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# **SOCIETE GENERALE**

## **PREMIUM REVIEW**

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Deputy CEO

3 DECEMBER 2015

# 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.

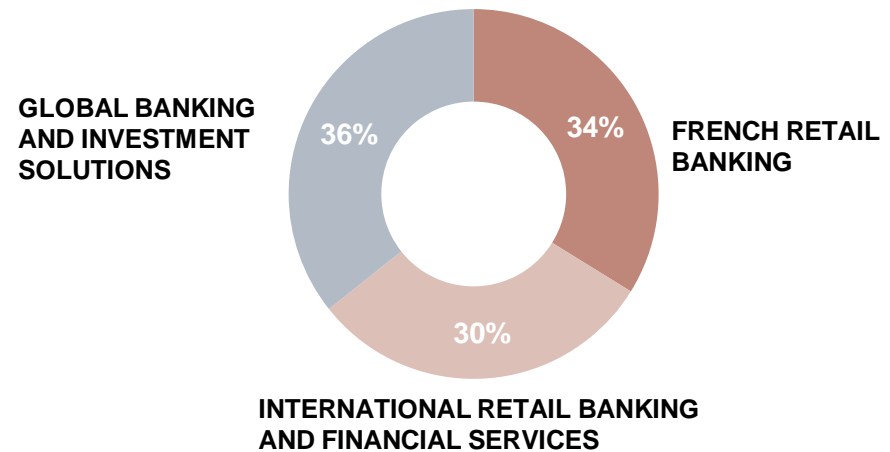
Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

The financial information presented for quarter ending 30th September 2015 was reviewed by the Board of Directors on 4th November 2015 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date.

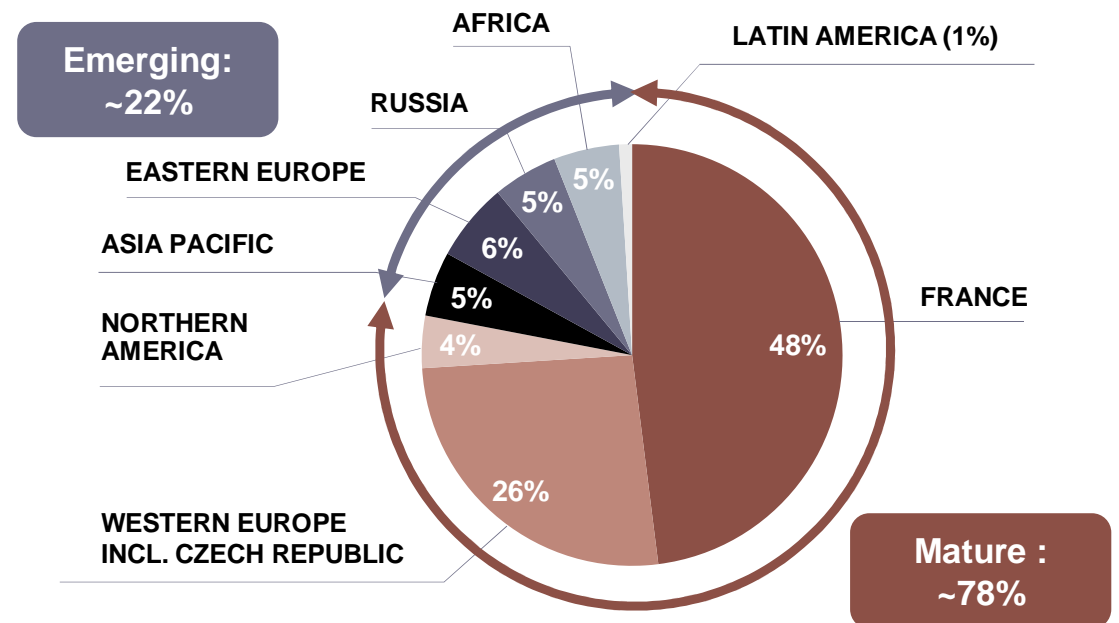
## BALANCED BUSINESS MODEL DELIVERING VALUE TO INVESTORS

- Differentiated business mix offering growth potential above market
  - **Retail banking**
    - Mass affluent franchise in France
    - Good coverage in emerging markets, mainly Eastern Europe and Africa
  - **Recognised franchise in Corporate and Investment Banking on structured finance and products**
  - **Front-running the digital revolution in all major markets**
  
- Taking advantage of the European rebound
  - **Solid 9M 15 results demonstrating our growth potential**
  - **GDP growth forecast growing stronger in Europe**

