

# **SOCIETE GENERALE GROUP RESULTS**

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4th quarter and full year 2018 | 07.02.2019

**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.

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 the financial year ending 31<sup>st</sup> December 2018 was approved by the Board of Directors on 6<sup>th</sup> February 2019 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date. The audit procedures carried out by the Statutory Auditors on the consolidated financial statements are in progress

# INTRODUCTION



## « TRANSFORM TO GROW » WHERE DO WE STAND ?

Most of **KEY REVENUE INITIATIVES DELIVERING**, despite **CHALLENGING AREAS**

EUR 1.1 bn **EFFICIENCY PLAN ON TRACK**

**COST OF RISK AT THE LOW END OF GUIDANCE IN 2018** and financial uncertainty related to **LITIGATIONS BEHIND US**

**DELIVERING** our **REFOCUSING PLAN**



## ADAPTING OUR EXECUTION

Factoring in **NEW ECONOMIC ENVIRONMENT**

**GLOBAL BANKING AND INVESTOR SOLUTIONS: ADJUSTING GLOBAL MARKETS BUSINESS AND REDUCING THE COST BASE**

More **SELECTIVE CAPITAL ALLOCATION**

**COMFORTING** our capital trajectory to reach our **12% CET1 TARGET**

**1**

# **Q4 18 HIGHLIGHTS**



# Q4 18 GROUP PERFORMANCE



## FRENCH RETAIL BANKING

### Revenues

**-5.5%, excl. PEL/CEL**

Q4 18 vs. Q4 17

2018 performance in line with guidance, in a still unfavourable rate environment

Transformation on track

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

**9.9%** Q4 18

**10.9%** 2018



## INTERNATIONAL RETAIL BANKING

### Revenues

**+9.8%\***

Q4 18 vs. Q4 17

High operating leverage in all regions

Group net income up 35% vs. Q4 17

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

**18.2%** Q4 18

**17.1%** 2018



## INSURANCE AND FINANCIAL SERVICES

### Revenues

**+2.2%\***

Q4 18 vs. Q4 17

Dynamic organic growth

Strong level of profitability

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

**20.2%** Q4 18

**19.7%** 2018



## GLOBAL BANKING AND INVESTOR SOLUTIONS

### Revenues

**-6.9%**

Q4 18 vs. Q4 17

Strong performance in Financing and Advisory

Weak Global Markets revenues in challenging environment

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

**2.7%** Q4 18

**7.8%** 2018

## CORPORATE CENTRE

**EUR -291 m**

Q4 18 Gross operating income

Impact of IFRS 5: EUR -241 m including announced disposals

**EUR -288 m**

2018 Gross operating income excluding exceptional items and Euroclear revaluation

**Underlying group net income<sup>(1)</sup> at EUR 744 m, ROE<sup>(1)</sup>: 5.9% in Q4 18 (9.7% in 2018)**

(1) Underlying data: adjusted for exceptional items, IFRIC 21 linearisation for Q4 18 figures and PEL/CEL provision for French Retail Banking. See supplement.

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

# FRENCH RETAIL BANKING RESULTS

<i>In EUR m</i>	Q4 18	Q4 17	Change	2018	2017	Change
Net banking income	1,912	2,051	-6.8%	7,860	8,014	-1.9%
<i>Net banking income excl. PEL/CEL</i>	1,925	2,036	-5.5%	7,838	7,982	-1.8%
Operating expenses	(1,430)	(1,828)	-21.8%	(5,629)	(5,939)	-5.2%
<b>Gross operating income</b>	<b>482</b>	<b>223</b>	<b>+116.1%</b>	<b>2,231</b>	<b>2,075</b>	<b>+7.5%</b>
<i>Gross operating income excl. PEL/CEL</i>	495	208	+137.3%	2,209	2,043	+8.1%
Net cost of risk	(143)	(184)	-22.3%	(489)	(547)	-10.6%
<b>Operating income</b>	<b>339</b>	<b>39</b>	<b>+769.2%</b>	<b>1,742</b>	<b>1,528</b>	<b>+14.0%</b>
<b>Reported Group net income</b>	<b>282</b>	<b>38</b>	<b>+642.1%</b>	<b>1,237</b>	<b>1,059</b>	<b>+16.8%</b>
RONE	10.1%	1.3%		11.0%	9.6%	
<b>Underlying RONE (2)</b>	<b>9.9%</b>	<b>12.2%</b>		<b>10.9%</b>	<b>13.0%</b>	

**Q4 18 RONE<sup>(2)</sup>: 9.9% (10.9% IN 2018)**

(1) Excluding PEL/CEL provision

(2) Adjusted for IFRIC 21 linearisation, PEL/CEL provision and exceptional items. See supplement.

## GOOD COMMERCIAL ACTIVITY

Boursorama ~1.7m clients (+33% vs. Q4 17)

Stable home loan production vs. Q4 17

Consumer credit production +17% vs. Q4 17

Bancassurance inflow +119m in Q4 17

Private Banking AuM at EUR 61 bn

MLT corporate loans production +21% vs. Q4 17

## 2018 REVENUES IN LINE WITH GUIDANCE

2018 revenues<sup>(1)</sup> -1.8% vs 2017: net interest income<sup>(1)</sup> impacted by negative rate environment (-5.4% vs. 2017), dynamic fees up +1.4% vs 2017

Q4 18 revenues<sup>(1)</sup> -5.5% vs Q4 17: net interest income<sup>(1)</sup> down -8.2% vs. Q4 17 and dynamic services fees (+2.8% vs. Q4 17) offset by decrease in financial fees, leading to increase of 0.5% vs. Q4 17

## COSTS REFLECTING TRANSFORMATION

Underlying operating expenses<sup>(2)</sup> up +2.6% vs. 2017, in line with guidance

Underlying operating expenses<sup>(2)</sup> up +3.8% vs. Q4 17

## VERY DYNAMIC COMMERCIAL ACTIVITY

Solid loans outstanding increase with comprehensive contribution of Europe (+7%\*), Russia (+6%\*) and Africa (+6%\*)  
Good momentum in Insurance and Financial Services

## STEADY GROWTH OF REVENUES

+7.3%\* in Q4 2018 and +6.6%\* in 2018

## POSITIVE JAW EFFECT

+7.1pt in Q4 2018 and +2.3pt<sup>(2)</sup> in 2018

## GROUP NET INCOME

+25.1% in Q4 2018

Up to EUR 2,065m in 2018

# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES RESULTS

<i>In EUR m</i>	Q4 18	Q4 17	Change		2018	2017	Change	
Net banking income	2,161	2,057	+5.1%	+7.3%*	8,317	7,914	+5.1%	+6.6%*
Operating expenses	(1,145)	(1,168)	-2.0%	+0.3%*	(4,526)	(4,404)	+2.8%	+4.7%*
<b>Gross operating income</b>	<b>1,016</b>	<b>889</b>	<b>+14.3%</b>	<b>+16.6%*</b>	<b>3,791</b>	<b>3,510</b>	<b>+8.0%</b>	<b>+8.9%*</b>
Net cost of risk	(114)	(119)	-4.2%	-2.9%*	(404)	(400)	+1.0%	+10.3%*
<b>Operating income</b>	<b>902</b>	<b>770</b>	<b>+17.1%</b>	<b>+19.7%*</b>	<b>3,387</b>	<b>3,110</b>	<b>+8.9%</b>	<b>+8.7%*</b>
Net profits or losses from other assets	2	3	-33.3%	-33.3%	8	36	-77.8%	-78.4%*
<b>Reported Group net income</b>	<b>563</b>	<b>450</b>	<b>+25.1%</b>	<b>+25.7%*</b>	<b>2,065</b>	<b>1,939</b>	<b>+6.5%</b>	<b>+9.3%*</b>
RONE	19.7%	16.2%			18.1%	17.4%		
<b>Underlying RONE (1)</b>	<b>19.0%</b>	<b>15.6%</b>			<b>18.1%</b>	<b>17.4%</b>		

## Q4 18 RONE<sup>(1)</sup>: 19.0% (18.1% IN 2018)

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

(1) Adjusted for IFRIC 21 linearisation

(2) Operating expenses benefit from EUR 60 million restructuring provision write-back in 2017

# GLOBAL BANKING AND INVESTOR SOLUTIONS RESULTS

## STRONG GROWTH IN FINANCING AND ADVISORY

Revenues up +19% vs. Q4 17, +7% vs. 2017

## WEAK GLOBAL MARKETS IN CHALLENGING ENVIRONMENT

Global Markets and Investors Services revenues -19% vs. Q4 17, -8% vs. 2017

FICC down -29% vs. Q4 17, due to unfavorable market conditions in Rates and Credit (-17% vs. 2017)

Equities down -16% vs. Q4 17 on lower commercial activity and trading revenues impacted by difficult market conditions (-4% vs. 2017)

## OPERATING EXPENSES

+2.1% vs. Q4 17 and +1.7% vs. 2017

Investment in Financing and Advisory growth initiatives

<i>In EUR m</i>	Q4 18	Q4 17	Change		2018	2017	Change	
Net banking income	2,041	2,193	-6.9%	-7.6%*	8,846	9,173	-3.6%	-2.1%*
Operating expenses	(1,779)	(1,743)	+2.1%	+1.3%*	(7,241)	(7,121)	+1.7%	+3.2%*
<b>Gross operating income</b>	<b>262</b>	<b>450</b>	<b>-41.8%</b>	<b>-42.0%*</b>	<b>1,605</b>	<b>2,052</b>	<b>-21.8%</b>	<b>-20.3%*</b>
Net cost of risk	(98)	35	n/s	n/s	(93)	(2)	x 46,5	n/s
<b>Operating income</b>	<b>164</b>	<b>485</b>	<b>-66.2%</b>	<b>-66.3%*</b>	<b>1,512</b>	<b>2,050</b>	<b>-26.2%</b>	<b>-25.0%*</b>
<b>Reported Group net income</b>	<b>179</b>	<b>374</b>	<b>-52.1%</b>	<b>-52.3%*</b>	<b>1,197</b>	<b>1,593</b>	<b>-24.9%</b>	<b>-23.6%*</b>
RONE	4.5%	10.3%			7.8%	10.6%		
<b>Underlying RONE (1)</b>	<b>2.7%</b>	<b>8.5%</b>			<b>7.8%</b>	<b>10.6%</b>		

**Q4 18 RONE<sup>(1)</sup>: 2.7% (7.8% IN 2018)**

(1) Adjusted for IFRIC 21 linearisation

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



# CORPORATE CENTRE

## GROSS OPERATING INCOME

2018 underlying gross operating income (excluding Euroclear revaluation): EUR -288 m

## NET PROFITS OR LOSSES FROM OTHER ASSETS

Effect of IFRS 5 on ongoing disposals for EUR -268 m in 2018 including EUR -202 m on announced disposals (SG Albania, Serbia, LBPF and Moldavia)

<i>In EUR m</i>	Q4 18	Q4 17	2018	2017
Net banking income	(187)	22	182	(1,147)
<i>Net banking income (1)</i>	(187)	(71)	182	(1,094)
Operating expenses	(104)	(285)	(535)	(374)
<b>Gross operating income</b>	<b>(291)</b>	<b>(263)</b>	<b>(353)</b>	<b>(1,521)</b>
<i>Gross operating income (1)</i>	(291)	(356)	(353)	(1,468)
Net cost of risk	(8)	(201)	(19)	(400)
Net profits or losses from other assets	(243)	(42)	(274)	237
<b>Reported Group net income</b>	<b>(400)</b>	<b>(793)</b>	<b>(635)</b>	<b>(1,785)</b>
<i>Group Net Income (1)</i>	(400)	(857)	(635)	(1,746)

<i>In EUR m</i>	2018
<b>Gross operating income</b>	<b>(353)</b>
Provision for disputes*	(336)
Euroclear revaluation	271
<b>Underlying gross operating income excluding Euroclear revaluation</b>	<b>(288)</b>

(1) Excluding non-economic items for 2017 figures

\* Exceptional Item

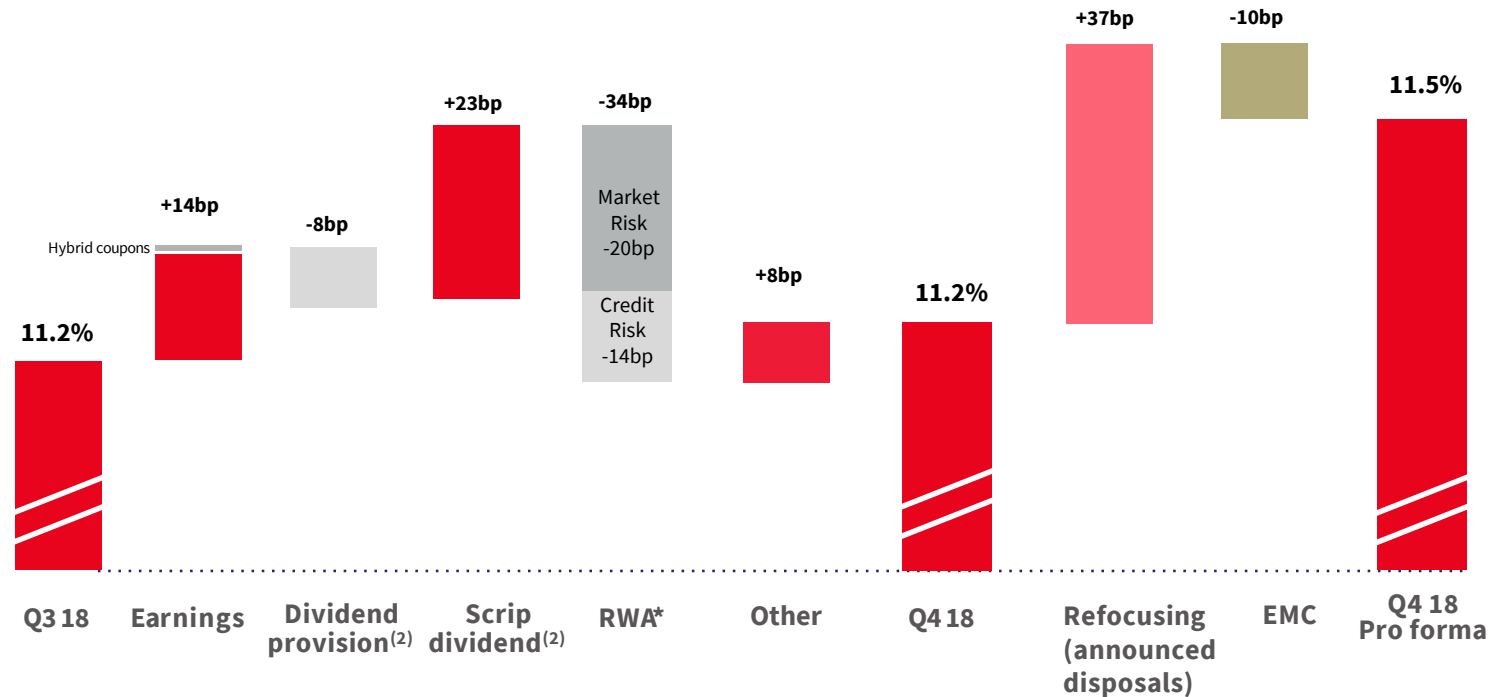
# BALANCE SHEET AND FUNDING STRUCTURE

**CET1<sup>(1)</sup> at 11.5%**  
**Total capital ratio at 16.7%**

**TLAC<sup>(3)</sup> ratio: 22.9% of RWA**  
 Already meeting 2019 (19.5%) and 2022 requirements (21.5%)  
**Already compliant with MREL**

**Stable Leverage ratio at 4.3%<sup>(4)</sup>**  
**Liquid asset buffer**  
 EUR 172bn at end-December  
**LCR and NSFR above 100%**

\_Q4 18: change in fully-loaded CET1<sup>(1)</sup> ratio (in bp)



- (1) Fully-loaded, based on CRR/CRD4 rules, including the Danish compromise for Insurance. See Methodology. Pro forma of signed transactions (disposals and acquisitions).
- (2) Subject to General Meeting of Shareholder's approval and assuming 50% takeover (CET1 at 10.9% excluding scrip effect)
- (3) Including 2.5% of Senior Preferred debt. Requirements without countercyclical buffer
- (4) Leverage ratio at 4.3% after taking into account the decision on 13 July 2018 of the General Court of the European Union on the exclusion of the outstandings of certain savings accounts centralised at the Caisse des Dépôts which requires the agreement of the ECB
- \* when adjusted for changes in Group structure and at constant exchange rates

# GROUP RESULTS

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

EUR 25.2bn, +0.6% vs. 2017

## OPERATING EXPENSES<sup>(1)</sup>

EUR 17.6bn, +2.0% vs. 2017

## REPORTED GROUP NET INCOME

EUR 3.9bn, +37.7% vs.2017

## GROUP NET INCOME<sup>(1)</sup>

EUR 4.5bn, -0.5% vs.2017

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

9.7% in 2018

<i>In EUR m</i>	Q4 18	Q4 17	Change		2018	2017	Change	
<b>Net banking income</b>	<b>5,927</b>	<b>6,323</b>	<b>-6.3%</b>	<b>-5.8%*</b>	<b>25,205</b>	<b>23,954</b>	<b>+5.2%</b>	<b>+6.4%*</b>
<i>Underlying net banking income(1)</i>	5,927	6,228	-4.8%	-4.4%*	25,205	25,062	+0.6%	+1.7%*
<b>Operating expenses</b>	<b>(4,458)</b>	<b>(5,024)</b>	<b>-11.3%</b>	<b>-11.1%*</b>	<b>(17,931)</b>	<b>(17,838)</b>	<b>+0.5%</b>	<b>+1.6%*</b>
<i>Underlying operating expenses(1)</i>	(4,627)	(4,586)	+0.9%	+1.2%*	(17,595)	(17,243)	+2.0%	+3.1%*
<b>Gross operating income</b>	<b>1,469</b>	<b>1,299</b>	<b>+13.1%</b>	<b>+15.0%*</b>	<b>7,274</b>	<b>6,116</b>	<b>+18.9%</b>	<b>+20.8%*</b>
<i>Underlying gross operating income(1)</i>	1,300	1,642	-20.8%	-20.1%*	7,610	7,819	-2.7%	-1.6%*
<b>Net cost of risk</b>	<b>(363)</b>	<b>(469)</b>	<b>-22.6%</b>	<b>-22.3%*</b>	<b>(1,005)</b>	<b>(1,349)</b>	<b>-25.5%</b>	<b>-23.4%*</b>
<i>Underlying net cost of risk (1)</i>	(363)	(269)	+34.9%	+35.8%*	(1,005)	(949)	+5.9%	+10.1%*
<b>Operating income</b>	<b>1,106</b>	<b>830</b>	<b>+33.3%</b>	<b>+36.9%*</b>	<b>6,269</b>	<b>4,767</b>	<b>+31.5%</b>	<b>+33.2%*</b>
<i>Underlying operating income(1)</i>	937	1,373	-31.8%	-31.2%*	6,605	6,870	-3.9%	-3.2%
<b>Net profits or losses from other assets</b>	<b>(169)</b>	<b>(39)</b>	<i>n/s</i>	<i>n/s</i>	<b>(208)</b>	<b>278</b>	<i>n/s</i>	<i>n/s</i>
Income tax	(136)	(558)	-75.7%	-76.0%*	(1,561)	(1,708)	-8.6%	-8.0%*
<b>Reported Group net income</b>	<b>624</b>	<b>69</b>	<b>x 9,0</b>	<b>x 15,5</b>	<b>3,864</b>	<b>2,806</b>	<b>+37.7%</b>	<b>+42.7%*</b>
<i>Underlying Group net income(1)</i>	744	877	-15.2%	-13.8%*	4,468	4,491	-0.5%	+1.8%*
ROE	4.1%	-0.4%			7.1%	4.9%		
ROTE	6.5%	-0.5%			8.8%	5.7%		
<b>Underlying ROTE (1)</b>	<b>5.9%</b>	<b>7.4%</b>			<b>9.7%</b>	<b>9.6%</b>		

(1) Underlying data: adjusted for exceptional items, IFRIC 21 linearisation for Q4 18 and Q4 17 and non-economic items (for Q4 17 and 2017). See Methodology and Supplement p.38

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

# **2 2018 HIGHLIGHTS**



# EXECUTING OUR TRANSFORM TO GROW STRATEGY

## Performance trends across businesses



### FRENCH RETAIL BANKING

- Boursorama
- Wealthy and Mass affluent clients
- Consumer credit
- Professional & Corporates
- Margin on deposits

**REVENUES 2018**  
**-1.8%<sup>(1)</sup> vs. 2017**



### INTERNATIONAL RETAIL BANKING

- Europe
- Africa
- Russia

**REVENUES 2018**  
**+9.1%\* vs. 2017**



### INSURANCE AND FINANCIAL SERVICES TO CORPORATES

- Car Fleet Management and Leasing
- Insurance

**REVENUES 2018**  
**+4.4%\*(2) vs. 2017**



### GLOBAL BANKING AND INVESTOR SOLUTIONS

- Financing & Advisory
- Global Transaction Banking
- French Private Banking and ETF
- Global Markets
- International Private Banking

