

# **SOCIETE GENERALE GROUP RESULTS**

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2nd quarter and 1st half 2019 | 01.08.2019

**THE FUTURE  
IS YOU**  **SOCIETE  
GENERALE**

# 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.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the Registration Document filed with the French Autorité des Marchés Financiers.

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The financial information presented for the quarter and first half ending 30 June 2019 was reviewed by the Board of Directors on 31 July 2019 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date. The limited review procedures on the condensed interim financial statements at 30 June 2019 carried out by the Statutory Auditors are currently underway.

**The figures presented in this document have been restated for the application of IAS 12 amendment. As a consequence, the tax effect on interest paid to holders of deeply subordinated notes & undated subordinated notes is now accounted in the profit and loss of the period on « Income tax ». See supplement.**

**1**

# **INTRODUCTION**



# Q2 19 AND H1 19 KEY HIGHLIGHTS



## WELL ON TRACK TO DELIVER CAPITAL TRAJECTORY

**CET1 up at 12.0%**

>200 bp buffer over MDA

- ⇒ Strong discipline in RWA consumption
- ⇒ Further progress in Global Markets RWA reduction (EUR 2.6bn)
- ⇒ Further progress in refocusing program: closing of Eurobank (+8bp)

**Leverage ratio at 4.3%**



## RESILIENT PROFITABILITY, RESTRUCTURING ON TRACK

EUR 1.6bn cost program on track: ca.35% of cost savings achieved

Group net income<sup>(1)</sup> : EUR 1.25bn in Q2 19

ROTE<sup>(1)</sup>: 9.7% in Q2 19 (9.1% in H1 19)



## STRONG RISK PROFILE

Low cost of risk (23bp) in H1 19

Decrease in NPL ratio at 3.4%, 55% gross coverage ratio

Solid balance sheet:

- ⇒ 69% of funding program already achieved
- ⇒ TLAC and MREL compliant

(1) Underlying data. See supplement.

# COMMITTED TO POSITIVE TRANSFORMATIONS



## VOLUNTARY AND RESPONSIBLE POLICY

## LONG-TERM VISION TO ACCOMPANY OUR CLIENTS THROUGH POSITIVE TRANSFORMATIONS



### TRANSITION TO LOWER CARBON

Strengthened commitments in the energy transition: scheduled 2030 exit from thermal coal in EU and OECD and 2040 elsewhere

Promote and sign commitments towards decarbonising the shipping industry

First Climate Disclosure 'TCFD'<sup>(1)</sup> report published



### PIONEER IN POSITIVE IMPACT

EUR 100bn commitment to support the energy transition between 2016 and 2020 : 89% achieved at end-Q2 19

Inaugural EUR 1bn 10-year Positive Impact Covered Bond on carbon-efficient real estate

Renewable energy: #4 Mandated Lead Arranger worldwide and #2 EMEA (Dealogic 2018)



### GROW WITH AFRICA

Awarded 'Africa's Best Bank for Corporate Responsibility' (Euromoney 2019) for:

- Commitment to SMEs, microfinance, women entrepreneurs and staff diversity

Awarded 'Best Sustainable Export Finance Deal of the Year' for EUR 253m financing of Abidjan drinking water supply plant (TXF 2018)



### TRANSITION TO SUSTAINABLE CITIES

Applying innovation to create new models :

- Founding co-partner of the Netexplo Smart Cities Accelerator
- Launch of LaVilleE+® start-up

(1) Task Force on Climate-related Financial Disclosure

# **2 GROUP PERFORMANCE**



# Q2 19 AND H1 19 GROUP PERFORMANCE



## FRENCH RETAIL BANKING

### Revenues

**+2.1%, excl. PEL/CEL** vs. Q2 18  
-0.6%, excl. PEL/CEL, vs. H1 18

Increase in net interest margin (+1.7% vs. Q2 18) underpinned by good trend in medium-term corporate loans

Fees affected by French banking industry commitment measures and market environment

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

**12.6% in Q2 19**  
**11.5% in H1 19**

## INTERNATIONAL RETAIL BANKING

### Revenues

**+7.0%\*** vs. Q2 18  
+7.5%\* vs. H1 18

Strong revenue growth in all regions driven by volume effect

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

**17.1% in Q2 19**  
**16.5% in H1 19**

## INSURANCE AND FINANCIAL SERVICES

### Revenues

**+2.9%\*** vs. Q2 18  
+3.6%\* vs. H1 18

Steady growth in insurance revenues in France and abroad  
Good momentum in equipment finance  
New personal car leasing offer in partnership with Amazon

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

**21.3% in Q2 19**  
**20.9% in H1 19**

## GLOBAL BANKING AND INVESTOR SOLUTIONS

### Revenues

**-6.1% (-7.3%\*)** vs. Q2 18  
-2.6% (-4.6%\*) vs. H1 18

Sustained Financing activities, subdued Investment Banking activities in Europe

Resilient Global Markets revenues

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

**10.0% in Q2 19**  
**8.9% in H1 19**

## CORPORATE CENTRE

**EUR +38m**

Q2 19 Gross operating income

**EUR -91m**

Q2 19 Contribution to Group net income

**Q2 19 Revenues EUR 6.3bn, Q2 19 Group net income<sup>(1)</sup> at EUR 1,247m**

(1) Underlying data: adjusted for exceptional items, IFRIC 21 linearisation and PEL/CEL provision for French Retail Banking. See supplement.

\* When adjusted for changes in Group structure and at constant exchange rates

# RESILIENT BUSINESS MODEL IN A "LOW FOR LONG" RATE ENVIRONMENT



## GLOBAL BANKING AND INVESTOR SOLUTIONS

**>75%** of revenues generated by non interest income

Direct sensitivity to Eurozone rates mainly related to Securities Services and GTB



## FINANCIAL SERVICES & INSURANCE

**>95%** of revenues generated by non interest income



Deposit margin collected in Eurozone retail banking



## FRENCH RETAIL BANKING

**~50%** of revenues generated by non interest income

Dynamic loan book growth supporting net interest margin

Direct sensitivity to Eurozone rates related to deposit margin



## INTERNATIONAL RETAIL BANKING

**>25%** of revenues generated by non interest income

Supportive interest rate environment combined with strong loan growth

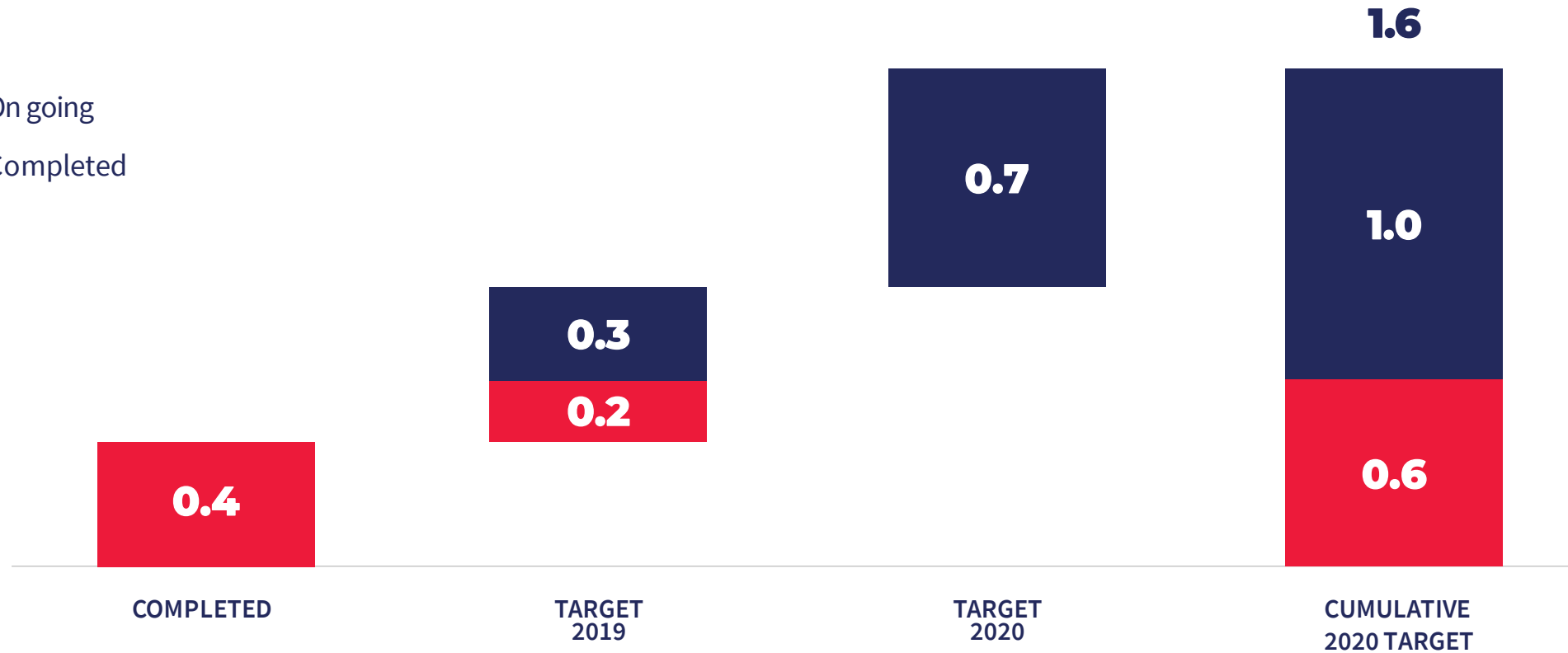
Based on net banking income as disclosed in the 2018 financial statements, revenues generated by non interest income are all revenues except interest income



# IMPROVING COST FLEXIBILITY

## DELIVERING COST SAVINGS

Gross cost savings in EURbn



# LOW COST OF RISK, STRONG RISK PROFILE

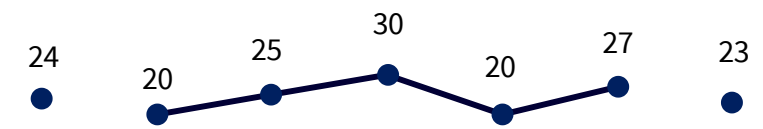
## GROUP

Cost of risk<sup>(1)</sup> (in bp)

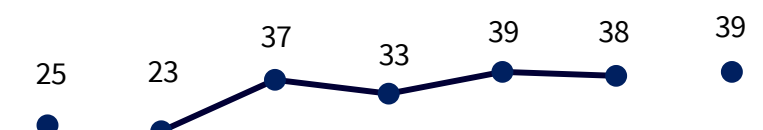
H1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	H1 19
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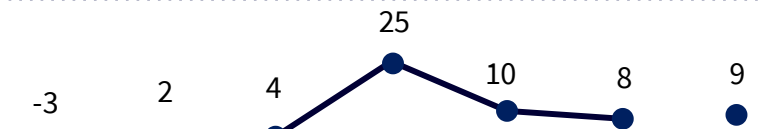
## FRENCH RETAIL BANKING



## INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES



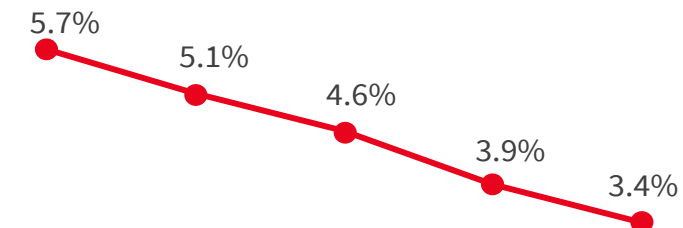
## GLOBAL BANKING AND INVESTOR SOLUTIONS



(1) Outstandings at beginning of period. Annualised.

## NON-PERFORMING LOAN RATIO

JUNE 15 JUNE 16 JUNE 17 JUNE 18 JUNE 19



**GROSS COVERAGE RATE:** 55% at end-June 19

# CET1 AT 12%

**CET1<sup>(1)</sup> UP+52bp AT 12.0%**

>200 bp buffer over MDA

**LEVERAGE RATIO AT 4.3%**

**TLAC<sup>(3)</sup> RATIO: 25.8% OF RWA**

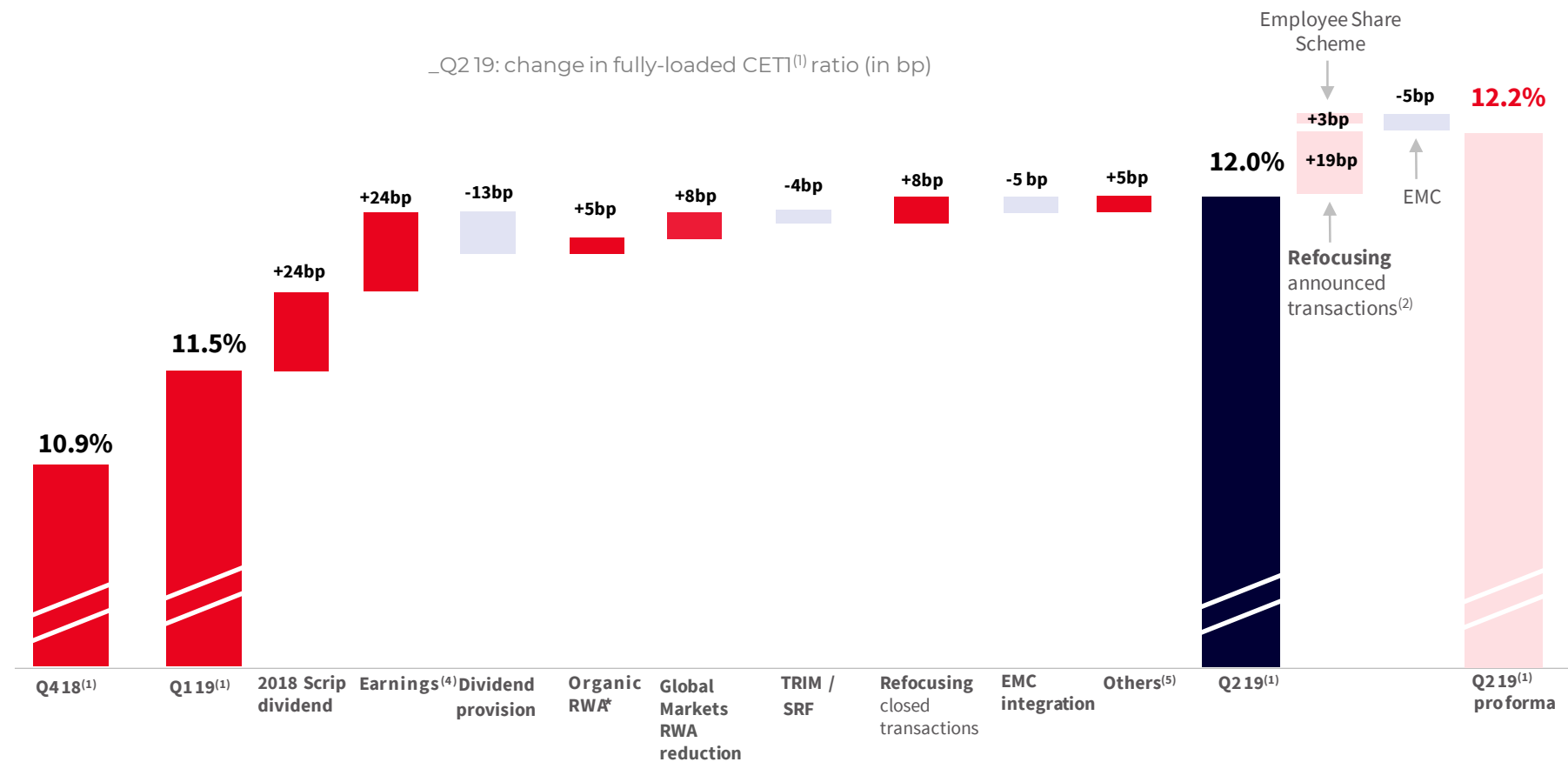
**ALREADY MREL COMPLIANT**

**LIQUID ASSET BUFFER**

EUR 188bn at end-June 19

**LCR AND NSFR** above 100%

**69% OF FUNDING PROGRAM ALREADY ACHIEVED**



(1) Fully-loaded, based on CRR/CRD4 rules, including the Danish compromise for Insurance. See Methodology.