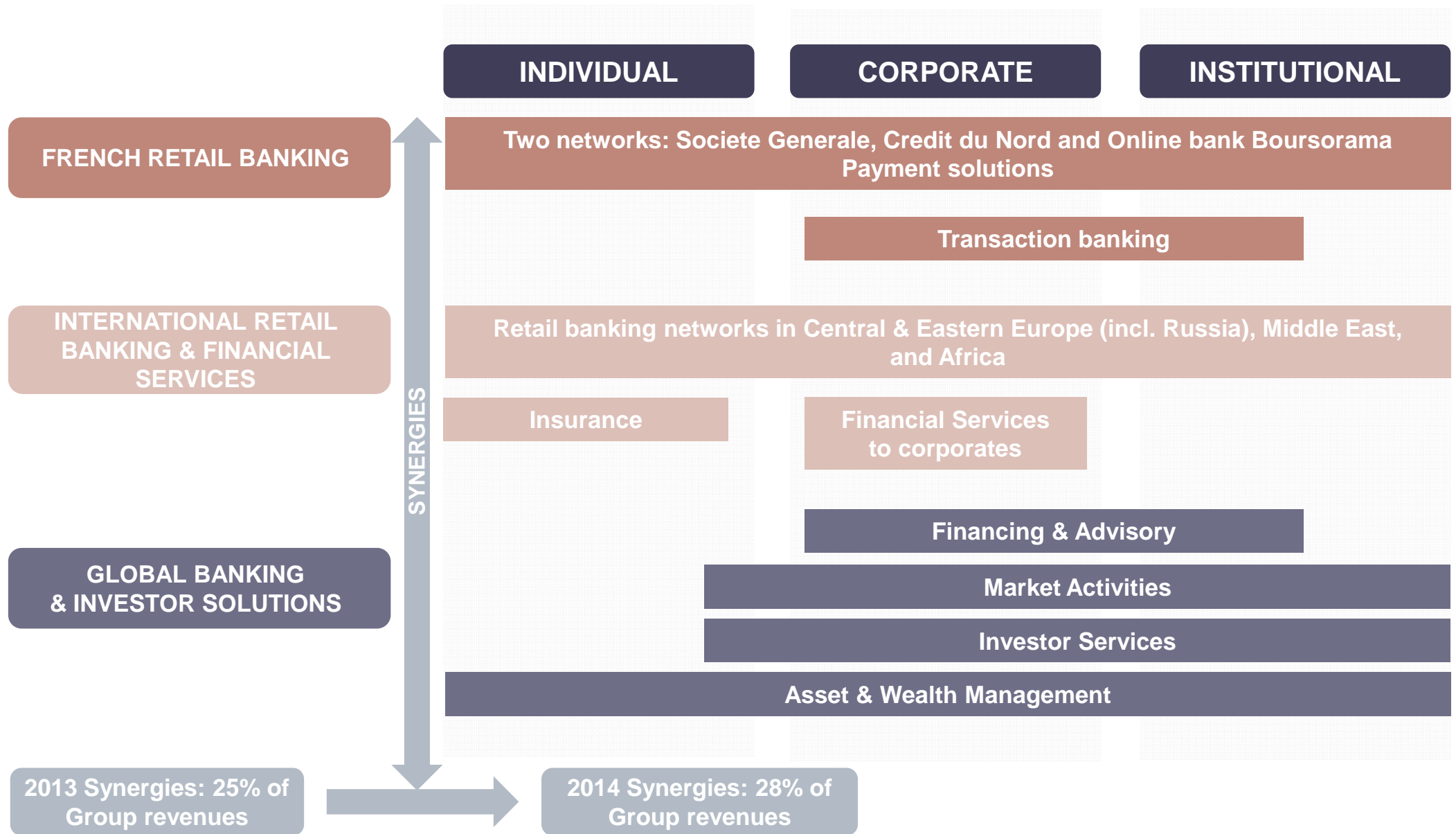
### 2014 Group NBI Core Businesses breakdown