**REVENUES 2018**  
**-3.6% vs. 2017**

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

(1) excl. PEL/CEL

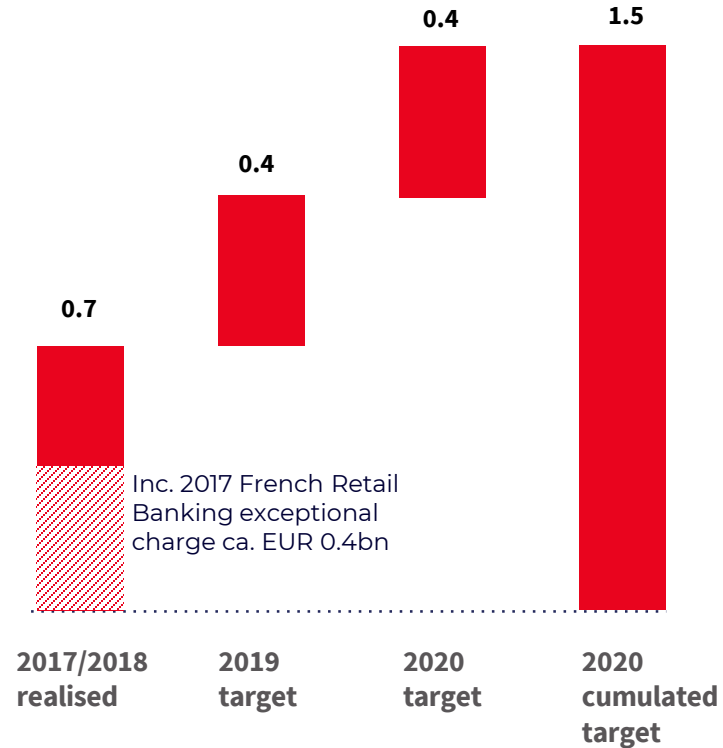
(2) Excluding ALD car sales result, +1,7%\* including ALD car sales result





# EXECUTING OUR TRANSFORM TO GROW STRATEGY

## Efficiency plan on track

### 2017-2020 GROUP EFFICIENCY INVESTMENTS

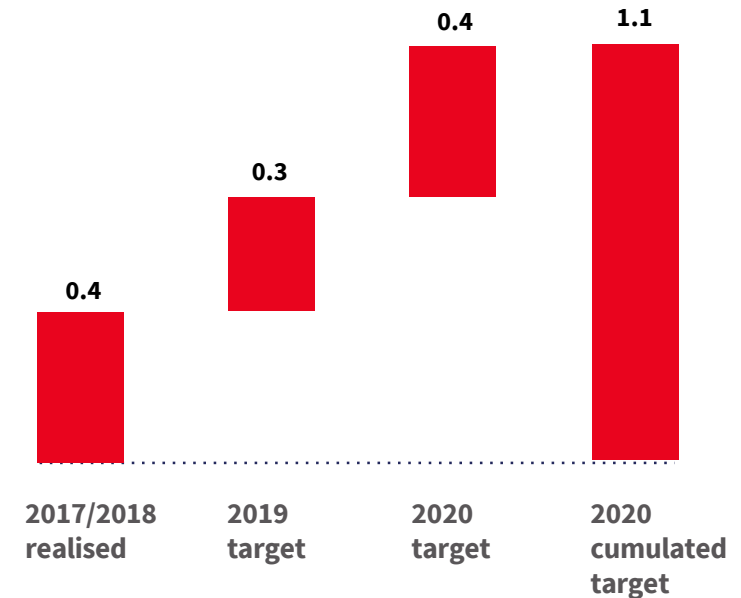
\_Investments (in EUR bn)



-  Service model
-  Processes
-  Resource location
-  Technology
-  Real estate
-  Business model

### 2017-2020 GROUP RECURRING SAVINGS

\_Savings (in EUR bn)



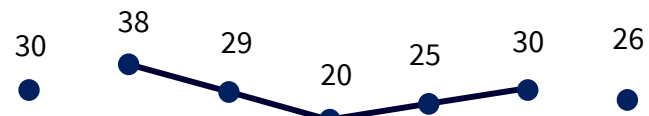
# EXECUTING OUR TRANSFORM TO GROW STRATEGY

## Cost of risk at 21bp, at the low end of the guidance

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

2017 Q4 17 Q1 18 Q2 18 Q3 18 Q4 18 2018

### FRENCH RETAIL BANKING



### INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES



### GLOBAL BANKING AND INVESTOR SOLUTIONS

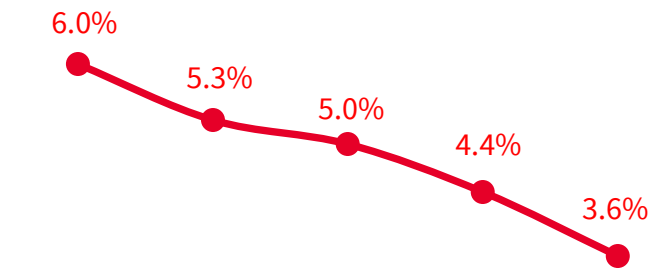


### GROUP



### NON-PERFORMING LOANS RATIO

DEC 14 DEC 15 DEC 16 DEC 17 DEC 18



**GROSS COVERAGE RATE:** 54% at year end

**2019 GROUP COST OF RISK EXPECTED BETWEEN 25 AND 30 BP**

(1) Cost of risk in basis points under IFRS 9 for 2018 figures. Outstandings at beginning of period. Annualised.

# EXECUTING OUR TRANSFORM TO GROW STRATEGY

## Delivering our refocusing program

**REFOCUSING PROGRAM ~5% OF RWA (50-60bp impact from disposals on CETI)**



### CAPITAL ALLOCATION PRINCIPLES

VALUE ADDED BUSINESS

LEADERSHIP POSITIONS

ACCRETIVE TO PROFITABILITY

SYNERGETIC WITH THE WHOLE GROUP



~ +37bp

~ -10bp

P/TBV at disposal

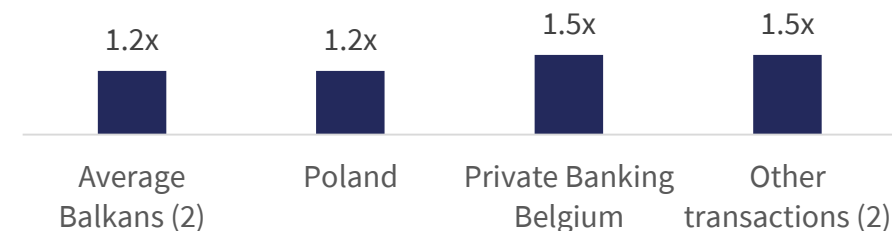
### DISPOSALS ANNOUNCED

o.w. ~11 bp already closed

Net income impact: EUR ~-125 m<sup>(1)</sup>

### EMC

GOI<sup>(3)</sup>: EUR +150 m



(1) Recurring annual estimated impact  
 (2) Weighted average of tangible book value  
 (3) Estimated GOI on a full year basis after full integration (2021/2022)



# **3 ADAPTING OUR EXECUTION**

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# FACTOR IN NEW INTEREST RATE ASSUMPTIONS



## UNCERTAIN ENVIRONMENT

**GEOPOLITICAL  
UNCERTAINTIES LIKELY TO  
STAY FOR SOME TIME**

**SLOWER ECONOMIC  
GROWTH IN 2020**

**➔ LOWER INTEREST RATE  
ASSUMPTIONS**

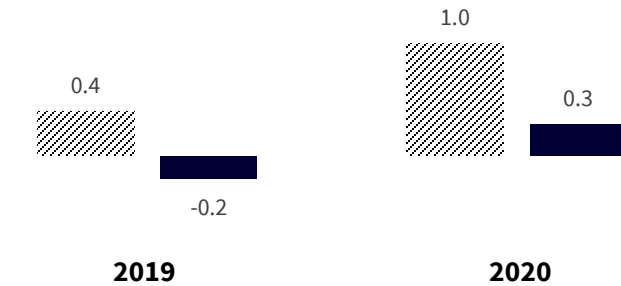


## UPDATED RATE ASSUMPTIONS

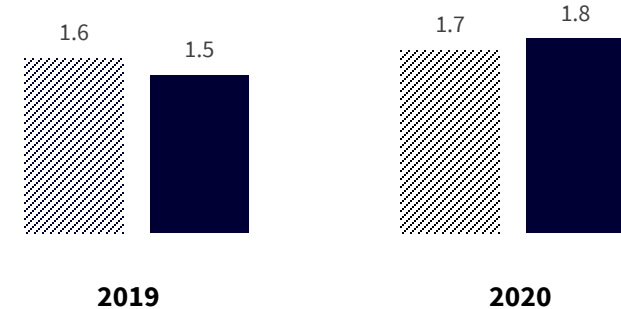
**Eurozone**  
% of Group deposits



\_Euribor 3m



\_OAT 10y



▨ ID assumptions Nov. 17 (yearly average)  
■ Updated assumptions (yearly average)

**ESTIMATED IMPACT ON 2020 GROUP REVENUES: EUR ca.-500 M**

# ADAPT THE STRATEGY OF GLOBAL MARKETS

**1.**

**Refocus Fixed Income and Currencies franchise and review of less profitable activities**

**2.**

**Further accelerate selectivity in client portfolio**

**3.**

**Maintain our leadership position in Equity Derivatives: EMC integration, development of solutions for asset management and prime brokerage**

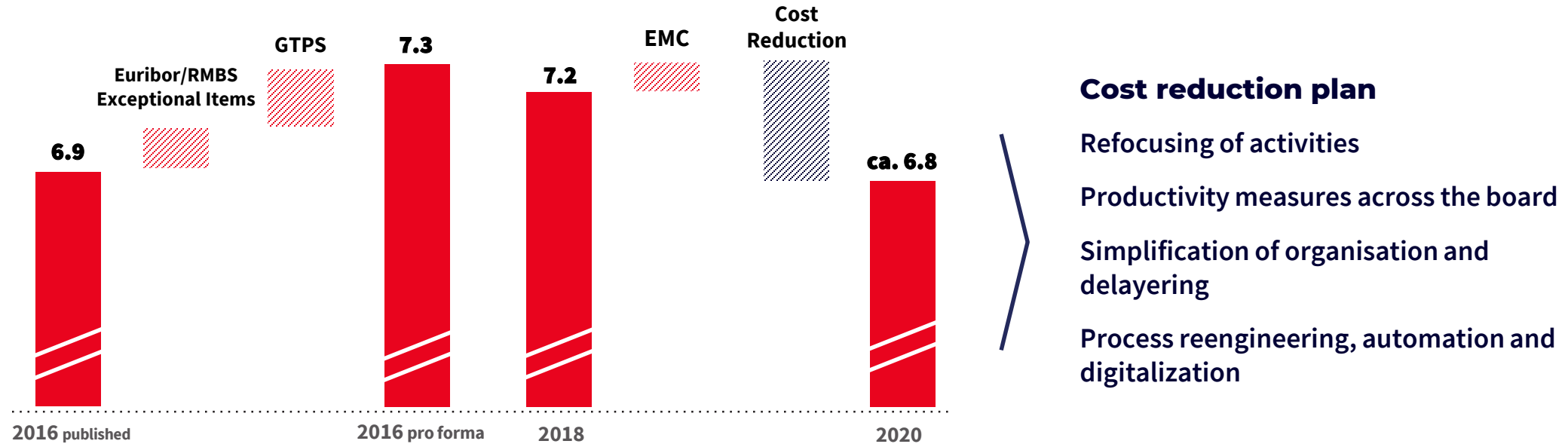
**TARGET  
2020**

**Reduction<sup>(1)</sup> in RWA allocated to Global Markets business  
of approximately EUR -8bn**

(1) Before any TRIM impact

# NEW COST REDUCTION PLAN IN GLOBAL BANKING AND INVESTOR SOLUTIONS

\_GLOBAL BANKING AND INVESTOR SOLUTIONS OPERATING EXPENSES (in EUR bn)



**EUR 500 m ADDITIONAL COSTS SAVINGS IN 2020**

# FURTHER IMPLEMENT OUR STRATEGY IN FRENCH RETAIL BANKING

1.

## LAUNCH OF INITIATIVES

**Fees generation supported by our revenue initiatives**

French banking industry commitment to impact revenues by EUR ca. -70m in 2019

2.

## TRANSFORM

**On track on our transformation plan towards a phygital model**

3.

## STRENGTHEN BOURSORAMA LEADERSHIP

**Confirming Boursorama leadership in French online banking**

**2019**

**IMPROVING REVENUE OUTLOOK EXPECTED IN 2019**



**SAVE THE DATE: DEEP DIVE ON FRENCH RETAIL BANKING IN Q2 19**

# DELIVER IN INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

1.

## REALISE GROWTH POTENTIAL

Successful growth initiatives across the board: revenues CAGR<sub>16-18</sub>  
Europe +4%, Russia +10%, Africa and others +8%, Insurance +9%, ALD +7%

2.

## MAINTAIN OPERATIONAL EFFICIENCY

Deliver positive jaw effect  
Strong profitability fully offsetting new Romanian bank tax impact<sup>(1)</sup> from 2019

3.

## LEVERAGE ON LEADING PLATFORMS

-  Benefit from solid growth momentum in Europe and Russia and capitalize on our differentiating set-up in Africa
-  Accelerate the deployment of our bancassurance model and build on our leadership position in leasing

(1) estimated 2019 impact for EUR 50 m

# OUTLOOK 2020

---

**GROUP ROTE<sup>(1)</sup>**

**9.0%-10.0%**

**French retail banking**

**RONE 11.5%-12.5%**

**International Retail Banking and  
Financial Services**

**RONE 17.0%-18.0%**

**Global Banking and Investor Solutions**

**RONE 11.5%-12.5%**

**CET 1**

**12%**

**DIVIDEND PER SHARE**

**50% PAYOUT RATIO  
FLOOR AT EUR 2.2 PER SHARE**

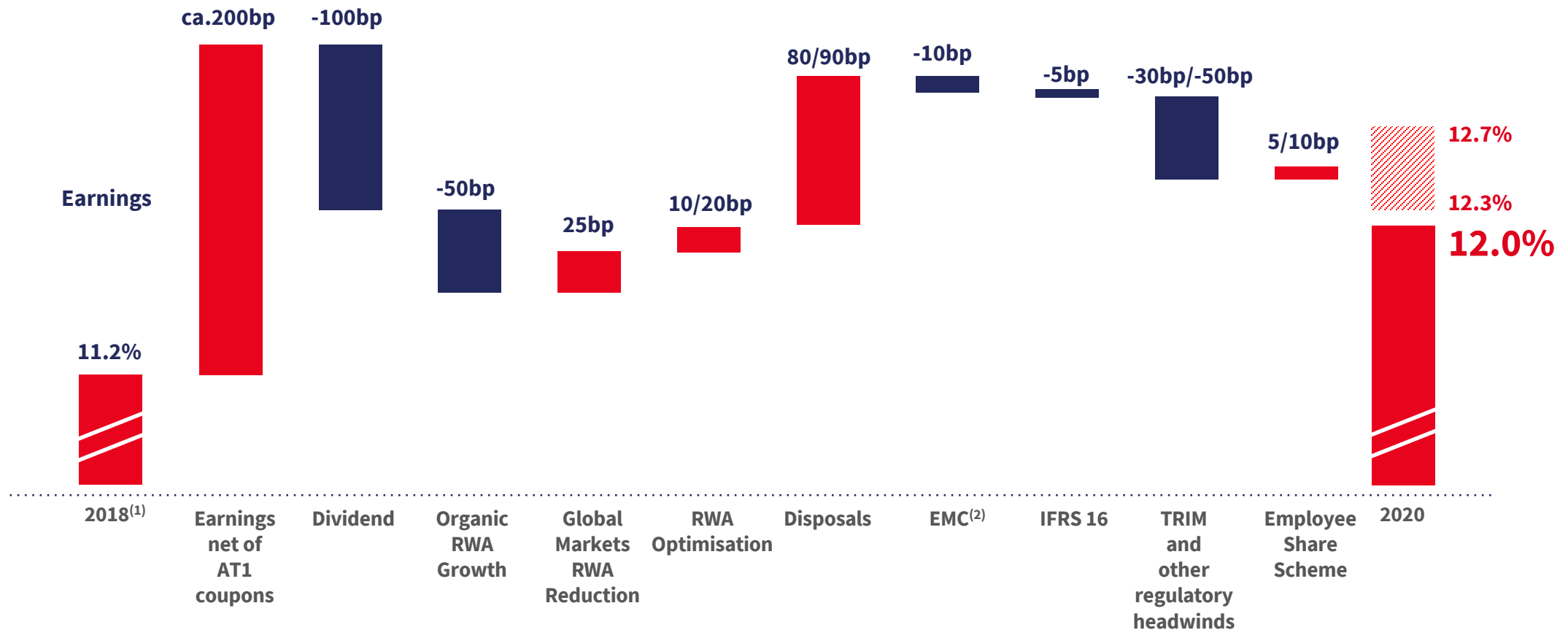
(1) Excluding exceptional items

# COMFORT OUR CAPITAL TRAJECTORY

1.	<b>ORGANIC RWA GROWTH</b>	<p>~+2% CAGR 18-20 vs +3% initial target</p> <p>Capital allocation focusing on higher return businesses</p>	<b>-50bp</b>
2.	<b>GLOBAL MARKETS RWAs</b>	Reduction of RWA allocated to global markets	<b>+25bp</b>
3.	<b>ADDITIONAL RWA OPTIMISATION</b>	<p>Originate to Distribute</p> <p>Securitization</p> <p>Risk transfer</p>	<b>+10/+20bp</b>
4.	<b>REGULATORY AND ACCOUNTING IMPACTS</b>	<p>Estimated impact from IFRS 16 in 2019 of -5bps</p> <p>Best estimate for TRIM impact in 2019-2020 of -30-50bps</p>	<b>-5bp -30/-50bp</b>
5.	<b>DISPOSALS</b>	<p>Raising contribution of disposals</p> <p>Reflecting higher prices obtained in executed transactions</p> <p>Additional non core assets identified</p>	<b>+80/+90bp</b>



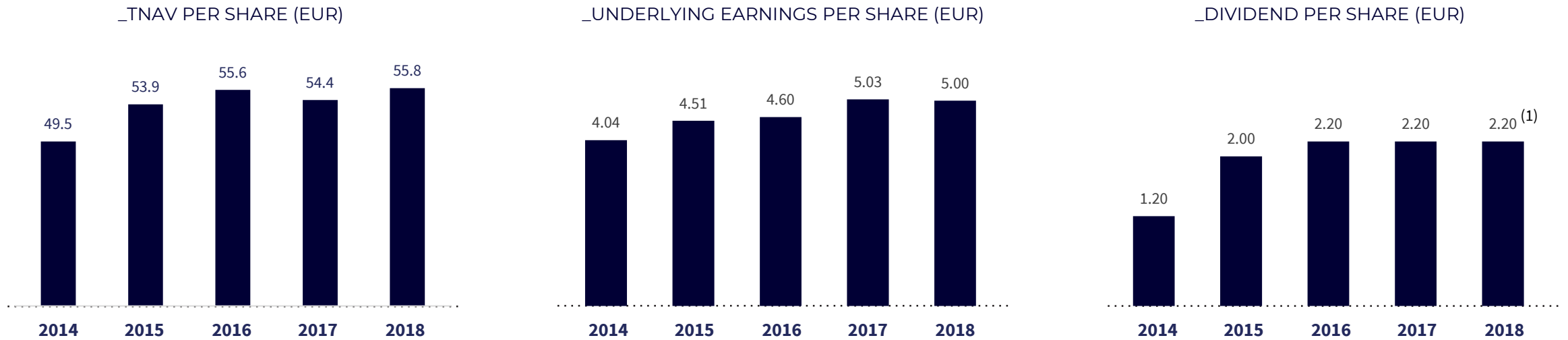
# COMFORTABLY REACH 12% CET1 IN 2020



(1) Assumption of 50% takeup for 2018 dividend to be paid in 2019

(2) Acquisition of Equity Markets and Commodities business of Commerzbank

# COMMITTED TO SHAREHOLDER RETURN



2018 Dividend proposed by the Board to the General Meeting of shareholders: **EUR 2.20** per share, 51.8% payout ratio

**Scrip dividend option** offered to shareholders for 2018 financial year

**Dividend policy reaffirmed** with a floor at EUR 2.20 per share and a minimum 50% payout ratio

(1) Subject to General Meeting of Shareholder's approval

# 2020 STRATEGIC PRIORITIES

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# **4 SUPPLEMENT**

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**Detailed business  
performance**

# DEVELOPING BUSINESS INITIATIVES IN FRENCH RETAIL BANKING

## DEVELOP OUR TARGET CLIENT BASE



**+3%**

# wealthy and mass affluent clients



**+1%**

# Professional clients vs Q4 17  
103 Corners Pro opened over the year



**+1%**

# Corporate clients vs Q4 17  
5 Business centers opened over the year



**1.7m**

Boursorama clients as of 31-Dec (+33%)  
~+460,000 new clients in 2018

## LEVERAGE ON OUR INITIATIVES



**+17%**

Consumer Credit production vs. Q4 17



**EUR 61bn**

Private Banking France AuM

**EUR 3.3bn**

Private Banking Net inflows in 12M 18



**EUR 92bn**

Bancassurance outstanding

**24%**

Unit-Linked share (% of outstandings)

**EUR 1.7bn**

Net inflows in 12M 18

## PRODUCTION

Medium-term corporate loans +21% vs. Q4 17 (+12% vs 12M 2017)

Home loans +0.3% vs Q4 17 (-15% vs. 12M 2017)

## OUTSTANDINGS

Medium-term corporate loans +5% vs. Q4 17 (+4% vs. 12M 2017)

Individual client loans +3% vs. Q4 17 (+3% vs. 12M 2017)

## FEES UP +0.5% vs. Q4 17

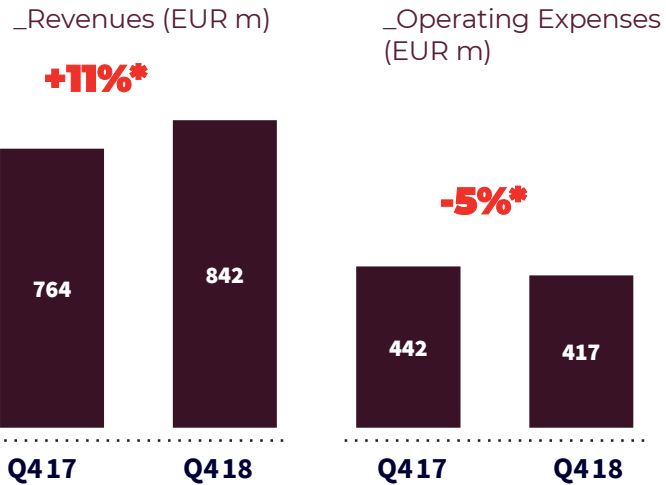
Fees up +1.4% vs. 2017

Solid increase in service fees offset by drop of financial fees

42% of total revenues in 2018

# SOLID OPERATING LEVERAGE ACROSS REGIONS IN INTERNATIONAL RETAIL BANKING

## EUROPE



Loans outstanding continue to grow in each country, particularly in retail

Overall increasing revenues mainly driven by NII combining positive volume effect and rate increases (notably in Czech Republic and Romania)