(2) Estimated impact at signing date, excluding IFRS 5 impact, as of August 1<sup>st</sup> 2019

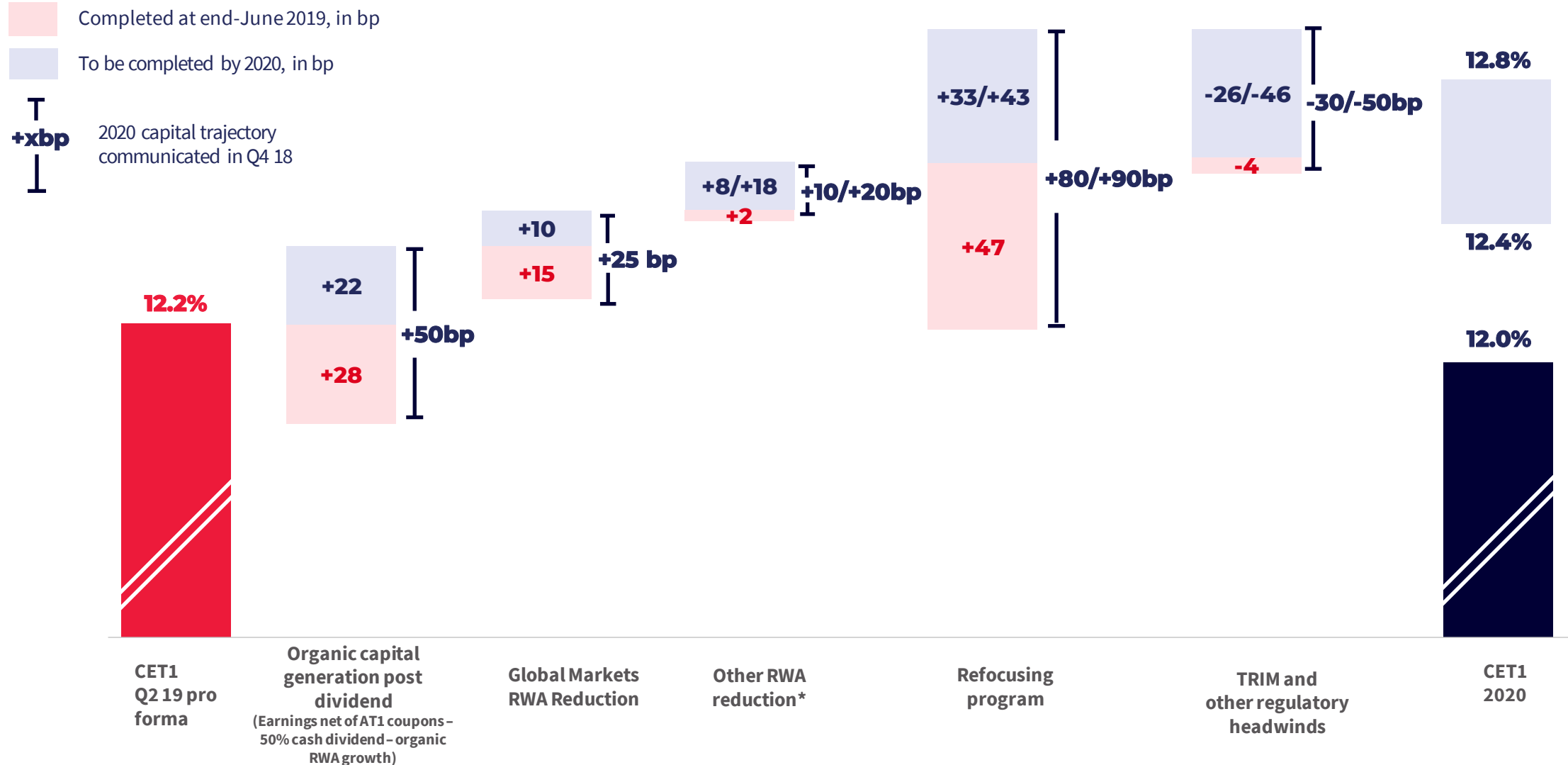
(3) Including 2.5% of Senior Preferred debt.

(4) Including -5bps of hybrid coupons

(5) Mainly DTA

\* when adjusted for changes in Group structure and at constant exchange rates

# ON TRACK TO DELIVER OUR 2020 CET1 TARGET



\* Securitisation, risk transfer, OTD, insurance

# GROUP RESULTS

## RESILIENT REVENUES

Q2 19 Revenues from businesses -0.9%\* vs. Q2 18

## OPERATING EXPENSES

Effect of restructuring provisions in GBIS (EUR -227m) and IBFS (EUR -29m)

## INCOME TAX

Effect of IAS 12 amendment: tax effect of hybrid coupons recorded in "Income Tax" for EUR +63m in Q2 19 and EUR +118m in H1 19

<i>In EUR m</i>	Q2 19	Q2 18	Change		H1 19	H1 18	Change	
<b>Net banking income</b>	<b>6,284</b>	<b>6,454</b>	<b>-2.6%</b>	<b>-2.1%*</b>	<b>12,475</b>	<b>12,748</b>	<b>-2.1%</b>	<b>-2.0%*</b>
<i>Underlying net banking income(1)</i>	6,284	6,454	-2.6%	-2.1%*	12,475	12,748	-2.1%	-2.0%*
<b>Operating expenses</b>	<b>(4,270)</b>	<b>(4,403)</b>	<b>-3.0%</b>	<b>-2.5%*</b>	<b>(9,059)</b>	<b>(9,132)</b>	<b>-0.8%</b>	<b>-0.5%*</b>
<i>Underlying operating expenses(1)</i>	(4,152)	(4,370)	-5.0%	-4.5%*	(8,500)	(8,594)	-1.1%	-0.8%*
<b>Gross operating income</b>	<b>2,014</b>	<b>2,051</b>	<b>-1.8%</b>	<b>-1.2%*</b>	<b>3,416</b>	<b>3,616</b>	<b>-5.5%</b>	<b>-5.9%*</b>
<i>Underlying gross operating income(1)</i>	2,132	2,084	+2.3%	+3.0%*	3,975	4,154	-4.3%	-4.6%*
<b>Net cost of risk</b>	<b>(314)</b>	<b>(170)</b>	<b>+84.7%</b>	<b>+96.1%*</b>	<b>(578)</b>	<b>(378)</b>	<b>+52.9%</b>	<b>+59.1%*</b>
<i>Underlying net cost of risk (1)</i>	(296)	(170)	+74.1%	+84.8%*	(560)	(378)	+48.1%	+54.0%*
<b>Operating income</b>	<b>1,700</b>	<b>1,881</b>	<b>-9.6%</b>	<b>-9.4%*</b>	<b>2,838</b>	<b>3,238</b>	<b>-12.4%</b>	<b>-13.0%*</b>
<i>Underlying operating income(1)</i>	1,836	1,914	-4.1%	-3.8%*	3,415	3,776	-9.6%	-10.1%
<b>Net profits or losses from other assets</b>	<b>(80)</b>	<b>(42)</b>	<b>-90.5%</b>	<b>-90.7%*</b>	<b>(131)</b>	<b>(41)</b>	<b>n/s</b>	<b>n/s</b>
Income tax	(390)	(448)	-12.9%	-12.4%*	(645)	(765)	-15.7%	-16.3%*
<b>Reported Group net income</b>	<b>1,054</b>	<b>1,224</b>	<b>-13.9%</b>	<b>-13.4%*</b>	<b>1,740</b>	<b>2,127</b>	<b>-18.2%</b>	<b>-18.6%*</b>
<b>Underlying Group net income(1)</b>	<b>1,247</b>	<b>1,333</b>	<b>-6.4%</b>	<b>-5.8%*</b>	<b>2,332</b>	<b>2,590</b>	<b>-10.0%</b>	<b>-10.3%*</b>
ROE	6.9%	8.6%			5.5%	7.5%		
ROTE	8.3%	10.4%			6.9%	8.9%		
<b>Underlying ROTE (1)</b>	<b>9.7%</b>	<b>11.2%</b>			<b>9.1%</b>	<b>11.0%</b>		

(1) Underlying data: adjusted for exceptional items and IFRIC 21 linearisation. See Methodology and Supplement p.31

Note: 2018 figures restated for IAS 12 impact of tax effect on interest paid to holders of deeply subordinated notes & undated subordinated notes (EUR +68m on Q2 18 and EUR +121m on H1 18) on "Income tax" and "Group net income". See supplement.

(2) Group net income, adjusted for hybrid coupons

\*when adjusted for changes in Group structure and at constant exchange rates

# **3 BUSINESS PERFORMANCE**



# DEVELOPING CORE FRANCHISES IN FRENCH RETAIL BANKING

## DEVELOPING CLIENT BASE

 **#1**  
Best Bank for corporates<sup>(1)</sup>

 **+2%**  
# of wealthy and mass affluent clients vs. Q2 18

 **~1.9m**  
Boursorama clients as of 30 June 2019

**INDIVIDUAL  
CLIENT LOAN  
OUTSTANDINGS**

**+3% vs. Q2 18**

**MEDIUM-TERM  
CORPORATE LOAN  
OUTSTANDINGS**

**+8% vs. Q2 18**

## ADAPTING SET UP LEVERAGING ON DIGITAL

 **339** Societe Generale branches closed since end-2015, on track to reach 2020 target

**110** Pro corners as of 30 June 19

**13** business centres as of 30 June 19

 **2m** Instant Payments since January

**~70%** Online increase in credit cards limits in SG network

**PRIVATE BANKING  
AuM**

**EUR 67bn**

**Q2 19 Net inflows**

**EUR 1.1bn**

**INSURANCE  
Life insurance outstandings**

**EUR 95bn**

**Protection premiums**

**+1.4% vs. H1 18**

(1) Study carried out by Challenges magazine's among corporate CFOs

# FRENCH RETAIL BANKING RESULTS

## REVENUES

Q2 19 revenues<sup>(1)</sup> +2.1% vs. Q2 18 (+4.9% vs. Q1 19 and -0.6% vs. H1 18), confirming 2019 revenue<sup>(1)</sup> guidance between 0% and -1% vs. 2018

**Net interest income**<sup>(1)</sup> +1.7% vs. Q2 18 (+2.8% vs. Q1 19 and -0.8% vs. H1 18) underpinned by good momentum in credit to corporates and professionals

**Fees** -1.2% vs. Q2 18 (+2.9% vs. Q1 19 and -1.9% vs. H1 18) including a EUR +61m adjustment on commission-related taxes. Decrease in fees vs. a high comparative base in Q2 18, impacted by French banking industry commitment measures and market environment

## COSTS UNDER CONTROL

Operating expenses -1.0% vs. Q2 18 and stable vs. H1 18, confirming 2019 cost guidance between +1% and +2% vs. 2018

<i>In EUR m</i>	Q2 19	Q2 18	Change	H1 19	H1 18	Change
Net banking income	1,994	1,991	+0.2%	3,910	3,999	-2.2%
<i>Net banking income excl. PEL/CEL</i>	2,021	1,980	+2.1%	3,949	3,971	-0.6%
Operating expenses	(1,348)	(1,361)	-1.0%	(2,834)	(2,841)	-0.2%
<b>Gross operating income</b>	<b>646</b>	<b>630</b>	<b>+2.5%</b>	<b>1,076</b>	<b>1,158</b>	<b>-7.1%</b>
<i>Gross operating income excl. PEL/CEL</i>	673	619	+8.8%	1,115	1,130	-1.4%
Net cost of risk	(129)	(93)	+38.7%	(223)	(227)	-1.8%
<b>Operating income</b>	<b>517</b>	<b>537</b>	<b>-3.7%</b>	<b>853</b>	<b>931</b>	<b>-8.4%</b>
<b>Reported Group net income</b>	<b>356</b>	<b>365</b>	<b>-2.5%</b>	<b>590</b>	<b>635</b>	<b>-7.1%</b>
RONE	12.6%	13.2%		10.5%	11.3%	
<b>Underlying RONE (2)</b>	<b>12.6%</b>	<b>12.1%</b>		<b>11.5%</b>	<b>11.5%</b>	

## Q2 19 RONE<sup>(2)</sup>: 12.6%

(1) Excluding PEL/CEL provision

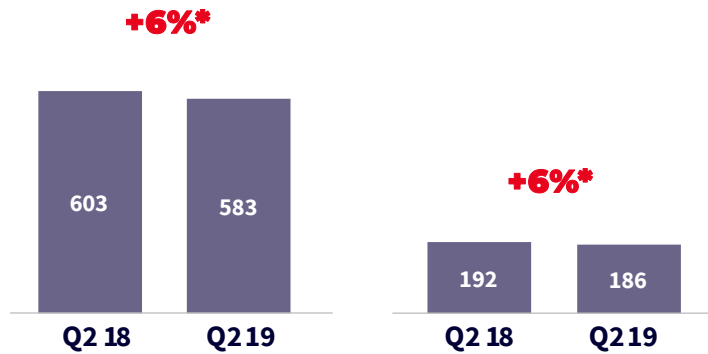
(2) Underlying data : adjusted for IFRIC 21 linearisation, PEL/CEL provision. See supplement.



# STRONG PERFORMANCE ACROSS REGIONS IN INTERNATIONAL RETAIL BANKING

## EUROPE

\_Net Interest Income (EUR m) \_Non-interest Revenues(EUR m)



Revenues up **+6%\*** vs. Q2 18

Strong revenue growth in all regions underpinned by **positive trend in interest rates**

Solid **momentum on Non-interest Revenues across regions** (Western Europe, Czech Republic and Romania)

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

\_Net Interest Income (EUR m) \_Non-interest Revenues(EUR m)



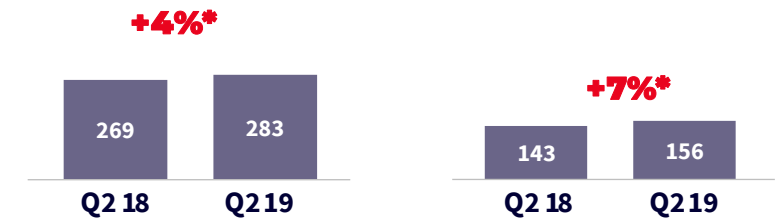
Revenues up **+13%\*** vs. Q2 18

Dynamic growth in **retail loan production** (+16%\* H1 19 vs H1 18) driven by mortgages and car loans

Solid **fee** momentum **in all segments**

## AFRICA AND OTHER

\_Net Interest Income (EUR m) \_Non-interest Revenues(EUR m)



Revenues up **+5%\*** vs. Q2 18

Steady revenue growth in **Africa +8%\*** driven by strong commercial momentum

**Regional IT hub** fully operational

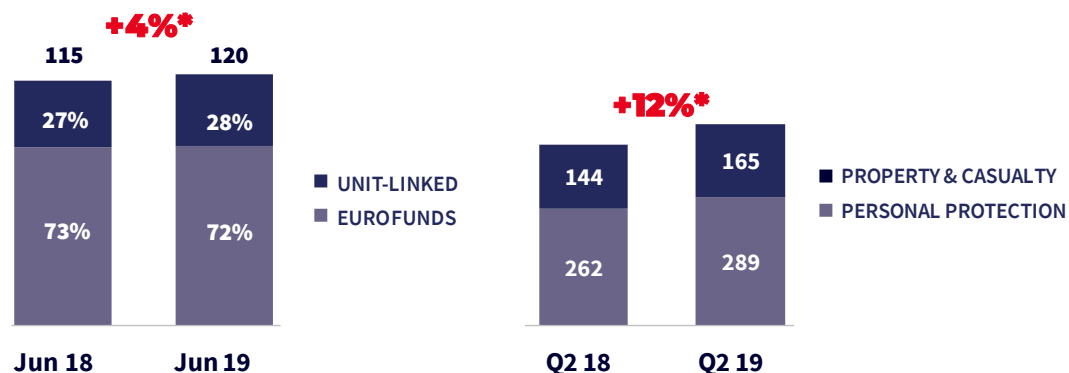
**Q2 19 GROUP NET INCOME EUR 297m, RONE 17.1%<sup>(2)</sup>**

\* When adjusted for changes in Group structure and at constant exchange rates / (1) SG Russia scope / (2) adjusted for IFRIC 21 linearisation

# HIGH PROFITABILITY IN INSURANCE AND FINANCIAL SERVICES

## SUSTAINED REVENUE GROWTH IN INSURANCE

\_Life Insurance Outstandings (EURbn)    \_Protection Premiums (EURm)



Revenues up **+3.6%\*** vs. Q2 18

Solid **performance across segments**

**Good momentum internationally** (life insurance premiums +34%\*, personal protection +27%\* and property & casualty +32%\*) which represents 18% of the activity in H1 19

## GOOD MOMENTUM IN FINANCIAL SERVICES

\_ALD Total fleet ('000 000)

\_SGEF Loan and Lease Outstandings<sup>(2)</sup> (EURbn)



Revenues up **+2.6%\*** vs. Q2 18

**ALD: fleet growth annual guidance confirmed**, H1 used car sales result well within 2019 guidance

Selected by Amazon to launch 'Motors' personal car leasing platform in Spain

**SGEF: confirmation of good Q1 momentum**, with revenues up +11%\*

**Q2 19 GROUP NET INCOME EUR 237m, RONE 21.3%<sup>(1)</sup>**

\* When adjusted for changes in Group structure and at constant exchange rates.

(1) Adjusted for IFRIC 21 linearisation

(2) Excluding factoring

# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES RESULTS

## STEADY REVENUE GROWTH

Q2 19 EUR 2,124m (+5.7%\* vs. Q2 18)

H1 19 EUR 4,200m (+6.1%\* vs. H1 18)

## SUPPORTING BUSINESS GROWTH MOMENTUM WITH POSITIVE JAW EFFECT IN H1 19<sup>(1)</sup>

Operating expenses +5.1%\* vs. H1 18,  
excluding restructuring provision for EUR 29m

## LOW COST OF RISK

39bp in H1 19

## IMPROVED PROFITABILITY

H1 19 RONE 18.2%<sup>(1)</sup>

<i>In EUR m</i>	Q2 19	Q2 18	Change		H1 19	H1 18	Change	
Net banking income	2,124	2,075	+2.4%	+5.7%*	4,200	4,064	+3.3%	+6.1%*
Operating expenses	(1,145)	(1,102)	+3.9%	+7.3%*	(2,349)	(2,281)	+3.0%	+6.5%*
<b>Gross operating income</b>	<b>979</b>	<b>973</b>	<b>+0.6%</b>	<b>+3.9%*</b>	<b>1,851</b>	<b>1,783</b>	<b>+3.8%</b>	<b>+5.8%*</b>
Net cost of risk	(133)	(75)	+77.3%	x2,1	(261)	(166)	+57.2%	+73.1%*
<b>Operating income</b>	<b>846</b>	<b>898</b>	<b>-5.8%</b>	<b>-3.4%*</b>	<b>1,590</b>	<b>1,617</b>	<b>-1.7%</b>	<b>-0.3%*</b>
Net profits or losses from other assets	0	0	n/s	-100.0%	1	4	-75.0%	-74.8%*
<b>Reported Group net income</b>	<b>515</b>	<b>541</b>	<b>-4.8%</b>	<b>-2.2%*</b>	<b>979</b>	<b>970</b>	<b>+0.9%</b>	<b>+2.7%*</b>
RONE	18.6%	18.9%			17.3%	17.0%		
<b>Underlying RONE (1)</b>	<b>18.9%</b>	<b>18.3%</b>			<b>18.2%</b>	<b>17.7%</b>		

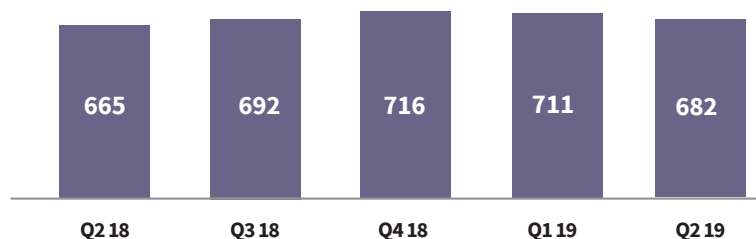
## Q2 19 RONE<sup>(1)</sup>: 18.9%

(1) Adjusted for IFRIC 21 linearisation and restructuring provision for EUR 29m

# STRONG FINANCING & ADVISORY, RESILIENT GLOBAL MARKETS

**FINANCING & ADVISORY REVENUES: +3% VS. Q2 18 (H1 19 revenues up +10% VS. H1 18)**

\_Financing & Advisory Revenues (EUR m)



