

Société Générale network

A PROFITABLE BUSINESS MODEL

Jean-Jacques Ogier



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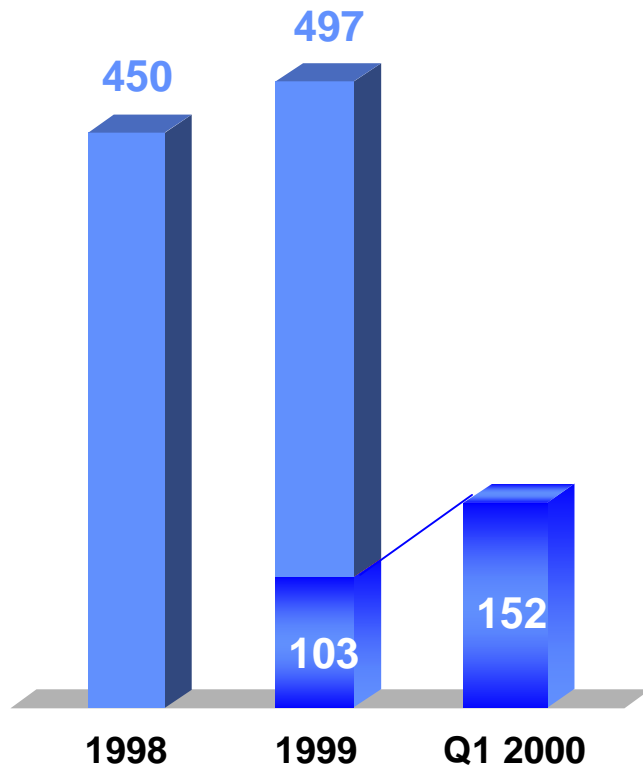
- **Earnings growth and high profitability**
- **A dense and permanently evolving network**
- **A segmented marketing approach**
- **Strategic axes**

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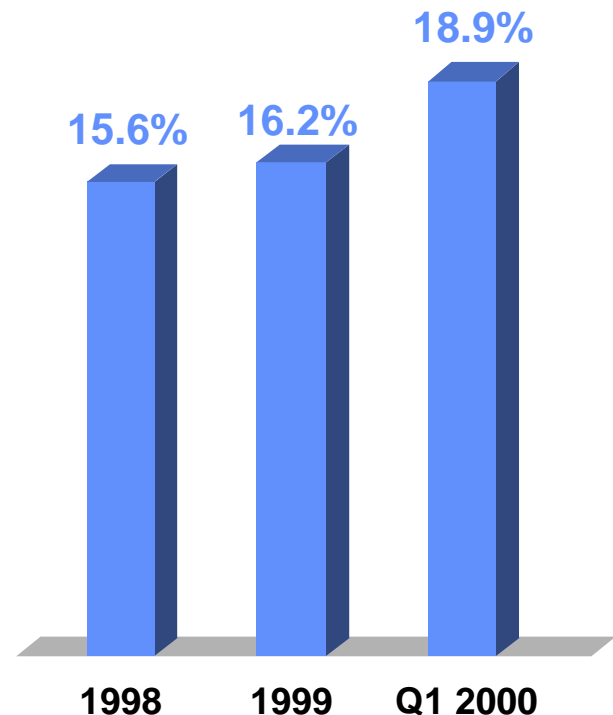
Uninterrupted growth in earnings

High profitability

Société Générale Network



Net income (EUR m)