### 2014 Group NBI geographical breakdown



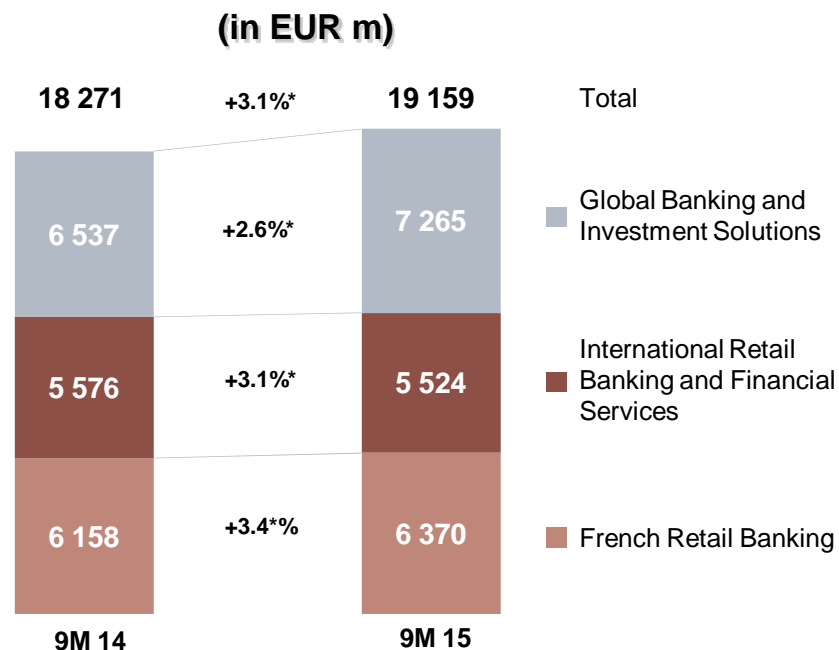
**A BALANCED AND INTEGRATED MODEL GEARED TOWARDS SYNERGIES**



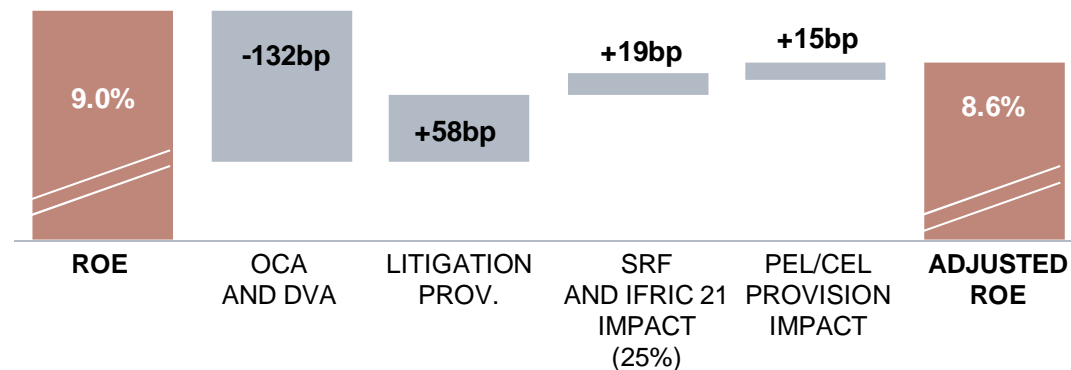
## DELIVERING STEADY GROWTH

- NBI<sup>(1)</sup> at EUR 18.8bn in 9M 15, +5.2%\* vs. 9M 14
  - Good commercial activity overall
  - Solid growth in French Retail Banking and International Retail Banking
  - Dynamic markets, Financing and Advisory activities
- Costs under strict control, investment in Group transformation and commercial initiatives
  - 2012-2015 efficiency programme fully implemented
  - EUR 850m additional savings planned by end-2017
- Continued decrease in cost of risk

### NBI breakdown by businesses



### 9M 15 Group ROE



➤ **Group net income<sup>(1)</sup>**  
 EUR 2,876m in 9M 15 vs. EUR 2,247m in 9M 14

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

(1) Excluding revaluation of own financial liabilities and DVA

OCA: revaluation of own financial liabilities

## SUSTAINED COMMERCIAL DYNAMISM ASSOCIATED TO SOLID PROFITABILITY

### ■ Sustained commercial dynamism

- +274,000 net account openings across three brands in 9M 15 (+59%)
- Growth in deposits (+5.0% vs. 9M 14), supported by sight deposits (+14.0% vs 9M 14)
- Confirmed positive momentum in loan production mainly driven by home loans (x2.2 vs. 9M 14) and corporate (+32% vs. 9M 14)

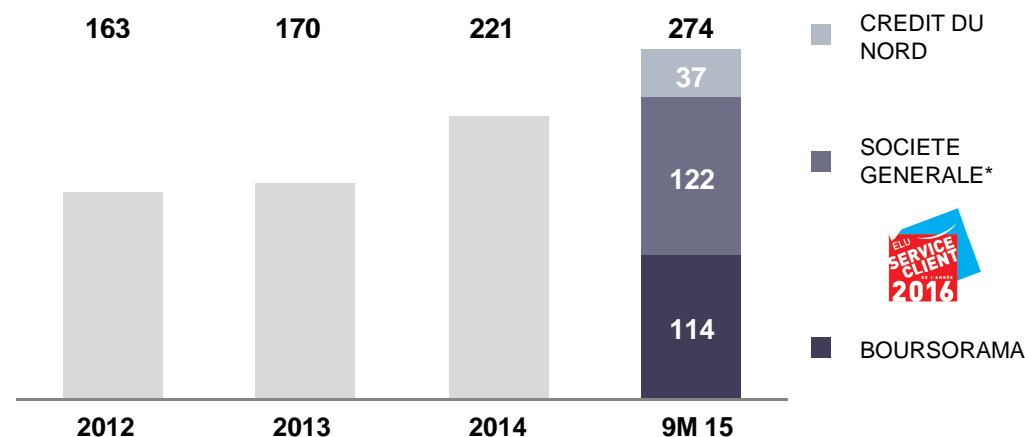
### ■ Solid profitability

- Continued rise in revenue (+3.5% vs. 9M 15)
- Operating expenses under control, increase reflecting acceleration in digital investment (C/I ratio at 62.3%<sup>(2)</sup> in 9M 15)

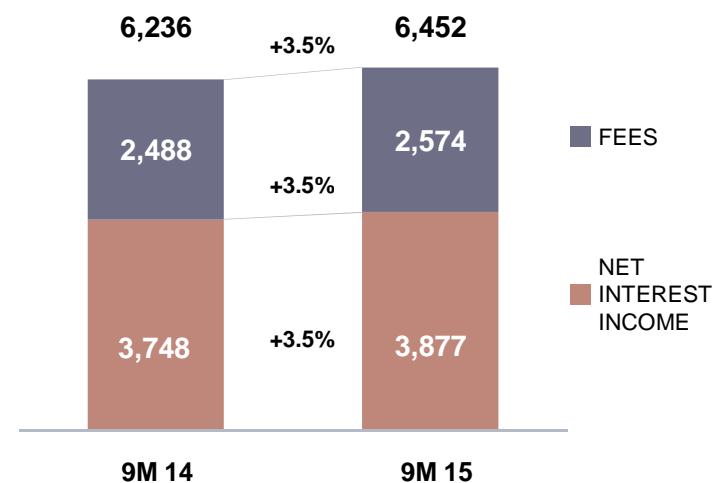


Contribution to Group net income<sup>(1)</sup>  
 EUR 1,154m in 9M 15, ROE of 15.9%<sup>(2)</sup>