**Sustained level of activity in Financing** with a **high level of fees**, low level of investment banking activity in Europe

**Active portfolio management** through various derisking and secondary sales initiatives: EUR 10bn notional amount in H1 19 vs. EUR 11bn for full-year 2018

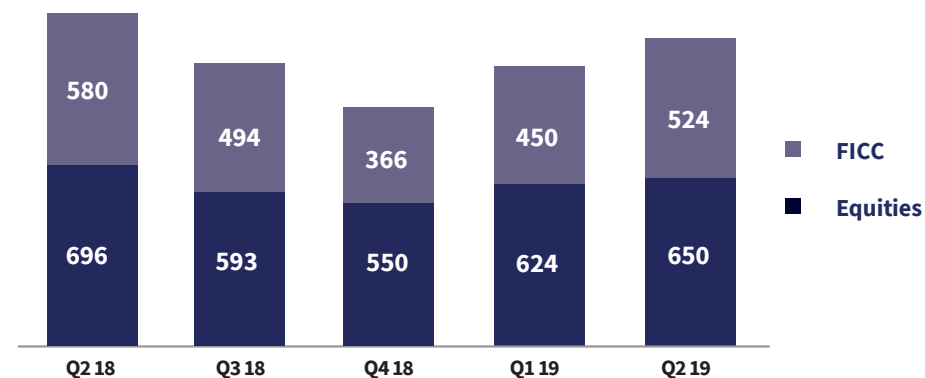
**Capturing transaction banking market share** in Western Europe: Revenues booked in GBIS up +19% vs. Q2 18

**ASSET & WEALTH MANAGEMENT REVENUES: -5% VS. Q2 18 (flat VS. H1 18) adjusted for Belgium disposal**

**Good private banking inflows in France**, Luxembourg and Switzerland and improvement in transaction volumes vs. low Q1 19

**GLOBAL MARKETS & INVESTOR SERVICES REVENUES: -9% VS. Q2 18**

\_Global Markets Revenues (EUR m)



**FICC revenues -10% vs. Q2 18** on low currency volatility and low interest rates, first business closures; **revenues +16% vs. Q1 19**

**Equities revenues -7% vs. Q2 18** on lower volumes in flow products; **revenues +4% vs. Q1 19**

**First transfer of front office staff** and structured derivative positions transferred from **Commerzbank**

Securities Services revenues -16% vs. Q2 18, flat adjusted for Q2 18 Euroclear revaluation

# RESTRUCTURING ON TRACK

## PORTFOLIO ADJUSTMENT

- ⇒ **Ongoing closure of OTC commodities principal business**
- ⇒ **Descartes Trading** in run-off

## COST BASE REDUCTION

- ⇒ **New organisation** in place since **1 July**
- ⇒ **Staff reduction process started** outside of France
- ⇒ **Voluntary redundancy plan launched** in France on July 1<sup>st</sup>
- ⇒ **EUR 227m** restructuring provision

## DELEVERAGING

- ⇒ **EUR 4.9bn** of the EUR 8bn of Global Markets deleveraging by 2020 **completed as of end of Q2**

# GLOBAL BANKING AND INVESTOR SOLUTIONS RESULTS

**REVENUES -6.1% vs. Q2 18,  
-2.6% vs. H1 18**

Strong Financing & Advisory, resilient Global Markets

**OPERATING EXPENSES -3.5% vs. Q2 18**

adjusted for EUR 227m restructuring provision and Commerzbank integration costs of EUR 21m

**-1.6% vs. H1 18**

**IMPROVED PROFITABILITY VS. Q1 19**

Underlying RONE up +2pts in Q2 19

<i>In EUR m</i>	Q2 19	Q2 18	Change		H1 19	H1 18	Change	
Net banking income	2,266	2,412	-6.1%	-7.3%*	4,505	4,627	-2.6%	-4.6%*
Operating expenses	(1,915)	(1,728)	+10.8%	+10.0%*	(3,941)	(3,752)	+5.0%	+3.7%*
<b>Gross operating income</b>	<b>351</b>	<b>684</b>	<b>-48.7%</b>	<b>-50.1%*</b>	<b>564</b>	<b>875</b>	<b>-35.5%</b>	<b>-39.0%*</b>
Net cost of risk	(33)	(7)	x 4,7	x 4,4	(75)	20	n/s	n/s
<b>Operating income</b>	<b>318</b>	<b>677</b>	<b>-53.0%</b>	<b>-54.4%*</b>	<b>489</b>	<b>895</b>	<b>-45.4%</b>	<b>-48.2%*</b>
<b>Reported Group net income</b>	<b>274</b>	<b>507</b>	<b>-46.0%</b>	<b>-47.5%*</b>	<b>414</b>	<b>673</b>	<b>-38.5%</b>	<b>-41.8%*</b>
RONE	7.1%	13.6%			5.2%	9.1%		
<b>Underlying RONE (1)</b>	<b>10.0%</b>	<b>11.7%</b>			<b>8.9%</b>	<b>11.0%</b>		

**Q2 19 RONE<sup>(1)</sup>: 10.0%**

(1) Adjusted for IFRIC 21 linearisation and restructuring provision

\* When adjusted for changes in Group structure and at constant exchange rates

# CORPORATE CENTRE

## GROSS OPERATING INCOME

EUR +38m in Q2 19, EUR -75m in H1 19

Adjustment of operating taxes: EUR +241m

## NET PROFITS OR LOSSES FROM OTHER ASSETS

Effect of IFRS 5 on refocusing program:

PEMA disposal for EUR -43m, Balkans for EUR -27m

<i>In EUR m</i>	Q2 19	Q2 18	H1 19	H1 18
Net banking income	(100)	(24)	(140)	58
Operating expenses	138	(212)	65	(258)
<b>Gross operating income</b>	<b>38</b>	<b>(236)</b>	<b>(75)</b>	<b>(200)</b>
Net cost of risk	(19)	5	(19)	(5)
Net profits or losses from other assets	(81)	(28)	(134)	(32)
<b>Reported Group net income</b>	<b>(91)</b>	<b>(189)</b>	<b>(243)</b>	<b>(151)</b>

Note: 2018 figures restated for IAS 12 impact of tax effect on interest paid to holders of deeply subordinated notes & undated subordinated notes (EUR +68m on Q2 18 and EUR +121m on H1 18) on « Income tax » and « Group net income ». See supplement.

**4**

**CONCLUSION**





# ON TRACK TO DELIVER

## GROW

Delivery in line with guidance in French Retail Banking  
Strong momentum in International Retail Banking and Financial Services  
Strong Financing & Advisory, resilient Global Markets



## TRANSFORM

French Retail Banking transformation well on track  
Global Markets restructuring in execution phase



## FOSTER RESPONSIBILITY

Strategy to exit coal with strengthened commitments for the energy transition

Inaugural EUR 1bn 10-year Positive Impact Covered Bond

Awarded 'Africa's Best Bank for Corporate Responsibility' (Euromoney 2019)



## ENHANCE SHAREHOLDER VALUE

## DELIVER ON COSTS

Efficiency program on track  
~35% of the EUR 1.6bn saving plan achieved



## COMPLETE REFOCUSING

Refocusing program delivering, +47bp already announced, o/w +28bp closed



**SAVE THE DATE – 20 NOVEMBER 2019**

# DEEP DIVE

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**INTERNATIONAL RETAIL  
BANKING**



**INSURANCE AND  
FINANCIAL SERVICES**

**THE FUTURE  
IS YOU**



**SOCIETE  
GENERALE**

**5**

**SUPPLEMENT**

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# GROUP

## QUARTERLY INCOME STATEMENT BY CORE BUSINESS

In EURm	French Retail Banking		International Retail Banking and Financial Services		Global Banking and Investor Solutions		Corporate Centre		Group	
	Q2 19	Q2 18	Q2 19	Q2 18	Q2 19	Q2 18	Q2 19	Q2 18	Q2 19	Q2 18
Net banking income	1,994	1,991	2,124	2,075	2,266	2,412	(100)	(24)	6,284	6,454
Operating expenses	(1,348)	(1,361)	(1,145)	(1,102)	(1,915)	(1,728)	138	(212)	(4,270)	(4,403)
Gross operating income	646	630	979	973	351	684	38	(236)	2,014	2,051
Net cost of risk	(129)	(93)	(133)	(75)	(33)	(7)	(19)	5	(314)	(170)
Operating income	517	537	846	898	318	677	19	(231)	1,700	1,881
Net income from companies accounted for by the equity method	2	10	(1)	2	2	3	2	(2)	5	13
Net profits or losses from other assets	1	1	0	0	0	(15)	(81)	(28)	(80)	(42)
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	(164)	(183)	(193)	(230)	(40)	(152)	7	117	(390)	(448)
O.w. non controlling Interests	0	0	137	129	6	6	38	45	181	180
<b>Group net income</b>	<b>356</b>	<b>365</b>	<b>515</b>	<b>541</b>	<b>274</b>	<b>507</b>	<b>(91)</b>	<b>(189)</b>	<b>1,054</b>	<b>1,224</b>
Average allocated capital	11,306	11,066	11,051	11,452	15,543	14,965	12,350 *	10,484 *	50,250	47,967
Group ROE (after tax)									6.9%	8.6%

Net banking income, operating expenses, allocated capital, ROE: see Methodology

\* Calculated as the difference between total Group capital and capital allocated to the core businesses

# GROUP

## HALF YEAR INCOME STATEMENT BY CORE BUSINESS

In EURm	French Retail Banking		International Retail Banking and Financial Services		Global Banking and Investor Solutions		Corporate Centre		Group	
	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18
Net banking income	3,910	3,999	4,200	4,064	4,505	4,627	(140)	58	12,475	12,748
Operating expenses	(2,834)	(2,841)	(2,349)	(2,281)	(3,941)	(3,752)	65	(258)	(9,059)	(9,132)
Gross operating income	1,076	1,158	1,851	1,783	564	875	(75)	(200)	3,416	3,616
Net cost of risk	(223)	(227)	(261)	(166)	(75)	20	(19)	(5)	(578)	(378)
Operating income	853	931	1,590	1,617	489	895	(94)	(205)	2,838	3,238
Net income from companies accounted for by the equity method	4	16	4	8	4	3	3	2	15	29
Net profits or losses from other assets	2	2	1	4	0	(15)	(134)	(32)	(131)	(41)
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	(269)	(314)	(371)	(418)	(68)	(199)	63	166	(645)	(765)
O.w. non controlling interests	0	0	245	241	11	11	81	82	337	334
Group net income	590	635	979	970	414	673	(243)	(151)	1,740	2,127
Average allocated capital	11,281	11,226	11,334	11,440	16,062	14,856	11,165*	10,223*	49,842	47,745
Group ROE (after tax)									5.5%	7.5%

Net banking income, operating expenses, allocated capital, ROE: see Methodology

\* Calculated as the difference between total Group capital and capital allocated to the core businesses

# GROUP: IAS 12 AMENDMENT IMPACT RECONCILIATION WITH 2017/18 AND Q1 19 REPORTED FIGURES

	Income Tax			Group Net Income		
	Reported	IAS 12 impact	Adjusted	Reported	IAS 12 impact	Adjusted
<b>2017</b>	(1,708)	<b>198</b>	(1,510)	2,806	<b>198</b>	3,004
<b>Q1 18</b>	(370)	<b>53</b>	(317)	850	<b>53</b>	903
<b>Q2 18</b>	(516)	<b>68</b>	(448)	1,156	<b>68</b>	1,224
<b>H1 18</b>	(886)	<b>121</b>	(765)	2,006	<b>121</b>	2,127
<b>Q3 18</b>	(539)	<b>75</b>	(464)	1,234	<b>75</b>	1,309
<b>Q4 18</b>	(136)	<b>61</b>	(75)	624	<b>61</b>	685
<b>2018</b>	(1,561)	<b>257</b>	(1,304)	3,864	<b>257</b>	4,121
<b>Q1 19</b>	(310)	<b>55</b>	(255)	631	<b>55</b>	686

IAS 12 amendment has no impact on the Group ROE, ROTE and EPS  
IAS 12 impacts only Corporate Centre

# GROUP: UNDERLYING DATA RECONCILIATION WITH REPORTED FIGURES

Q2 19 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
<b>Reported</b>	<b>(4,270)</b>	<b>(314)</b>	<b>(80)</b>	<b>1,054</b>	
(+) IFRIC 21 linearisation	(138)			(101)	
(-) Restructuring provision*	(256)			(192)	GBIS (EUR -227m) / IBFS (EUR -29m)
(-)Group refocusing plan		(18)	(84)	(102)	Corporate Centre
<b>Underlying</b>	<b>(4,152)</b>	<b>(296)</b>	<b>4</b>	<b>1,247</b>	

Q2 18 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
<b>Reported</b>	<b>(4,403)</b>	<b>(170)</b>	<b>(42)</b>	<b>1,224</b>	
(+) IFRIC 21 linearisation	(167)			(118)	
(-) Provision for disputes	(200)			(200)	Corporate Centre
(-)Group refocusing plan			(27)	(27)	Corporate Centre
<b>Underlying</b>	<b>(4,370)</b>	<b>(170)</b>	<b>(15)</b>	<b>1,333</b>	

H1 19 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
<b>Reported</b>	<b>(9,059)</b>	<b>(578)</b>	<b>(131)</b>	<b>1,740</b>	
(+) IFRIC 21 linearisation	303			222	
(-) Restructuring provision*	(256)			(192)	GBIS (EUR -227m) / IBFS (EUR -29m)
(-)Group refocusing plan		(18)	(137)	(177)	Corporate Centre
<b>Underlying</b>	<b>(8,500)</b>	<b>(560)</b>	<b>6</b>	<b>2,332</b>	

H1 18 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
<b>Reported</b>	<b>(9,132)</b>	<b>(378)</b>	<b>(41)</b>	<b>2,127</b>	
(+) IFRIC 21 linearisation	338			236	
(-) Provision for disputes	(200)			(200)	Corporate Centre
(-)Group refocusing plan			(27)	(27)	Corporate Centre
<b>Underlying</b>	<b>(8,594)</b>	<b>(378)</b>	<b>(14)</b>	<b>2,590</b>	

GBIS restructuring provision allocation : Global Markets and Investor Services (EUR 160m), Financing & Advisory (EUR 45m), Asset and Wealth Management (EUR 22m)

# GROUP IFRIC 21 IMPACT

In EURm	French Retail Banking		International Retail Banking and Financial Services		Global Banking and Investor Solutions		Corporate Centre		Group	
	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18
Total IFRIC 21 Impact - costs	-100	-108	-112	-129	-346	-393	-48	-47	-606	-677
<i>o/w Resolution Funds</i>	-70	-66	-42	-47	-262	-313	-2	-1	-376	-427

In EURm	International Retail Banking		Financial Services to Corporates		Insurance		Total	
	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18
Total IFRIC 21 Impact - costs	-75	-90	-7	-10	-30	-30	-112	-129
<i>o/w Resolution Funds</i>	-40	-45	-2	-2			-42	-47

In EURm	Western Europe		Czech Republic		Romania		Russia		Other Europe		Africa, Asia, Mediterranean basin and Overseas		Total International Retail Banking	
	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18
Total IFRIC 21 Impact - costs	-8	-9	-34	-35	-16	-9	-1	-2	-10	-24	-5	-11	-75	-90
<i>o/w Resolution Funds</i>	-5	-4	-27	-27	-5	-4			-2	-9			-40	-45

In EURm	Global Banking and Investor Services		Financing and Advisory		Asset and Wealth Management		Total Global Banking and Investor Solutions	
	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18
Total IFRIC 21 Impact - costs	-246	-303	-89	-79	-10	-11	-346	-393
<i>o/w Resolution Funds</i>	-197	-250	-56	-54	-9	-9	-262	-313



# GROUP CRR/CRD4 PRUDENTIAL CAPITAL RATIOS

\_Fully Loaded Common Equity Tier 1, Tier 1 and Total Capital

In EUR bn	30/06/2019	31/12/2018
<b>Shareholder equity Group share</b>	<b>62.5</b>	<b>61.0</b>
Deeply subordinated notes*	(9.9)	(9.3)
Undated subordinated notes*	(0.3)	(0.3)
Dividend to be paid & interest on subordinated notes	(0.9)	(1.0)
Goodwill and intangible	(6.4)	(6.7)
Non controlling interests	3.7	3.7
Deductions and regulatory adjustments	(5.4)	(5.3)
<b>Common Equity Tier 1 Capital</b>	<b>43.4</b>	<b>42.0</b>
Additional Tier 1 Capital	9.9	9.4
<b>Tier 1 Capital</b>	<b>53.3</b>	<b>51.4</b>
Tier 2 capital	11.4	11.5
<b>Total capital (Tier 1 + Tier 2)</b>	<b>64.7</b>	<b>62.9</b>
<b>Risk-Weighted Assets</b>	<b>361</b>	<b>376</b>
<b>Common Equity Tier 1 Ratio</b>	<b>12.0%</b>	<b>11.2%</b>
<b>Tier 1 Ratio</b>	<b>14.8%</b>	<b>13.7%</b>
<b>Total Capital Ratio</b>	<b>17.9%</b>	<b>16.7%</b>

Ratios based on the CRR/CDR4 rules as published on 26th June 2013, including Danish compromise for insurance. See Methodology. For 31/12/2018, dividend to be paid calculated assuming a 50% take-up on 2018 scrip dividend

\* Excluding issue premiums on deeply subordinated notes and on undated subordinated notes

