

## **UPDATE ON Q4 18 GROUP PERFORMANCE**

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### **Press release**

Paris, 17 January 2019

- **Q4 18 Group performance affected by IFRS 5 accounting of disposals and a challenging environment in global capital markets**
- **The Board of Directors of Societe Generale intends to propose a stable dividend for 2018 (EUR 2.20 per share) and has decided to propose to shareholders the option of a dividend payment in shares**
- **Pro forma\* Group CET1 ratio expected between 11.4% and 11.6% as of Q4 18**

As a result of the IFRS 5 accounting of disposals implemented by the Group, including the previously announced sales of Societe Generale Serbia and of the Group's stake in La Banque Postale Financement, an exceptional charge of ca. EUR -240 million will be booked in the Corporate Centre in Q4 18.

The challenging market environment in global capital markets is expected to result in a decline in Global Markets and Investor Services revenues of approximately -20% in Q4 18 vs. Q4 17 and of approximately -10% in 2018 vs. 2017, as well as a significant increase in market risk weighted assets. The performance of all the activities within International Retail Banking and Financial services as well as the Financing and Advisory businesses are expected to be solid in Q4 18. French Retail Banking performance is expected to be in line with guidance.

2018 Group cost of risk is expected to be within the 20-25bp range, as per Group guidance.

The Board of Directors of Societe Generale intends to propose a stable dividend for 2018 (EUR 2.20 per share) and has decided to propose to shareholders the option of a dividend payment in shares.

Taking into account signed transactions (both disposals and acquisitions) and this decision of the Board of Directors, the Group CET1 ratio on a pro forma basis\* is expected to be between 11,4% and 11,6% as of Q4 18, in line with its 12% CET1 target in 2020.

(\* ) Pro forma of signed transactions (disposals and acquisitions), which are expected to generate ca. +26bp of CET1, and assuming 50% of the 2018 dividend is paid in shares (ca. +24bp of CET1)

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## Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the economy.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 147,000 members of staff in 67 countries and supports on a daily basis 31 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** which encompasses the Societe Generale, Cr edit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services to Corporates**, with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), four of the STOXX ESG Leaders indices, and the MSCI Low Carbon Leaders Index.

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