**Net New Individual Customer Accounts**  
(in Thousands)



**Net Banking Income<sup>(1)</sup> (in EUR m)**



(1) Excluding PEL/CEL provision

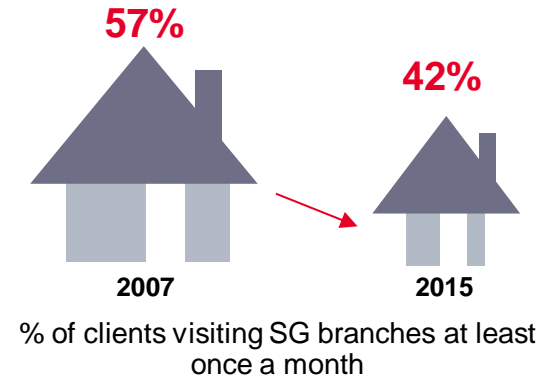
(2) Excluding PEL/CEL provision and adjusted for IFRIC 21

## AHEAD OF THE RETAIL CUSTOMER DIGITALISATION IN FRANCE

- Digitalisation is transforming retail customer behaviour<sup>(1)</sup>
- Leverage on our 3 strong complementary brands through out an ambitious transformation
  - **Launch new digital initiatives**
    - Invest EUR1.5bn<sup>(3)</sup> in “change the bank”
    - Continue to push Fintech initiatives via partnership or direct investment
  - **Accompany people in our transformation**
    - Adapt the recruitment process accordingly
    - Develop training to accompany the job transformation
    - Implement change management processes
  - **Adapt the networks**
    - Remodel the branch format
    - Adapt commercial approach within branches
    - Accelerate the optimisation of the network to gain expertise

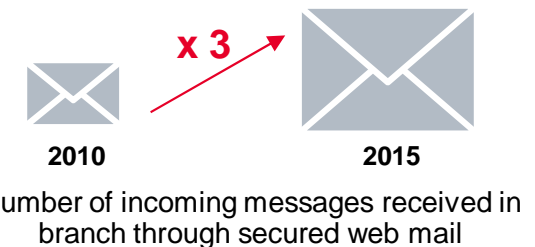
➤ 2020 ROE target : 15%

### Fewer branch visits<sup>(2)</sup>

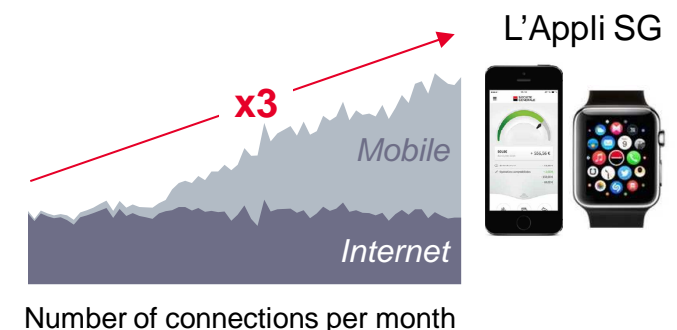


### More contacts with us<sup>(2)</sup>

86% of incoming contacts are digital in 2014



### Mobile is the main channel



(1) Source: Oliver Wyman, 2015 (% of global population)  
 (2) Customer behaviour in the French Societe Generale network  
 (3) For French Retail Banking excluding Boursorama

## IMPROVING PERFORMANCE ACROSS BUSINESSES

### ■ Positive growth dynamics

#### • International Retail Banking

- Strong deposit collection across network
- Europe showing clear signs of improvement with dynamic loan growth vs. Q3 14
- Sustained activity in Russia in corporates and recovery in retail loan production

#### • Insurance: increase in outstandings (+5%\* vs. Q3 14) and in unit-linked share

#### • Financial Services to Corporates

- ALD Automotive: strong organic growth, fleet up by +7%\* vs. Q3 14
- Equipment Finance: new business up +7%\*(1) vs. 9M 14

### ■ Solid contribution overall

- Profitability on track to reach 2016-target
- Further improvement in SG Russia(2) in Q3
- Costs strictly controlled despite high inflation



**Contribution to Group net income  
EUR 793m in 9M 15 (x2.9\* vs. 9M 14)**

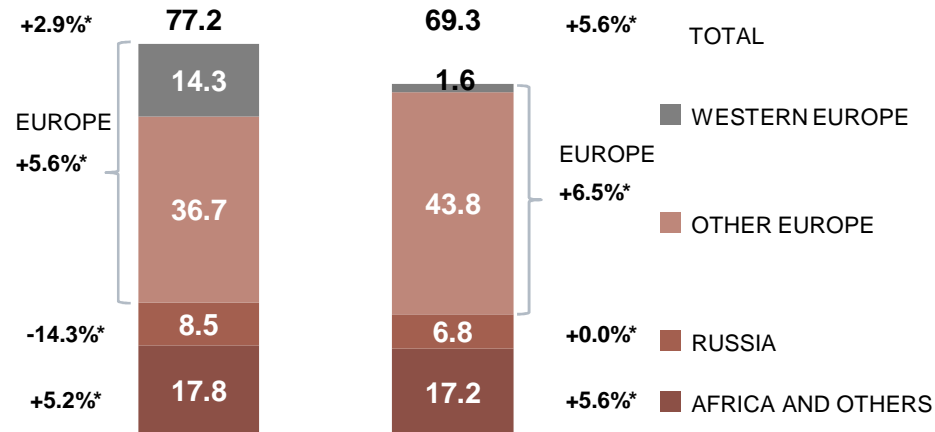
\* When adjusted for changes in Group structure and at constant exchange rates

