



15 June 2010

INVESTORday 2010

Corporate & Investment Banking
Top 5 position in Europe

Séverin Cabannes

Deputy Chief Executive Officer

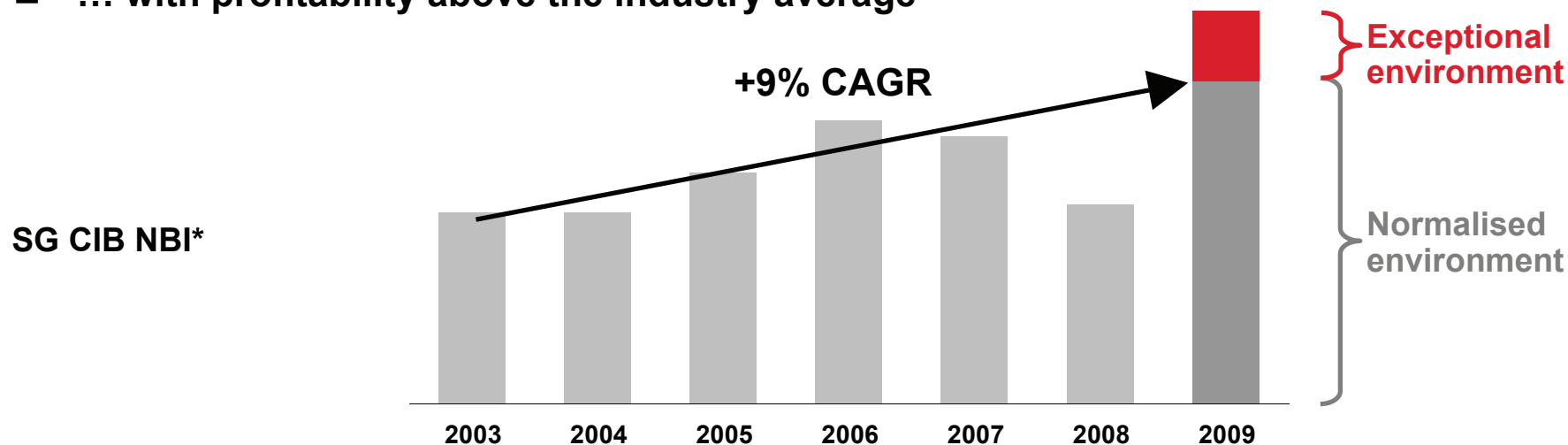
Michel Péretié

Head of Corporate and Investment Banking



A model able to generate strong growth over the long-term

- A strategy historically focused on strengthening SG CIB's key expertise...
 - ▶ Sustain global leadership position in equity derivatives
 - ▶ Continuous development of global structured financing franchises
 - ▶ Strong position in the Euro capital markets
 - ▶ Deep-rooted, high quality client franchises
- ... that has generated sustained growth...
- ... with profitability above the industry average



* Not restated for consolidation scope changes – 2007 to 2009: core activities

A resilient model improved during the crisis

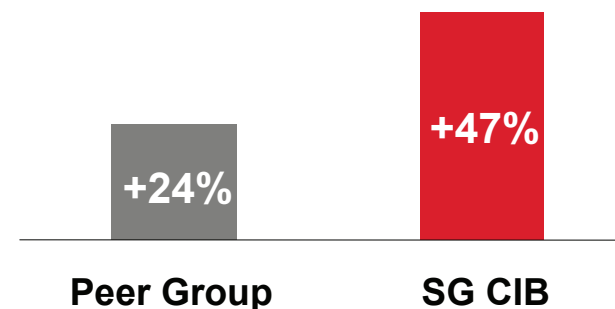
■ 2007- 2009: growth above peer group* across all businesses

- ▶ Equities: -3% vs. -14%**
- ▶ Fixed Income: x2.5 vs. +71%**
- ▶ Financing and Advisory**: +54% vs. +18%

■ Improved risk control and less volatile results

- ▶ Refocus on client-driven activities
- ▶ Single Global Markets department with specific monitoring of trading activities
- ▶ Competitive advantage in complex market risk management and favourable risk/reward ratios in structured finance
- ▶ Stronger operational risk management set-up

NBI growth* (FY 2009 vs. 2007)



Cash balance sheet: -31% vs. peak (Q2 07)

