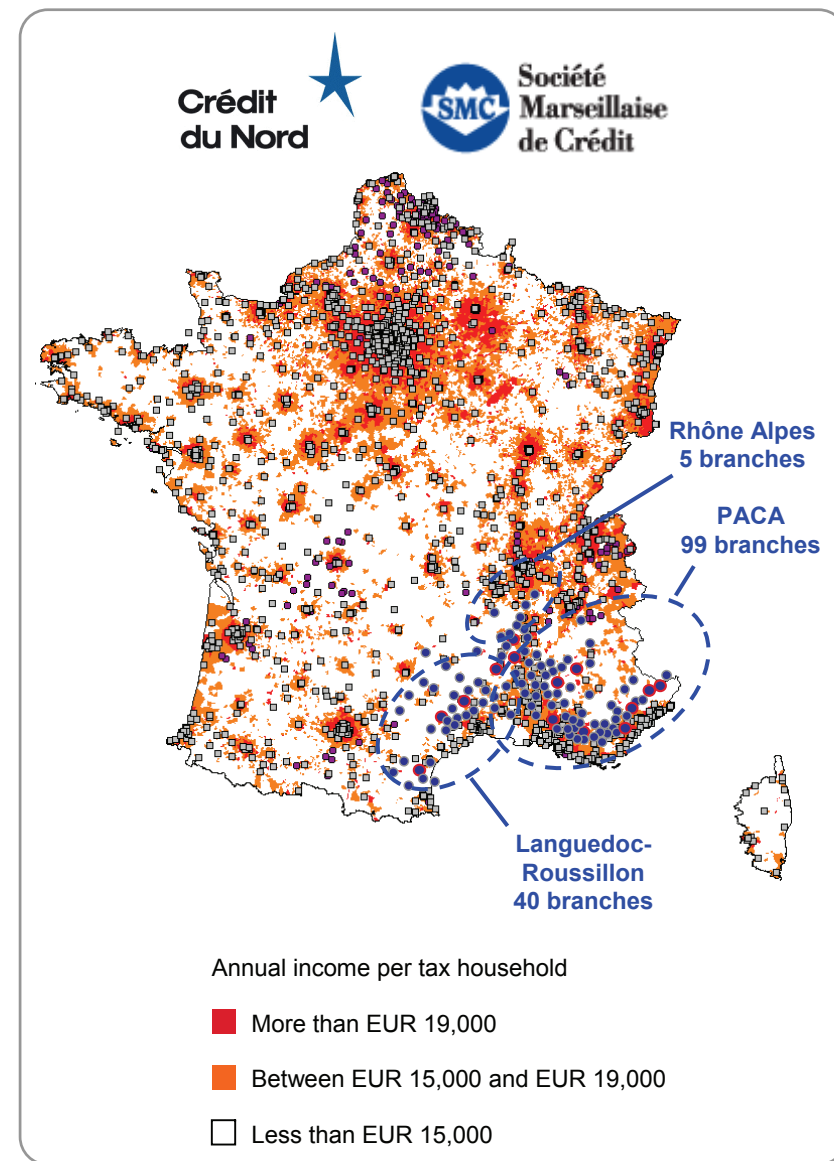
Proforma CdN South East + SMC	Impact for CdN in the South East	Impact for CdN in France
NBI (EURm): 366	2.1x	+12.2%
Total loans (EURbn): 5.0	2.0x	+9.7%
Total deposits (EURbn): 5.2	2.4x	+15.3%

➔ Combined market share of around 4% in the area in terms of branches (≈ 6% in the Bouches-du-Rhône department)

A value creating transaction for SG group

- New important step in the multi-brand development strategy for the French Networks
 - ▶ More than 30 bp gain of national market share⁽¹⁾
 - ▶ Combined SG Group market share ⁽¹⁾ of ≈13% in a number of attractive departments
- Purchase price of EUR 872m
- Implied multiples in line with previous change of control transactions in French retail banking
 - ▶ P/E multiple of 22x (vs. average of 27x)
- Limited Tier 1 impact on Societe Generale Group (≈ 20 bps)
- Adequate five year return on investment (≈ 10%)

(1) In terms of branches



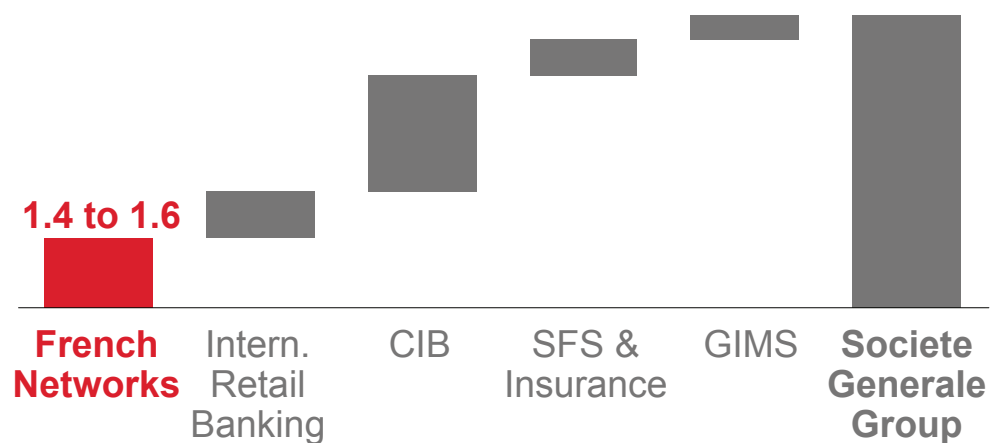
**Ambition
SG 2015**

- Be the benchmark bank in terms of customer satisfaction
- Win 2 million individual customers
- Gain 1% market share with business customers
- Improve the cost/income ratio to 60% and below

Targets for 2012

- Revenue growth: \approx +3% per year
- Cost/income ratio of 63%
- 50% increase in Net Income

2012 Net Earnings Target (in EUR bn)



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.*



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