(1) Excluding factoring

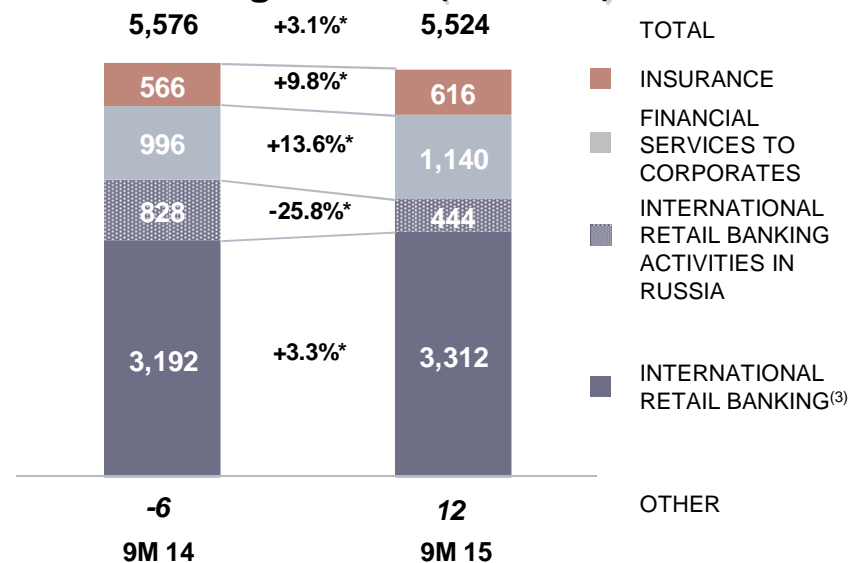
(2) Contribution of Rosbank, Delta Credit Bank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive, and their consolidated subsidiaries to Group results