\*\* Fully loaded deductions

# GROUP CRR LEVERAGE RATIO

\_CRR Fully Loaded Leverage Ratio<sup>(1)</sup>

In EUR bn	30/06/2019	31/12/2018
<b>Tier 1 Capital</b>	<b>53.3</b>	<b>51.4</b>
Total prudential balance sheet <sup>(2)</sup>	1,244	1,175
Adjustment related to derivative exposures	(89)	(46)
Adjustment related to securities financing transactions*	(7)	(11)
Off-balance sheet (loan and guarantee commitments)	102	100
Technical and prudential adjustments (Tier 1 capital prudential deductions)	(10)	(10)
<b>Leverage exposure</b>	<b>1,240</b>	<b>1,208</b>
<b>CRR leverage ratio</b>	<b>4.3%</b>	<b>4.3%</b>

(1) Fully loaded based on CRR rules taking into account the leverage ratio delegated act adopted in October 2014 by the European Commission. See Methodology. Tier 1 capital calculated assuming a 50% takeup on 2018 scrip dividend

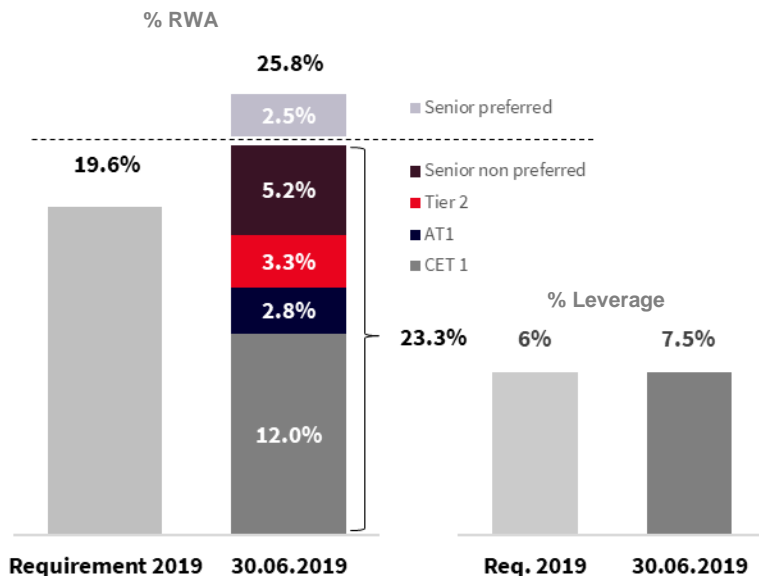
(2) The prudential balance sheet corresponds to the IFRS balance sheet less entities accounted for through the equity method (mainly insurance subsidiaries)

\* Securities financing transactions: repos, reverse repos, securities lending and borrowing and other similar transactions

# GROUP TLAC / MREL

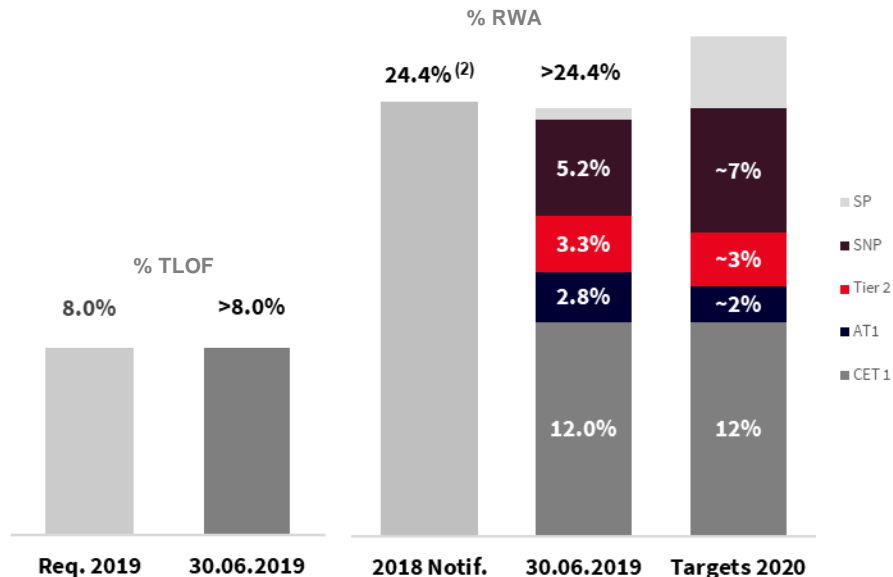
\_TLAC ratio

Already meeting 2019 (19.6%) and 2022 (21.5%<sup>(1)</sup>) requirements



\_MREL ratio

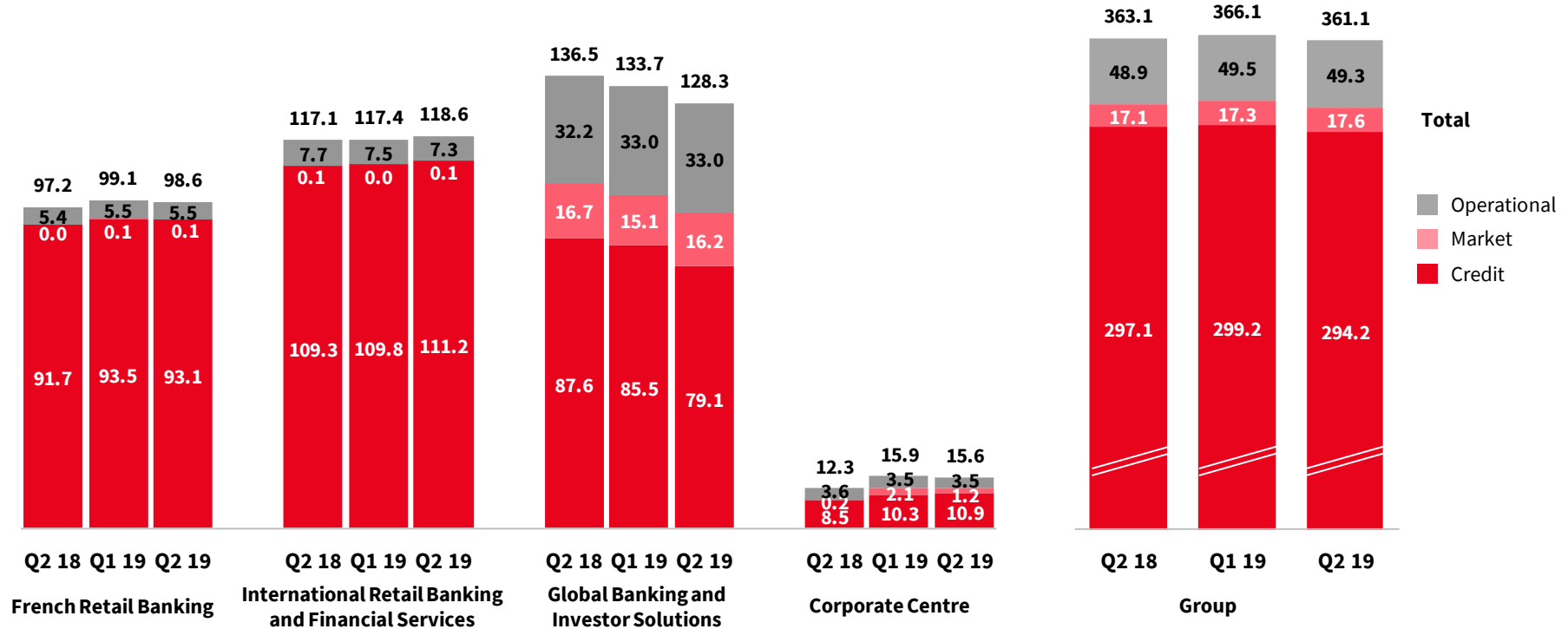
Already meeting total requirements (notification received in June 2018)



(1) Without contra cyclical buffer

(2) Based on RWAs as of end-December 2016

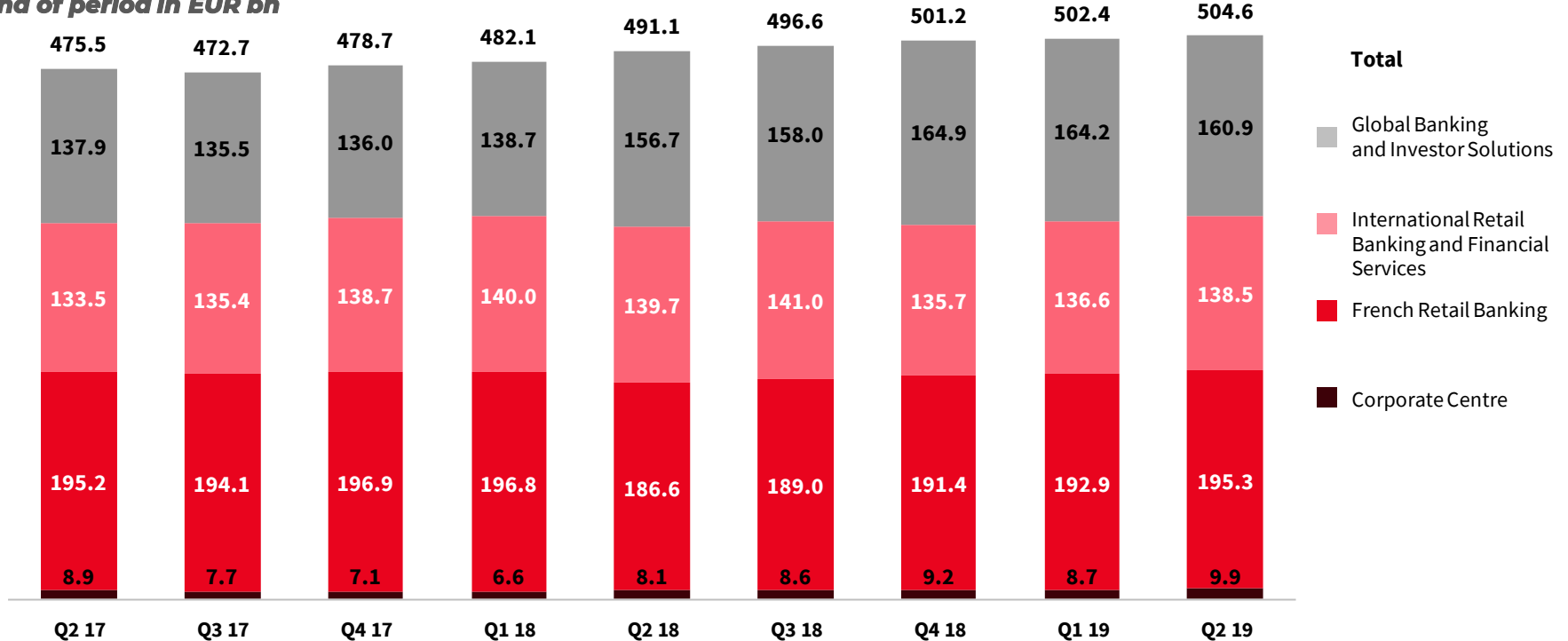
# GROUP RISK-WEIGHTED ASSETS\* (CRR/CRD 4, IN EUR BN)



\* Includes the entities reported under IFRS 5 until disposal

# GROUP CHANGE IN GROSS BOOK OUTSTANDINGS\*

End of period in EUR bn

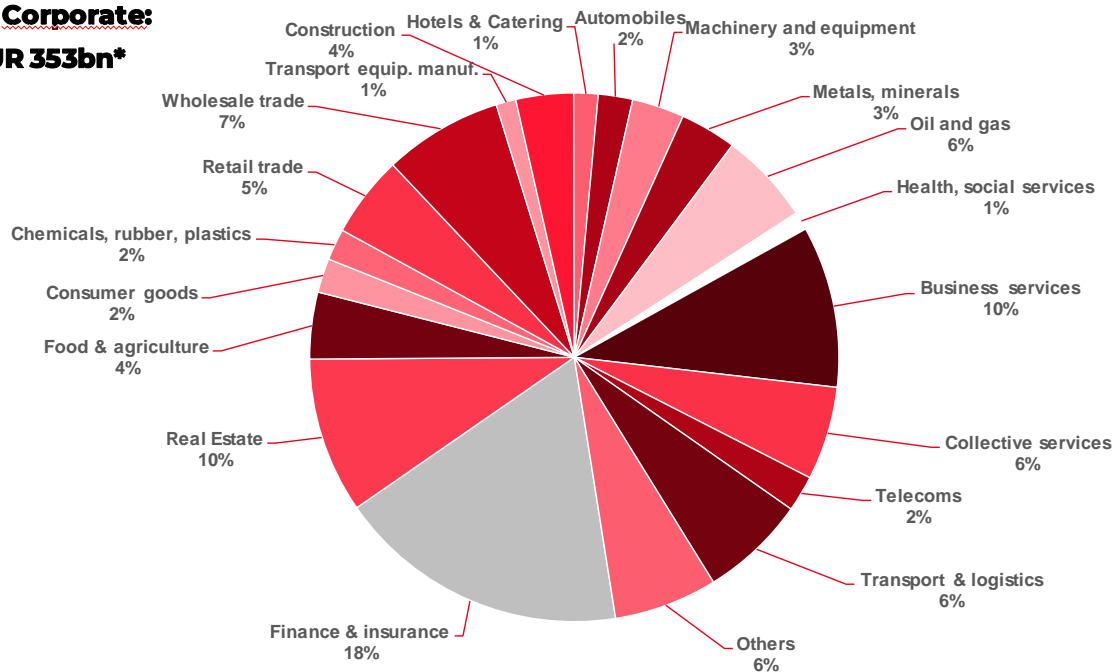


\* Customer loans; deposits and loans due from banks, leasing and lease assets. Excluding repurchase agreements.  
Excluding entities reported under IFRS 5  
From Q2 18, date restated reflecting the transfer of Global Transaction and Payment Services from French Retail Banking to Global Banking and Investor solutions.

# GROUP - BREAKDOWN OF SG GROUP COMMITMENTS BY SECTOR AT 30.06.2019

## EAD Corporate:

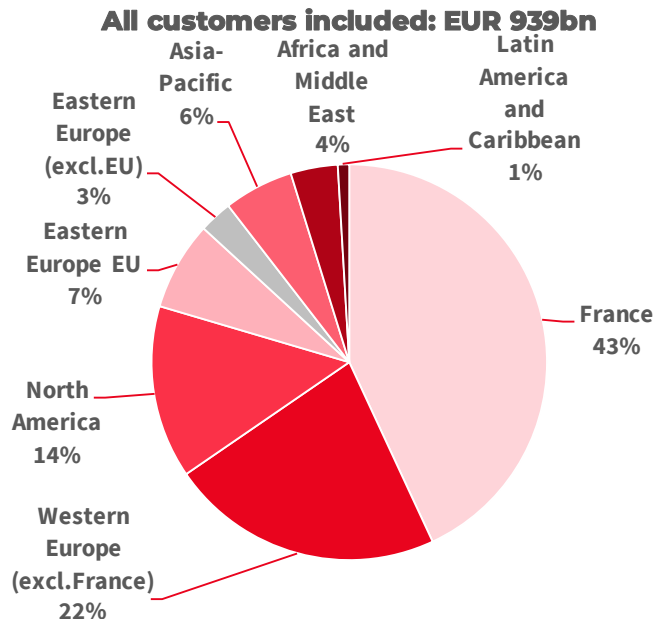
EUR 353bn\*



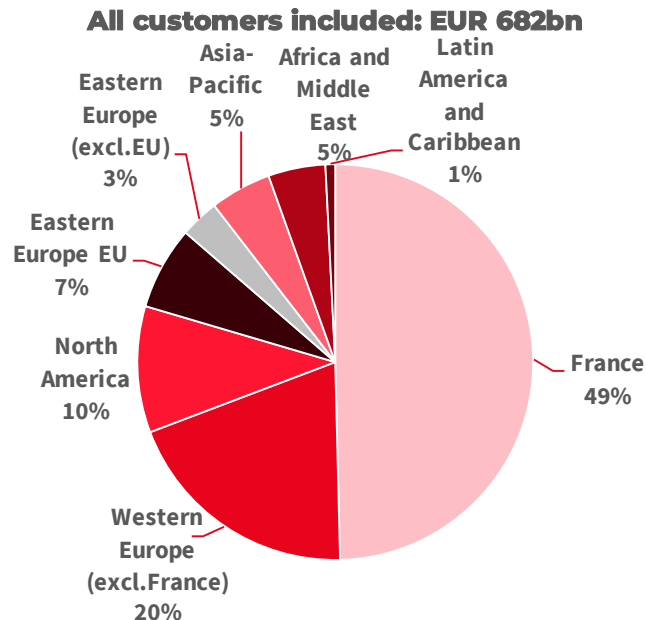
\*EAD for the corporate portfolio as defined by the Basel regulations (large corporate including insurance companies, funds and hedge funds, SME, specialised financing, and factoring) based on the obligor's characteristics before taking account of the substitution effect. Total credit risk (debtor, issuer and replacement risk)

# GROUP - GEOGRAPHIC BREAKDOWN OF SG GROUP COMMITMENTS AT 30.06.2019

## On-and off-balance sheet EAD\*



## On-balance sheet EAD\*



\*Total credit risk (debtor, issuer and replacement risk for all portfolios)