RWA: -22% in 2009

VaR and Stress Tests: halved in 2009

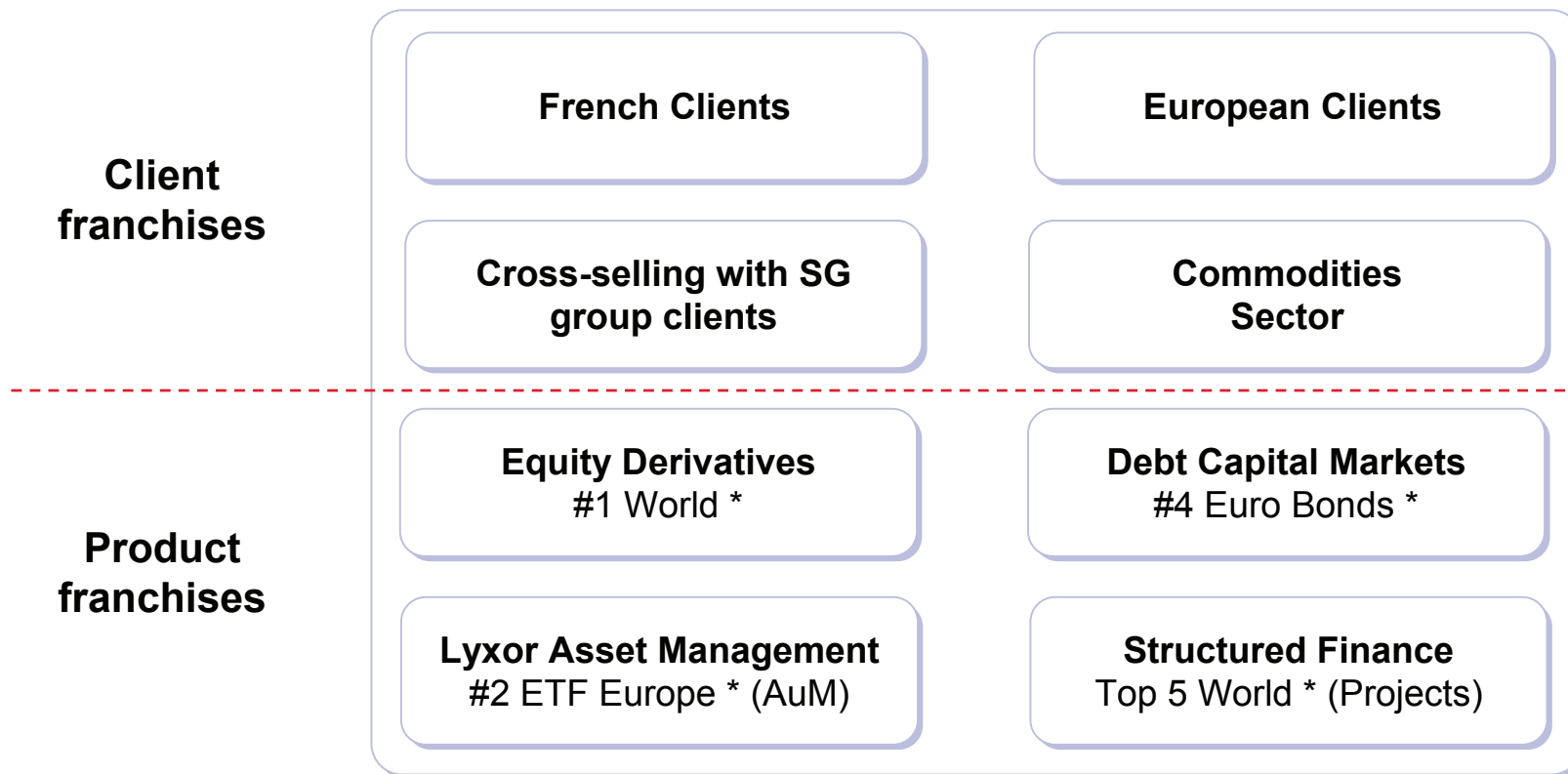
Dislocation in Q4 08: limited losses

Commercial cost of risk: contained in 2009, down since end Q3 09

* NBI restated for non-recurring items - Peer group = 13 major CIB divisions incl. SG CIB

** Equities & Fixed Income: peer group of 11 CIB divisions disclosing detailed NBI – Financing: comparison with BNPP and CA CIB having a similar business mix