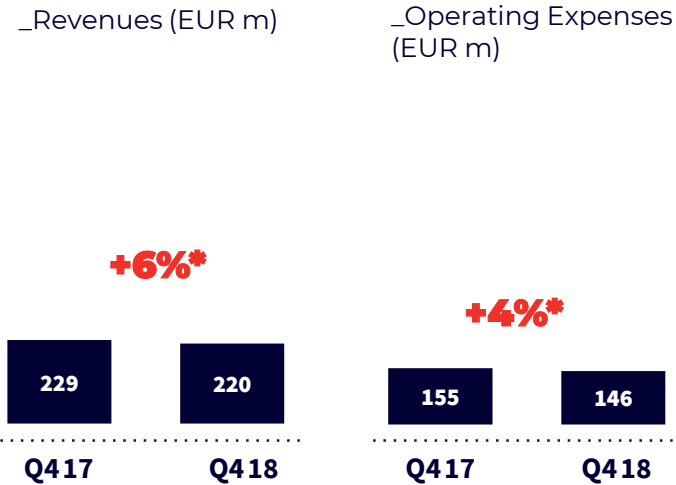
**Q4 18 RONE AT 21.8%<sup>(1)</sup>**

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

(1) Adjusted for IFRIC 21 linearisation

(2) SG Russia scope

## RUSSIA<sup>(2)</sup>

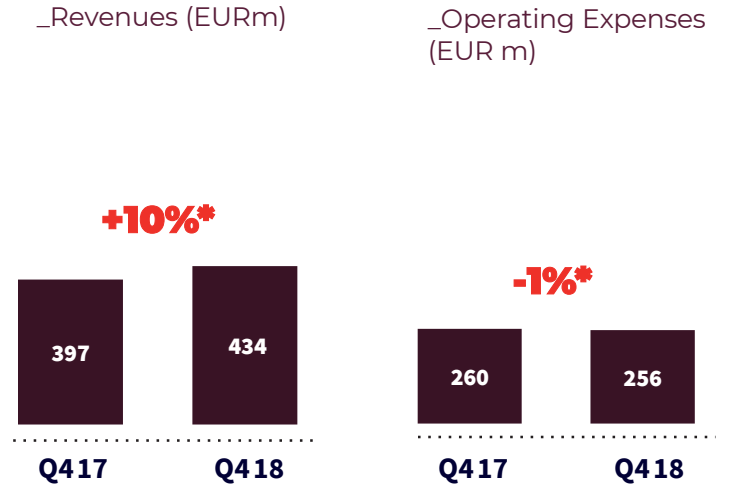


Higher retail production thanks to good market performance (+21%\* in Q4 18 vs Q4 17)

Positive trend on loan and deposit outstandings

**Q4 18 RONE AT 12.2%**

## AFRICA AND OTHER



Pursuing YUP's tremendous development up to 380,000 clients at end-2018

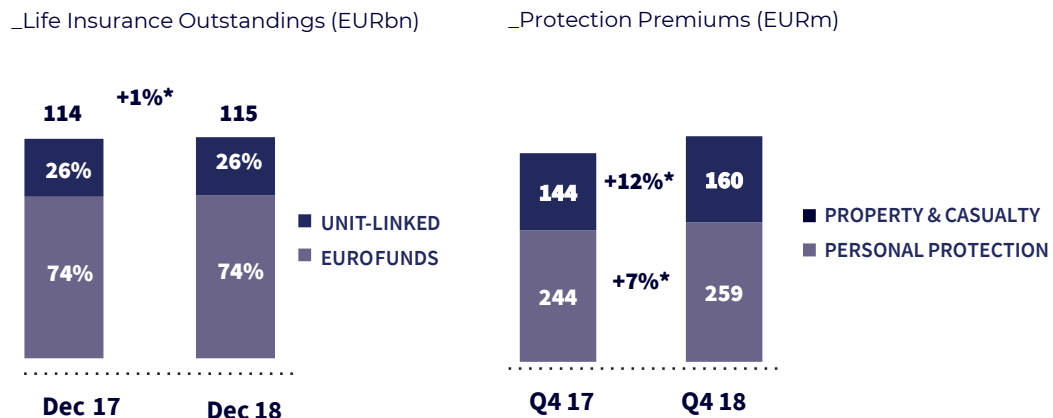
Strong generation of synergies between franchises (structured finance, global transaction banking, CIB market platform)

New development perspectives with ABSA partnership

**Q4 18 RONE AT 15.2%<sup>(1)</sup>**

# SOLID PROFITABILITY IN INSURANCE AND FINANCIAL SERVICES

## SUSTAINED REVENUES GROWTH IN INSURANCE



Resilient growth of life insurance outstanding +1%\* vs. Dec 17 in a challenging market environment

Dynamic protection activities (premiums +9%\* vs. Q4 17 ) with good momentum internationally

Ongoing cross-fertilisation with French retail banking resulting in equipment rate growth trend

**Q4 18 RONE AT 20.3%<sup>(1)</sup>**

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

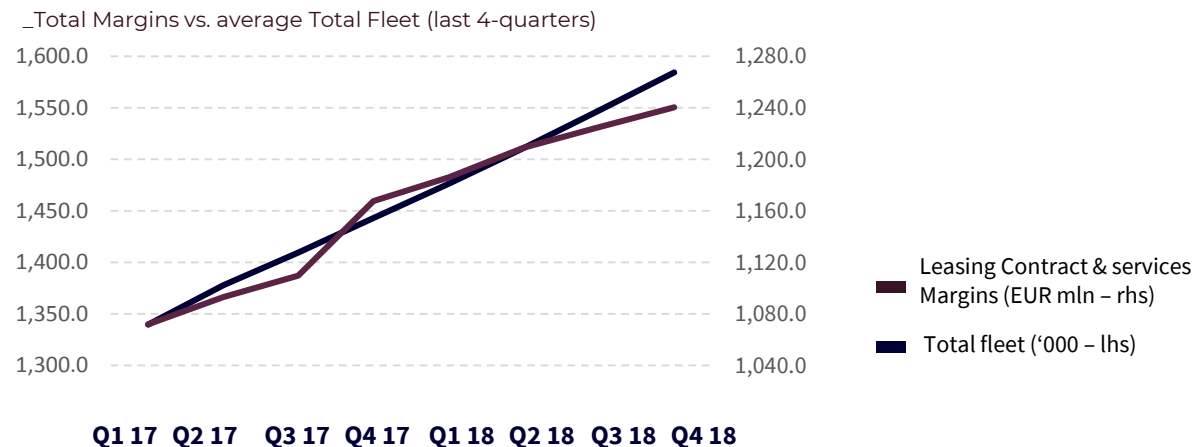
(1) Adjusted for IFRIC 21 linearisation

(2) Based on ALD standalone financials, excluding car sale results

(3) Italian Stability law impact, estimated to lower margin growth by up to 1.5%, management information

(4) Excluding factoring

## MEANINGFUL ORGANIC GROWTH IN FINANCIAL SERVICES



ALD performance driven by

\_Fleet growth +10% vs. Dec 17

\_Leasing contract and services margin growth +6.3%<sup>(3)</sup> vs Dec-17

\_Ongoing efficiency improvement, cost / income ratio<sup>(2)</sup> at 49.8% in 2018 in line with the guidance

Solid volume growth in Equipment Finance, Loans and Leases Outstandings<sup>(4)</sup> +5%\* vs. Dec 17

**Q4 18 RONE AT 20.2%<sup>(1)</sup>**

# MARKET ENVIRONMENT IMPACTING REVENUES IN GLOBAL MARKETS

## EQUITIES REVENUES -16% VS. Q4 17

Lower commercial activity  
 Structured products performance and hedging costs affected by global equity market conditions  
 Sustained growth in Prime Services

## FICC REVENUES -29% VS. Q4 17

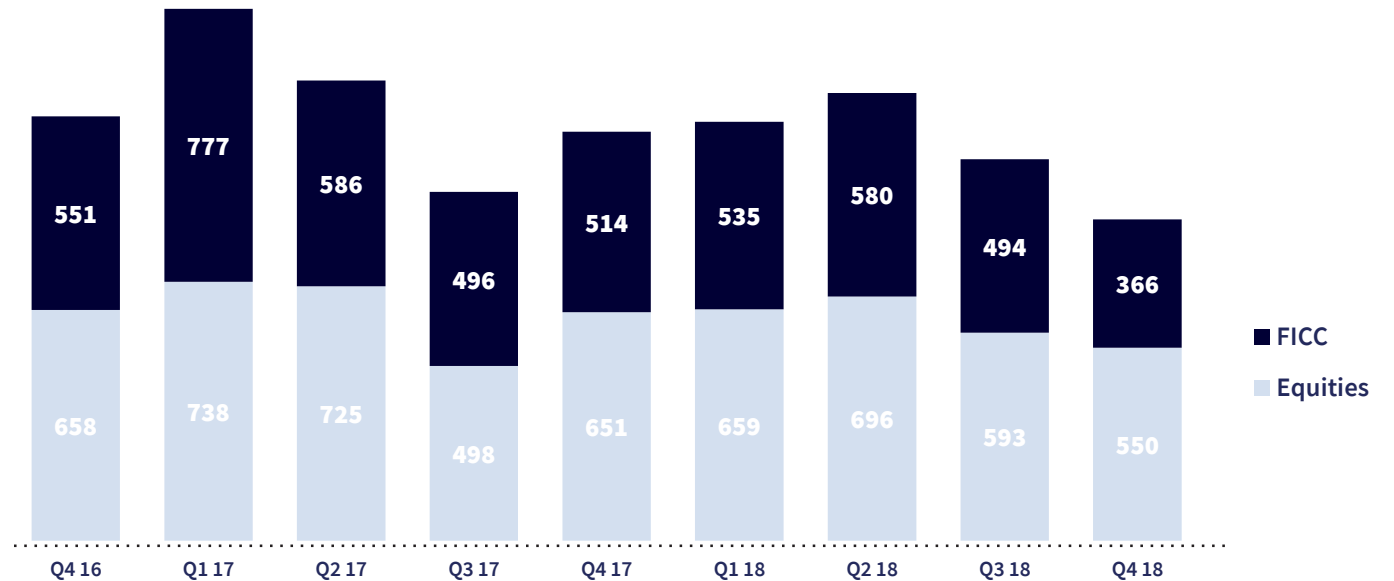
Unfavorable market conditions in Rates and Credit  
 Strength in Commodities

## SECURITIES SERVICES

Stable revenues

### GLOBAL MARKETS REVENUES: -21% VS. Q4 17

\_Global Markets Revenues (in EURm)



### GLOBAL MARKETS & INVESTOR SERVICES REVENUES: -19% VS. Q4 17

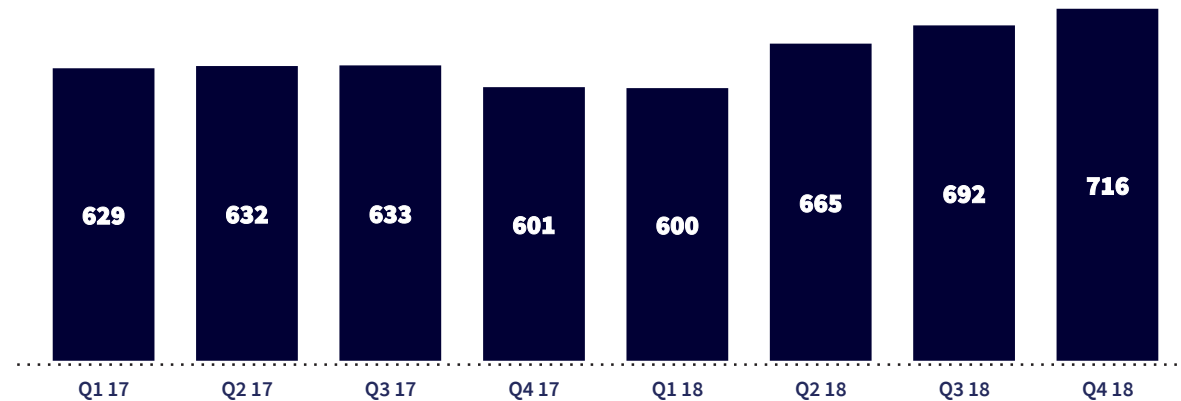


# STRONG REVENUE GROWTH IN FINANCING AND ADVISORY

## FINANCING & ADVISORY REVENUES:

**+19% VS. Q4 17**

\_Net Banking Income (in EURm)



## ASSET & WEALTH MANAGEMENT REVENUES:

**-7% VS. Q4 17**

## HIGHEST QUARTERLY REVENUES

Sustained activity on Asset Finance with a strong level of origination and a high level of fees

Good performance on Natural Resources notably in Energy

Steady growth in Asset-Backed Products

Positive business momentum in Global Transaction Banking

## LYXOR -6% VS. Q4 17

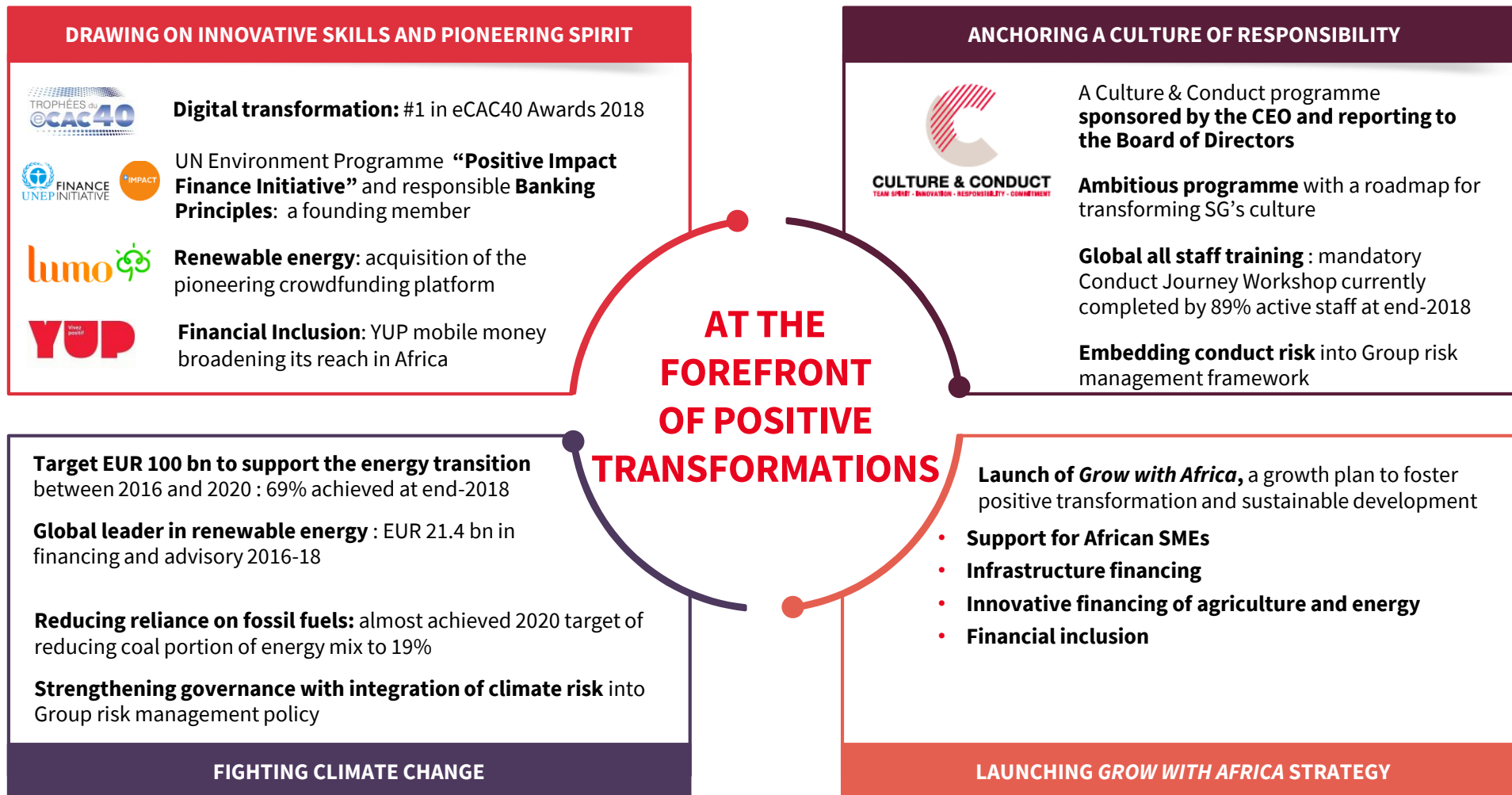
Lower AuM vs. Q3 18 due to market effects despite good inflows in ETFs

## PRIVATE BANKING REVENUES

**-5% VS. Q4 17**

Resilient revenues in difficult market environment

# AT THE FOREFRONT OF POSITIVE TRANSFORMATIONS



# **4 SUPPLEMENT**

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# **OTHER INFORMATION**

# GROUP QUARTERLY INCOME STATEMENT BY CORE BUSINESS

In EUR m	French Retail Banking		International Retail Banking and Financial Services		Global Banking and Investor Solutions		Corporate Centre		Group	
	Q4 18	Q4 17	Q4 18	Q4 17	Q4 18	Q4 17	Q4 18	Q4 17	Q4 18	Q4 17
Net banking income	1,912	2,051	2,161	2,057	2,041	2,193	(187)	22	5,927	6,323
Operating expenses	(1,430)	(1,828)	(1,145)	(1,168)	(1,779)	(1,743)	(104)	(285)	(4,458)	(5,024)
Gross operating income	482	223	1,016	889	262	450	(291)	(263)	1,469	1,299
Net cost of risk	(143)	(184)	(114)	(119)	(98)	35	(8)	(201)	(363)	(469)
Operating income	339	39	902	770	164	485	(299)	(464)	1,106	830
Net income from companies accounted for by the equity method	8	6	2	(4)	2	(1)	1	5	13	6
Net profits or losses from other assets	73	4	2	3	(1)	(4)	(243)	(42)	(169)	(39)
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0
Income tax	(138)	(11)	(204)	(202)	20	(100)	186	(245)	(136)	(558)
O.w. non controlling Interests	0	0	139	117	6	6	45	47	190	170
Group net income	282	38	563	450	179	374	(400)	(793)	624	69
Average allocated capital	11,158	11,475	11,417	11,111	16,058	14,525	10,383*	10,870*	49,016	47,981
Group ROE (after tax)									4.1%	-0.4%

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

## ANNUAL INCOME STATEMENT BY CORE BUSINESS

	French Retail Banking		International Retail Banking and Financial Services		Global Banking and Investor Solutions		Corporate Centre		Group	
In EUR m	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net banking income	7,860	8,014	8,317	7,914	8,846	9,173	182	(1,147)	25,205	23,954
Operating expenses	(5,629)	(5,939)	(4,526)	(4,404)	(7,241)	(7,121)	(535)	(374)	(17,931)	(17,838)
Gross operating income	2,231	2,075	3,791	3,510	1,605	2,052	(353)	(1,521)	7,274	6,116
Net cost of risk	(489)	(547)	(404)	(400)	(93)	(2)	(19)	(400)	(1,005)	(1,349)
Operating income	1,742	1,528	3,387	3,110	1,512	2,050	(372)	(1,921)	6,269	4,767
Net income from companies accounted for by the equity method	28	33	15	41	6	1	7	17	56	92
Net profits or losses from other assets	74	9	8	36	(16)	(4)	(274)	237	(208)	278
Impairment losses on goodwill	0	0	0	1	0	0	0	0	0	1
Income tax	(607)	(511)	(841)	(820)	(281)	(429)	168	52	(1,561)	(1,708)
O.w. non controlling interests	0	0	504	429	24	25	164	170	692	624
Group net income	1,237	1,059	2,065	1,939	1,197	1,593	(635)	(1,785)	3,864	2,806
Average allocated capital	11,201	11,027	11,390	11,137	15,424	14,996	10,123 *	10,928 *	48,138	48,087
Group ROE (after tax)									7.1%	4.9%

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 NON ECONOMIC AND EXCEPTIONAL ITEMS