# GROUP NON PERFORMING LOANS

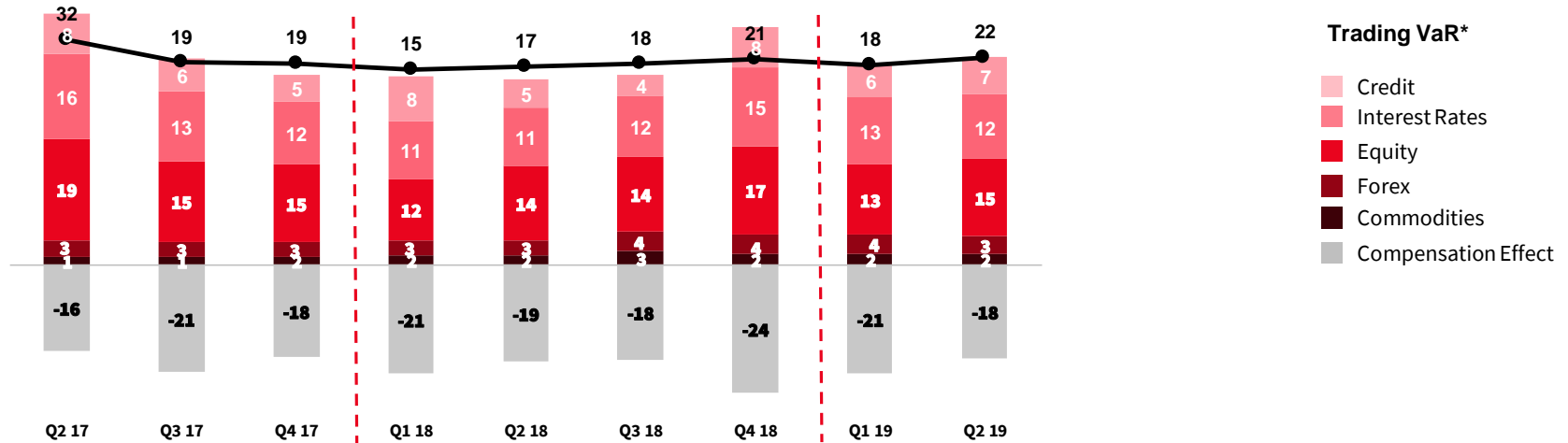
In EUR bn	30/06/2019	31/03/2019	30/06/2018
Gross book outstandings*	504.7	502.4	491.2
Doubtful loans*	17.0	17.7	19.4
<b>Group Gross non performing loans ratio*</b>	<b>3.4%</b>	<b>3.5%</b>	<b>3.9%</b>
Stage 1 provisions	0.9	0.9	1.0
Stage 2 provisions	1.0	1.0	1.1
Stage 3 provisions	9.4	9.7	10.7
<b>Group Gross doubtful loans coverage ratio* (Stage 3 provisions / Doubtful loans)</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>

\* Customer loans, deposits at banks and loans due from banks, leasing and lease assets  
See: Methodology



# GROUP CHANGE IN TRADING VAR\* AND STRESSED VAR\*\*

\_Quarterly Average of 1-Day, 99% Trading VaR\* (in EUR m)



Stressed VAR** (1 day, 99%, in EUR m)	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
Minimum	18	21	34	22	25
Maximum	59	57	123	59	70
Average	33	34	62	36	45

\* Trading VaR: measurement over one year (i.e. 260 scenarios) of the greatest risk obtained after elimination of 1% of the most unfavourable occurrences

\*\* Stressed VaR : Identical approach to VaR (historical simulation with 1-day shocks and a 99% confidence interval), but over a fixed one-year historical window corresponding to a period of significant financial tension instead of a one-year rolling period

# GROUP DIVERSIFIED EXPOSURE TO RUSSIA

\_EAD as of Q2 19: EUR 17.3bn

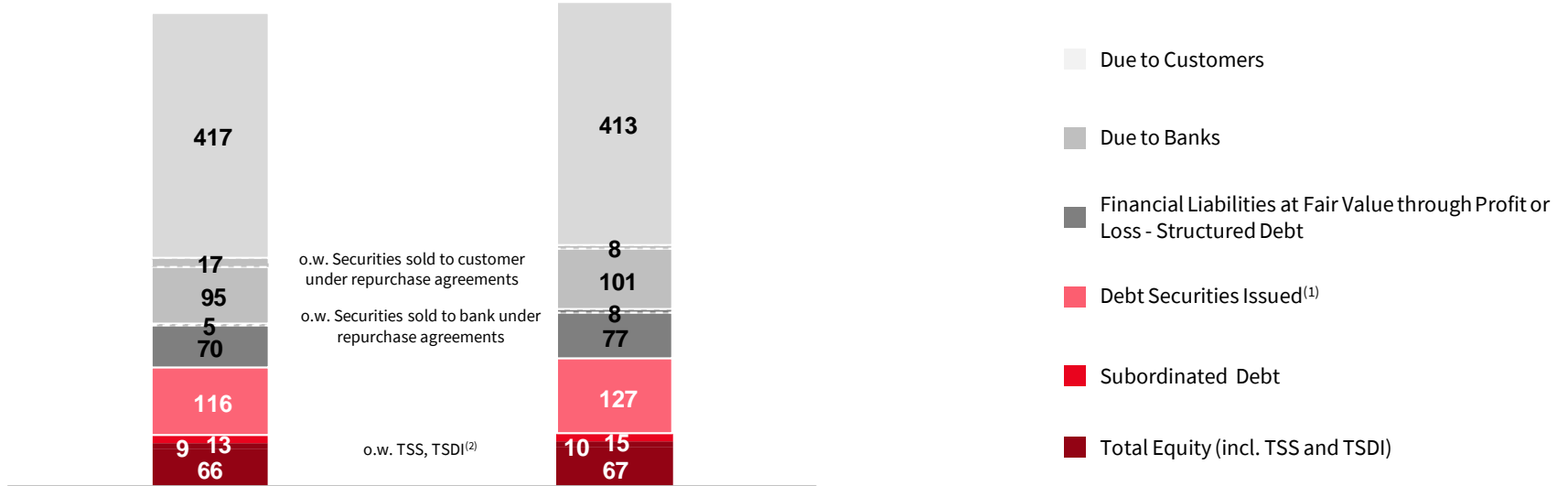


(1) o/w ca.90% Tier 1 corporates

# GROUP FUNDING STRUCTURE

31 DECEMBER 2018

30 JUNE 2019



(1) o.w. SGSCF: EUR 3.4bn, SGSFH: EUR 12.8bn, CRH: EUR 5.3bn, securitisation and other secured issuances: EUR 2.7bn, conduits: EUR 10.9bn at end-June 2019 (and SGSCF: EUR 5.7bn, SGSFH: EUR 13.3bn, CRH: EUR 5.9bn, securitisation and other secured issuances: EUR 3.1bn, conduits: EUR 10.6bn at end-December 2018).

(2) TSS: Deeply Subordinated Notes, TSDI: Undated Subordinated notes. Notional amount excluding notably fx differences, original issue premiums/discounts, and accrued interest

# GROUP LONG TERM FUNDING PROGRAMME

## Parent company 2019 funding programme similar to 2018

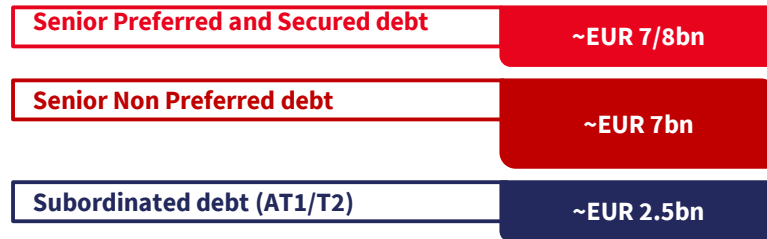
- ~ EUR 17bn of vanilla debt, well balanced across the different debt formats
- Annual structured notes issuance volume in line with amounts issued over the past years (i.e. ~EUR 19bn)

## As of 15 July 2019:

- ~75% completion of the vanilla funding programme (including EUR 0.75bn of prefunding in 2018)
- ~EUR 10.6bn of structured notes
- Competitive funding conditions: MS6M+51bp and average maturity of 4.6 years (incl. senior non preferred debt, senior preferred debt and covered bonds)
- Additional EUR 1.4bn issued by subsidiaries

(1) Excluding structured notes

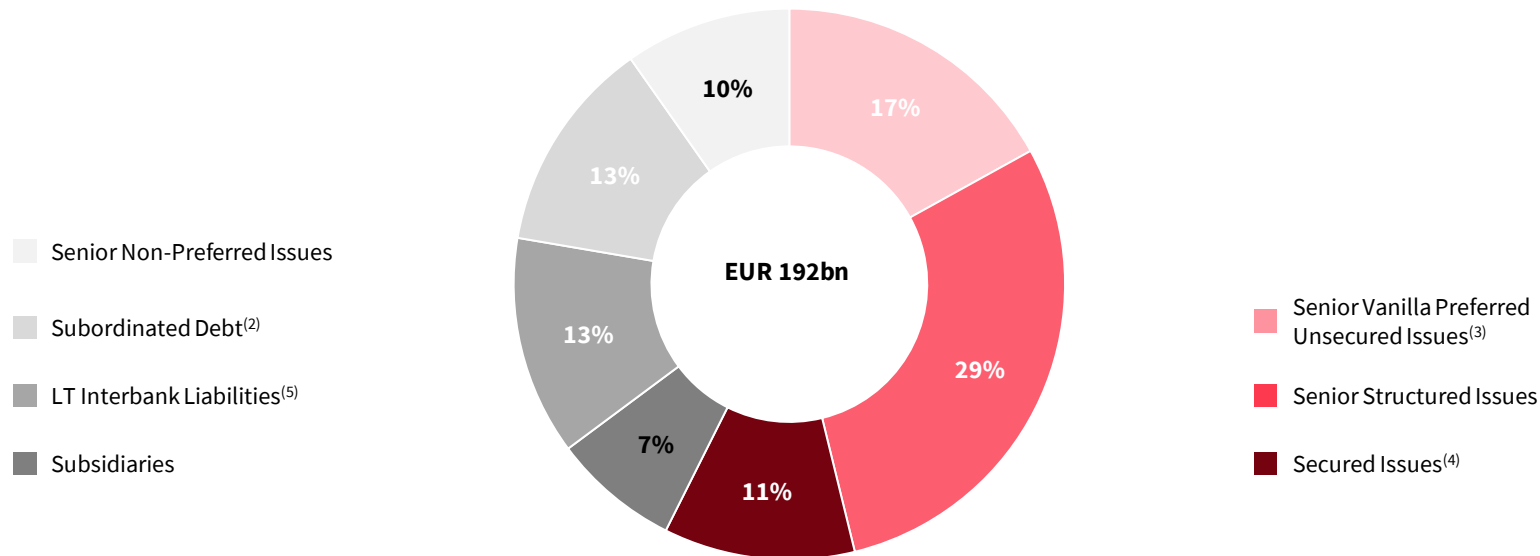
~2019 Expected funding program<sup>(1)</sup>



<b>Societe Generale</b> 2Y Senior Preferred E3M+37bp 14-Jan-21	<b>Societe Generale</b> 5Y Senior Non Preferred 1.25% 15-Feb-24	<b>Societe Generale</b> 5Y & 10Y Senior Non Preferred 0.94% & 1.164% 21-Feb-24 & 29	<b>Societe Generale</b> 10Y Senior Non Preferred 1.75% 22-Mar-29
EUR 1,750,000,000	EUR 1,750,000,000	JPY 96,200,000,000	EUR 1,250,000,000
<b>Societe Generale</b> 5Y Senior Non Preferred 3.875% 28-Mar-24	<b>Societe Generale</b> PerpNC5 AT1 6.125% 16-Apr-24	<b>Societe Generale</b> 15NC10 Tier2 4.5% 18-Apr-34NC29	<b>SG SFH</b> 10Y Green Covered Bond 0.1250% 18-Jul-29
USD 1,500,000,000	SGD 750,000,000	AUD 300,000,000	EUR 1,000,000,000

# GROUP LONG TERM FUNDING BREAKDOWN<sup>(1)</sup>

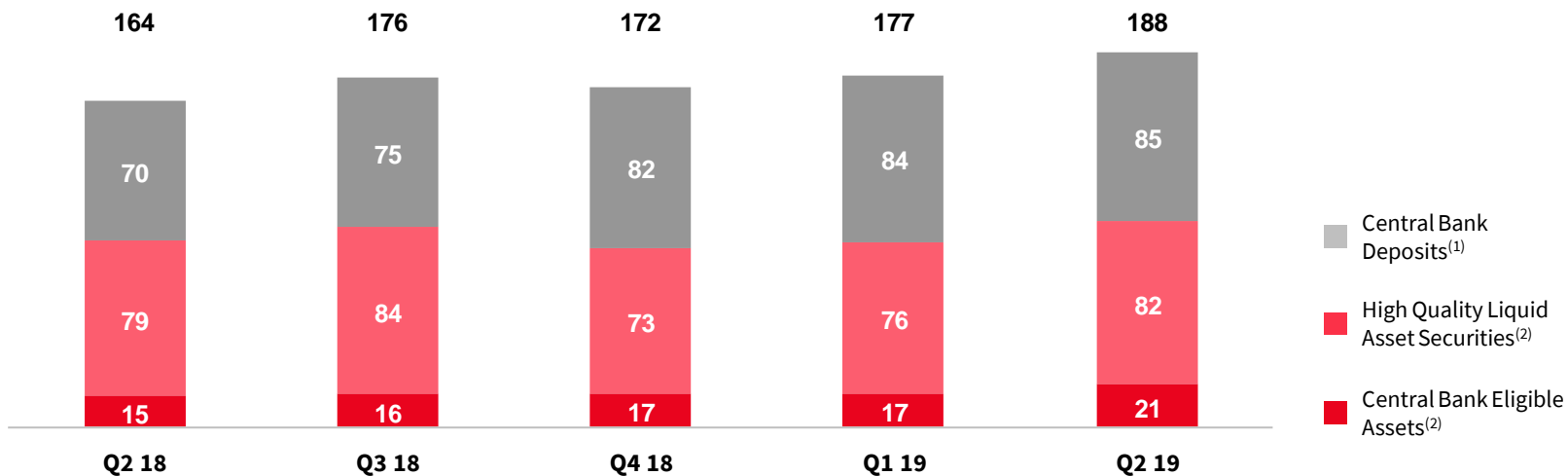
30.06.2019



- (1) See : Methodology  
 (2) Including undated subordinated debt  
 (3) Including CD & CP > 1y  
 (4) Including CRH  
 (5) Including IFI

# GROUP LIQUID ASSET BUFFER

\_Liquid Asset Buffer (in EUR bn)



Liquidity Coverage Ratio at 134% on average in Q2 19

- (1) Excluding mandatory reserves  
(2) Unencumbered, net of haircuts

# GROUP EPS CALCULATION

Average number of shares (thousands)	H1 19	Q1 19	2018	H1 18
Existing shares	821,189	807,918	807,918	807,918
<b>Deductions</b>				
Shares allocated to cover stock option plans and free shares awarded to staff	4,214	4,467	5,335	5,059
Other own shares and treasury shares	249	374	842	1,252
<b>Number of shares used to calculate EPS**</b>	<b>816,726</b>	<b>803,077</b>	<b>801,741</b>	<b>801,607</b>
<b>Group net Income</b>	<b>1,740</b>	<b>686</b>	<b>4,121</b>	<b>2,127</b>
Interest on deeply subordinated notes and undated subordinated notes	(357)	(165)	(719)	(344)
Capital gain net of tax on partial buybacks				
<b>Adjusted Group net income</b>	<b>1,383</b>	<b>521</b>	<b>3,402</b>	<b>1,783</b>
<b>EPS (in EUR)</b>	<b>1.69</b>	<b>0.65</b>	<b>4.24</b>	<b>2.22</b>
<b>Underlying EPS* (in EUR)</b>	<b>2.42</b>	<b>1.12</b>	<b>5.00</b>	<b>2.80</b>

\*Underlying EPS : adjusted for exceptional items and IFRIC 21 linearisation. See p.31 and Methodology

\*\* The number of shares considered is the average number of ordinary shares of the period, excluding treasury shares and buybacks, but including the trading shares held by the Group  
Group net income for Q1 19, 2018 and H1 18 adjusted for IAS 12 amendment. See p.30

# GROUP

## NET ASSET VALUE, TANGIBLE NET ASSET VALUE

End of period	H1 19	Q1 19	2018	H1 18
<b>Shareholders' equity Group share</b>	<b>62,492</b>	<b>61,830</b>	<b>61,026</b>	<b>58,959</b>
Deeply subordinated notes	(9,861)	(9,473)	(9,330)	(9,197)
Undated subordinated notes	(280)	(283)	(278)	(274)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(39)	(37)	(14)	(213)
Bookvalue of own shares in trading portfolio	431	550	423	500
<b>Net Asset Value</b>	<b>52,743</b>	<b>52,587</b>	<b>51,827</b>	<b>49,775</b>
Goodwill	(4,548)	(4,544)	(4,860)	(5,140)
Intangible Asset	(2,226)	(2,162)	(2,224)	(2,027)
<b>Net Tangible Asset Value</b>	<b>45,969</b>	<b>45,881</b>	<b>44,743</b>	<b>42,608</b>
<b>Number of shares used to calculate NAPS**</b>	<b>844,026</b>	<b>804,211</b>	<b>801,942</b>	<b>801,924</b>
<b>Nest Asset Value per Share</b>	<b>62.5</b>	<b>65.4</b>	<b>64.6</b>	<b>62.1</b>
<b>Net Tangible Asset Value per Share</b>	<b>54.5</b>	<b>57.1</b>	<b>55.8</b>	<b>53.1</b>

\*\* The number of shares considered is the number of ordinary shares outstanding as of 30 June 2019, excluding treasury shares and buybacks, but including the trading shares held by the Group. In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction. See Methodology