(3) Excluding International Retail Banking activities in Russia

### Loan and Deposit Outstandings Breakdown (in EUR bn – change vs. end-Q3 14, in %\*)



### Net Banking Income (in EUR m)





## EUROPEAN ECONOMIC OUTLOOK

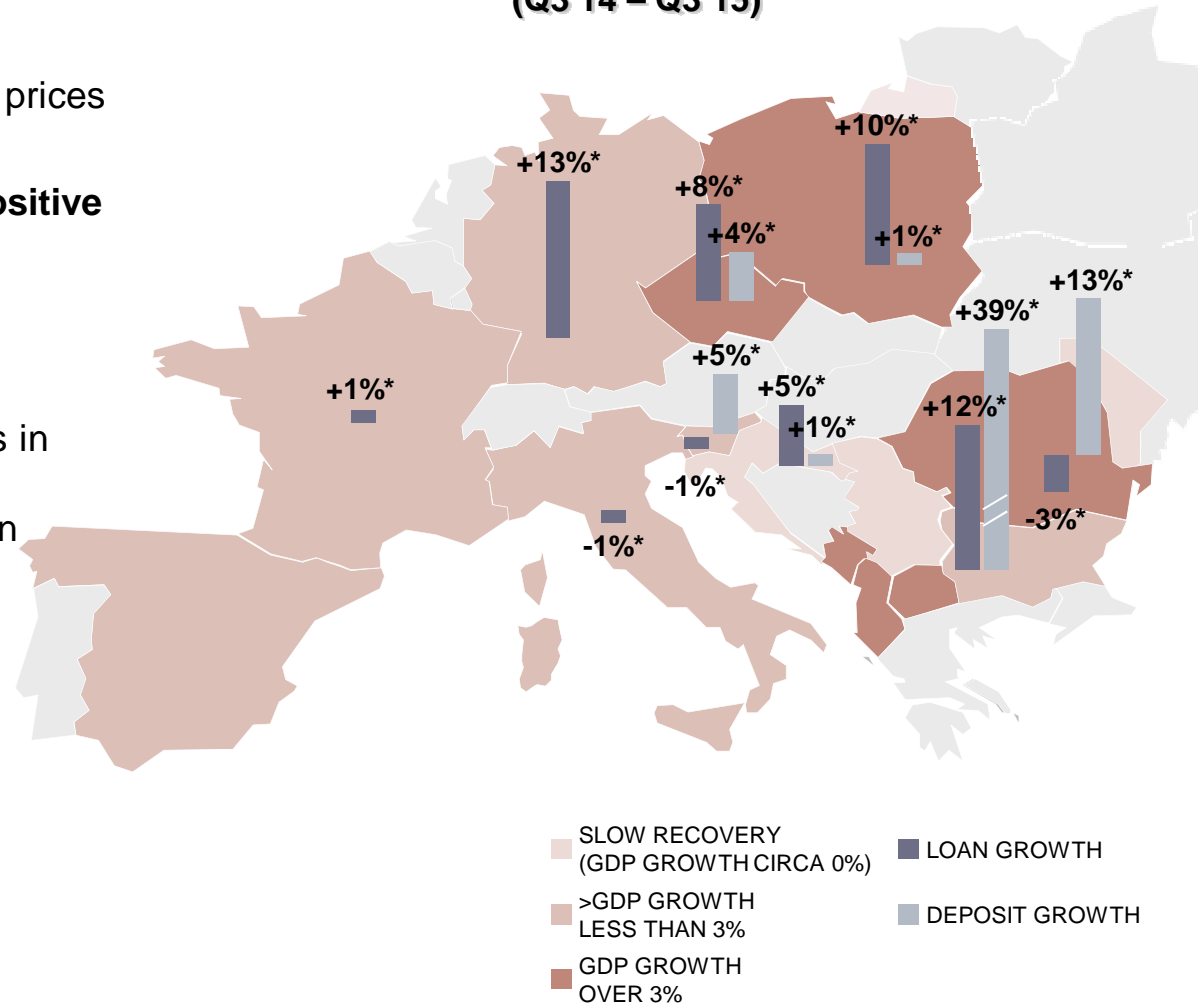
### ■ France and Western Europe GDP

- **In France,**  
Household consumption supported by lower oil prices  
Corporate margin improvement
- **Expected positive growth for 2016, ongoing positive momentum in Germany**

### ■ Central and Eastern Europe GDP

- **Contrasted but growing**  
Sustain domestic consumption and investments in the Czech Republic  
Private consumption driven by lower oil prices in Romania and Croatia
- **2016 expectations**  
Growth of 2.7% in Czech Republic,  
3.5% in Romania, 3.5% in Poland (+3.5%) and  
c. 0% in Russia

### GDP expected growth in Europe (2015 - 2016) and Societe Generale loan and deposit growth (Q3 14 – Q3 15)



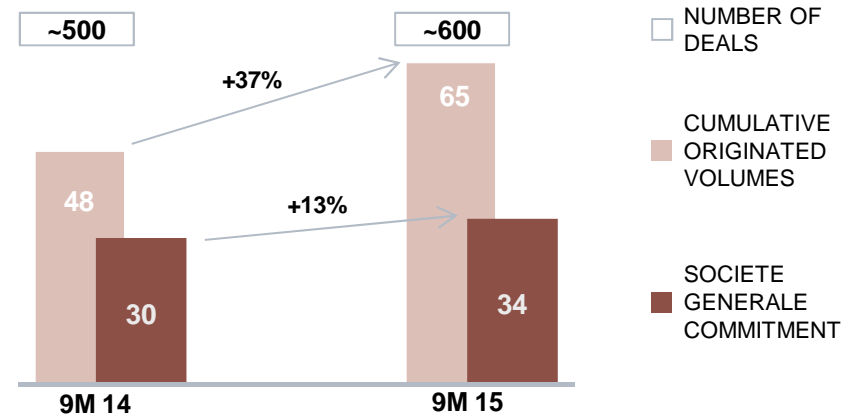
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**9M 15 CONTRIBUTION INCREASING, REFLECTING DIVERSIFIED BUSINESS MIX**

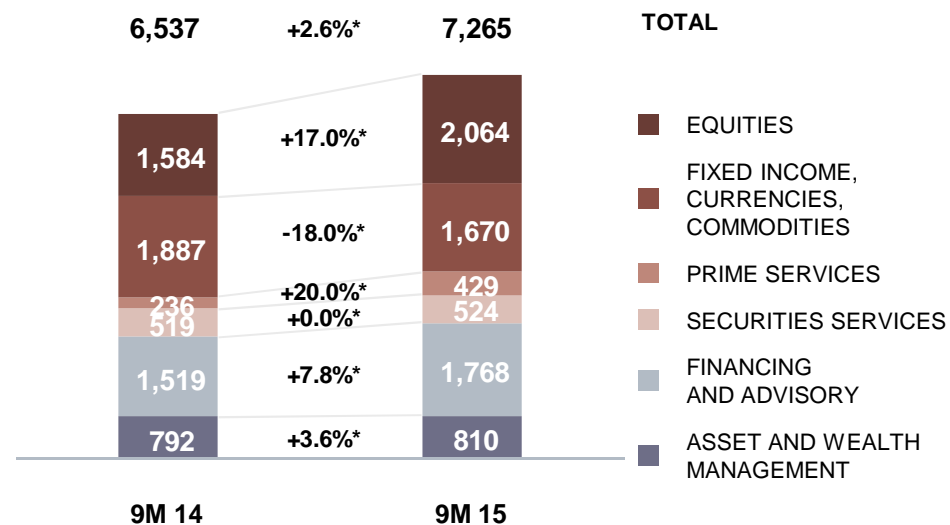
- Continued dynamic Financing and Advisory
  - **Global Markets & Investor Services: +2.6%\* vs. 9M 14, mainly driven by Equity and Investor Services**
  - **Financing and Advisory: +7.8%\* vs. 9M 14, solid overall commercial activity, strong performance from Natural resources and Structured Finance**
  - **Asset & Wealth Management: +3.6%\* vs. 9M 14, solid Wealth Management activity in almost all locations**
- Continued discipline on costs
  - **Operating Expenses EUR 1,562m (+3.2%\* vs. 9M 14)**