<b>In EUR m</b>	<b>Q4 18</b>	<b>Q4 17</b>	<b>Change</b>	<b>2018</b>	<b>2017</b>	<b>Change</b>	<b>Business</b>
<b>Net Banking Income</b>	<b>5,927</b>	<b>6,323</b>	<b>-6.3%</b>	<b>25,205</b>	<b>23,954</b>	<b>+5.2%</b>	
(-)Reevaluation of own financial liabilities*		93			(53)		Corporate Centre
(-)DVA*		2			(4)		
(-)Adjustment of hedging costs**		0			(88)		French Retail Banking
(-)LIA settlement**					(963)		Corporate Centre
<b>Underlying Net Banking Income</b>	<b>5,927</b>	<b>6,228</b>	<b>-4.8%</b>	<b>25,205</b>	<b>25,062</b>	<b>+0.6%</b>	
<b>Operating expenses</b>	<b>(4,458)</b>	<b>(5,024)</b>	<b>-11.3%</b>	<b>(17,931)</b>	<b>(17,838)</b>	<b>+0.5%</b>	
(+)IFRIC 21 linearisation	(169)	(157)					
(-)Adaptation of French retail network**		(390)			(390)		French Retail Banking
(-)French tax audit/EIC**		(205)			(205)		French Retail Banking/Corporate Centre
(-)Provision for disputes**				(336)			Corporate Centre
<b>Underlying Operating expenses</b>	<b>(4,627)</b>	<b>(4,586)</b>	<b>+0.9%</b>	<b>(17,595)</b>	<b>(17,243)</b>	<b>+2.0%</b>	
<b>Net cost of risk</b>	<b>(363)</b>	<b>(469)</b>	<b>-22.6%</b>	<b>(1,005)</b>	<b>(1,349)</b>	<b>-25.5%</b>	
(-)Provision for disputes**		(200)			(800)		Corporate Centre
(-)LIA settlement**					400		Corporate Centre
<b>Underlying Net Cost of Risk</b>	<b>(363)</b>	<b>(269)</b>	<b>+34.9%</b>	<b>(1,005)</b>	<b>(949)</b>	<b>+5.9%</b>	
<b>Net profit or losses from other assets</b>	<b>(169)</b>	<b>(39)</b>	<b>n/s</b>	<b>(208)</b>	<b>278</b>	<b>n/s</b>	
(-)IFRS 5 effect on Group refocusing plan	(241)			(268)			Corporate Centre
(-)Change in consolidation method of Antarius**					203		Corporate Centre
(-)SG Fortune disposal**					73		Corporate Centre
<b>Underlying Net profits or losses from other assets</b>	<b>72</b>	<b>(39)</b>	<b>n/s</b>	<b>60</b>	<b>2</b>	<b>n/s</b>	
<b>Group net income</b>	<b>624</b>	<b>69</b>	<b>x9</b>	<b>3,864</b>	<b>2,806</b>	<b>+37.7%</b>	
Effect in Group net income of above restatements***	(120)	(808)		(604)	(1,685)		
<b>Underlying Group net income</b>	<b>744</b>	<b>877</b>	<b>-15.2%</b>	<b>4,468</b>	<b>4,491</b>	<b>-0.5%</b>	

\* Non-economic items

\*\* Exceptional items

\*\*\* including effect of changes in the tax laws in France and the United States in 2017

# GROUP CRR/CRD4 PRUDENTIAL CAPITAL RATIOS

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

In EUR bn	31/12/2018	31/12/2017
<b>Shareholder equity Group share</b>	<b>61.0</b>	<b>59.4</b>
Deeply subordinated notes*	(9.3)	(8.5)
Undated subordinated notes*	(0.3)	(0.3)
Dividend to be paid & interest on subordinated notes	(1.0)	(1.9)
Goodwill and intangible	(6.7)	(6.6)
Non controlling interests	3.7	3.5
Deductions and regulatory adjustments**	(5.3)	(5.4)
<b>Common Equity Tier 1 Capital</b>	<b>42.0</b>	<b>40.2</b>
Additionnal Tier 1 Capital	9.4	8.7
<b>Tier 1 Capital</b>	<b>51.4</b>	<b>48.9</b>
Tier 2 capital	11.5	11.1
<b>Total capital (Tier 1 + Tier 2)</b>	<b>62.9</b>	<b>60.0</b>
<b>Risk-Weighted Assets</b>	<b>376</b>	<b>353</b>
<b>Common Equity Tier 1 Ratio</b>	<b>11.2%</b>	<b>11.4%</b>
<b>Tier 1 Ratio</b>	<b>13.7%</b>	<b>13.8%</b>
<b>Total Capital Ratio</b>	<b>16.7%</b>	<b>17.0%</b>

Ratios based on the CRR/CDR4 rules as published on 26th June 2013, including Danish compromise for insurance. See Methodology

\* 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	31/12/2018	31/12/2017
<b>Tier 1 Capital</b>	<b>51.4</b>	<b>48.9</b>
Total prudential balance sheet	1,175	1,138
Adjustment related to derivative exposures <sup>(2)</sup>	(45)	(61)
Adjustment related to securities financing transactions*	(11)	(9)
Off-balance sheet (loan and guarantee commitments)	100	93
Technical and prudential adjustments (Tier 1 capital prudential deductions)	(10)	(11)
<b>Leverage exposure</b>	<b>1,208</b>	<b>1,150</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

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

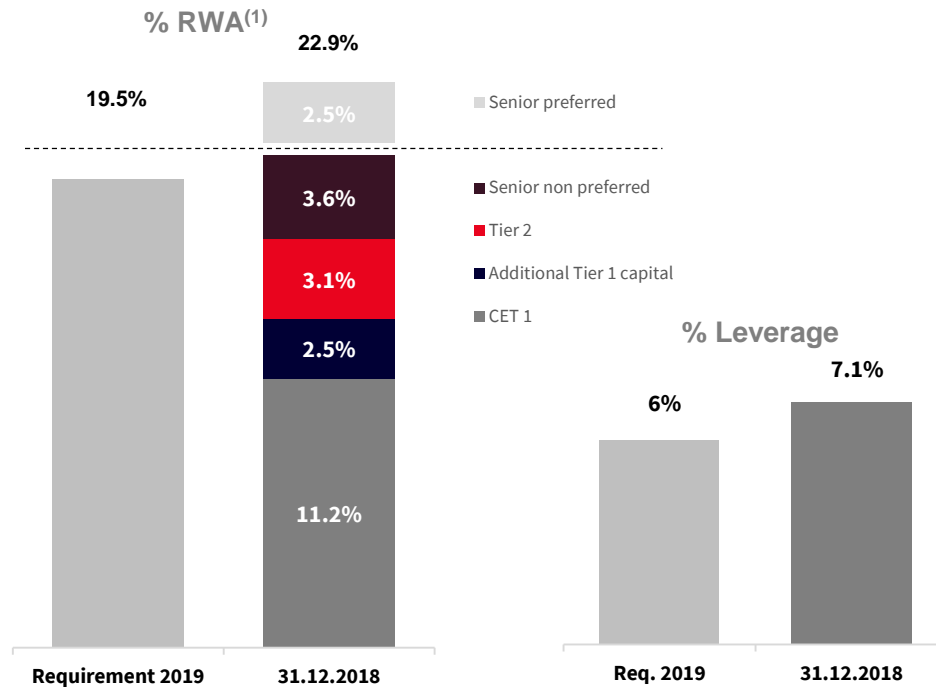
\* Securities financing transactions: repos, reverse repos, securities lending and borrowing and other similar transactions



# GROUP TLAC / MREL: ALREADY MEETING REQUIREMENTS WELL ADVANCED ON UPCOMING SUBORDINATION RULES

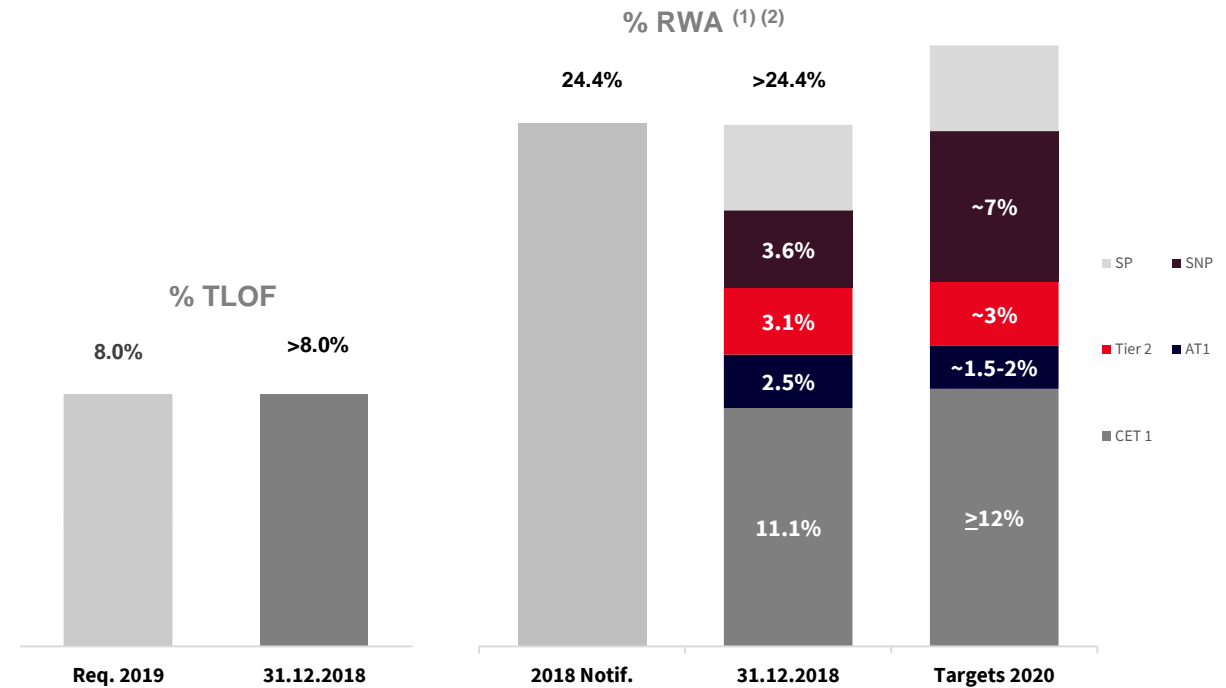
\_TLAC ratio

Already meeting 2019 (19.5%) requirement and even 2022 (21.5%)<sup>(1)</sup>  
 The Group funding plan not relying on the tolerance of Senior Preferred allowance (2.5% max of RWA until end 2021) for upcoming TLAC compliance



\_MREL ratio

Already meeting total requirements (notification received in June 2018)  
 Subordination component expected to be framed by SRB in 2019 ; Group 2020 funding plans already in line with future requirements<sup>(3)</sup>



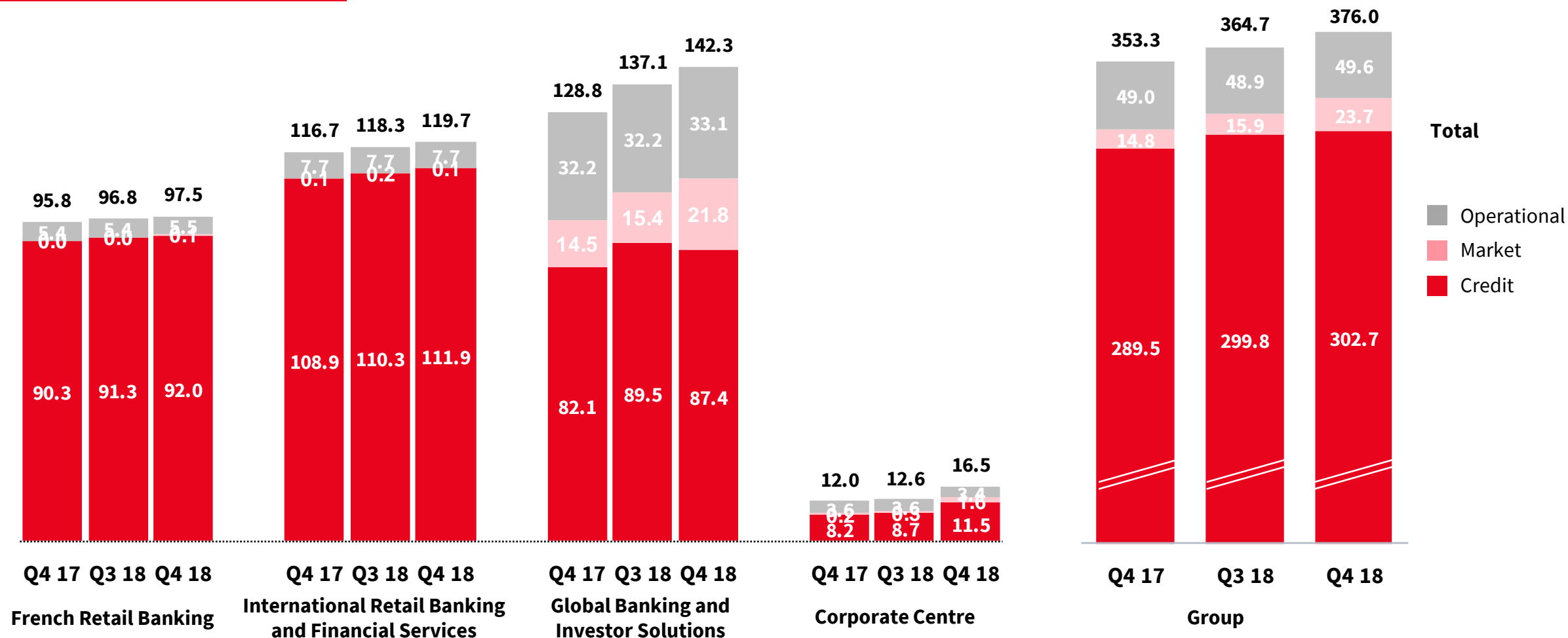
(1) Without contra cyclical buffer

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

(3) Based on our understanding of current texts

# GROUP

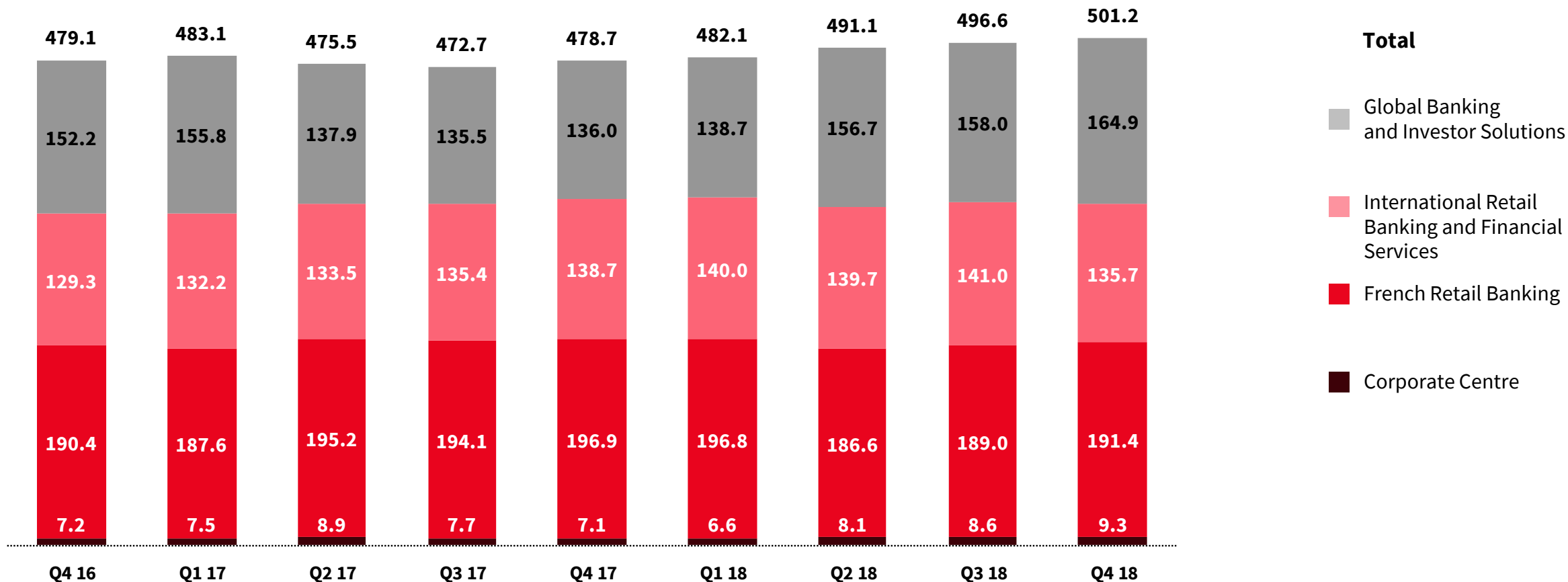
## RISK-WEIGHTED ASSETS\* (CRR/CRD 4, IN EUR BN)



\* Includes the entities reported under IFRS 5 until disposal  
Data restated reflecting new quarterly series published on 4 April 2018

# GROUP CHANGE IN GROSS BOOK OUTSTANDINGS\*

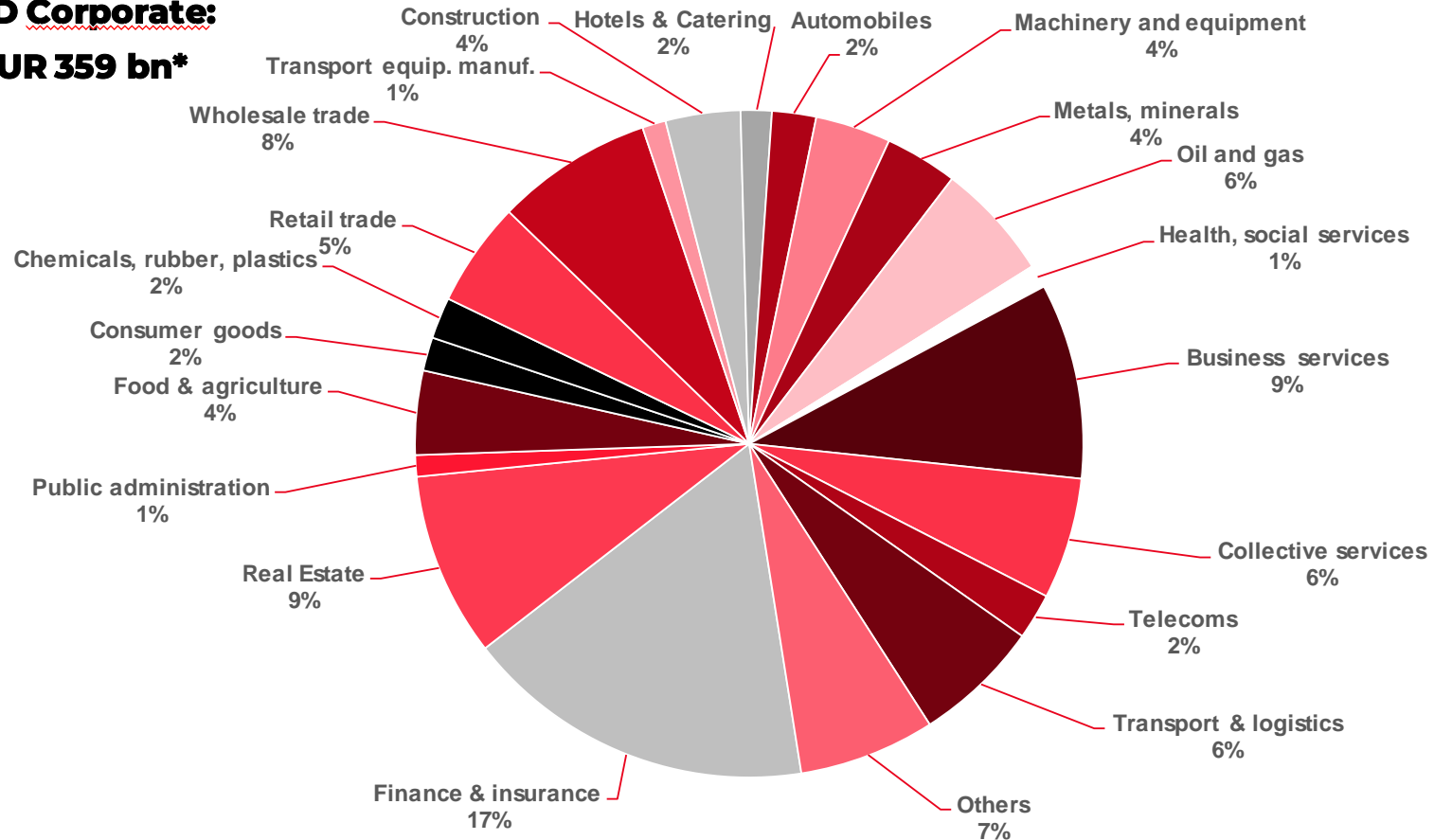
End of period in EUR bn



\* 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 31.12.2018

**EAD Corporate:**  
**EUR 359 bn\***

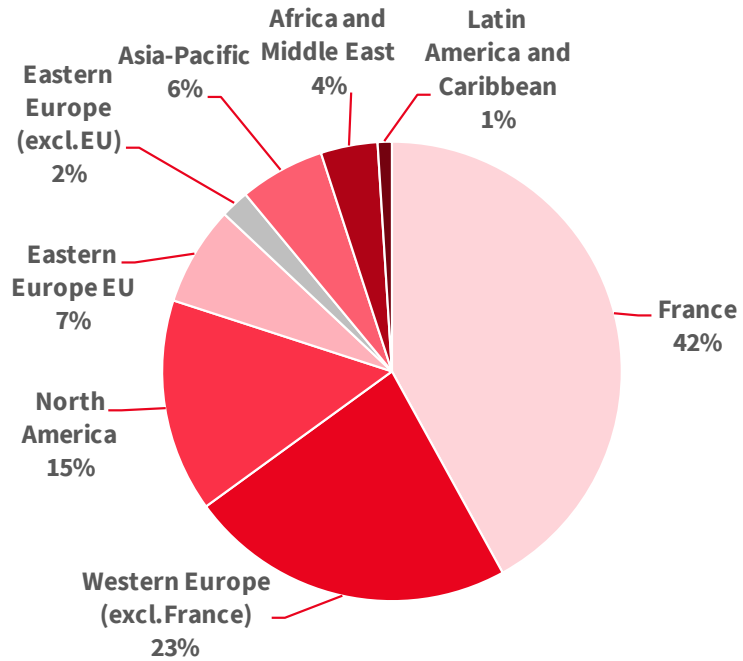


\*EAD for the corporate portfolio as defined by the Basel regulations (large corporate including insurance companies, funds and hedge funds, SME, specialised financing, and factoring) based on the obligor's characteristics before taking account of the substitution effect. Total credit risk (debtor, issuer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

# GROUP - GEOGRAPHIC BREAKDOWN OF SG GROUP COMMITMENTS AT 31.12.2018

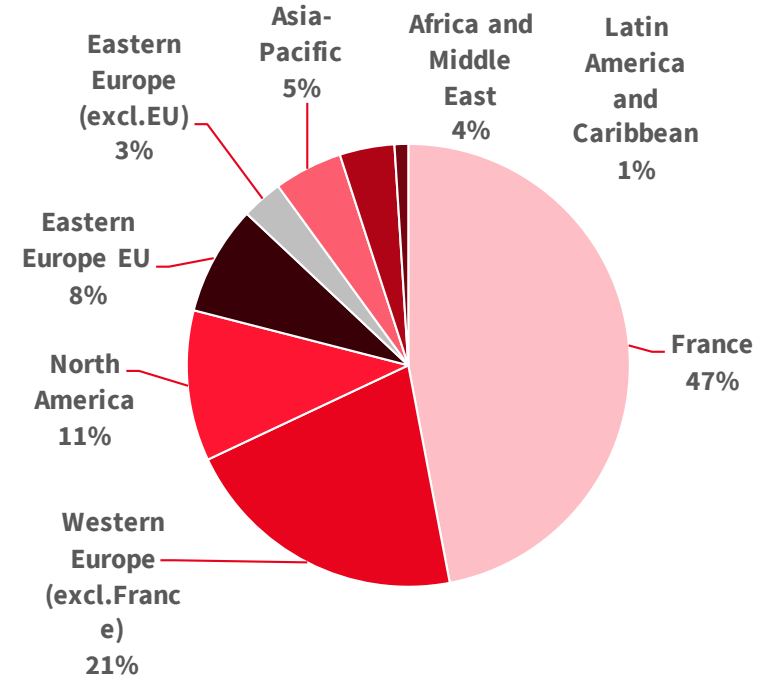
## On-and off-balance sheet EAD\*

All customers included: EUR 920bn



## On-balance sheet EAD\*

All customers included: EUR 679bn



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

# GROUP NON PERFORMING LOANS

In EUR bn	31/12/2018	30/09/2018	31/12/2017
Gross book outstandings*	501.2	496.6	478.7
Doubtful loans*	18.0	19.0	20.9
<b>Group Gross non performing loans ratio*</b>	<b>3.6%</b>	<b>3.8%</b>	<b>4.4%</b>
Specific provisions	9.7	10.5	11.3
Portfolio-based provisions**	1.9	2.0	1.3
<b>Group Gross doubtful loans coverage ratio* (Overall provisions / Doubtful loans)</b>	<b>64%</b>	<b>66%</b>	<b>61%</b>
Stage 1 provisions**	0.9	1.0	
Stage 2 provisions**	1.0	1.1	
Stage 3 provisions	9.7	10.5	
<b>Group Gross doubtful loans coverage ratio* (Stage 3 provisions / Doubtful loans)</b>	<b>54%</b>	<b>55%</b>	

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

\*\* As of September 30<sup>th</sup> and December 31<sup>th</sup> 2018 portfolio-based provisions are the sum of stage 1 and stage 2 provisions.