A model drawing on recognised competitive advantages



→ A solid revenue base

* Rankings at end 2009

A more demanding environment than in the previous cycle



* Corresponds to 5-6% annual growth based on normalised 2009

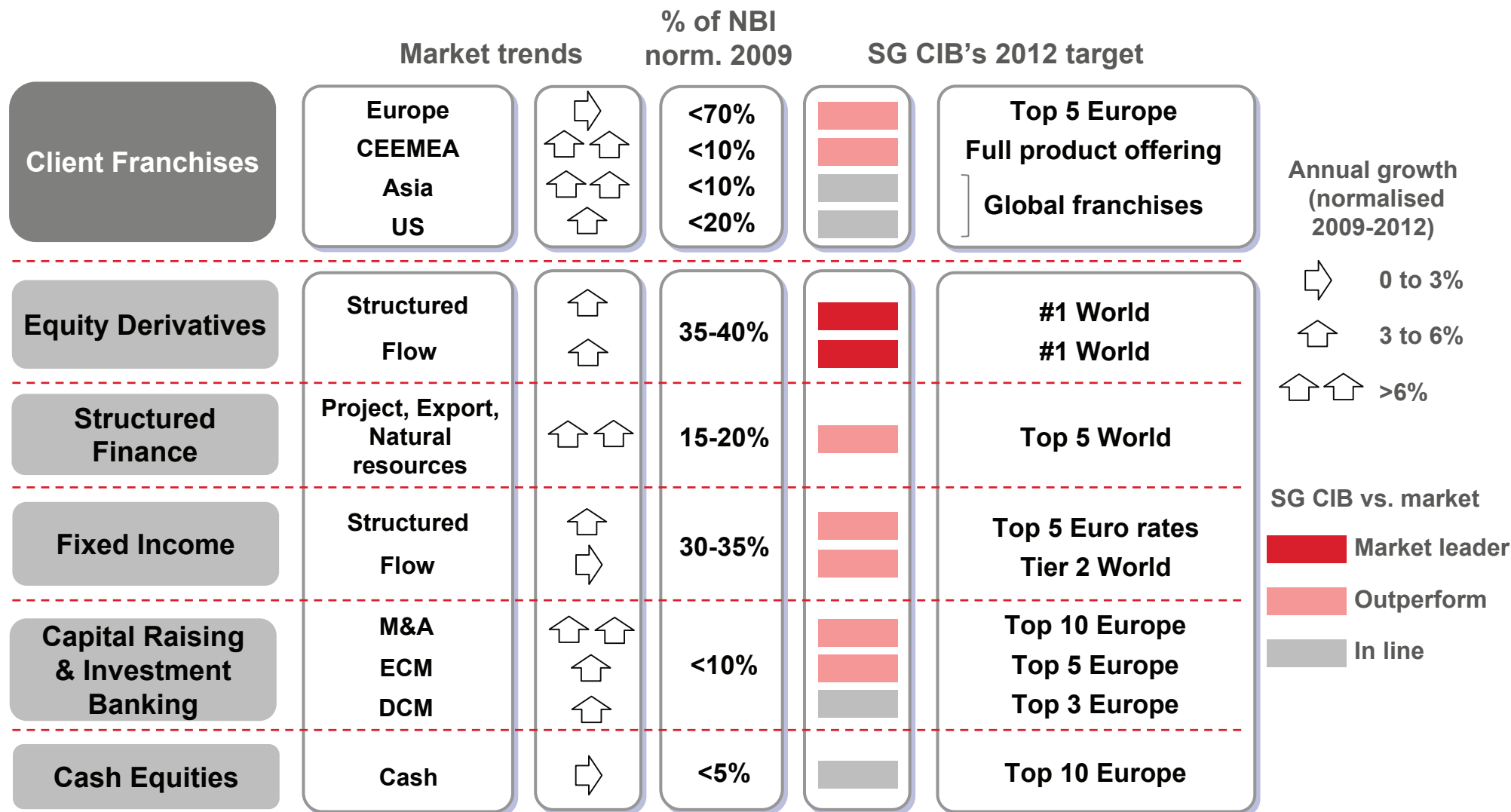
** Panel of 13 major CIB divisions including SG CIB, at end 2009

SG market view: growth opportunities

Market trends (CIB industry revenues)

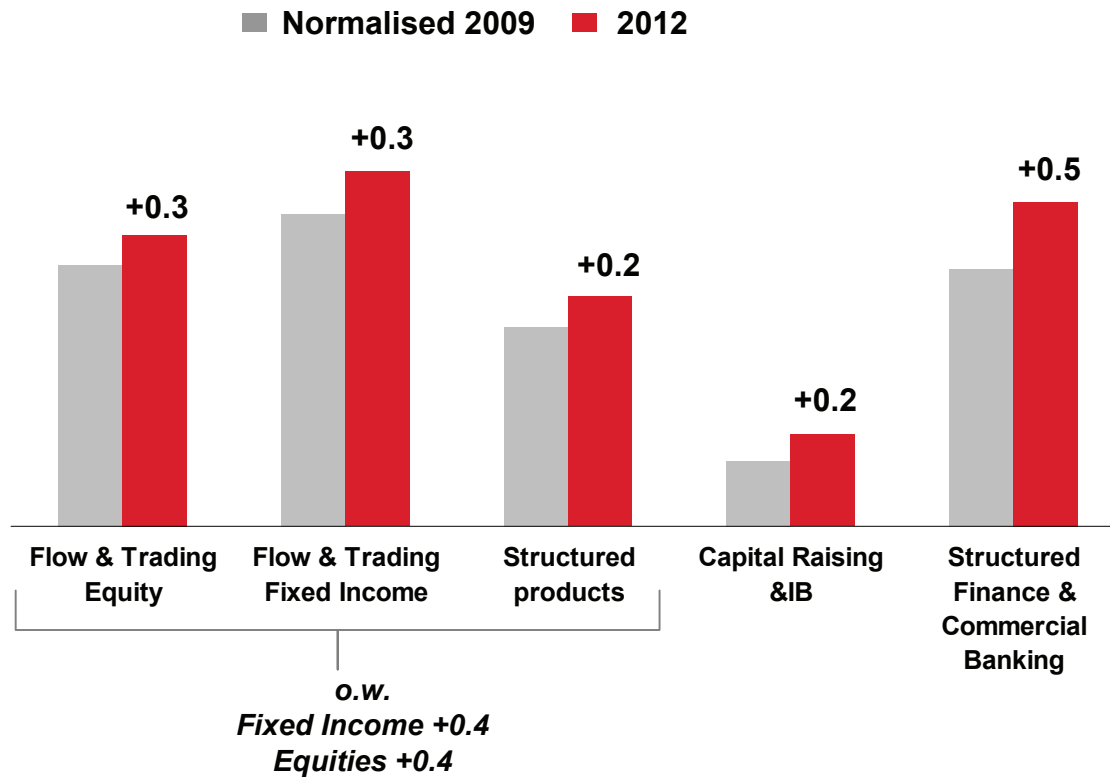
				Annual growth (normalised 2009-2012)
Client Franchises	Europe CEEMEA Asia US		<ul style="list-style-type: none"> ▪ Low growth ▪ Highly dynamic growth, maturing of local markets ▪ Moderate growth 	
Equity Derivatives	Structured Flow		<ul style="list-style-type: none"> ▪ Growth in clients' risk hedging needs, high margins on tailored products 	0 to 3%
Structured Finance	Project, Export, Natural resources		<ul style="list-style-type: none"> ▪ Sustained growth, significant needs of emerging countries in terms of infrastructure and energy projects 	>6%
Fixed Income	Structured Flow		<ul style="list-style-type: none"> ▪ Return of securitisation in a simplified form and segments to be re-invented - high margins ▪ Volume growth but strong pressure on margins 	
Capital Raising & Investment Banking	M&A ECM DCM		<ul style="list-style-type: none"> ▪ Upturn in the M&A market post-crisis ▪ Significant issuance needs in all segments 	
Cash Equities	Cash		<ul style="list-style-type: none"> ▪ Limited growth, pressure on margins 	