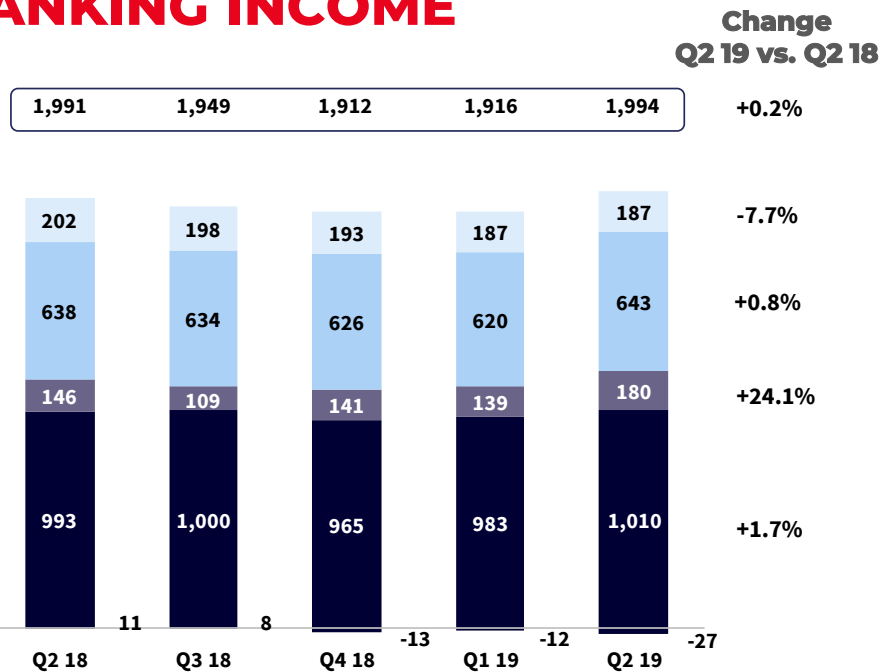
# GROUP ROE/ROTE CALCULATION DETAIL

End of period	Q2 19	Q2 18	H1 19	H1 18
<b>Shareholders' equity Group share</b>	<b>62,492</b>	<b>58,959</b>	<b>62,492</b>	<b>58,959</b>
Deeply subordinated notes	(9,861)	(9,197)	(9,861)	(9,197)
Undated subordinated notes	(280)	(274)	(280)	(274)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(39)	(213)	(39)	(213)
OCI excluding conversion reserves	(636)	130	(636)	130
Dividend provision	(717)	(892)	(717)	(892)
<b>ROE equity end-of-period</b>	<b>50,959</b>	<b>48,513</b>	<b>50,959</b>	<b>48,513</b>
<b>Average ROE equity</b>	<b>50,250</b>	<b>47,967</b>	<b>49,842</b>	<b>47,745</b>
Average Goodwill	(4,541)	(5,152)	(4,619)	(5,155)
Average Intangible Assets	(2,194)	(2,010)	(2,194)	(1,988)
<b>Average ROTE equity</b>	<b>43,515</b>	<b>40,805</b>	<b>43,029</b>	<b>40,602</b>
<b>Group net Income (a)</b>	<b>1,054</b>	<b>1,224</b>	<b>1,740</b>	<b>2,127</b>
<b>Underlying Group net income (b)</b>	<b>1,247</b>	<b>1,333</b>	<b>2,332</b>	<b>2,590</b>
Interest on deeply subordinated notes and undated subordinated notes (c)	(192)	(189)	(357)	(344)
Cancellation of goodwill impairment (d)	41	22	108	22
<b>Adjusted Group net Income (e) = (a)+ (c)+(d)</b>	<b>903</b>	<b>1,057</b>	<b>1,491</b>	<b>1,805</b>
<b>Adjusted Underlying Group net Income (f)=(b)+(c)</b>	<b>1,056</b>	<b>1,144</b>	<b>1,975</b>	<b>2,246</b>
<b>Average ROTE equity (g)</b>	<b>43,515</b>	<b>40,805</b>	<b>43,029</b>	<b>40,602</b>
ROTE [quarter: (4*e/g), 6M: (2*e/g)]	8.3%	10.4%	6.9%	8.9%
<b>Average ROTE equity (underlying) (h)</b>	<b>43,612</b>	<b>40,859</b>	<b>43,325</b>	<b>40,833</b>
Underlying ROTE [quarter: (4*f/h), 6M: (2*f/h)]	9.7%	11.2%	9.1%	11.0%

ROE/ROTE: see Methodology  
Q2 18, H1 18 Group net Income adjusted for IAS amendment impact. See p,30

# FRENCH RETAIL BANKING

## CHANGE IN NET BANKING INCOME



### Commissions

-1.2% vs. Q2 18 and -1.9% vs. H1 18

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

+1.7% vs. Q2 18 and -0.8% vs. H1 18

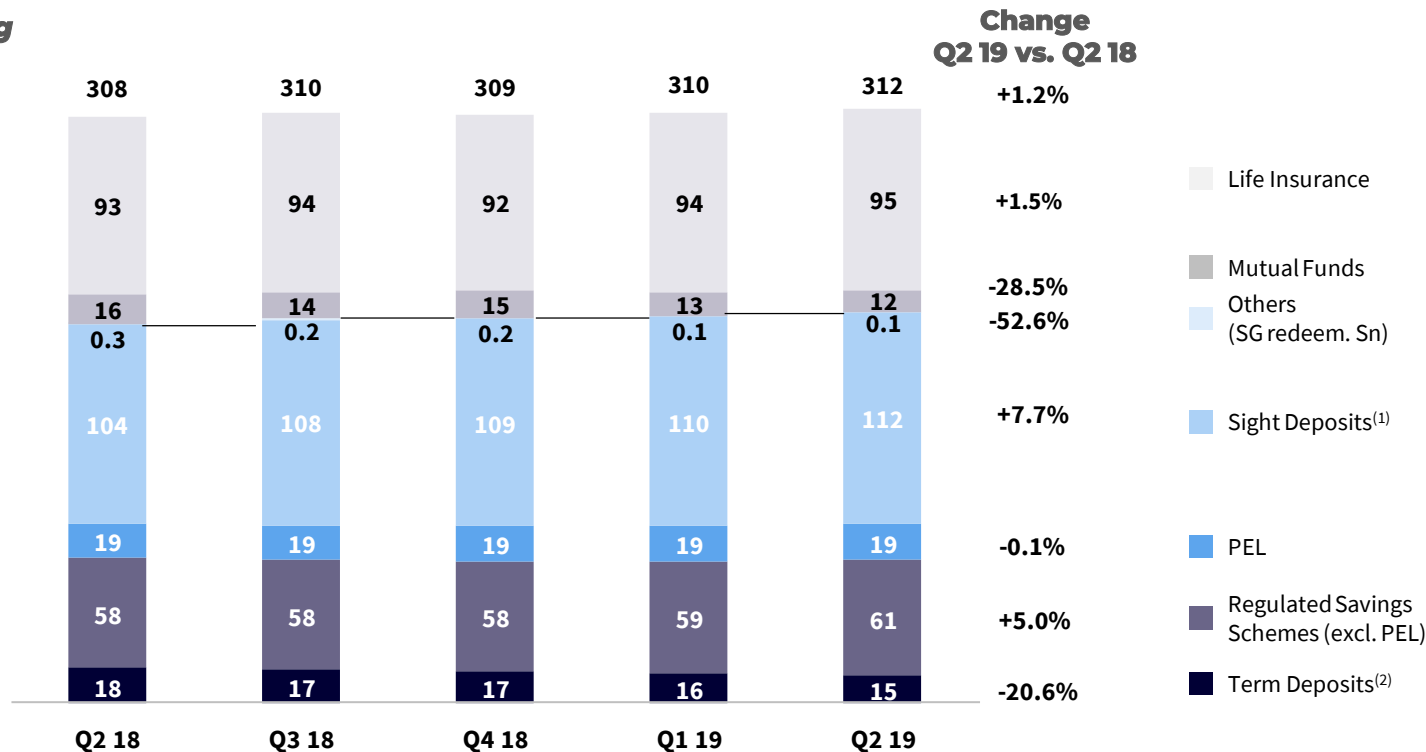
(1) Excluding PEL/CEL

# FRENCH RETAIL BANKING CUSTOMER DEPOSITS AND FINANCIAL SAVINGS

**Average outstanding  
in EUR bn**

**Financial  
savings:  
EUR 106.6bn  
-3.1%**

**Deposits:  
EUR 205.5bn  
+3.6%**



(1) Including deposits from Financial Institutions and foreign currency deposits

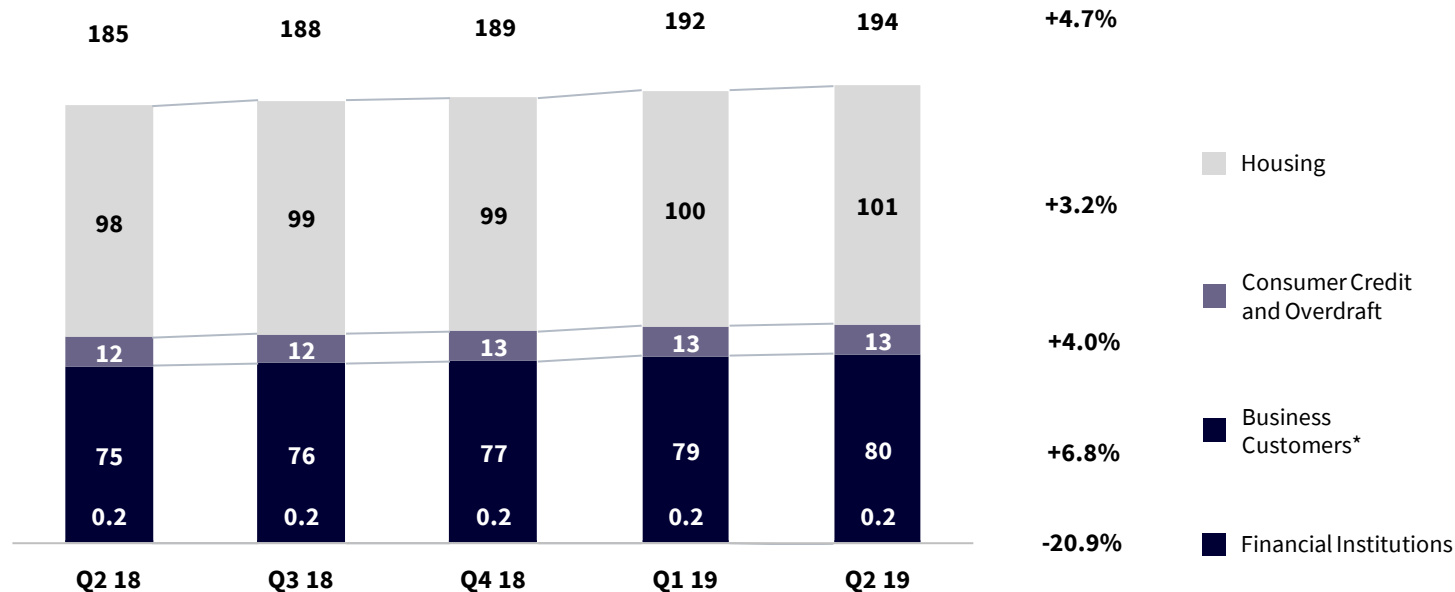
(2) Including deposits from Financial Institutions and medium-term notes

Note: Regulated saving schemes and Term Deposits series are restated to reflect technical adjustment on saving accounts.

# FRENCH RETAIL BANKING LOANS OUTSTANDING

Average outstanding, net of provisions in EUR bn

Change  
Q2 19 vs. Q2 18



\* SMEs, self-employed professionals, local authorities, corporates, NPOs, including foreign currency loans

Note: Business Customers and Housing historical series are restated to reflect technical adjustment on housing loans denominated in currency

# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES QUARTERLY RESULTS

In EUR m	International Retail Banking			Insurance			Financial Services to Corporates			Total		
	Q2 19	Q2 18	Change	Q2 19	Q2 18	Change	Q2 19	Q2 18	Change	Q2 19	Q2 18	Change
Net banking income	1,412	1,385	+7.0%*	229	220	+3.6%*	483	470	+2.6%*	2,124	2,075	+5.7%*
Operating expenses	(782)	(787)	+4.0%*	(81)	(78)	+4.3%*	(253)	(237)	+6.4%*	(1,145)	(1,102)	+7.3%*
Gross operating income	630	598	+11.0%*	148	142	+3.2%*	230	233	-1.2%*	979	973	+3.9%*
Net cost of risk	(111)	(57)	x 2,4	0	0	n/s	(22)	(18)	+22.8%*	(133)	(75)	x 2,1
Operating income	519	541	-0.1%*	148	142	+3.2%*	208	215	-3.2%*	846	898	-3.4%*
Net profits or losses from other assets	0	0	-100.0%*	0	0	n/s	0	0	+100.0%*	0	0	-100.0%*
Impairment losses on goodwill	0	0	-100.0%*	0	0	n/s	0	0	n/s	0	0	-100.0%*
Income tax	(113)	(127)	-5.9%*	(46)	(47)	-3.0%*	(44)	(56)	-21.5%*	(193)	(230)	-13.4%*
Group net income	297	313	-0.8%*	102	95	+6.3%*	135	133	+2.1%*	515	541	-2.2%*
C/I ratio	55%	57%		35%	35%		52%	50%		54%	53%	
Average allocated capital	6,686	6,891		1,503	1,906		2,836	2,656		11,051	11,452	

**IMPORTANT NOTE : The total column includes the effect of restructuring provision for EUR -29m recorded in Operating expenses (EUR -20 in Group net income), not allocated to the businesses**

\* When adjusted for changes in Group structure and at constant exchange rates  
Net banking income, operating expenses, cost to income ratio, allocated capital: see Methodology

# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES H1-19 RESULTS

<i>In EUR m</i>	International Retail Banking			Insurance			Financial Services to Corporates			Total		
	H1 19	H1 18	Change	H1 19	H1 18	Change	H1 19	H1 18	Change	H1 19	H1 18	Change
<b>Net banking income</b>	<b>2,799</b>	2,713	+7.5%*	<b>460</b>	446	+3.2%*	<b>941</b>	905	+3.9%*	<b>4,200</b>	4,064	+6.1%*
<b>Operating expenses</b>	<b>(1,640)</b>	(1,634)	+5.2%*	<b>(185)</b>	(177)	+4.5%*	<b>(495)</b>	(470)	+5.2%*	<b>(2,349)</b>	(2,281)	+6.5%*
<b>Gross operating income</b>	<b>1,159</b>	1,079	+10.9%*	<b>275</b>	269	+2.3%*	<b>446</b>	435	+2.5%*	<b>1,851</b>	1,783	+5.8%*
<b>Net cost of risk</b>	<b>(222)</b>	(138)	+81.3%*	<b>0</b>	0	n/s	<b>(39)</b>	(28)	+39.5%*	<b>(261)</b>	(166)	+73.1%*
<b>Operating income</b>	<b>937</b>	941	+2.0%*	<b>275</b>	269	+2.3%*	<b>407</b>	407	-0.1%*	<b>1,590</b>	1,617	-0.3%*
<b>Net profits or losses from other assets</b>	<b>1</b>	4	-74.8%*	<b>0</b>	0	n/s	<b>0</b>	0	+100.0%*	<b>1</b>	4	-74.8%*
<b>Impairment losses on goodwill</b>	<b>0</b>	0	-100.0%*	<b>0</b>	0	n/s	<b>0</b>	0	n/s	<b>0</b>	0	-100.0%*
<b>Income tax</b>	<b>(208)</b>	(221)	-4.2%*	<b>(85)</b>	(89)	-4.5%*	<b>(88)</b>	(108)	-18.7%*	<b>(371)</b>	(418)	-10.5%*
<b>Group net income</b>	<b>543</b>	542	+3.2%*	<b>189</b>	179	+5.6%*	<b>266</b>	249	+7.3%*	<b>979</b>	970	+2.7%*
<b>C/I ratio</b>	<b>59%</b>	60%		<b>40%</b>	40%		<b>53%</b>	52%		<b>56%</b>	56%	
<b>Average allocated capital</b>	<b>6,842</b>	6,883		<b>1,667</b>	1,911		<b>2,812</b>	2,646		<b>11,334</b>	11,440	

**IMPORTANT NOTE** : The total column includes the effect of restructuring provision for EUR -29m recorded in Operating expenses (EUR -20 in Group net income), not allocated to the businesses

\* When adjusted for changes in Group structure and at constant exchange rates  
Net banking income, operating expenses, cost to income ratio, allocated capital: see Methodology

# QUARTERLY RESULTS OF INTERNATIONAL RETAIL BANKING BREAKDOWN BY REGION

In MEUR	Western Europe		Czech Republic		Romania		Other Europe		Russia (1)		Africa, Asia, Mediterranean bassin and Overseas		Total International Retail Banking	
	Q2 19	Q2 18	Q2 19	Q2 18	Q2 19	Q2 18	Q2 19	Q2 18	Q2 19	Q2 18	Q2 19	Q2 18	Q2 19	Q2 18
<b>Net banking income</b>	223	208	289	272	157	145	99	170	206	178	438	412	1,412	1,385
Change *	+7.2%*		+6.6%*		+10.5%*		-4.1%*		+14.2%*		+5.2%*		+7.0%*	
<b>Operating expenses</b>	(98)	(93)	(140)	(149)	(84)	(81)	(56)	(96)	(141)	(126)	(263)	(242)	(782)	(787)
Change *	+5.4%*		-5.7%*		+5.6%*		-2.4%*		+9.9%*		+6.9%*		+4.0%*	
<b>Gross operating income</b>	125	115	149	123	73	64	43	74	65	52	175	170	630	598
Change *	+8.7%*		+21.6%*		+16.6%*		-6.0%*		+24.7%*		+2.6%*		+11.0%*	
<b>Net cost of risk</b>	(36)	(31)	9	12	25	0	(3)	(6)	(20)	(4)	(86)	(28)	(111)	(57)
Change *	+16.1%*		+24.7%*		n/s		n/s		x 4,9		x 3,0		x 2,4	
<b>Operating income</b>	89	84	158	135	98	64	40	68	45	48	89	142	519	541
Change *	+6.0%*		+17.5%*		+56.6%*		-20.8%*		-6.3%*		-36.7%*		-0.1%*	
<b>Net profits or losses from other assets</b>	0	0	1	0	0	0	(2)	0	0	0	1	0	0	0
<b>Impairment losses on goodwill</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Income tax</b>	(18)	(17)	(32)	(29)	(19)	(14)	(8)	(14)	(8)	(10)	(28)	(43)	(113)	(127)
<b>Group net income</b>	67	64	78	66	50	31	28	45	37	38	37	69	297	313
Change *	+4.7%*		+18.6%*		+65.2%*		-8.5%*		-8.7%*		-45.8%*		-0.8%*	
<b>C/I ratio</b>	43.9%	44.7%	48.4%	54.8%	53.5%	55.9%	56.6%	56.5%	68.4%	70.8%	60.0%	58.7%	55.4%	56.8%
<b>Average allocated capital</b>	1,479	1,412	1,001	984	454	474	831	1,147	1,133	1,104	1,788	1,770	6,686	6,891

\* When adjusted for changes in Group structure and at constant exchange rates  
Net banking income, operating expenses, cost to income ratio, allocated capital: see Methodology  
(1) Russia structure includes Rosbank, Delta Credit, Rusfinance and their consolidated subsidiaries in International Retail Banking