See: Methodology

# THE GROUP'S OVERALL EXPOSURE TO LEVERAGED BUY OUT (LBO) IS VERY LIMITED AND WELL MONITORED

## Leveraged Buy Out

Cautious origination in a context of strong liquidity, low interest rates, but also increased investor scrutiny

Granular and well-diversified credit portfolio

GBIS: Originate-to-distribute model with quick distribution and small, senior only final takes (RCF), focused on Europe and the US

- demonstrated syndication track record - Top 7 bookrunner Europe with USD4 bn deal volume in FY18 (IFR)
- close monitoring of underwriting book

French & international networks: One of the main players in France, smaller covenanted transactions mostly in club deals

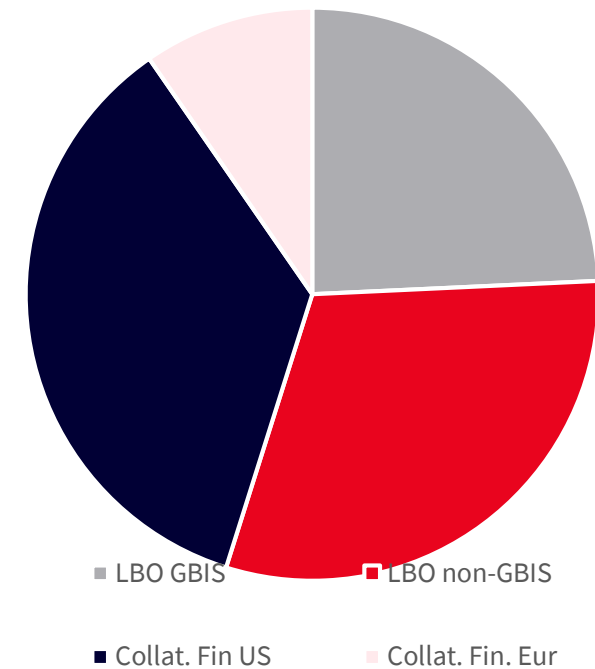
## Collateralised Financing and Trading

Prudent origination guidelines and conservative haircuts for LBO portfolio financings (MML and BSL\*)

Marginal loan trading inventory

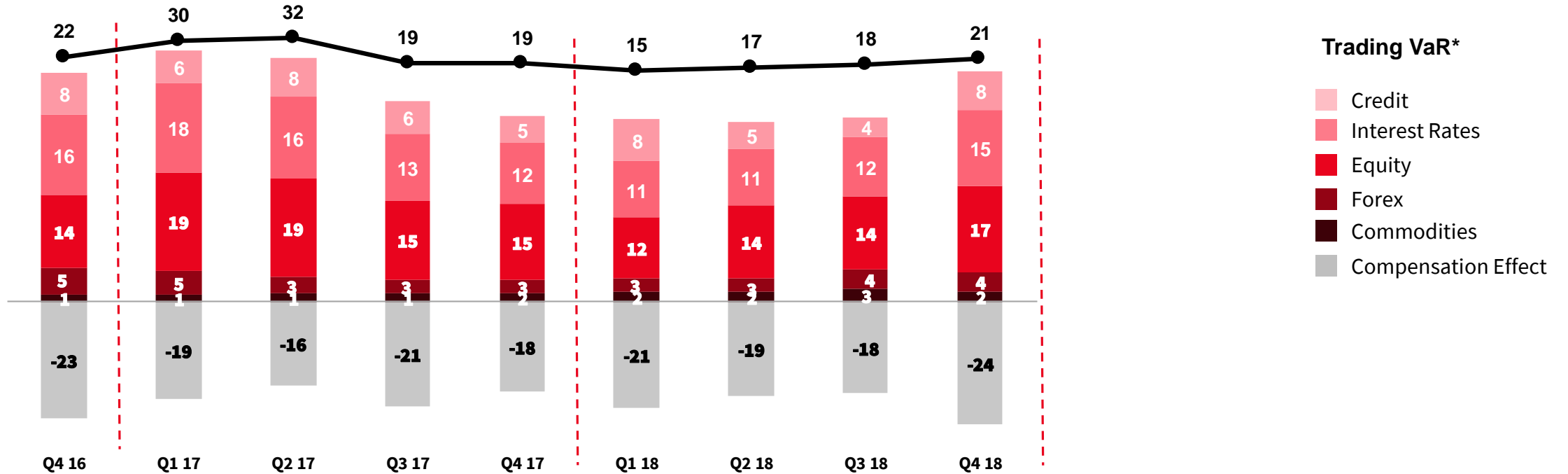
\* Middle Market Loans and Broadly Syndicated Loans

Overall exposure  
c. 3% of total corporate credit portfolio



# 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)	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
Minimum	14	14	18	21	34
Maximum	37	72	59	57	123
Average	21	34	33	34	62

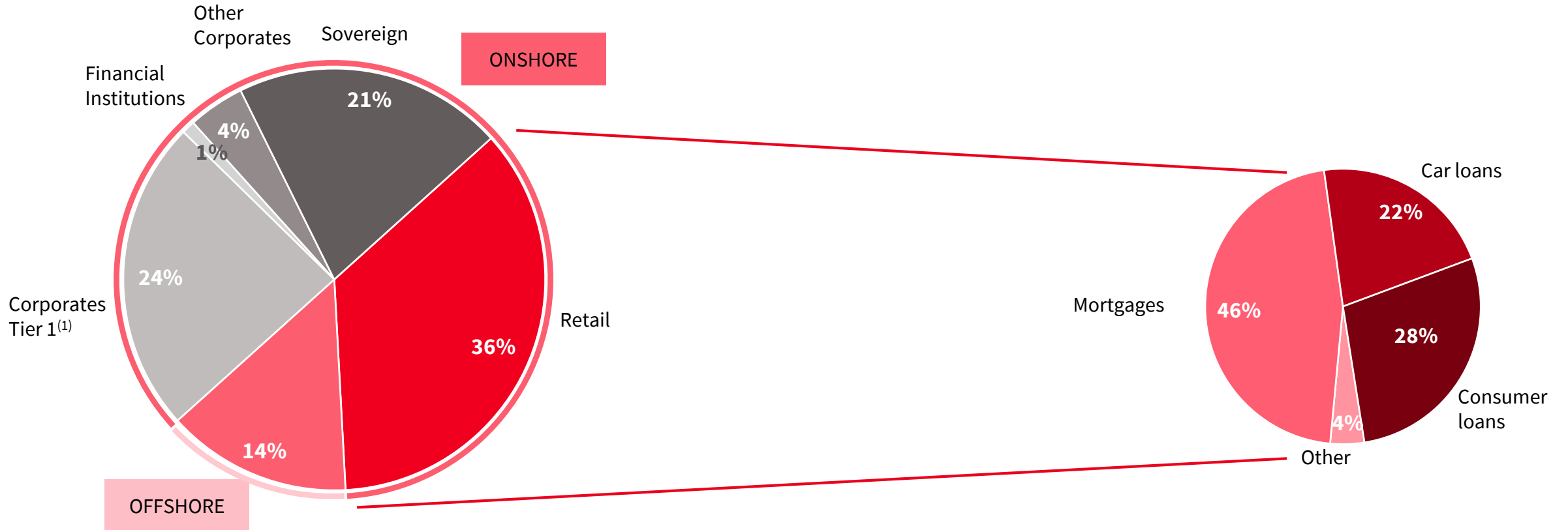
\* Trading VaR: measurement over one year (i.e. 260 scenarios) of the greatest risk obtained after elimination of 1% of the most unfavourable occurrences

\*\* 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 Q4 18: EUR 14.9 bn**

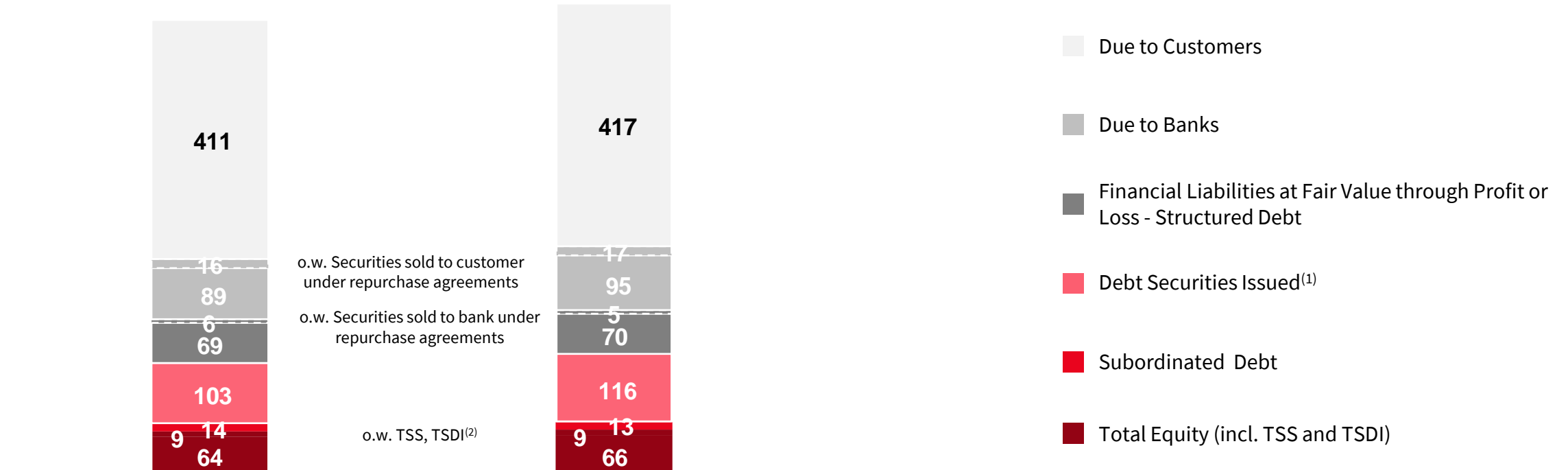


(1) Top 500 Russian corporates and multinational corporates

# GROUP FUNDING STRUCTURE

31 DECEMBER 2017

31 DECEMBER 2018



(1) o.w. 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 (and SGSCF: (EUR 7.1bn), SGSFH: (EUR 10.3bn), CRH: (EUR 6.0bn), securitisation and other secured issuances: (EUR 3.5bn), conduits: (EUR 9,5bn) at end-December 2017).

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

# 2018 GROUP LONG TERM FUNDING PROGRAMME REALISED AT COMPETITIVE CONDITIONS

**EUR 39.2bn raised in 2018** incl. pre-funding, o/w:

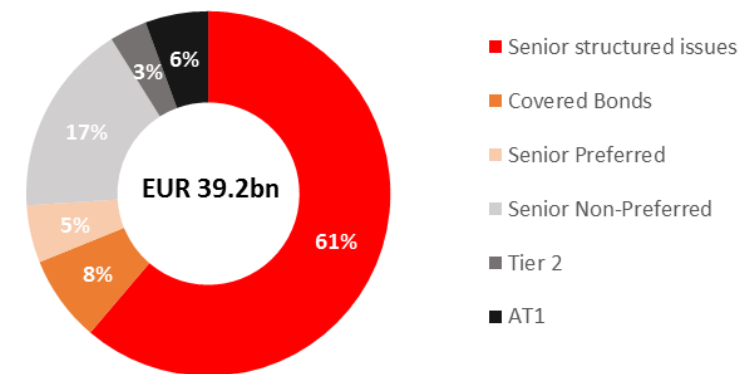
- EUR 15.2bn of vanilla debt (2.2bn AT1, 1.3bn T2, 6.7bn SNP, 2bn SP and 3bn CB)
- EUR 24bn of structured notes

Competitive funding conditions: MS6M+27bp (incl. senior non preferred debt, senior preferred debt and covered bonds), average maturity of 4.5 years  
 Diversification of the investor base by currencies, maturities and types  
 Additional EUR 3,8bn issued by subsidiaries

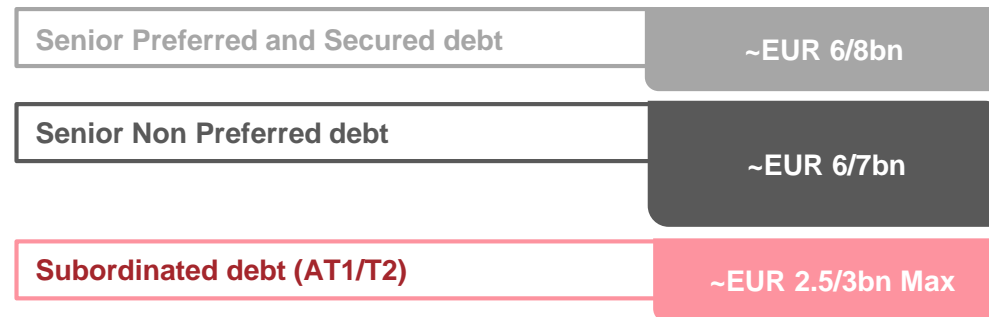
**Parent company 2019 funding programme similar to 2018**

- c. 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)

2018 completed programme breakdown



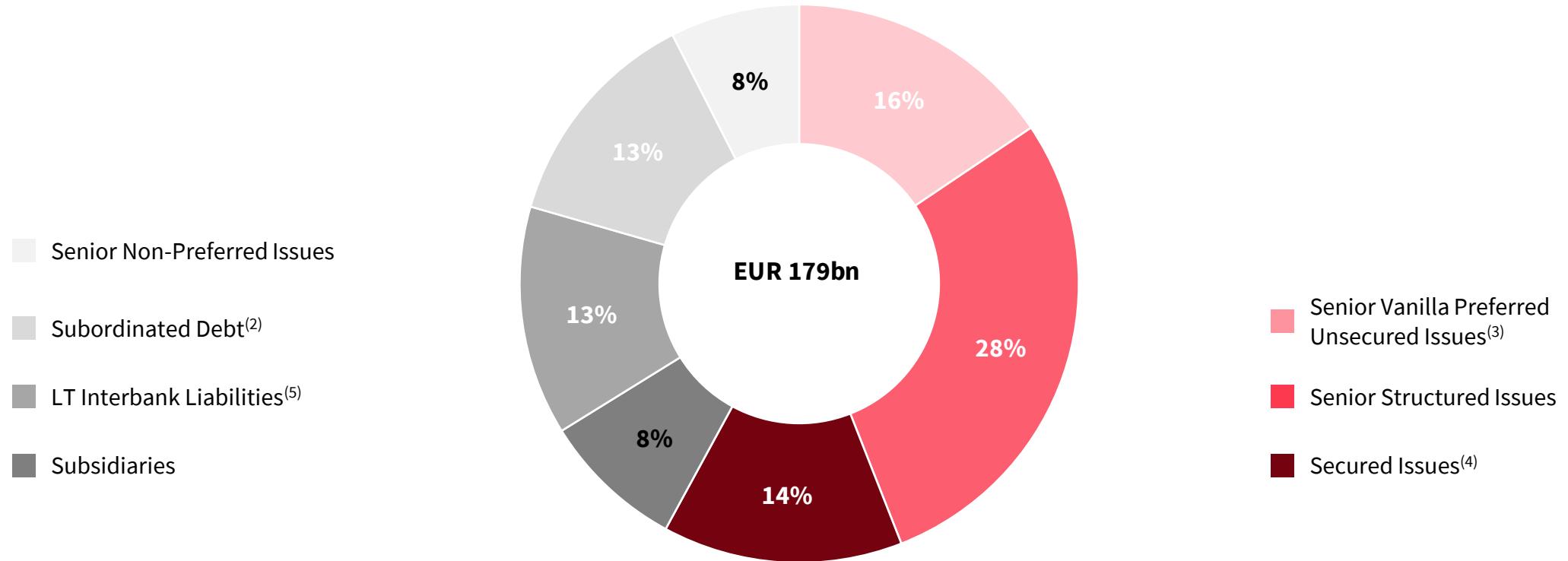
2019 Expected funding program<sup>(1)</sup>



(1) Excluding structured notes

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

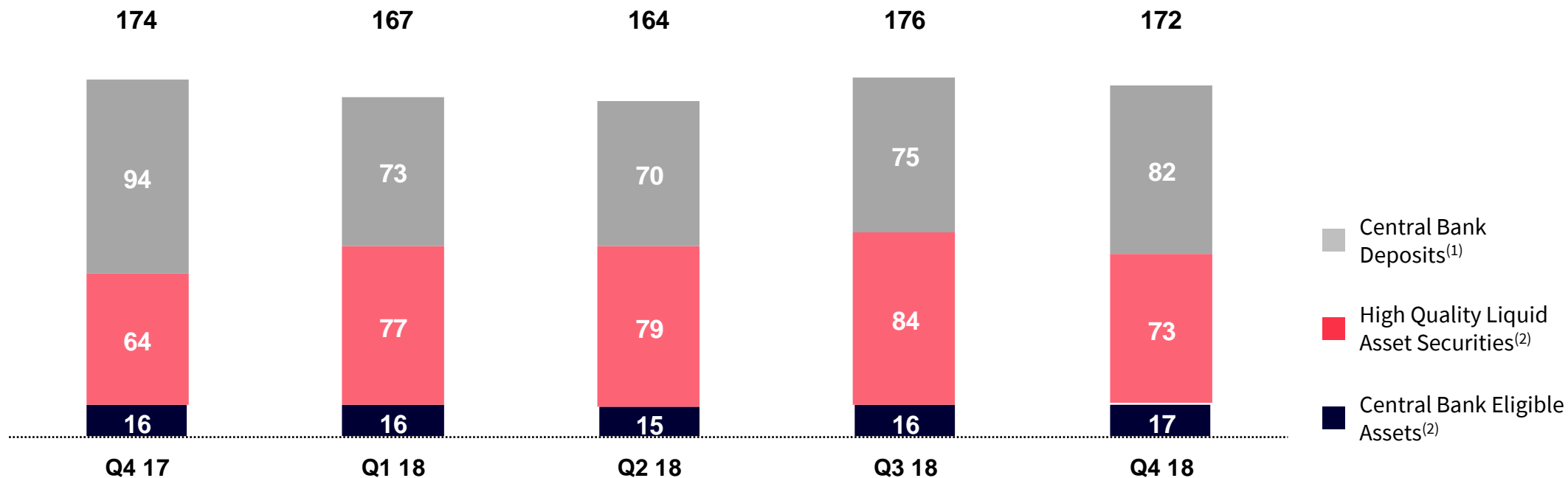
31.12.2018



- (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 124% on average in Q4 18

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

# GROUP EPS CALCULATION

Average number of shares (thousands)	2018	2017	2016
<b>Existing shares</b>	<b>807,918</b>	<b>807,754</b>	<b>807,293</b>
<b>Deductions</b>			
Shares allocated to cover stock option plans and free shares awarded to staff	5,335	4,961	4,294
Other own shares and treasury shares	842	2,198	4,232
<b>Number of shares used to calculate EPS**</b>	<b>801,741</b>	<b>800,596</b>	<b>798,768</b>
<b>Group net Income</b>	<b>3,864</b>	<b>2,806</b>	<b>3,874</b>
Interest, net of tax on deeply subordinated notes and undated subordinated notes	(462)	(466)	(472)
Capital gain net of tax on partial buybacks			
<b>Adjusted Group net income</b>	<b>3,402</b>	<b>2,340</b>	<b>3,402</b>
<b>EPS (in EUR)</b>	<b>4.24</b>	<b>2.92</b>	<b>4.26</b>
<b>Underlying EPS* (in EUR)</b>	<b>5.00</b>	<b>5.03</b>	<b>4.60</b>