SG CIB franchises lead to superior growth



Additional revenue target around EUR +1.5bn by 2012

Revenue growth of SG CIB's main businesses
(NBI increase in bn EUR)



Balanced growth of businesses

Annual NBI
≈ EUR 9.5bn in 2012

4 pillars for SG CIB development

- 1** Expand the worldwide leadership position in equity derivatives and cross-asset structured products
- 2** Develop structured financing by capitalising on high growth segments
- 3** Leverage the solid European client franchise to further develop Fixed Income and Investment Banking
- 4** Develop CIB activities in CEE & Russia, leveraging the Group's presence in those regions

Equity flow products

SG CIB's competitive advantages:

- ▶ Established global leadership (#1 warrants, #4 ETFs)
- ▶ Lyxor: a strong brand and an extensive offering
- ▶ Recognised innovation and execution quality
- ▶ Integrated sales-engineering-pricing commercial coverage

Action plan

- ▶ Priority to cross-selling with existing clients in Asia and the US
- ▶ Increase coverage of institutional clients in Europe
- ▶ Mobilise growth levers worldwide with ETFs and new products to come

Ambition SG 2015

- Consolidate global leadership position
- Increase share of revenues in the US and Asia



Equity Derivatives House
of the Year – January 2010



Best Equity Derivatives House
Euromoney – May 2009



No. 1 in ETF Trading & Execution Services
Extel Pan-European Survey - 2009



Lyxor: Best Managed Account Platform

Structured products

SG CIB's competitive advantages:

- ▶ Solid franchise, revenues close to pre-crisis level
- ▶ Recognised experience in engineering and ability to develop tailored solutions that meet clients' needs
- ▶ Excellent trading, pricing and risk management capabilities

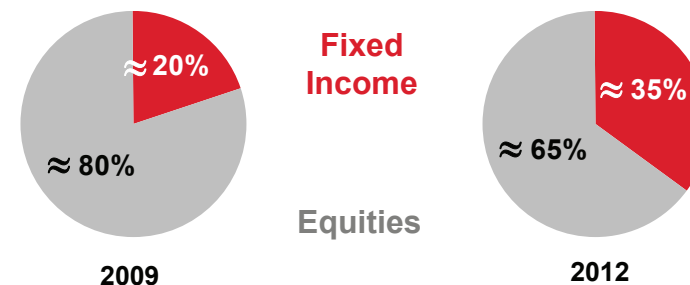
Action plan

- ▶ Mobilise synergies between the equity and fixed income teams
- ▶ Segmented client approach and dedicated sales teams
- ▶ Reinforce sales teams across regional platforms (Asia, Americas, CEEMEA)

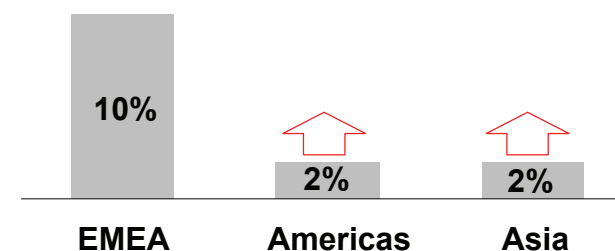
Ambition SG 2015

- Consolidate global leadership position in equity structured products
- Top 5 in Euro structured rates
- Balanced revenues (*underlyings and regions*)

Rebalancing of revenues in terms of underlyings



High growth potential outside Europe (structured product market share, 2009) *



* source: O. Wyman

Structured Financing

SG CIB's competitive advantages:

- ▶ Top 5 World for Export Finance, Natural Resources and Infrastructure
- ▶ Excellent knowledge of assets and structures, ensuring a good risk-reward ratio

Action plan

- ▶ Increase allocated scarce resources
- ▶ Launch a commodities development plan
- ▶ Expand teams dedicated to the main emerging markets

Ambition SG 2015

- Improve positioning in Asia and CEEMEA
- Continue to seize growth opportunities, +25% NBI in high potential segments

Globally recognised expertise

Export Finance	2009	2008	2007
Best Export Finance Arranger	#1	#1	#1
Best Global Export Finance Bank	✓	✓	
Commodities Finance	2009	2008	2007
Best Commodity Finance Bank	#1	#2	#1
Best Energy Commodity Finance Bank	#3	#2	
Best Metals Commodity Finance Bank	#2	#1	
Best Global Commodity House		✓	
Project and Asset Finance	2009	2008	2007
Advisor of the year	✓		
Best arrangers of project finance loans	#1	#1	#2
Bank of the Year in Americas		✓	
Best Project Finance House in Western Europe, Central & Eastern Europe and Africa		✓	

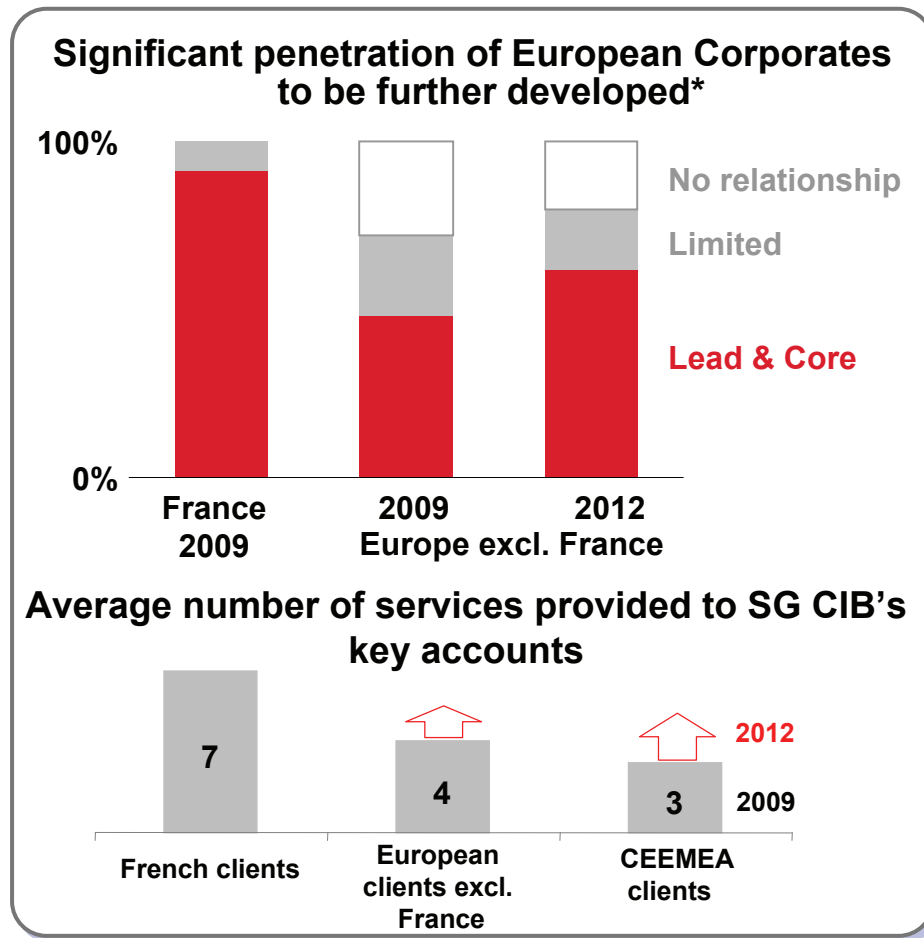


Best export finance arranger for the 8th year running
Best commodity finance bank



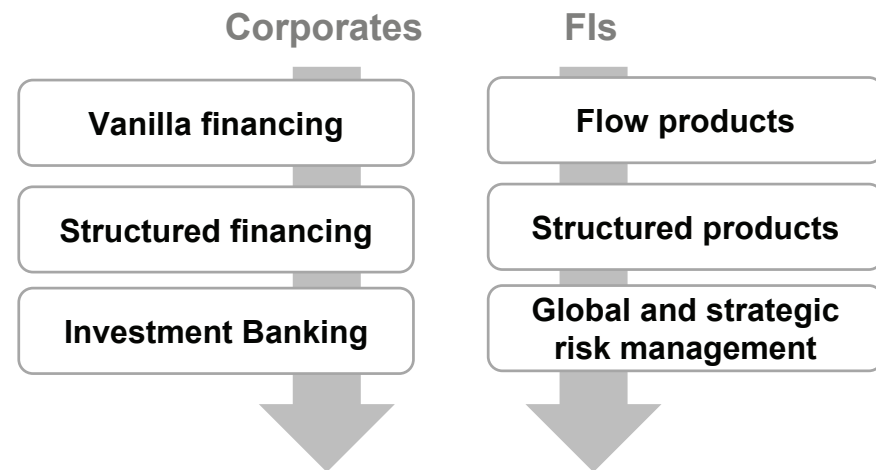
Project finance advisor of the year

Realigned operations to develop corporate and FI franchises



Strengthen the advisory & strategic dimension of relationships

- ▶ **Corporates** → focus on 550 strategic clients
- ▶ **FIs** → segmented coverage of 250 key clients