# H1-19 RESULTS OF INTERNATIONAL RETAIL BANKING BREAKDOWN BY REGION

<i>In MEUR</i>	Western Europe		Czech Republic		Romania		Other Europe		Russia (1)		Africa, Asia, Mediterranean bassin and Overseas		Total International Retail Banking	
	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18	H1 19	H1 18
<b>Net banking income</b>	439	404	572	541	306	284	232	332	385	348	865	804	2,799	2,713
Change *	+8.7%*		+6.5%*		+9.8%*		-0.1%*		+13.3%*		+5.9%*		+7.5%*	
<b>Operating expenses</b>	(202)	(193)	(309)	(315)	(184)	(171)	(134)	(204)	(277)	(266)	(534)	(485)	(1,640)	(1,634)
Change *	+4.7%*		-1.3%*		+9.4%*		+0.8%*		+6.4%*		+8.2%*		+5.2%*	
<b>Gross operating income</b>	237	211	263	226	122	113	98	128	108	82	331	319	1,159	1,079
Change *	+12.3%*		+17.3%*		+10.3%*		-1.3%*		+35.8%*		+2.4%*		+10.9%*	
<b>Net cost of risk</b>	(71)	(66)	16	15	30	33	(7)	(18)	(49)	(20)	(141)	(82)	(222)	(138)
Change *	+7.6%*		-7.5%*		+7.4%*		+4.3%*		x 2,5		+69.7%*		+81.3%*	
<b>Operating income</b>	166	145	279	241	152	146	91	110	59	62	190	237	937	941
Change *	+14.5%*		+16.7%*		+6.3%*		-1.5%*		-1.6%*		-21.0%*		+2.0%*	
<b>Net profits or losses from other assets</b>	0	0	1	4	0	0	(1)	0	0	0	1	0	1	4
<b>Impairment losses on goodwill</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Income tax</b>	(33)	(30)	(56)	(52)	(30)	(31)	(18)	(23)	(10)	(12)	(61)	(73)	(208)	(221)
<b>Group net income</b>	126	110	139	119	74	70	65	75	49	50	90	118	543	542
Change *	+14.5%*		+17.8%*		+8.1%*		+8.1%*		+1.4%*		-26.0%*		+3.2%*	
<b>C/I ratio</b>	46.0%	47.8%	54.0%	58.2%	60.1%	60.2%	57.8%	61.4%	71.9%	76.4%	61.7%	60.3%	58.6%	60.2%
<b>Average allocated capital</b>	1,453	1,408	1,017	968	459	469	1,005	1,099	1,080	1,141	1,828	1,798	6,842	6,883

\* When adjusted for changes in Group structure and at constant exchange rates

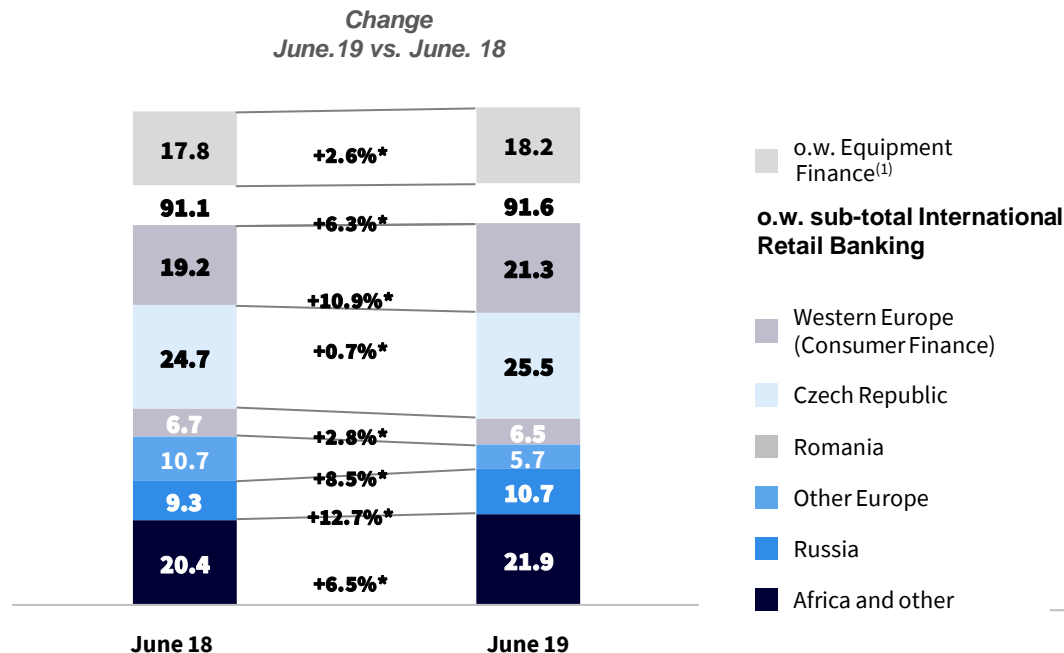
Net banking income, operating expenses, cost to income ratio, allocated capital : see Methodology

(1) Russia structure includes Rosbank, Delta Credit, Rusfinance and their consolidated subsidiaries in International Retail Banking

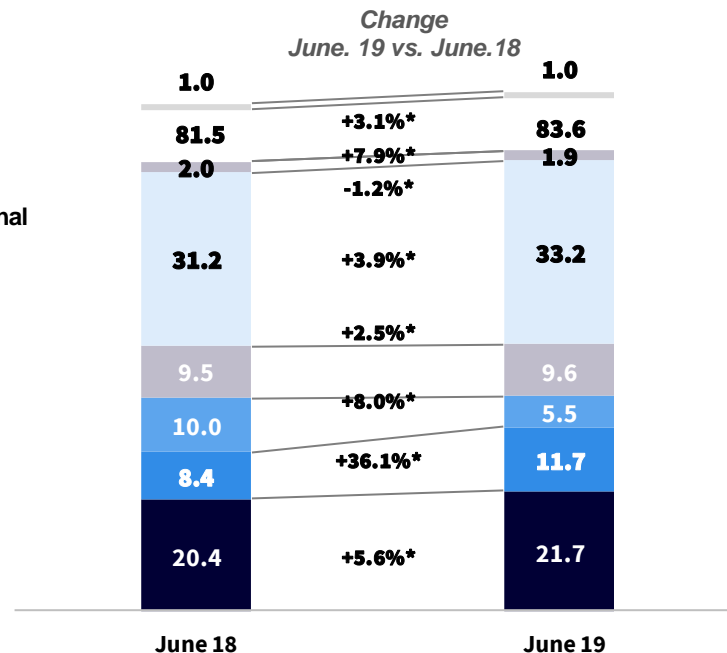


# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES LOAN AND DEPOSIT OUTSTANDINGS BREAKDOWN

\_Loan Outstandings Breakdown (in EURbn)



\_Deposit Outstandings Breakdown (in EURbn)

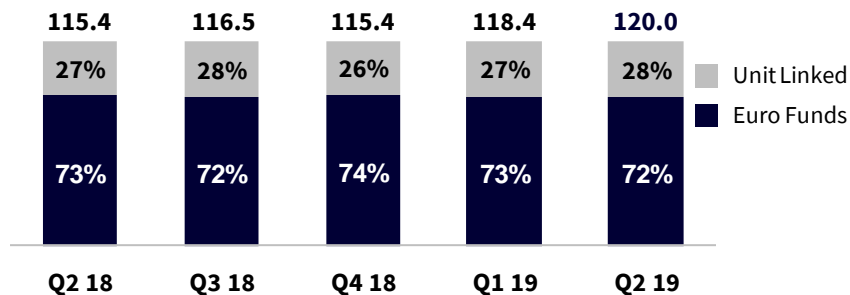


\* When adjusted for changes in Group structure and at constant exchange rates  
(1) Excluding factoring

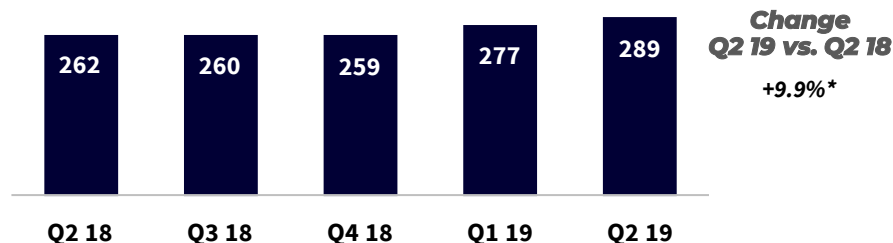
# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

## INSURANCE KEY FIGURES

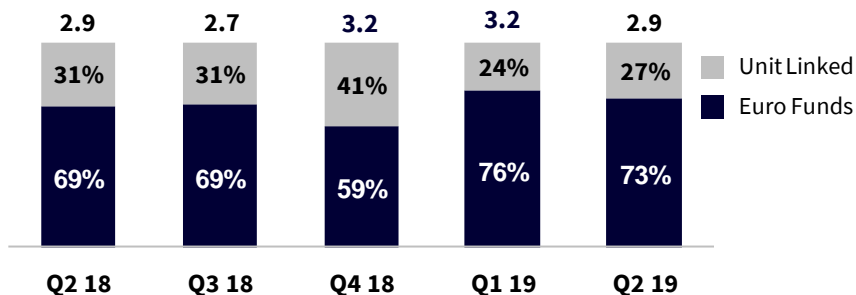
\_Life Insurance Outstandings and Unit Linked Breakdown (in EUR bn)



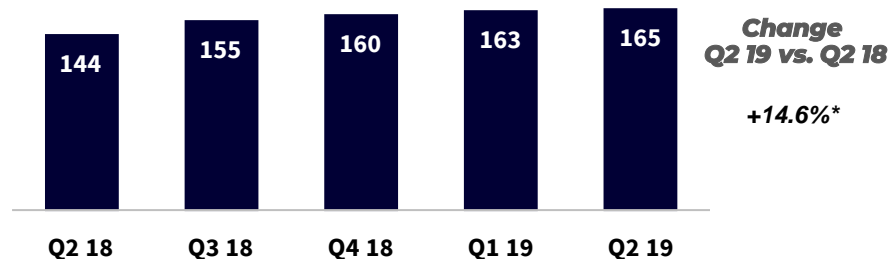
\_Personal Protection Insurance Premiums (in EUR m)



\_Life Insurance Gross Inflows (in EUR bn)



\_Property and Casualty Insurance Premiums (in EUR m)



\* When adjusted for changes in Group structure and at constant exchange rates

# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

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

### \_SG Russia Results

In EUR m	Q2 19	Q2 18	Change	H1 19	H1 18	Change
<b>Net banking income</b>	<b>227</b>	197	<b>+13.0%*</b>	<b>427</b>	<b>387</b>	<b>+12.9%*</b>
Operating expenses	(149)	(134)	+9.2%*	(294)	(283)	+6.0%*
<b>Gross operating income</b>	<b>78</b>	<b>63</b>	<b>+21.1%*</b>	<b>133</b>	<b>104</b>	<b>+32.0%*</b>
Net cost of risk	(20)	(4)	+409.2%*	(49)	(20)	+154.3%*
<b>Operating income</b>	<b>58</b>	<b>59</b>	<b>-4.6%*</b>	<b>84</b>	<b>84</b>	<b>+3.1%*</b>
<b>Group net income</b>	<b>45</b>	<b>46</b>	<b>-4.2%*</b>	<b>66</b>	<b>65</b>	<b>+5.3%*</b>
C/I ratio	66%	68%		69%	73%	

### \_SG Commitment to Russia

In EUR bn	Q2 19	Q4 18	Q4 17	Q4 16
Book value	3.0	2.8	2.8	2.7
Intragroup Funding				
- Sub. Loan	0.5	0.5	0.5	0.6
- Senior	0.0	0.0	0.0	0.0

NB. The Rosbank Group book value amounts to EUR 3.0bn at Q2 19, not including translation reserves of EUR -0.9bn, already deducted from Group Equity

**Q2 19 RONE : 15.4%**

\* When adjusted for changes in Group structure and at constant exchange rates  
 (1) Contribution of Rosbank, Delta Credit Bank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive, and their consolidated subsidiaries to Group businesses results  
 Net banking income, operating expenses, cost to income ratio: see Methodology

# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES PRESENCE IN CENTRAL AND EASTERN EUROPE

<b>Clients</b>	<b>NBI</b>	<b>Net income</b>	<b>C/I</b>	<b>RWA</b>
<b>6m</b>	<b>EUR 1.1bn</b>	<b>EUR 286m</b>	<b>56%</b>	<b>EUR 26.8bn</b>

<b>H1 19</b>	<b>NBI (In EUR m)</b>	<b>RWA (In EUR m)</b>	<b>Credits (In EUR m)</b>	<b>Deposits (In EUR m)</b>	<b>L/D ratio</b>	<b>Ranking</b>
Czech Republic	572	14,023	25,468	33,186	77%	3rd
Romania	306	6,594	6,485	9,569	68%	3rd
Poland <sup>(3)</sup>	58	-	-	-	-	-
Slovenia <sup>(2)</sup>	62	2,284	2,508	2,569	98%	3rd(1)
Serbia <sup>(2)</sup>	62	2,240	2,078	1,680	124%	3rd(1)
Montenegro <sup>(2)</sup>	14	503	389	387	101%	2nd(1)
FYR Macedonia <sup>(2)</sup>	14	673	468	452	103%	5th(1)
Albania <sup>(3)</sup>	6	-	-	-	-	-
Moldova <sup>(2)</sup>	18	508	277	448	62%	3rd(1)



(1) Ranking based on loan outstandings

(2) Ongoing sale of entities

(3) Entities sold

# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES PRESENCE IN AFRICA

Clients	NBI		Net income		C/I	RWA
4m	EUR 0.8bn		EUR 105m		61%	EUR 20.3bn
H1 19	NBI (In EUR m)	RWA (In EUR m)	Credits (In EUR m)	Deposits (In EUR m)	L/D ratio	Ranking
Morocco	222	7,602	7,719	6,500	119%	5th(1)
Algeria	84	1,983	1,921	2,201	87%	-
Tunisia	60	1,719	1,682	1,487	113%	7th(1)
Côte d'Ivoire	105	2,167	1,967	2,321	85%	1st(1)
Senegal	59	1,525	944	1,204	78%	2nd(1)
Cameroun	54	1,413	980	1,183	83%	1st(1)
Ghana	41	687	356	414	86%	5th(1)
Madagascar	26	417	266	450	59%	-
Burkina Faso	25	981	733	664	110%	3rd(1)
Guinea Equatorial	18	446	188	409	46%	2nd(1)
Guinea	24	351	206	329	63%	1st(1)
Chad	14	316	126	228	55%	4th(1)
Benin	8	461	252	318	79%	6th(1)
Congo <sup>(2)</sup>	14	276	167	190	88%	



- (1) Ranking based on loan outstandings  
(2) Full consolidation from 1 January 2019

# GLOBAL BANKING AND INVESTOR SOLUTIONS QUARTERLY RESULTS

<i>In EUR m</i>	Global Markets and Investor Services			Financing and Advisory			Asset and Wealth Management			Total Global Banking and Investor Solutions			
	Q2 19	Q2 18	Change	Q2 19	Q2 18	Change	Q2 19	Q2 18	Change	Q2 19	Q2 18	Change	
Net banking income	1,353	1,490	-11.0%*	682	665	+0.9%*	231	257	-7.0%*	2,266	2,412	-6.1%	-7.3%*
Operating expenses	(1,222)	(1,072)	+12.3%*	(454)	(431)	+3.8%*	(239)	(225)	+11.0%*	(1,915)	(1,728)	+10.8%	+10.0%*
Gross operating income	131	418	-69.7%*	228	234	-4.4%*	(8)	32	n/s	351	684	-48.7%	-50.1%*
Net cost of risk	(14)	(3)	x 4,7	(27)	2	n/s	8	(6)	n/s	(33)	(7)	x 4,7	x 4,4
Operating income	117	415	-72.8%*	201	236	-16.3%*	0	26	-100.0%*	318	677	-53.0%	-54.4%*
Net profits or losses from other assets	0	(1)		0	0		0	(14)		0	(15)		
Net income from companies accounted for by the equity method	2	3		0	1		0	(1)		2	3		
Impairment losses on goodwill	0	0		0	0		0	0		0	0		
Income tax	(30)	(114)		(10)	(35)		0	(3)		(40)	(152)		
Net income	89	303		191	202		0	8		280	513		
O.w. non controlling Interests	4	5		2	0		0	1		6	6		
Group net income	85	298	-72.5%*	189	202	-7.6%*	0	7	-100.0%*	274	507	-46.0%	-47.5%*
Average allocated capital	8,249	8,023		6,268	5,779		1,026	1,163		15,543	14,965		
C/I ratio	90%	72%		67%	65%		103%	88%		85%	72%		

\* When adjusted for changes in Group structure and at constant exchange rates  
Net banking income, operating expenses, cost to income ratio, allocated capital: see Methodology