\*Underlying EPS : adjusted for exceptional items and IFRIC 21 linearisation. Adjusted for non-economic items for 2018. See p. 38 and Methodology

\*\* The number of shares considered is the number of ordinary shares outstanding at 31<sup>st</sup> December 2018, excluding treasury shares and buybacks, but including the trading shares held by the Group

# GROUP NET ASSET VALUE, TANGIBLE NET ASSET VALUE

End of period	2018	2017	2016
<b>Shareholders' equity Group share</b>	<b>61,026</b>	<b>59,373</b>	<b>61,953</b>
Deeply subordinated notes	(9,330)	(8,520)	(10,663)
Undated subordinated notes	(278)	(269)	(297)
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	(14)	(165)	(171)
Bookvalue of own shares in trading portfolio	423	223	75
<b>Net Asset Value</b>	<b>51,827</b>	<b>50,642</b>	<b>50,897</b>
Goodwill	(4,860)	(5,154)	(4,709)
Intangible Asset	(2,224)	(1,940)	(1,717)
<b>Net Tangible Asset Value</b>	<b>44,743</b>	<b>43,548</b>	<b>44,471</b>
<b>Number of shares used to calculate NAPS**</b>	<b>801,942</b>	<b>801,067</b>	<b>799,462</b>
<b>Nest Asset Value per Share</b>	<b>64.6</b>	<b>63.2</b>	<b>63.7</b>
<b>Net Tangible Asset Value per Share</b>	<b>55.8</b>	<b>54.4</b>	<b>55.6</b>

\*\* The number of shares considered is the number of ordinary shares outstanding as of 31<sup>st</sup> December 2018, 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	T4-18	T4-17	2018	2017
<b>Shareholders' equity Group share</b>	<b>61,026</b>	<b>59,373</b>	<b>61,026</b>	<b>59,373</b>
Deeply subordinated notes	(9,330)	(8,520)	(9,330)	(8,520)
Undated subordinated notes	(278)	(269)	(278)	(269)
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	(14)	(165)	(14)	(165)
OCI excluding conversion reserves	(312)	(1,031)	(312)	(1,031)
Dividend provision	(1,764)	(1,762)	(1,764)	(1,762)
<b>ROE equity end-of-period</b>	<b>49,328</b>	<b>47,626</b>	<b>49,328</b>	<b>47,626</b>
<b>Average ROE equity</b>	<b>49,016</b>	<b>47,981</b>	<b>48,138</b>	<b>48,087</b>
Average Goodwill	(4,946)	(4,999)	(5,019)	(4,924)
Average Intangible Assets	(2,177)	(1,904)	(2,065)	(1,831)
<b>Average ROTE equity</b>	<b>41,893</b>	<b>41,078</b>	<b>41,054</b>	<b>41,332</b>
<b>Group net Income (a)</b>	<b>624</b>	<b>69</b>	<b>3,864</b>	<b>2,806</b>
<b>Underlying Group net income (b)</b>	<b>744</b>	<b>877</b>	<b>4,468</b>	<b>4,491</b>
Interest, net of tax on deeply subordinated notes and undated subordinated notes (c)	(124)	(117)	(462)	(466)
Cancellation of goodwill impairment (d)	176	0	198	0
<b>Corrected Group net Income (e) = (a)+(c)+(d)</b>	<b>676</b>	<b>(48)</b>	<b>3,600</b>	<b>2,340</b>
<b>Corrected Underlying Group net Income (f)=(b)+(c)</b>	<b>620</b>	<b>760</b>	<b>4,006</b>	<b>4,025</b>
<b>Average ROTE equity (g)</b>	<b>41,893</b>	<b>41,078</b>	<b>41,054</b>	<b>41,332</b>
ROTE [quarter: (4*e/g), 12M: (e/g)]	6.5%	-0.5%	8.8%	5.7%
<b>Average ROTE equity (underlying) (h)</b>	<b>41,951</b>	<b>41,240</b>	<b>41,345</b>	<b>41,803</b>
Underlying ROTE [quarter: (4*f/h), 12M: (f/h)]	5.9%	7.4%	9.7%	9.6%

ROE/ROTE: see Methodology



# FRENCH RETAIL BANKING

## CHANGE IN NET BANKING INCOME

Change  
Q4 18 vs. Q4 17

2,052    2,008    1,991    1,949    1,912

-6.8%

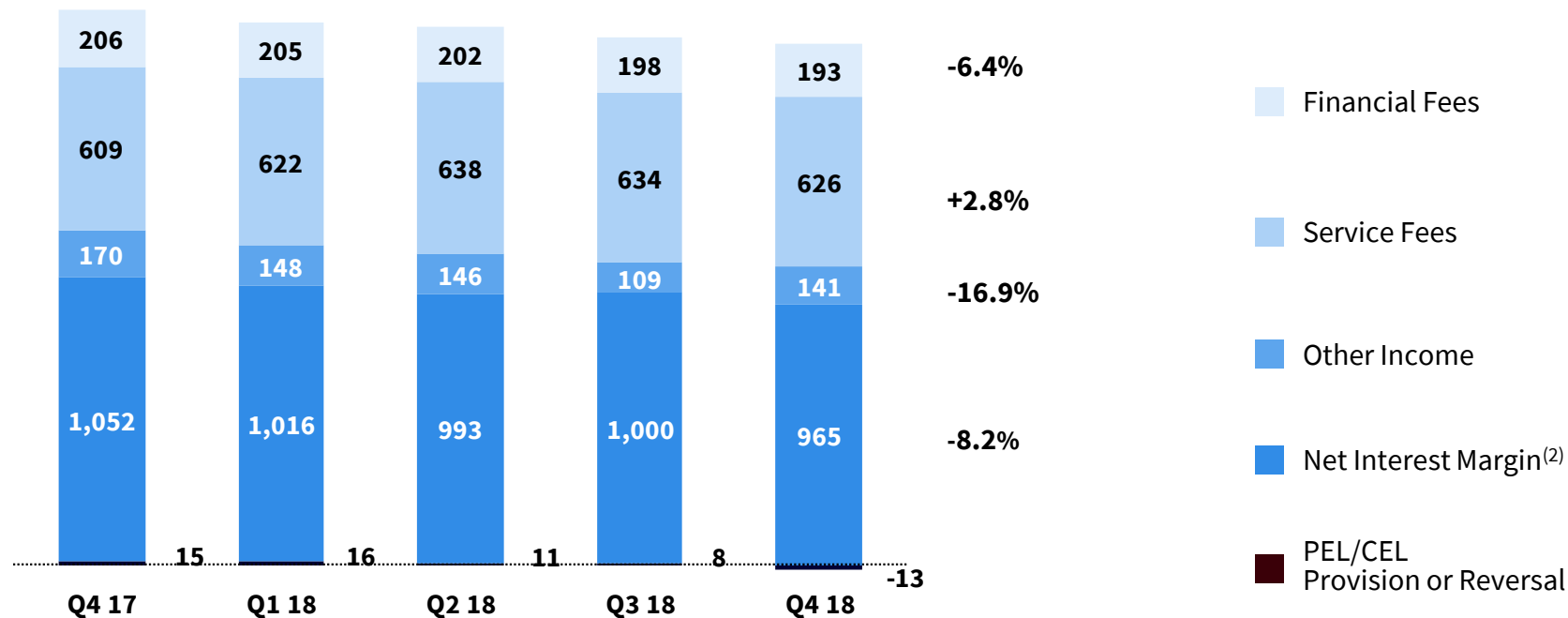
NBI in EUR m

### Commissions

+0.5% vs. Q4 17 and +1.4% vs. 2017

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

-8.2% vs. Q4 17 and -5.4% vs. 2017



(1) Excluding PEL/CEL

(2) Including EUR -88m adjustment of hedging costs in Q3 17

Data restated reflecting new quarterly series published on 4 April 2018

# FRENCH RETAIL BANKING

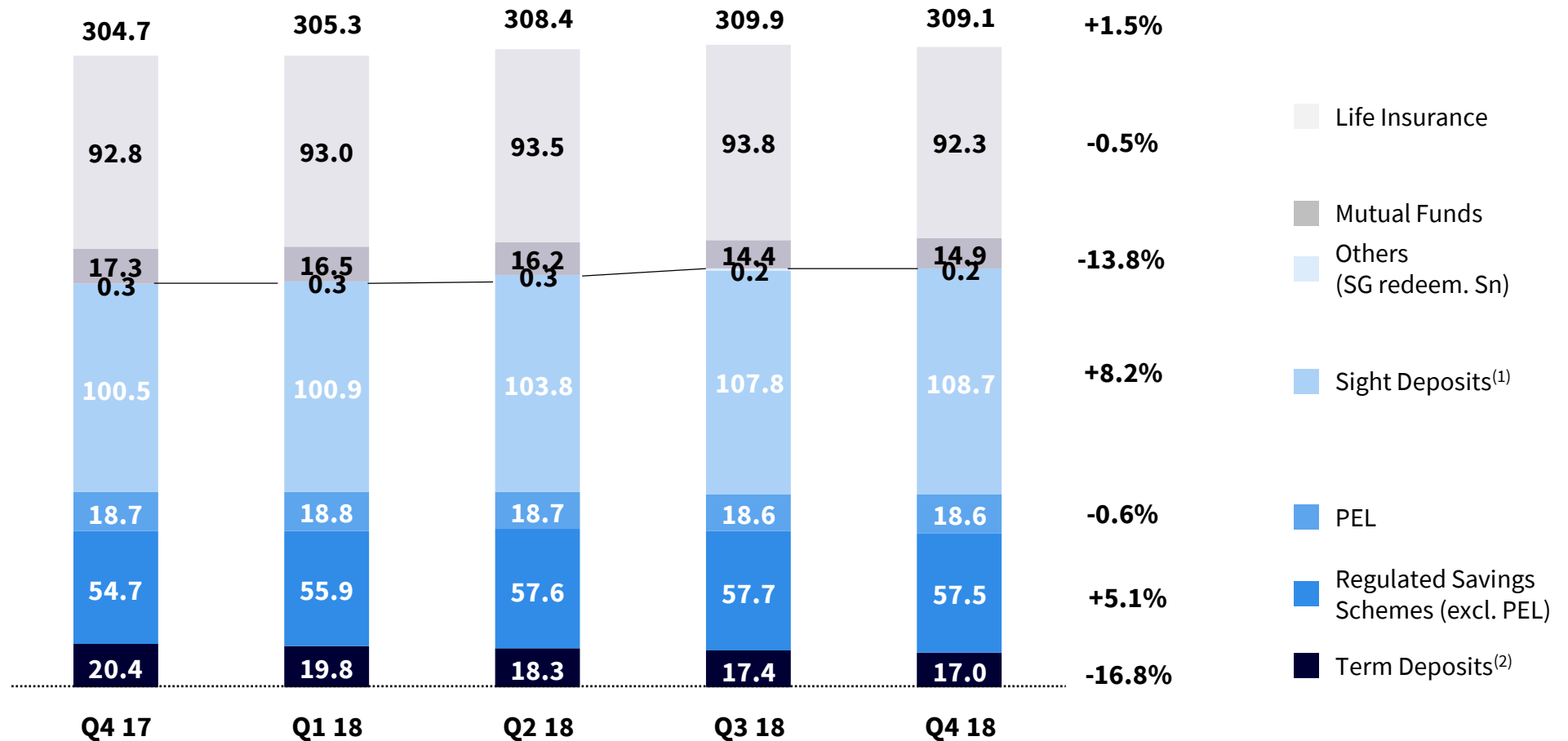
## CUSTOMER DEPOSITS AND FINANCIAL SAVINGS

**Average outstanding  
in EUR bn**

**Change  
Q4 18 vs. Q4 17**

**Financial  
savings:  
EUR 107.4bn  
-2.7%**

**Deposits:  
EUR 201.7bn  
+3.8%**



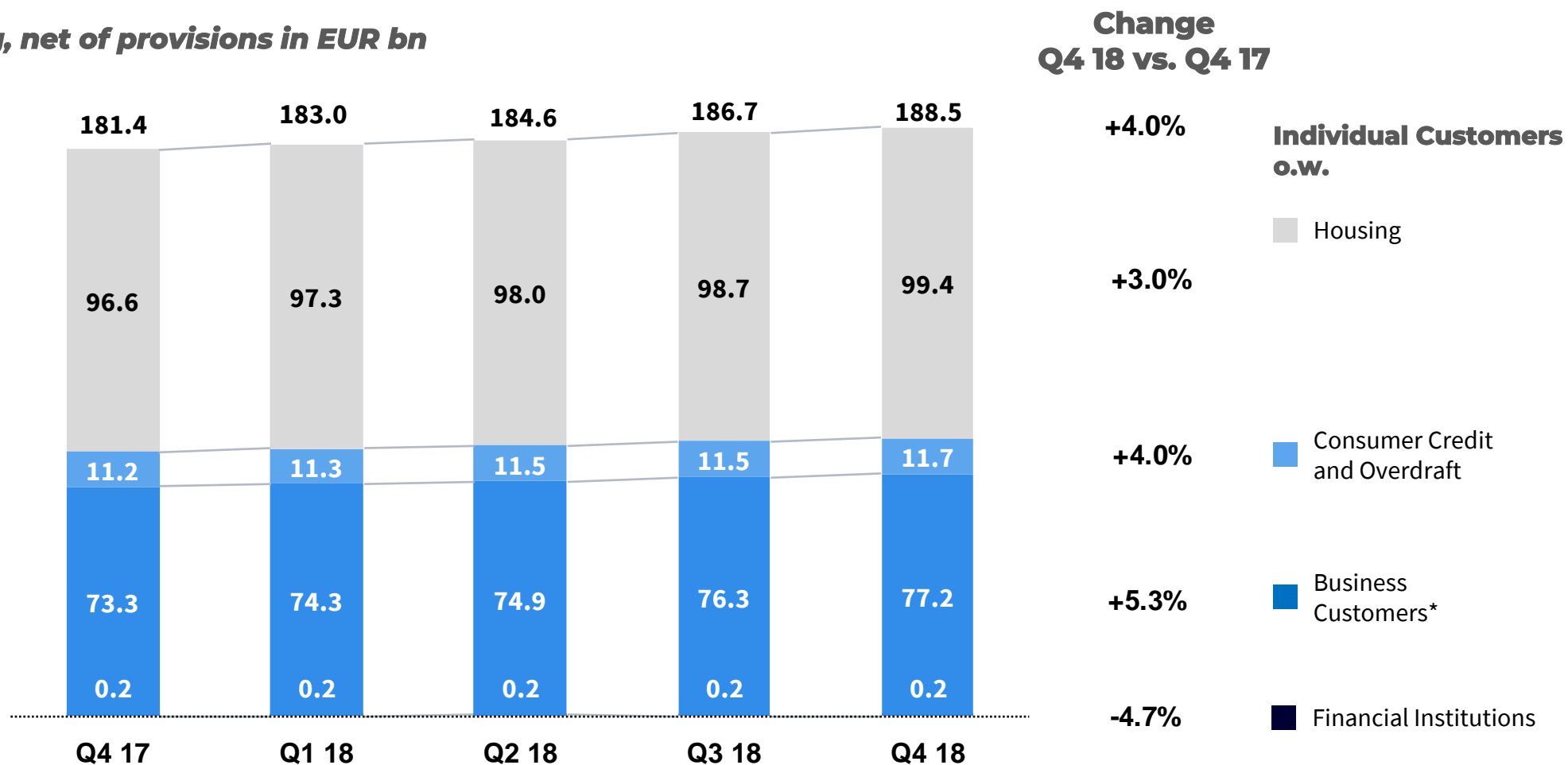
(1) Including deposits from Financial Institutions and foreign currency deposits

(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



\* 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

<i>In EUR m</i>	International Retail Banking			Insurance			Financial Services to Corporates			Total		
	Q4 18	Q4 17	Change	Q4 18	Q4 17	Change	Q4 18	Q4 17	Change	Q4 18	Q4 17	Change
Net banking income	1,477	1,370	+9.8%*	224	214	+4.9%*	460	473	+0.8%*	2,161	2,057	+7.3%*
Operating expenses	(812)	(846)	-2.3%*	(79)	(72)	+10.2%*	(254)	(250)	+6.3%*	(1,145)	(1,168)	+0.3%*
Gross operating income	665	524	+29.2%*	145	142	+2.3%*	206	223	-5.5%*	1,016	889	+16.6%*
Net cost of risk	(94)	(104)	-8.4%*	0	0	n/s	(20)	(15)	+36.3%*	(114)	(119)	-2.9%*
Operating income	571	420	+38.6%*	145	142	+2.3%*	186	208	-8.7%*	902	770	+19.7%*
Net profits or losses from other assets	1	3	-66.6%*	0	0	n/s	1	0	x 487,2	2	3	-33.3%*
Impairment losses on goodwill	0	0	n/s	0	0	n/s	0	0	n/s	0	0	n/s
Income tax	(134)	(98)	+39.0%*	(48)	(48)	+0.1%*	(22)	(56)	-64.6%*	(204)	(202)	+2.7%*
Group net income	332	246	+38.0%*	95	92	+3.4%*	136	112	+17.4%*	563	450	+25.7%*
C/I ratio	55%	62%		35%	34%		55%	53%		53%	57%	
Average allocated capital	6,980	6,723		1,775	1,843		2,662	2,545		11,417	11,111	

\* 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 2018 RESULTS

<i>In EUR m</i>	International Retail Banking			Insurance			Financial Services to Corporates			Total		
	2018	2017	Change	2018	2017	Change	2018	2017	Change	2018	2017	Change
<b>Net banking income</b>	<b>5,608</b>	5,278	+9.1%*	<b>887</b>	832	+4.9%*	<b>1,822</b>	1,804	+0.2%*	<b>8,317</b>	7,914	+6.6%*
<b>Operating expenses</b>	<b>(3,238)</b>	(3,171)	+5.0%*	<b>(333)</b>	(308)	+7.1%*	<b>(955)</b>	(925)	+2.9%*	<b>(4,526)</b>	(4,404)	+4.7%*
<b>Gross operating income</b>	<b>2,370</b>	2,107	+15.2%*	<b>554</b>	524	+3.6%*	<b>867</b>	879	-2.7%*	<b>3,791</b>	3,510	+8.9%*
<b>Net cost of risk</b>	<b>(335)</b>	(349)	+5.9%*	<b>0</b>	0	n/s	<b>(69)</b>	(51)	+38.1%*	<b>(404)</b>	(400)	+10.3%*
<b>Operating income</b>	<b>2,035</b>	1,758	+16.9%*	<b>554</b>	524	+3.6%*	<b>798</b>	828	-5.2%*	<b>3,387</b>	3,110	+8.7%*
<b>Net profits or losses from other assets</b>	<b>7</b>	36	-81.1%*	<b>0</b>	0	n/s	<b>1</b>	0	x 294,3	<b>8</b>	36	-78.4%*
<b>Impairment losses on goodwill</b>	<b>0</b>	1	n/s	<b>0</b>	0	n/s	<b>0</b>	0	n/s	<b>0</b>	1	n/s
<b>Income tax</b>	<b>(474)</b>	(418)	+14.7%*	<b>(183)</b>	(178)	+0.7%*	<b>(184)</b>	(224)	-19.6%*	<b>(841)</b>	(820)	+2.3%*
<b>Group net income</b>	<b>1,187</b>	1,042	+15.2%*	<b>368</b>	343	+5.1%*	<b>510</b>	554	+0.6%*	<b>2,065</b>	1,939	+9.3%*
<b>C/I ratio</b>	<b>58%</b>	60%		<b>38%</b>	37%		<b>52%</b>	51%		<b>54%</b>	56%	
<b>Average allocated capital</b>	<b>6,926</b>	6,734		<b>1,825</b>	1,808		<b>2,639</b>	2,595		<b>11,390</b>	11,137	

\* 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 M EUR	Western Europe		Czech Republic		Romania		Other Europe		Russia (1)		Africa and other		Total International Retail Banking	
	Q4 18	Q4 17	Q4 18	Q4 17	Q4 18	Q4 17	Q4 18	Q4 17	Q4 18	Q4 17	Q4 18	Q4 17	Q4 18	Q4 17
<b>Net banking income</b>	217	194	294	273	159	142	172	155	201	209	434	397	1,477	1,370
Change *	+11.9%*		+8.6%*		+13.0%*		+10.8%*		+6.2%*		+9.7%*		+9.8%*	
<b>Operating expenses</b>	(94)	(93)	(143)	(146)	(88)	(96)	(92)	(107)	(139)	(144)	(256)	(260)	(812)	(846)
Change *	+1.1%*		-1.3%*		-7.6%*		-13.9%*		+5.7%*		-1.3%*		-2.3%*	
<b>Gross operating income</b>	123	101	151	127	71	46	80	48	62	65	178	137	665	524
Change *	+21.8%*		+20.0%*		+56.0%*		+65.5%*		+7.4%*		+30.6%*		+29.2%*	
<b>Net cost of risk</b>	(30)	(30)	(3)	12	13	4	(11)	(25)	(28)	(13)	(35)	(52)	(94)	(104)
Change *	+0.0%*		n/s		n/s		-56.4%*		x 2,4		-32.0%*		-8.4%*	
<b>Operating income</b>	93	71	148	139	84	50	69	23	34	52	143	85	571	420
Change *	+31.0%*		+7.5%*		+69.8%*		x 3,0		-26.0%*		+68.7%*		+38.6%*	
<b>Net profits or losses from other assets</b>	0	0	(2)	0	(1)	0	4	(1)	0	1	0	3	1	3
<b>Impairment losses on goodwill</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Income tax</b>	(20)	(15)	(31)	(30)	(17)	(10)	(15)	(5)	(7)	(10)	(44)	(28)	(134)	(98)
<b>Group net income</b>	71	54	70	68	40	23	55	20	27	41	69	40	332	246
Change *	+31.5%*		+3.9%*		+76.0%*		x 2,7		-25.1%*		+70.7%*		+38.0%*	
<b>C/I ratio</b>	43.3%	47.9%	48.6%	53.5%	55.3%	67.6%	53.5%	69.0%	69.2%	68.9%	59.0%	65.5%	55.0%	61.8%
<b>Average allocated capital</b>	1,490	1,400	1,026	994	457	456	1,112	994	1,111	1,183	1,785	1,696	6,980	6,723