* Panel representative of Top Tier Corporates (>EUR 2bn in revenues), source: Greenwich

Meet fixed income flow demand more effectively

SG CIB's competitive advantages:

- ▶ Market share gains since the start of the crisis
- ▶ Creation of a single Global Markets department
- ▶ Strong demand from European clients (including CEEMEA)

Action plan

- ▶ 200 Front Office new hires by 2012
- ▶ Development of USD and GBP origination and distribution capabilities
- ▶ Investments to expand the FX product offering

Ambition SG 2015

- Meet all client needs
- Enter the FX world top 10
- Consolidate global Tier 2 position

	Market	SG CIB 2012 targets	
Rates	↔	In line	Top 5 Europe
FX	↔	Outperform	Top 10 World
Credit	↑	In line	Top 10 Europe
Commodities	↑	Outperform	Tier 2 World
Global	↔	Outperform	Tier 2 World

Annual growth
(normalised
2009-2012)

- ↔ 0 to 3%
- ↑ 3 to 6%

SG CIB's
performance

- Outperform
- In line

Keep pace with Investment Banking needs in Europe

SG CIB's competitive advantages:

- ▶ Close commercial relationships with key accounts in Europe
- ▶ Unique positioning in CEEMEA
- ▶ Demonstrated ability to provide high added-value solutions (Equity-linked, Strategic Equity Transactions, etc.)

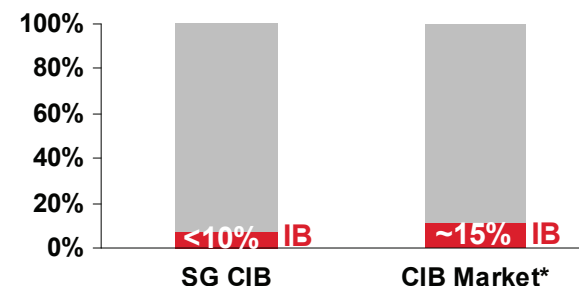
Action plan

- ▶ Recruitment of 25 Senior Bankers in 2009 and 2010
- ▶ Double M&A headcount
- ▶ Focus on selected sectors of strong expertise: Energy, FI, Media & Telecom

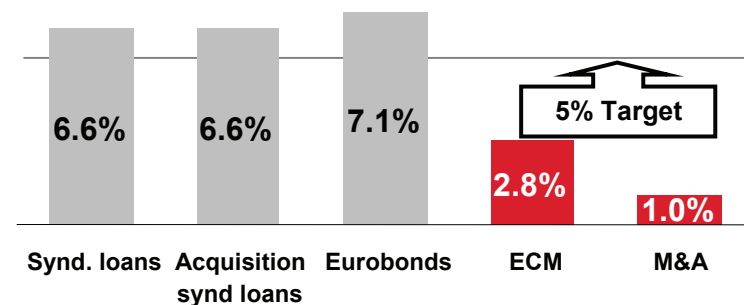
Ambition SG 2015

- Top 10 position in Europe for all segments (products/clients)
- Consolidate client relations

A limited contribution to client-driven revenues (2009)



Growth potential to achieve SG CIB natural market share (2009 market share**)



* McKinsey estimates based on a normalised environment (2010)
** source IFR

CEE & Russia developments

SG CIB's competitive advantages:

- ▶ A unique client base
- ▶ Potential for untapped synergies with local Group entities
- ▶ Strong growth (>10%), particularly in selected sectors of expertise

A solid positioning

#1 Euro Bonds CEEMEA*

#7 All International Bonds CEEMEA*

#2 Project finance CEEMEA*

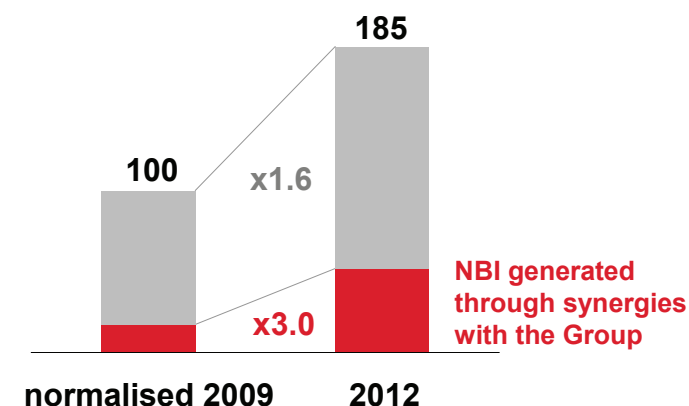
Action plan

- ▶ Development of local market platforms via joint ventures with Societe Generale's international network
- ▶ Creation of dedicated origination/sales teams within the business lines