# GLOBAL BANKING AND INVESTOR SOLUTIONS

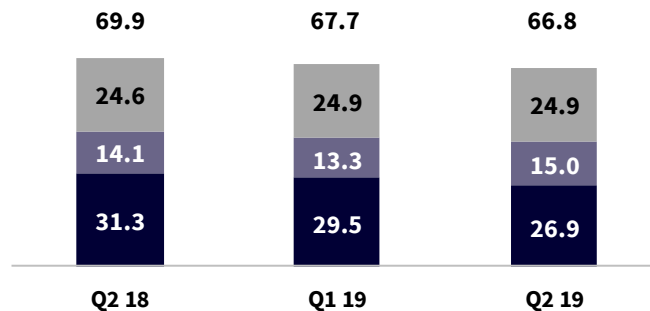
## H1-19 RESULTS

<i>In EUR m</i>	Global Markets and Investor Services			Financing and Advisory			Asset and Wealth Management			Total Global Banking and Investor Solutions			
	H1 19	H1 18	Change	H1 19	H1 18	Change	H1 19	H1 18	Change	H1 19	H1 18	Change	
Net banking income	2,626	2,862	-10.8%*	1,393	1,265	+8.0%*	486	500	-0.7%*	4,505	4,627	-2.6%	-4.6%*
Operating expenses	(2,511)	(2,390)	+3.2%*	(966)	(909)	+4.4%*	(464)	(453)	+5.1%*	(3,941)	(3,752)	+5.0%	+3.7%*
Gross operating income	115	472	-77.6%*	427	356	+17.2%*	22	47	-54.3%*	564	875	-35.5%	-39.0%*
Net cost of risk	(11)	(2)	x 5,5	(70)	33	n/s	6	(11)	n/s	(75)	20	n/s	n/s
Operating income	104	470	-79.6%*	357	389	-10.1%*	28	36	-25.3%*	489	895	-45.4%	-48.2%*
Net profits or losses from other assets	0	(1)		0	0		0	(14)		0	(15)		
Net income from companies accounted for by the equity method	4	4		0	0		0	(1)		4	3		
Impairment losses on goodwill	0	0		0	0		0	0		0	0		
Income tax	(25)	(125)		(36)	(68)		(7)	(6)		(68)	(199)		
Net income	83	348		321	321		21	15		425	684		
O.w. non controlling interests	8	9		2	1		1	1		11	11		
Group net income	75	339	-79.7%*	319	320	-2.2%*	20	14	+32.9%*	414	673	-38.5%	-41.8%*
Average allocated capital	8,560	8,052		6,399	5,702		1,103	1,103		16,062	14,856		
C/I ratio	96%	84%		69%	72%		95%	91%		87%	81%		

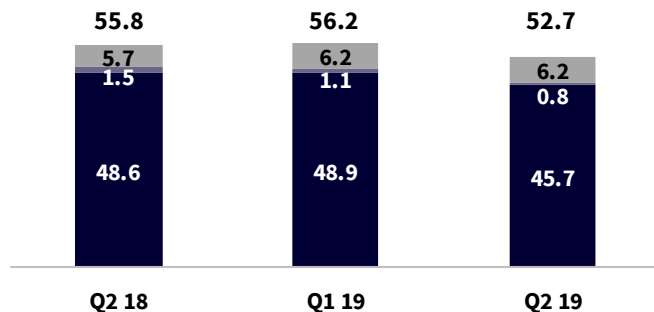
\* When adjusted for changes in Group structure and at constant exchange rates  
 Net banking income, operating expenses, Cost to income ratio, allocated capital : see Methodology

# GLOBAL BANKING AND INVESTOR SOLUTIONS RISK-WEIGHTED ASSETS IN EUR BN

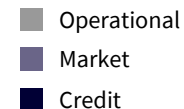
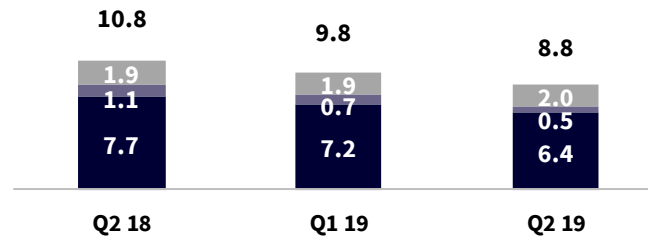
\_Global Markets and Investor Services



\_Financing and Advisory



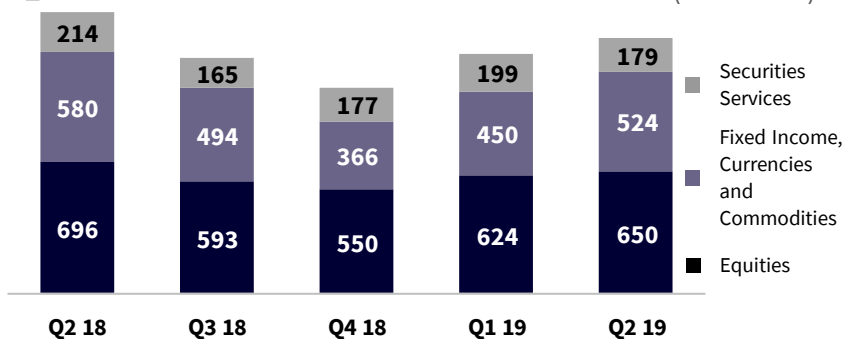
\_Asset and Wealth Management



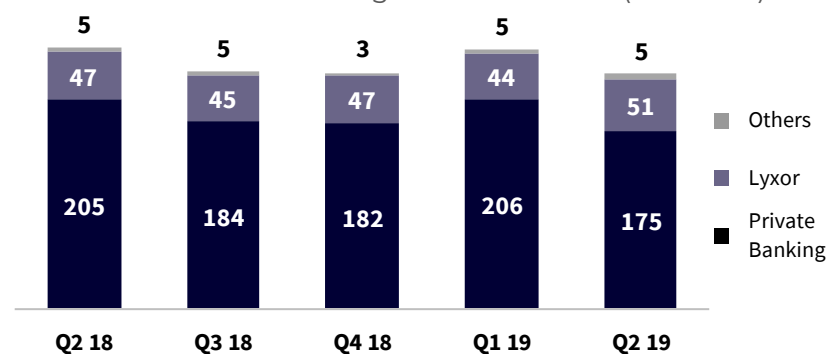


# GLOBAL BANKING AND INVESTOR SOLUTIONS REVENUES

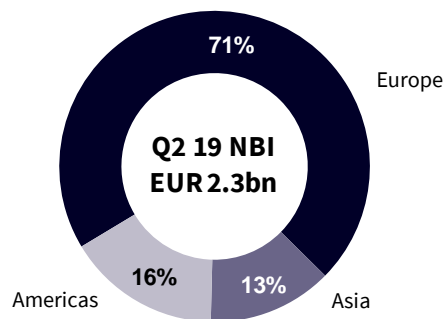
\_Global Markets and Investor Services Revenues (in EUR m)



\_Asset and Wealth Management Revenues (in EUR m)



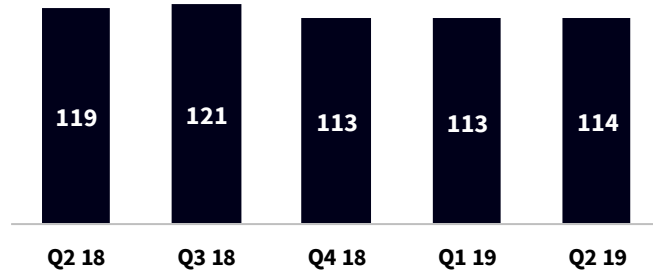
\_Revenues Split by Region (in %)



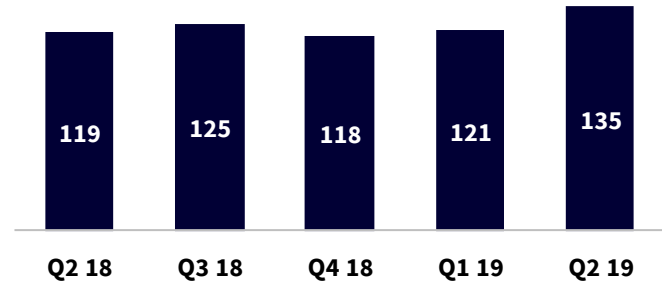
# GLOBAL BANKING AND INVESTOR SOLUTIONS

## KEY FIGURES

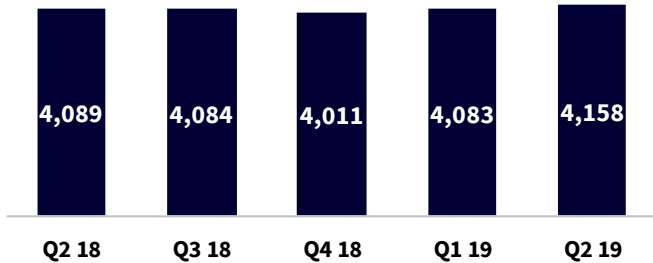
\_Private Banking: Assets under Management<sup>(1)</sup> (in EUR bn)



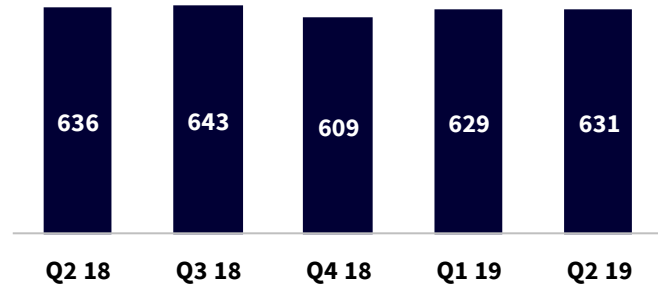
\_Lyxor: Assets under Management (in EUR bn)



\_Securities Services: Assets under Custody (in EUR bn)



\_Securities Services: Assets under Administration (in EUR bn)



# GLOBAL BANKING AND INVESTOR SOLUTIONS

## CVA/DVA IMPACT

NBI impact					
	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19
Equities	2	3	(9)	10	4
Fixed income,currencies,commodities	(3)	9	(20)	19	5
Financing and Advisory	(4)	8	(21)	11	0
<b>Total</b>	<b>(5)</b>	<b>19</b>	<b>(51)</b>	<b>39</b>	<b>9</b>

# GLOBAL BANKING AND INVESTOR SOLUTIONS LEAGUE TABLES - RANKINGS - AWARDS

## Financing and Advisory



### Trophées Leaders de la Finance

Best European Corporate and Investment Bank  
Best Corporate and Investment Bank in Energy, Infrastructure and Transport sector  
Best Specialised Financial Advisor for Capital Markets



### GlobalCapital Bond Awards:

Most Impressive Bank for CEE Bonds  
Most Impressive Bank for non-dollar bonds in Emerging Markets outside Asia  
Most Impressive Bank for corporate Swaps and other derivatives



### Euromoney Awards for Excellence

Best Investment Bank in France



### EnergyRisk Awards

Commodity Finance House of the Year



### The Banker: Deals of the Year

Europe: Bonds - SSA  
Asia Pacific: Bonds Corporates  
Middle East: Bonds Corporates



### Triple A Awards

Project Finance House of the Year:  
Australia



### Merger and Acquisition

#1 Target Italy  
#4 Target France by deal count



### Equity Capital Markets

#3 France, Belgium, Luxembourg

### Acquisition Finance

#6 Bookrunner EMEA  
#3 Bookrunner France  
#1 Mandated Lead Arranger France

### Debt Capital Markets

#3 All Int Euro Bonds  
#4 All Int Euro Corporate Bonds  
#2 All Int Euro Bonds for FI (inc. CB)

## Global Markets and Investor Services



### GlobalCapital Americas Derivatives Awards

Volatility Derivatives Bank of the Year  
Corporate Solutions Provider of the year



### SRP Asia Awards

Asia Pacific  
Best House, South and South East Asia  
Best House, Hong Kong  
Best House, Taiwan  
Best House, Foreign Exchange  
Best House, Credit  
Best Provider, Australia



### Americas Structured Note Showcase & Awards

House of the Year Power Performer under 3a2 issuance programme (3<sup>rd</sup> party distrib).



### Global Finance Best sub-custodian Bank:

- Russia
- Tunisia
- Côte d'Ivoire
- Romania

## Asset and Wealth Management



### WealthTech Awards

Best private bank for digital (robo) advisory services in Europe (SYNOE)



### Private Banker International (PBI)

Outstanding Private Bank - UK  
Domestic Clients  
Crown Dependencies



### Oscar de l'Innovation

Rewarded by journalists of « Gestion de Fortune » and professionals of insurance industry



### Trophée Profidéo

Rewarded by Profidéo analysts



### Couple de la distribution

Rewarded by journalists of l'Agefi and professionals of insurance industry



Best ETF Investment Manager Europe 2019



ETF provider with the highest number of AAA ratings

# FINANCING & ADVISORY SUPPORTING CLIENTS IN THEIR TRANSFORMATIONS

CLIENT PROXIMITY  
INNOVATION  
PRODUCT EXCELLENCE  
INDUSTRY EXPERTISE  
ADVISORY CAPACITY  
GLOBAL COVERAGE



## SFR FTTH

Global Bookrunner, Underwriter

EUR 1.9bn – Financing the roll-out of c. 5m optical fiber plugs for SFR FTTH – a joint-venture between Altice, Omers, Allianz and AXA



## REPUBLIC OF CHILE

Joint bookrunner

EUR 861m – First Euro green bond issued by a Latin American Sovereign



## BOCOMM LEASING

Arranger, MLA, Facility and Security Agent

USD 90m – Japanese Operating Lease in favour of Bocomm Leasing for the financing of two Boeing leased to KLM



## GAC

Financial Advisor, Lender, Security Agent

USD 750m – Greenfield mining project financing to Guinea Alumina Corporation (GAC)



## ERMEWA

Exclusive Financial Advisor, Sole MLA, Sole Lender

Acquisition of Singapore-based Raffles Lease and its managed fleet of c. 14,000 tank containers by Ermewa



## CMA CGM

Financial Advisor

CHF 2.3bn – Public tender offer on CEVA Logistics



# METHODOLOGY (1/3)

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**1 – The financial information presented for the second quarter and first half ending 30 June 2019 was reviewed by the Board of Directors on 31 July 2019 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date. The limited review procedures on the condensed interim financial statements at 30 June 2019 carried out by the Statutory Auditors are currently underway.**

## **2 – Net banking income**

The pillars' net banking income is defined on page 40 of Societe Generale's 2019 Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

## **3 – Operating expenses**

**Operating expenses** correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31<sup>st</sup>, 2018 (pages 416 et seq. of the 2019 Registration Document). The term "costs" is also used to refer to Operating Expenses.

The **Cost/Income Ratio** is defined on page 40 of Societe Generale's 2019 Registration Document.

## **4 – IFRIC 21 adjustment**

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

## **5 – Exceptional items – transition from accounting data to underlying data**

The Group may be required to provide underlying indicators for a clearer understanding of its actual performance. Underlying data is obtained from reported data by restating the latter to take into account exceptional items and the IFRIC 21 adjustment

The Group restates also the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

Details of these items, as well as the other items that are the subject of a one-off or recurring restatement (exceptional items) are given in the appendix (page 31).

# METHODOLOGY (2/3)

## 6 – Cost of risk in basis points, coverage ratio for non performing loans

The cost of risk or commercial cost of risk is defined on pages 42 and 562 of Societe Generale's 2019 Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases. The gross coverage ratio for Non performing loans is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("non performing").

	(In EUR m)	Q2 19	Q2 18	H1 19	H1 18
French Retail Banking	Net Cost Of Risk	129	93	223	227
	Gross loan Outstandings	192,896	186,245	192,159	185,727
	<b>Cost of Risk in bp</b>	<b>27</b>	<b>20</b>	<b>23</b>	<b>24</b>
International Retail Banking and Financial Services	Net Cost Of Risk	133	75	261	166
	Gross loan Outstandings	139,634	132,749	134,747	132,190
	<b>Cost of Risk in bp</b>	<b>38</b>	<b>23</b>	<b>39</b>	<b>25</b>
Global Banking and Investor Solutions	Net Cost Of Risk	33	7	75	(20)
	Gross loan Outstandings	164,162	149,283	164,512	148,499
	<b>Cost of Risk in bp</b>	<b>8</b>	<b>2</b>	<b>9</b>	<b>(3)</b>
Corporate Centre	Net Cost Of Risk	19	(4)	19	5
	Gross loan Outstandings	8,705	6,614	8,977	6,849
	<b>Cost of Risk in bp</b>	<b>86</b>	<b>(24)</b>	<b>42</b>	<b>15</b>
Societe Generale Group	Net Cost Of Risk	314	170	578	378
	Gross loan Outstandings	505,397	474,891	500,395	473,264
	<b>Cost of Risk in bp</b>	<b>25</b>	<b>14</b>	<b>23</b>	<b>16</b>

## 7 – ROE, RONE, ROTE

The notion of ROE (Return On Equity) and ROTE (Return On Tangible Equity), as well as the methodology for calculating it, are specified on pages 42 and 43 of Societe Generale's 2019 Registration Document. This measure makes it possible to assess return on equity and Societe Generale's return on equity tangible.

RONE (*Return on Normative Equity*) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 43 of Societe Generale's 2019 Registration Document.

# METHODOLOGY (3/3)

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The net result by the group retained for the numerator of the ratio is the net profit attributable to the accounting group adjusted by the interest to be paid on TSS & TSDI, interest paid to the holders of TSS & TSDI amortization of premiums issues and unrealized gains/losses accounted in equity, excluding translation reserves (see methodological Note 9). For the ROTE, the result is also restated for impairment of goodwill.

**8 – Net assets and tangible net assets** are defined in the methodology, page 45 of the Group’s 2019 Registration Document.

## **9 – Calculation of Earnings Per Share (EPS)**

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 44 of Societe Generale’s 2019 Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. For indicative purpose, the Group also publishes EPS adjusted for the impact of exceptional items and for IFRIC 21 adjustment (Underlying EPS).

**10 –** The Societe Generale Group’s **Common Equity Tier 1 capital** is calculated in accordance with applicable CRR/CRD4 rules. The fully-loaded **solvency ratios** are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is calculated according to applicable CRR/CRD4 rules including the provisions of the delegated act of October 2014.

**11 –** The **liquid asset buffer** or liquidity reserve includes 1/ central bank cash and deposits recognized for the calculation of the liquidity buffer for the LCR ratio, 2/ liquid assets rapidly tradable in the market (High Quality Liquid Assets or HQLA), unencumbered net of haircuts, as included in the liquidity buffer for the LCR ratio and 3/ central bank eligible assets, unencumbered net of haircuts.

**12 –** The **“Long Term Funding” outstanding** is based on the Group financial statements and on the following adjustments allowing for a more economic reading. It then Includes interbank liabilities and debt securities issued with a maturity above one year at inception. Issues placed in the Group’s Retail Banking networks (recorded in medium/long-term financing) are removed from the total of debt securities issued.

Note: The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules. All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale’s website [www.societegenerale.com](http://www.societegenerale.com) in the “Investor” section.



## **INVESTOR RELATIONS TEAM**

**[investor.relations@socgen.com](mailto:investor.relations@socgen.com)**

**[www.societegenerale.com/en/investors](http://www.societegenerale.com/en/investors)**