\* 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

# 2018 RESULTS OF INTERNATIONAL RETAIL BANKING BREAKDOWN BY REGION

<i>In M EUR</i>	Western Europe		Czech Republic		Romania		Other Europe		Russia (1)		Africa and other		Total International Retail Banking	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Net banking income</b>	<b>836</b>	762	<b>1,119</b>	1,044	<b>599</b>	547	<b>678</b>	640	<b>735</b>	753	<b>1,641</b>	1,532	<b>5,608</b>	5,278
Change *	<b>+9.7%*</b>		<b>+4.4%*</b>		<b>+11.6%*</b>		<b>+10.5%*</b>		<b>+9.8%*</b>		<b>+10.3%*</b>		<b>+9.1%*</b>	
<b>Operating expenses</b>	<b>(384)</b>	(371)	<b>(594)</b>	(570)	<b>(343)</b>	(347)	<b>(390)</b>	(351)	<b>(530)</b>	(558)	<b>(997)</b>	(974)	<b>(3,238)</b>	(3,171)
Change *	<b>+3.5%*</b>		<b>+1.8%*</b>		<b>+0.5%*</b>		<b>+17.1%*</b>		<b>+5.8%*</b>		<b>+4.6%*</b>		<b>+5.0%*</b>	
<b>Gross operating income</b>	<b>452</b>	391	<b>525</b>	474	<b>256</b>	200	<b>288</b>	289	<b>205</b>	195	<b>644</b>	558	<b>2,370</b>	2,107
Change *	<b>+15.6%*</b>		<b>+7.6%*</b>		<b>+30.8%*</b>		<b>+2.7%*</b>		<b>+21.6%*</b>		<b>+20.6%*</b>		<b>+15.2%*</b>	
<b>Net cost of risk</b>	<b>(133)</b>	(119)	<b>23</b>	11	<b>56</b>	86	<b>(42)</b>	(98)	<b>(68)</b>	(54)	<b>(171)</b>	(175)	<b>(335)</b>	(349)
Change *	<b>+11.8%*</b>		<b>n/s</b>		<b>+33.7%*</b>		<b>-43.1%*</b>		<b>+41.3%*</b>		<b>-0.1%*</b>		<b>+5.9%*</b>	
<b>Operating income</b>	<b>319</b>	272	<b>548</b>	485	<b>312</b>	286	<b>246</b>	191	<b>137</b>	141	<b>473</b>	383	<b>2,035</b>	1,758
Change *	<b>+17.3%*</b>		<b>+9.7%*</b>		<b>+11.4%*</b>		<b>+19.1%*</b>		<b>+13.7%*</b>		<b>+30.3%*</b>		<b>+16.9%*</b>	
<b>Net profits or losses from other assets</b>	<b>0</b>	0	<b>2</b>	38	<b>(1)</b>	0	<b>4</b>	(3)	<b>2</b>	(1)	<b>0</b>	2	<b>7</b>	36
<b>Impairment losses on goodwill</b>	<b>0</b>	0	<b>0</b>	1	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	0	<b>0</b>	1
<b>Income tax</b>	<b>(67)</b>	(57)	<b>(116)</b>	(110)	<b>(65)</b>	(60)	<b>(52)</b>	(40)	<b>(27)</b>	(28)	<b>(147)</b>	(123)	<b>(474)</b>	(418)
<b>Group net income</b>	<b>242</b>	208	<b>266</b>	254	<b>149</b>	136	<b>181</b>	147	<b>112</b>	111	<b>237</b>	186	<b>1,187</b>	1,042
Change *	<b>+16.3%*</b>		<b>+1.6%*</b>		<b>+12.0%*</b>		<b>+13.7%*</b>		<b>+18.6%*</b>		<b>+36.1%*</b>		<b>+15.2%*</b>	
<b>C/I ratio</b>	<b>45.9%</b>	48.7%	<b>53.1%</b>	54.6%	<b>57.3%</b>	63.4%	<b>57.5%</b>	54.8%	<b>72.1%</b>	74.1%	<b>60.8%</b>	63.6%	<b>57.7%</b>	60.1%
<b>Average allocated capital</b>	<b>1,441</b>	1,315	<b>994</b>	967	<b>466</b>	429	<b>1,104</b>	1,109	<b>1,123</b>	1,215	<b>1,797</b>	1,699	<b>6,926</b>	6,734

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

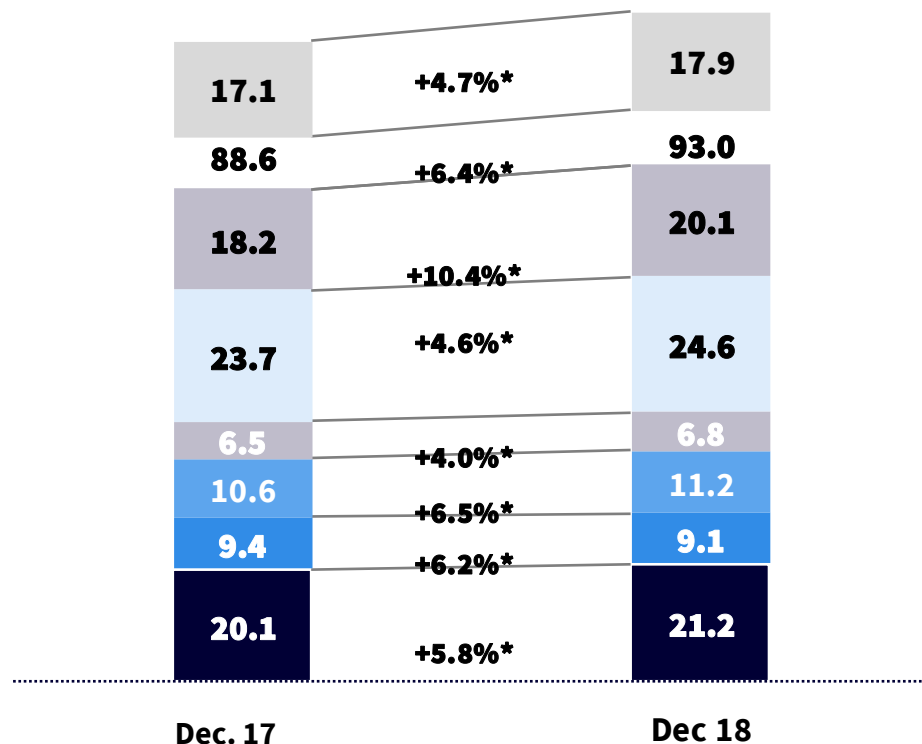
Net banking income, operating expenses, cost to income ratio, allocated capital : see Methodology

(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

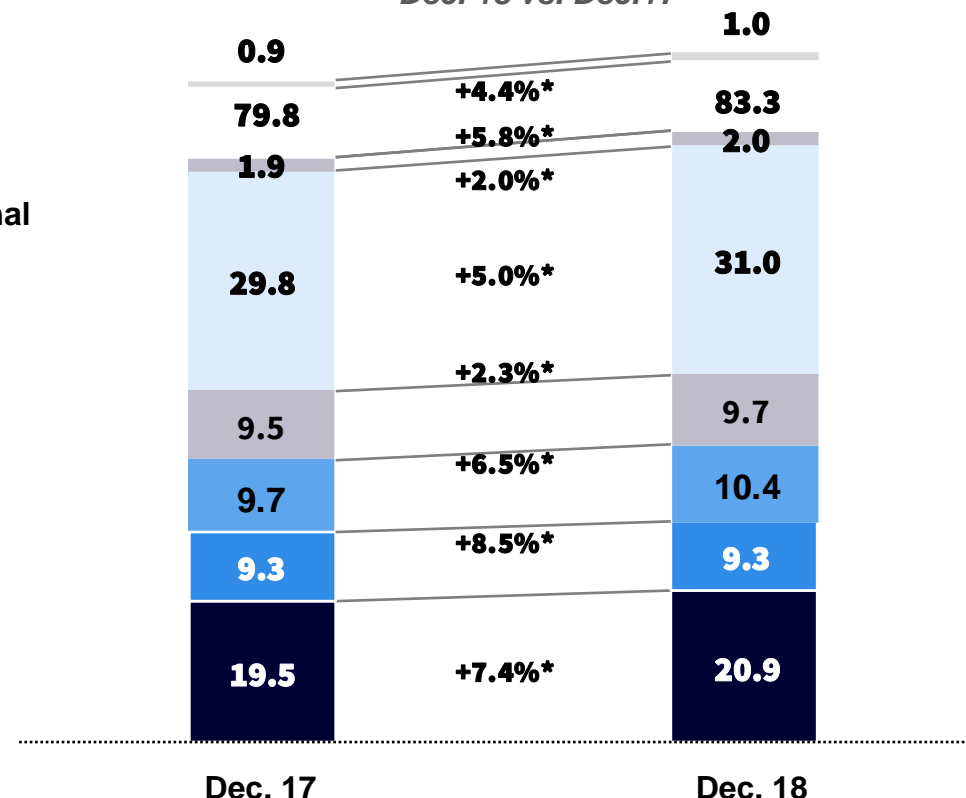
\_Loan Outstandings Breakdown (in EURbn)

Change  
Dec. 18 vs. Dec. 17



\_Deposit Outstandings Breakdown (in EURbn)

Change  
Dec. 18 vs. Dec. 17



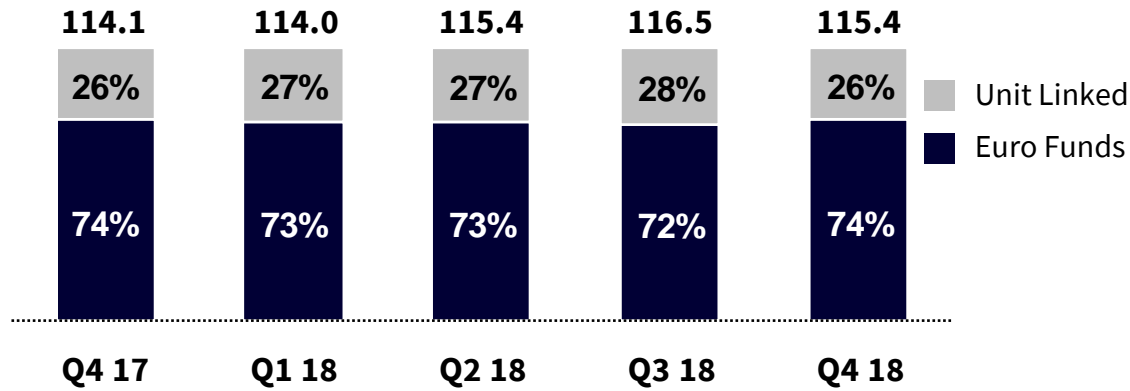
\* When adjusted for changes in Group structure and at constant exchange rates  
(1) Excluding factoring



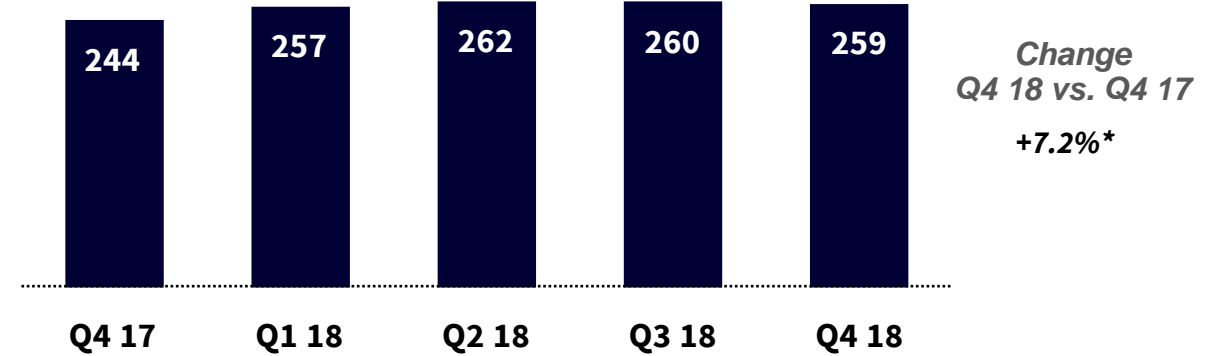
# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

## INSURANCE KEY FIGURES

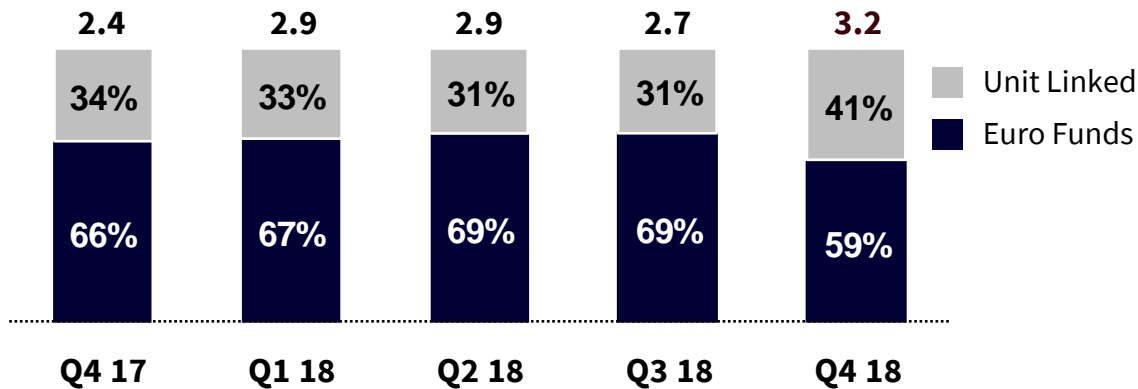
\_Life Insurance Outstandings and Unit Linked Breakdown (in EUR bn)



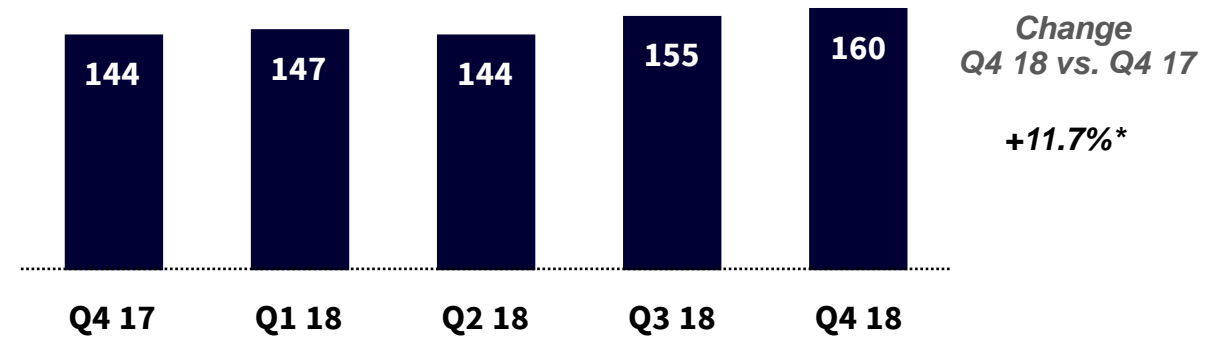
\_Personal Protection Insurance Premiums (in EUR m)



\_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	Q4 18	Q4 17	Change	2018	2017	Change
<b>Net banking income</b>	<b>220</b>	229	<b>+6.3%*</b>	<b>815</b>	<b>842</b>	<b>+9.1%*</b>
Operating expenses	(146)	(155)	+3.8%*	(562)	(594)	+5.5%*
<b>Gross operating income</b>	<b>74</b>	<b>75</b>	<b>+11.6%*</b>	<b>252</b>	<b>248</b>	<b>+18.3%*</b>
Net cost of risk	(28)	(14)	+125.5%*	(68)	(54)	+39.7%*
<b>Operating income</b>	<b>46</b>	<b>61</b>	<b>-14.8%*</b>	<b>185</b>	<b>193</b>	<b>+12.0%*</b>
<b>Group net income</b>	<b>35</b>	<b>47</b>	<b>-14.7%*</b>	<b>144</b>	<b>147</b>	<b>+15.7%*</b>
C/I ratio	67%	67%		69%	71%	

## \_SG Commitment to Russia

In EUR bn	Q4 18	Q4 17	Q4 16	Q4 15
Book value	2.8	2.8	2.7	2.4
Intragroup Funding				
- Sub. Loan	0.5	0.5	0.6	0.7
- Senior	0.0	0.0	0.0	0.0

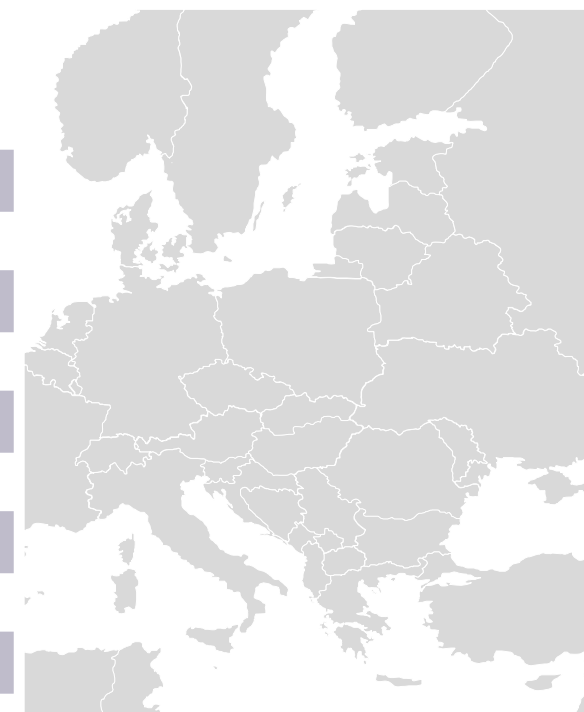
NB. The Rosbank Group book value amounts to EUR 2.8bn at Q4 18, not including translation reserves of EUR -1.0bn, already deducted from Group Equity

\* 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>7.6 m</b>	<b>EUR 2.4 bn</b>	<b>EUR 597m</b>	<b>55%</b>	<b>EUR 32.5 bn</b>

2018	NBI (In EUR m)	RWA (In EUR m)	Credits (In EUR m)	Deposits (In EUR m)	L/D ratio	Ranking
Czech Republic	1,119	14,366	24,612	31,044	79%	3rd
Romania	599	6,670	6,802	9,693	70%	3rd
Poland <sup>(2)</sup>	164	1,994	2,838	1,792	158%	
Slovenia	117	2,320	2,448	2,499	98%	3rd(1)
Bulgaria <sup>(2)</sup>	137	2,584	2,434	2,719	90%	7th
Serbia <sup>(2)</sup>	122	2,102	2,019	1,577	128%	3rd(1)
Montenegro	27	493	376	389	97%	2nd(1)
FYR Macedonia	28	653	464	439	106%	5th(1)
Albania <sup>(2)</sup>	28	580	402	545	74%	4th(1)
Moldova <sup>(2)</sup>	38	580	266	422	63%	3rd(1)
Other	2	174				



(1) Ranking based on loan outstandings

(2) Ongoing sale of entities

# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES PRESENCE IN AFRICA

<b>Clients</b> 3.8 m	<b>NBI</b> EUR 1.4 bn	<b>Net income</b> EUR 208 m	<b>C/I</b> 59%	<b>RWA</b> EUR 20.8 bn
-------------------------	--------------------------	--------------------------------	-------------------	---------------------------

2018	NBI (In EUR m)	RWA (In EUR m)	Credits (In EUR m)	Deposits (In EUR m)	L/D ratio	Ranking
Morocco	410	7,184	7,515	6,458	116%	4th(1)
Algeria	162	2,173	1,978	2,165	91%	
Tunisia	119	1,461	1,510	1,294	117%	7th(1)
Côte d'Ivoire	188	2,406	1,919	2,329	82%	1st(1)
Senegal	106	1,798	897	1,176	76%	2nd(1)
Cameroun	104	1,407	994	1,097	91%	1st(1)
Ghana	76	694	302	386	78%	5th(1)
Madagascar	55	354	241	430	56%	
Burkina Faso	43	913	691	604	114%	3rd(1)
Guinea Equatorial	40	584	171	429	40%	2nd(1)
Guinea	44	376	225	298	76%	1st(1)
Chad	26	254	129	178	73%	4th(1)
Benin	26	604	278	289	96%	4th(1)



(1) Ranking based on loan outstandings

# 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			
	Q4 18	Q4 17	Change	Q4 18	Q4 17	Change	Q4 18	Q4 17	Change	Q4 18	Q4 17	Change	
Net banking income	1,093	1,344	-19.4%*	716	601	+18.6%*	232	248	-6.7%*	2,041	2,193	-6.9%*	-7.6%*
Operating expenses	(1,078)	(1,071)	+0.0%*	(472)	(428)	+8.8%*	(229)	(244)	-6.5%*	(1,779)	(1,743)	+2.1%*	+1.3%*
Gross operating income	15	273	-94.6%*	244	173	+43.5%*	3	4	-20.0%*	262	450	-41.8%*	-42.0%*
Net cost of risk	(7)	7	n/s	(85)	18	n/s	(6)	10	n/s	(98)	35	n/s	n/s
Operating income	8	280	-97.2%*	159	191	-15.6%*	(3)	14	n/s	164	485	-66.2%*	-66.3%*
Net profits or losses from other assets	0	0		(1)	(4)		0	0		(1)	(4)		
Net income from companies accounted for by the equity method	2	2		1	(3)		(1)	0		2	(1)		
Impairment losses on goodwill	0	0		0	0		0	0		0	0		
Income tax	3	(79)		16	(17)		1	(4)		20	(100)		
Net income	13	203		175	167		(3)	10		185	380		
O.w. non controlling Interests	4	5		0	1		2	0		6	6		
Group net income	9	198	-95.5%*	175	166	+6.7%*	(5)	10	n/s	179	374	-52.1%*	-52.3%*
Average allocated capital	8,486	8,114		6,292	5,390		1,280	1,021		16,058	14,525		
C/I ratio	99%	80%		66%	71%		99%	98%		87%	79%		