Ambition SG 2015

- Generate higher than market growth by leveraging synergy potential with the Group
- Make the region SG CIB's 2nd domestic market

Fully leverage synergies with the Group to exceed the market's growth
(CEEMEA NBI, 2009 = Index 100)

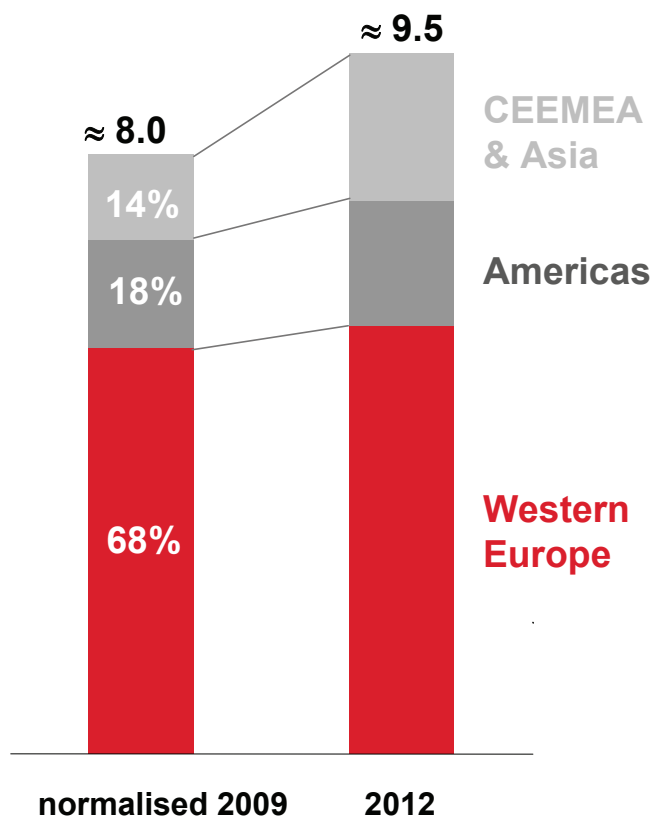


* Source Thomson Financial, at end-2009

A balanced business mix

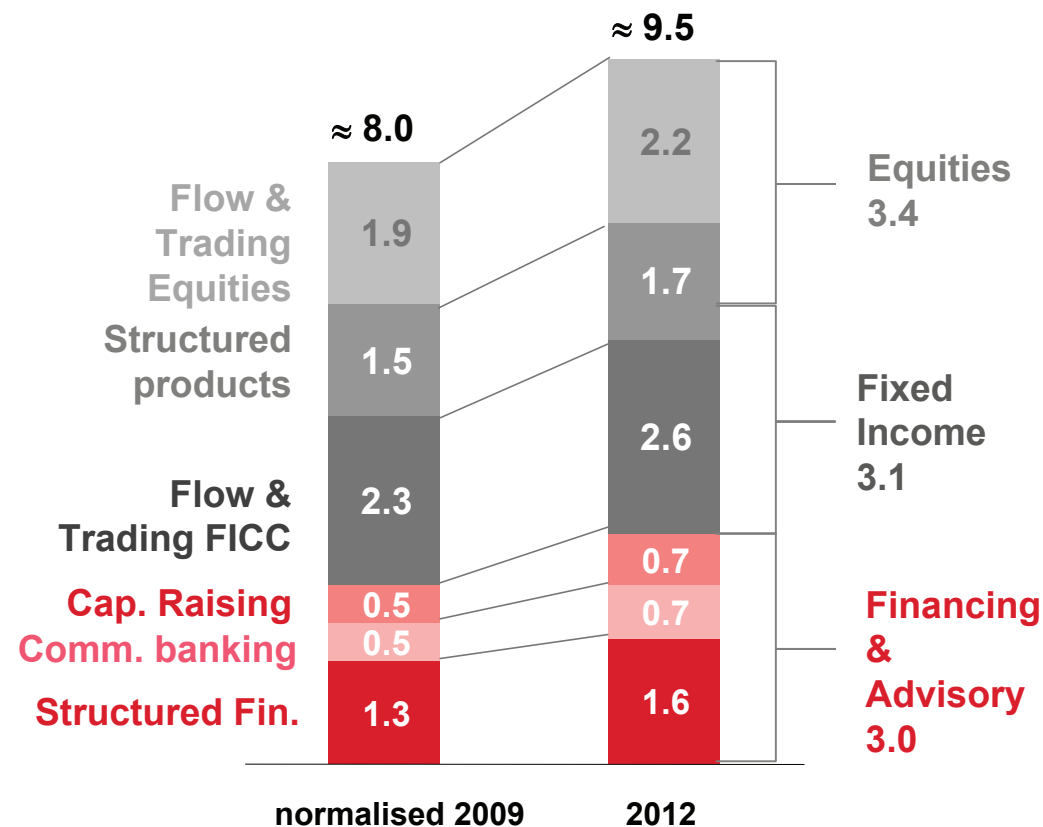
Increase exposure to high growth regions