**➤ Contribution to Group net income EUR 1,533m in 9M 15**

**Financing: New Commitments (in EUR bn)**



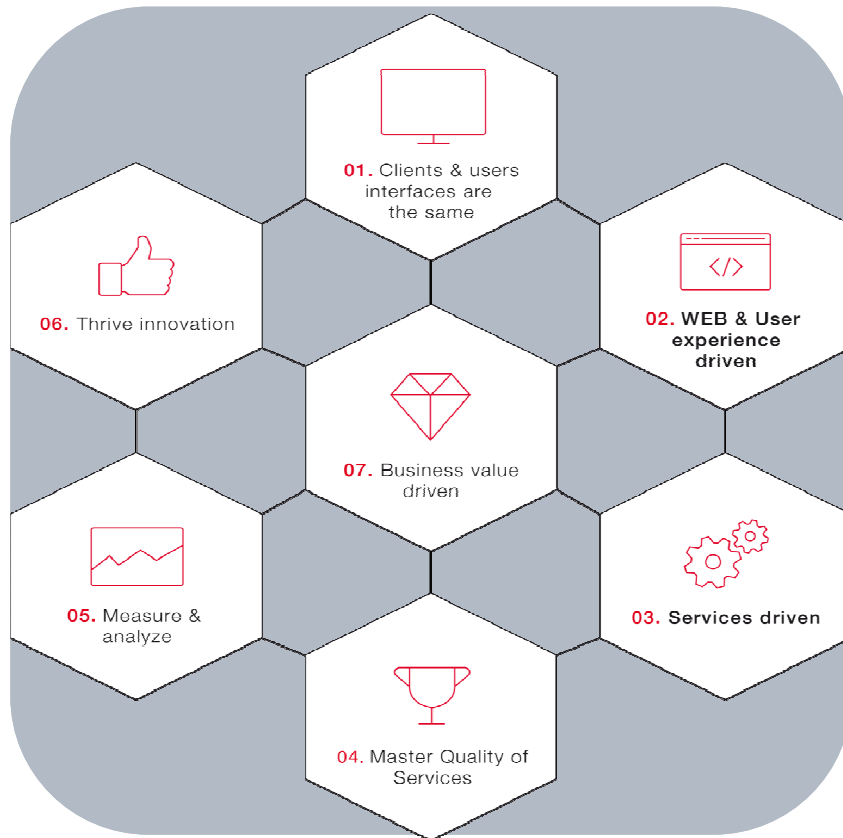
**Net Banking Income (in EUR m)**



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

**GBIS IS COMMITTED TO THE WIDE TRANSFORMATION OF ITS INDUSTRY**

Digital pillars



Digital journey



**➤ Focus on value creation**

## DIGITAL STRATEGY FOSTERS OUR OFFER AND BUSINESS SERVICES

### Our enablers, backbone

Web-based Services

User Experience

Big Data, Cloud,  
Mobility

Security & Web  
Access

### Global Markets and Investor Services

- Intelligence portals offering all services through unique account
- For clients and internal staff
- Step by step approach
- Client portal allowing clients to manage their daily reporting activities
- Easy access to all post-trade information

### Financing and Advisory

- Origination integrated platform to manage all the steps of a financing transaction

### Asset & Wealth Management

- Develop internal digitalisation for the benefit of the client relationship
- Deliver new client services, from 2016 onwards