\* 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

## 2018 RESULTS

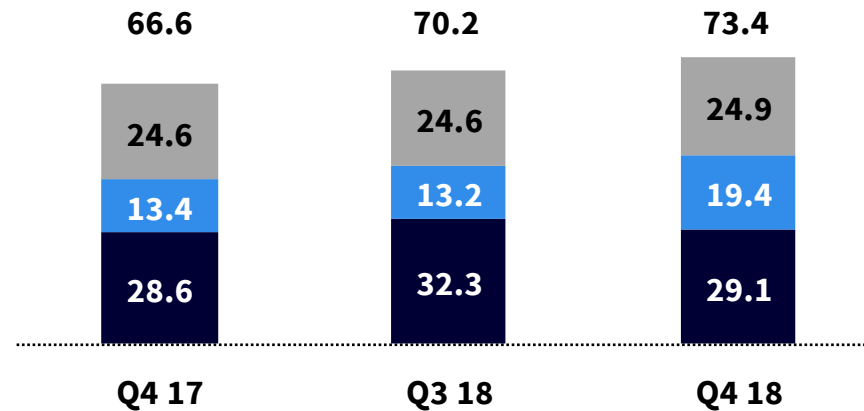
<i>In EUR m</i>	Global Markets and Investor Services			Financing and Advisory			Asset and Wealth Management			Total Global Banking and Investor Solutions			
	2018	2017	Change	2018	2017	Change	2018	2017	Change	2018	2017	Change	
Net banking income	5,207	5,678	-6.6%*	2,673	2,495	+8.6%*	966	1,000	-2.8%*	8,846	9,173	-3.6%*	-2.1%*
Operating expenses	(4,521)	(4,434)	+3.3%*	(1,815)	(1,767)	+5.0%*	(905)	(920)	-0.9%*	(7,241)	(7,121)	+1.7%*	+3.2%*
Gross operating income	686	1,244	-42.9%*	858	728	+17.1%*	61	80	-24.9%*	1,605	2,052	-21.8%*	-20.3%*
Net cost of risk	(21)	(34)	-35.2%*	(53)	30	n/s	(19)	2	n/s	(93)	(2)	x 46,5	n/s
Operating income	665	1,210	-43.1%*	805	758	+5.4%*	42	82	-49.5%*	1,512	2,050	-26.2%*	-25.0%*
Net profits or losses from other assets	(1)	0		(1)	(4)		(14)	0		(16)	(4)		
Net income from companies accounted for by the equity method	8	5		(1)	(4)		(1)	0		6	1		
Impairment losses on goodwill	0	0		0	0		0	0		0	0		
Income tax	(172)	(322)		(101)	(84)		(8)	(23)		(281)	(429)		
Net income	500	893		702	666		19	59		1,221	1,618		
O.w. non controlling Interests	19	21		2	2		3	2		24	25		
Group net income	481	872	-42.9%*	700	664	+4.8%*	16	57	-72.3%*	1,197	1,593	-24.9%*	-23.6%*
Average allocated capital	8,259	8,317		6,007	5,581		1,158	1,098		15,424	14,996		
C/I ratio	87%	78%		68%	71%		94%	92%		82%	78%		

\* 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

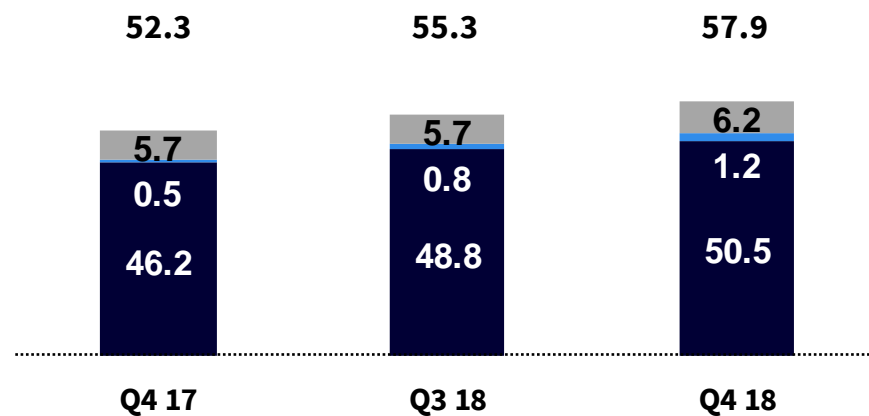
# GLOBAL BANKING AND INVESTOR SOLUTIONS

## RISK-WEIGHTED ASSETS IN EUR BN

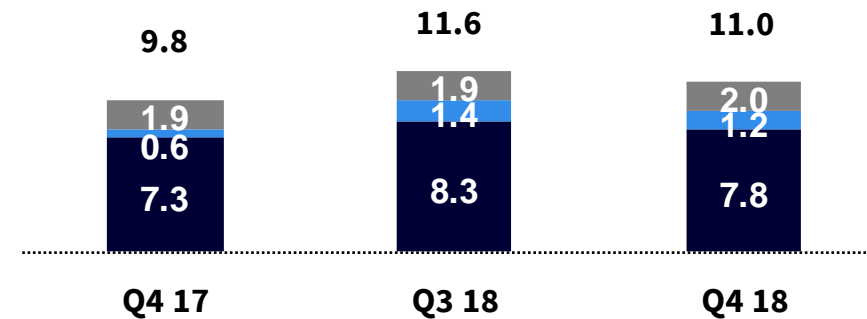
\_Global Markets and Investor Services



\_Financing and Advisory



\_Asset and Wealth Management

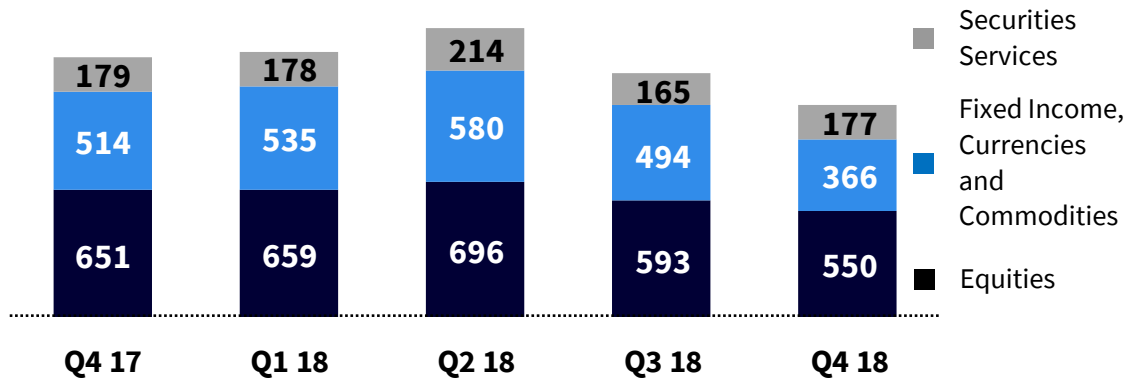


Operational  
Market  
Credit

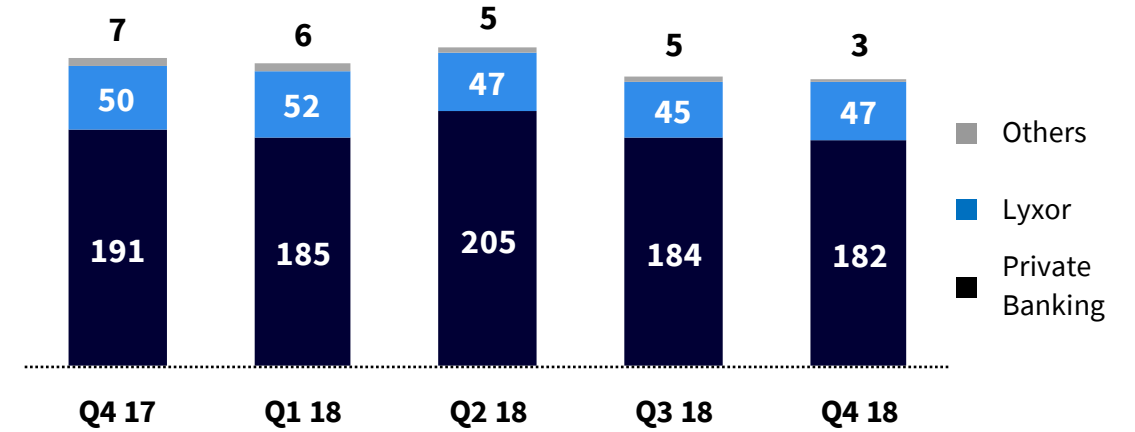
Data restated reflecting new quarterly series published on 4 April 2018

# GLOBAL BANKING AND INVESTOR SOLUTIONS REVENUES

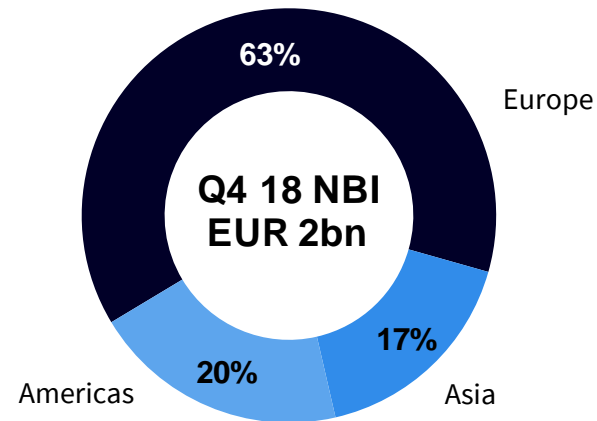
\_Global Markets and Investor Services Revenues (in EUR m)



\_Asset and Wealth Management Revenues (in EUR m)



\_Revenues Split by Region (in %)

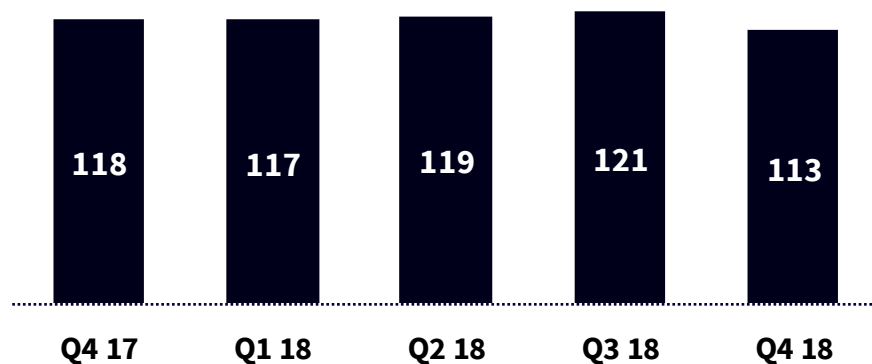




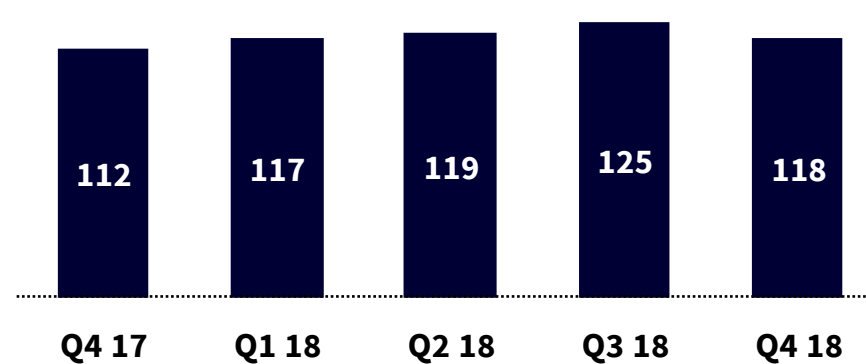
# GLOBAL BANKING AND INVESTOR SOLUTIONS

## KEY FIGURES

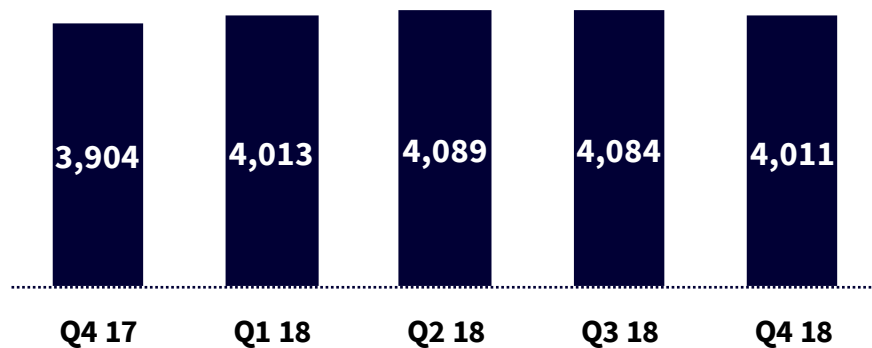
\_Private Banking: Assets under Management<sup>(1)</sup> (in EUR bn)



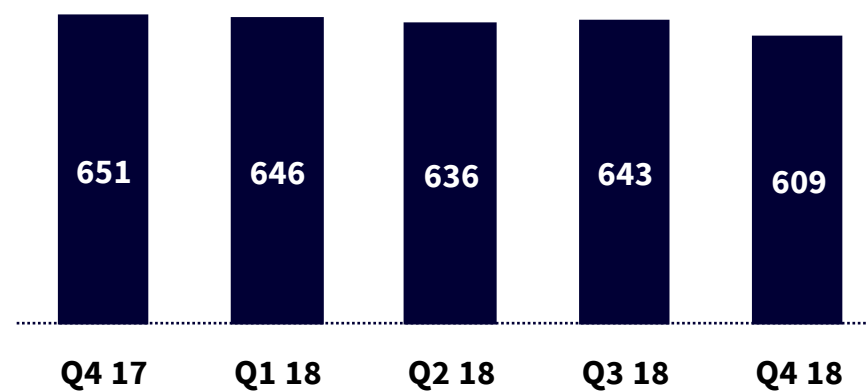
\_Lyxor: Assets under Management (in EUR bn)



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



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



(1) Including New Private Banking set-up in France as from 1<sup>st</sup> Jan. 2014

# GLOBAL BANKING AND INVESTOR SOLUTIONS

## CVA/DVA IMPACT

NBI impact	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
	Equities	3	(1)	2	3
Fixed income,currencies,commodities	7	(4)	(3)	9	(20)
Financing and Advisory	7	(3)	(4)	8	(21)
<b>Total</b>	<b>17</b>	<b>(9)</b>	<b>(5)</b>	<b>19</b>	<b>(51)</b>

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

## Global Markets and Investor Services



Structured products house of the year

Best Fx Execution Algorithms,  
Best Bank Fx Trading Technology Category  
Best Fx Provider In CEE  
Best FX Provider France, Ivory Coast and Romania  
Best Fx Provider for Corporates

Custodian of the Year – Italy

## Asset and Wealth Management



Private Banker International  
Outstanding Customer Relationship Service and Engagement

PWM The Banker - Global Private Banking Awards 2018  
Best Private Bank for Succession Planning

2018 Asia Private Banker's - Structured Products Awards For Excellence:  
- Best Structured Product Provider Interest Rates  
- Best Structured Product Provider European Equities

## Financing and Advisory



Asia Commodity finance house of the year



Greenwich Share Leader award for Large  
Corporate Trade Finance in France



M&A Financial Adviser of the Year in Spain



Tech M&A Deal of the Year - EMEA  
TMT Infrastructure Loan of the Year - EMEA  
TMT Acquisition Financing Deal of the Year – EMEA



### Europe Investment-Grade Corporate Bond House of the Year

Euro Bond & Europe High Yield Bond of the year  
Issuer award - Financing package of the year  
Asia Bond of the year  
North America Loan of the year  
Yankee Bond of the year

### Global Advisor of the Year

Mining Deal of the Year - Americas  
Power Deal of the Year - Asia-Pacific  
Acquisition Deal of the Year - Asia Pacific  
Infra Deal of the Year - Asia-Pacific  
Solar Deal of the Year - Europe  
Telecoms Deal of the Year - Europe  
Power Deal of the Year - Europe  
Oil & Gas Deal of the Year - Europe, Middle East and Africa  
Petrochemical Deal of the Year - Middle East and Africa  
Refi Deal of the Year - Middle East and Africa  
Renewables Deal of the Year - Americas, Asia-Pacific, Europe



### Debt Capital Market

#1 Global Securitisation in Euros  
#2 All EMEA Euro Corporate Bonds  
#3 All Euro Bonds  
#3 All Euro Corporate Bonds  
#4 All Euro Bonds for FI

### Equity Capital Markets

#1 France, Belgium, Luxembourg  
#3 Equity Linked EMEA  
#5 World offer in Euro

### Loans – Bookrunner

#2 France  
#4 EMEA (Acquisition Finance)  
#5 EMEA (All)

Source: Thomson Reuters, League Table,  
Full Year 2018

# FINANCING & ADVISORY SUPPORTING CLIENTS IN THEIR TRANSFORMATIONS



## OPEN FIBER

Financial Advisor, Underwriter, Global Coordinator,  
Global bookrunner



EUR 3.5 bn financing for the roll out of an ultra-high-speed fiber network throughout Italy

## REPUBLIC OF ITALY

Joint Lead Manager

The Republic of Italy successfully completed a EUR 3.2bn Accelerated Tender Offer and New Issue



## CMA CGM

Arranger, Lender



SG arranged USD 1.4 bn for the construction of innovative containerships, in line with the Paris COP21 resolutions

CLIENT PROXIMITY  
INNOVATION  
PRODUCT EXCELLENCE  
INDUSTRY EXPERTISE  
ADVISORY CAPACITY  
GLOBAL COVERAGE

## FS ENERGY AND POWER FUND

Joint Lead Arranger, Joint Bookrunner

FSEP raised over USD 1bn debt facilities  
First collateralised debt arranged by SG in the Energy sector



## NACHTIGAL

Financial Advisor, MLA, Bank Coordinator, Bond issuer



EUR 910 m debts facilities in favor of hydroelectric dam in Cameroon – largest hydropower project built in Africa

## ANZ

Joint Bookrunner

Issuance of a EUR 1.25 bn covered bond with a 4-year maturity



# METHODOLOGY (1/3)

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## **1 – The Group’s consolidated results as at December 31<sup>th</sup>, 2018 were approved by the Board of Directors on February 6<sup>th</sup>, 2019.**

The financial information presented in respect the quarter and nine months ended December 30<sup>th</sup>, 2018 has been prepared in accordance with IFRS as adopted in the European Union and applicable at the date. The audit procedures carried out by the Statutory Auditors on the consolidated financial statements are in progress.

## **2 – Net banking income**

The pillars’ net banking income is defined on page 44 of Societe Generale’s 2018 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 5 and 8.2 to the Group’s consolidated financial statements as at December 31<sup>st</sup>, 2017 (pages 381 et seq. and page 401 of Societe Generale’s 2018 Registration Document). The term “costs” is also used to refer to Operating Expenses.

The Cost/Income Ratio is defined on page 44 of Societe Generale’s 2018 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 – Non-economic and exceptional items – transition from accounting data to underlying data**

**Non-economic items** correspond to the revaluation of the Group’s own financial liabilities and the debt value adjustment on derivative instruments (DVA). These two factors constitute the restated non-economic items in the analyses of the Group’s results. They lead to the recognition of self-generated earnings reflecting the market’s evaluation of the counterparty risk related to the Group. They are also restated in respect of the Group’s earnings for prudential ratio calculations.

In accordance with IFRS9, the change of the revaluation of the Group’s own financial liabilities is no longer accounted for in the income statement of the period but in shareholders equity. Consequently the group will no longer publish financial figures restated from non economic items.

Moreover, the Group restates 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 38).

# 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 46 and 564 of Societe Generale's 2018 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").

	(En M EUR)	Q4 18	Q4 17	2018	2017
<b>French Retail Banking</b>	Net Cost Of Risk	144	177	489	546
	Gross loan Outstandings	189,034	184,649	186,782	182,058
	<b>Cost of Risk in bp</b>	<b>30</b>	<b>38</b>	<b>26</b>	<b>30</b>
<b>International Retail Banking and Financial Services</b>	Net Cost Of Risk	114	109	404	366
	Gross loan Outstandings	137,172	128,015	134,306	125,948
	<b>Cost of Risk in bp</b>	<b>33</b>	<b>34</b>	<b>30</b>	<b>29</b>
<b>Global Banking and Investor Solutions</b>	Net Cost Of Risk	97	(30)	93	5
	Gross loan Outstandings	157,974	144,967	152,923	155,130
	<b>Cost of Risk in bp</b>	<b>25</b>	<b>(8)</b>	<b>6</b>	<b>0</b>
<b>Corporate Centre</b>	Net Cost Of Risk	8	1	19	0
	Gross loan Outstandings	8,591	7,657	7,597	7,833
	<b>Cost of Risk in bp</b>	<b>37</b>	<b>4</b>	<b>25</b>	<b>0</b>
<b>Societe Generale Group</b>	Net Cost Of Risk	363	256	1,005	918
	Gross loan Outstandings	492,771	465,288	481,608	470,968
	<b>Cost of Risk in bp</b>	<b>29</b>	<b>22</b>	<b>21</b>	<b>19</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 page 47 of Societe Generale's 2018 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 47 of Societe Generale's 2018 Registration Document.

# METHODOLOGY (3/3)

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, net of taxes 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 49 of the Group’s 2018 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 48 of Societe Generale’s 2018 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. As specified on page 48 of Societe Generale’s 2018 Registration Document, the Group also publishes EPS adjusted for the impact of non-economic items presented in methodology note No. 5. For indicative purpose, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items (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.

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