Breakdown of NBI by geographic region (EUR bn)



Balanced growth of businesses

Breakdown of NBI by activity (EUR bn)



Resolution (1/2): Transform the operational model to further improve risk control and optimise the cost structure

An ambitious programme:
make SG CIB a benchmark in terms of operational risk prevention and efficiency
through a EUR 600m investment



Main initiatives

Centralise the booking
of transactions

Simplify processes

Overhaul the processes
and IT architecture

Review geographic
locations and
partnership strategy

Resolution (2/2): Transform the operational model to further improve risk control and optimise the cost structure

- **Lasting productivity gains expected for the resource functions**

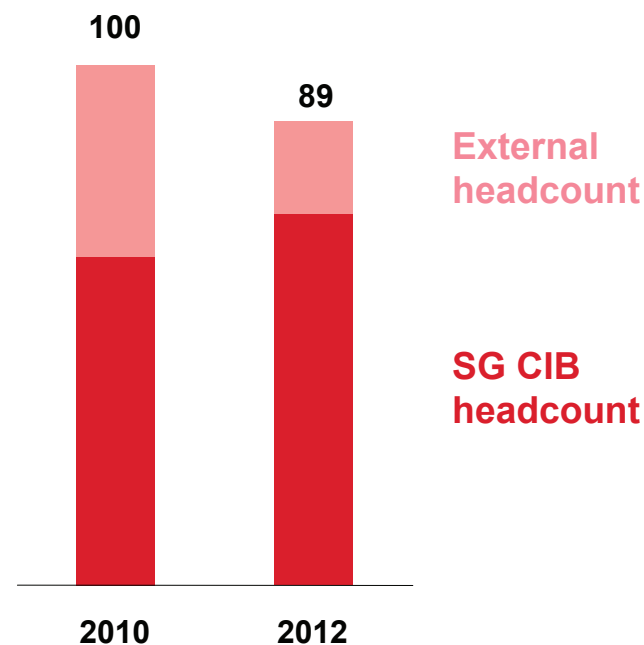
- ▶ Rationalisation of IT architecture
- ▶ Potential decrease in C/I from end-2012 onwards
- ▶ Lower sensitivity of costs to the increase in SG CIB's revenues

- **Ambitions are high but appropriate to the specific needs of SG CIB's business mix**

- ▶ Proportion of revenues derived from structured franchises requires appropriate level of operational resources
- ▶ Proactive cautious management of operational risk
- ▶ Increase in internal headcount

Expected productivity gains while maintaining the specific features of SG CIB's business model

Change in support headcount
(2010 index 100)



**Ambition
SG 2015**

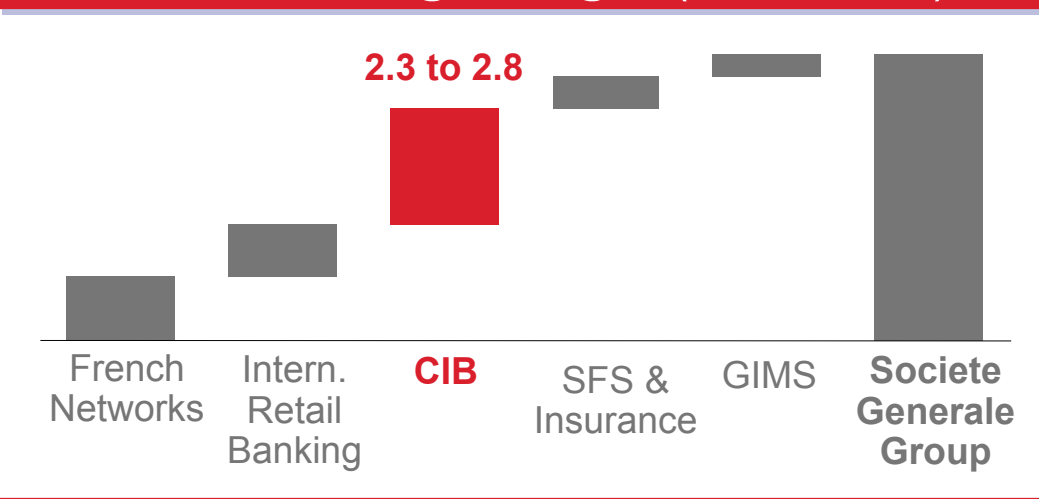
Top 5 position in Europe through targeted developments taking full advantage of the client franchise

- ▶ Consolidate global leadership positioning equity derivatives and structured finance
- ▶ Strengthen the positioning with Corporate and FI clients
- ▶ Continued geographic rebalancing; increased contribution of high growth countries

Targets for 2012

- Top 5 position in Europe
- ≈ EUR +1.5bn NBI growth through increase in FO headcount (+1,200) and RWA (+20%*)
- C/I ratio ≈ 55%

2012 Net Earnings Target (in EUR bn)



* Excluding regulatory impact

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.

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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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2010