With innovative experiences



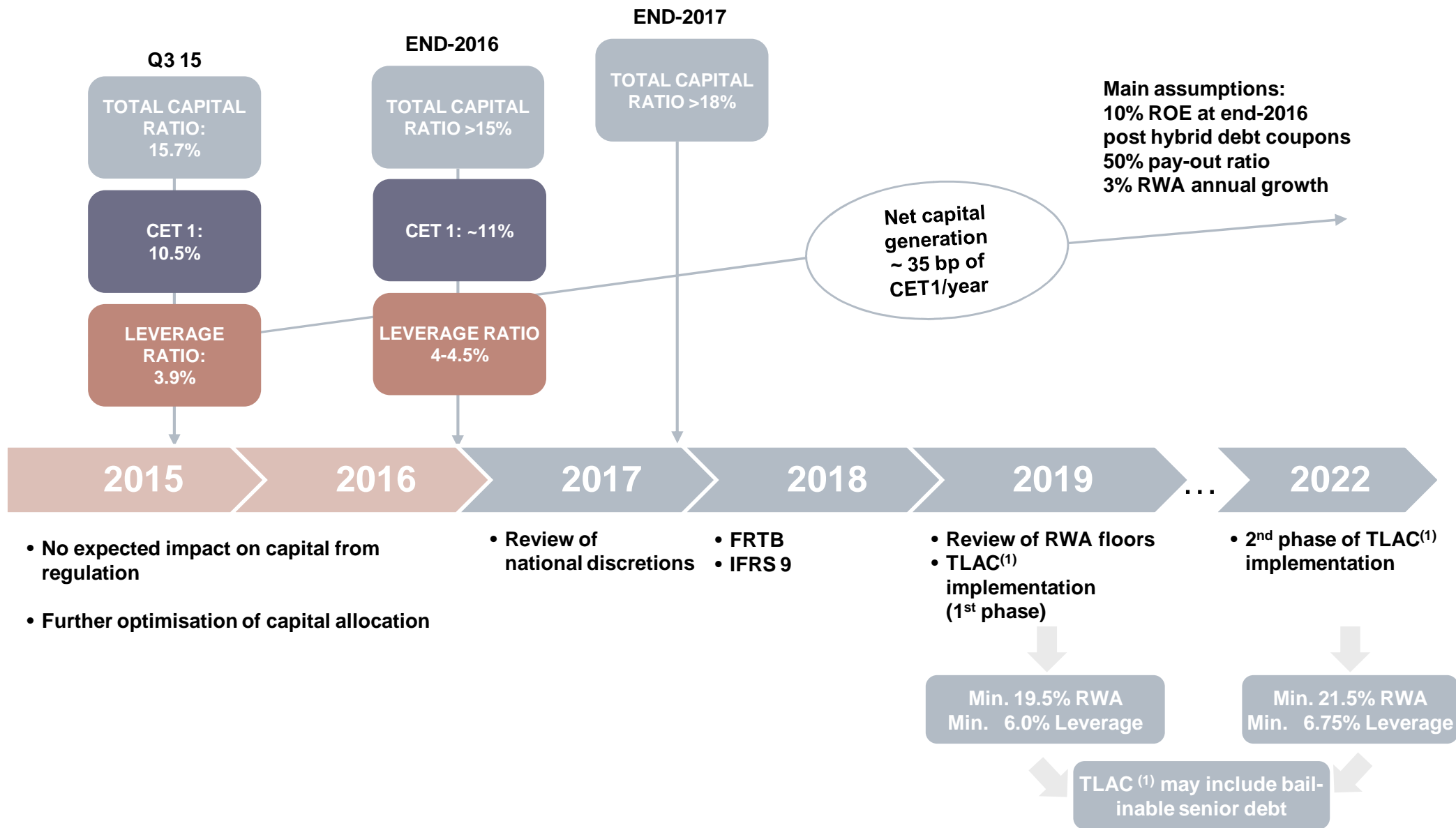
GBIS INNOVATHON  
2015



SYMPHONY



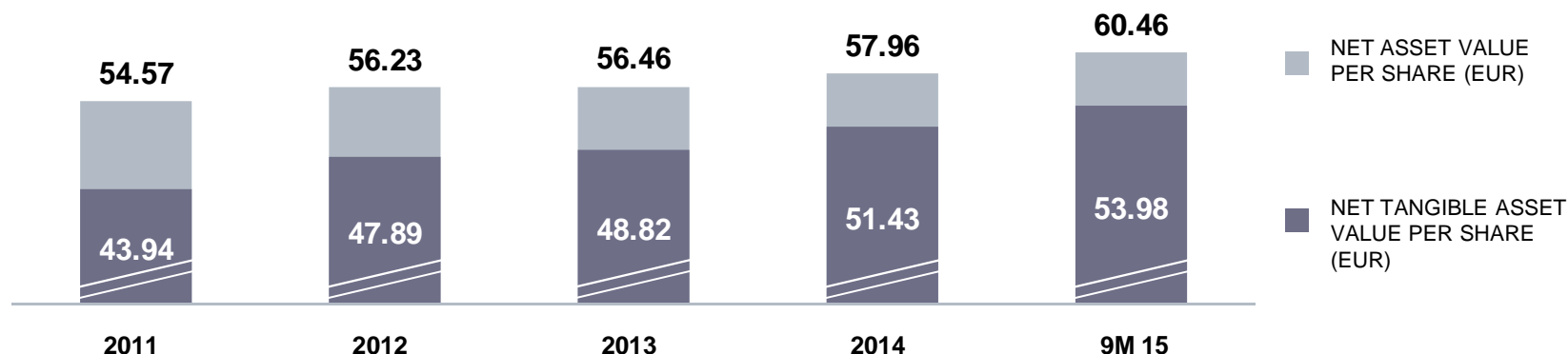
# FULLY PREPARED FOR FURTHER REGULATION



(1) TLAC = Total Capital Ratio + amortised Sub. Debt (Y2 to Y5) - Sub. Debt < 1Y + capped amount of bail-inable senior debt (under conditions: 2.5 % in 2019 et 3.5 % in 2022)

## CLIENT-FOCUSED STRATEGY CREATING VALUE IN THE LONG TERM

- Continued adaptation to client needs
- Solid business growth driven by successful client-focused strategy
  - Front-running the digital revolution
  - Tight supervision of costs and risks: efficiency programme and strict monitoring of exposures
- Strengthened balance sheet thanks to a well balanced usage of capital generation



➤ Delivering value to our shareholders: EPS<sup>(1)</sup> at EUR 3.23 at end-Q3 15 vs. EUR 2.51 at end-Q3 14, with 50% payout

(1) Excluding revaluation of own financial liabilities and DVA

Note : NAVPS and NTAVPS historical data unadjusted for further changes in accounting rules



## **INVESTOR RELATIONS TEAM**

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