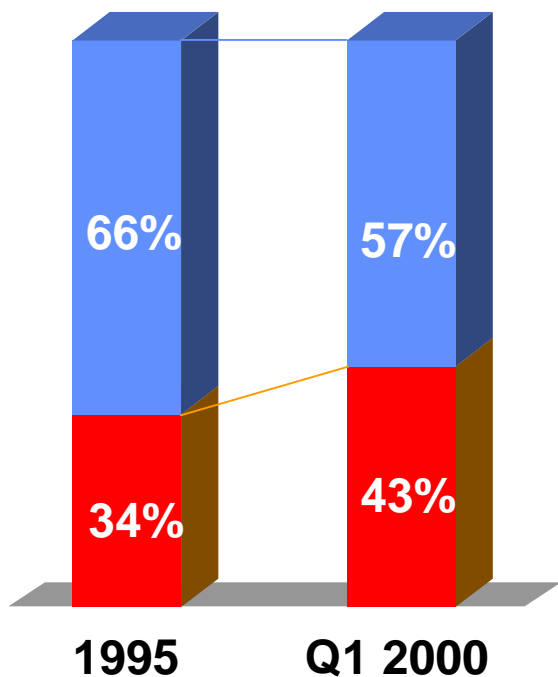


ROE

Increasing contribution of fee and commission income to NBI

NBI Q1 2000: EUR 934m

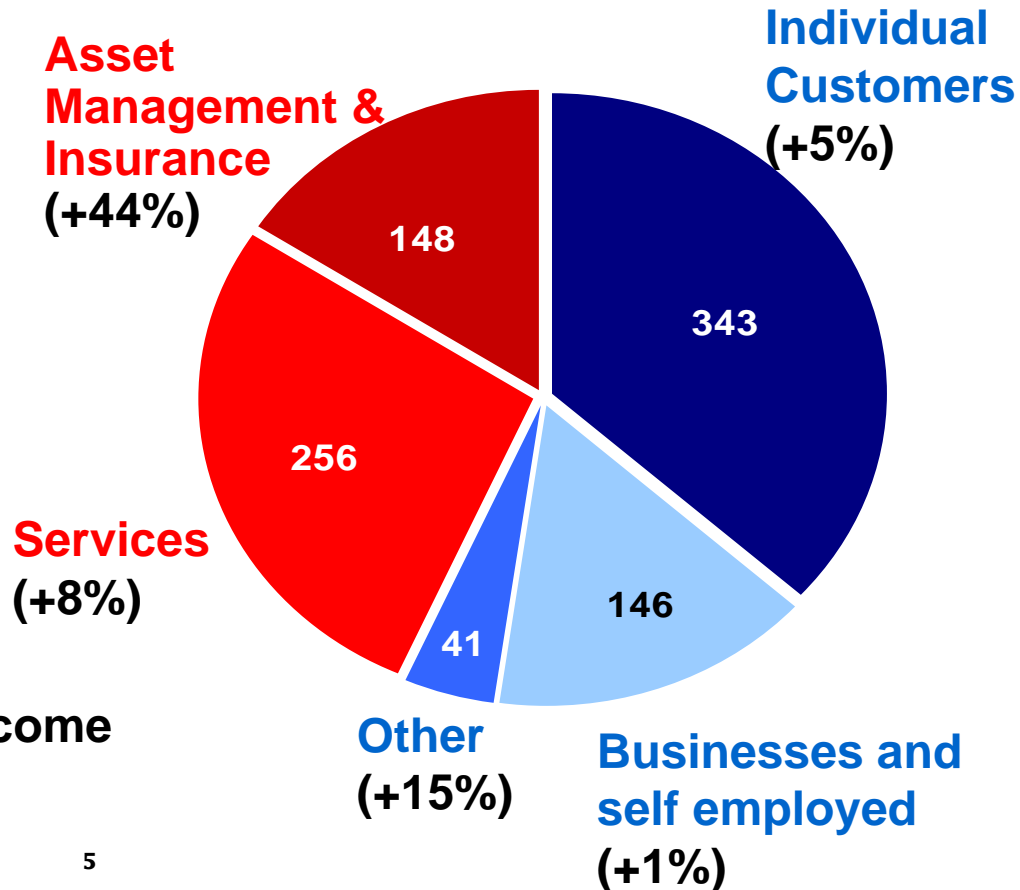
(% of NBI)



■ Commissions ■ Net interest income

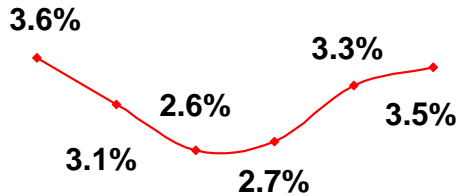
Fee & Commission Income 43% | **Net Interest Income 57%**

(% Change Q1/Q1)

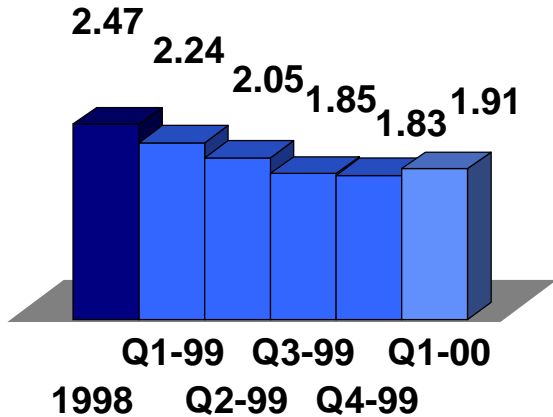


Evolution of intermediation spread of Société Générale Network

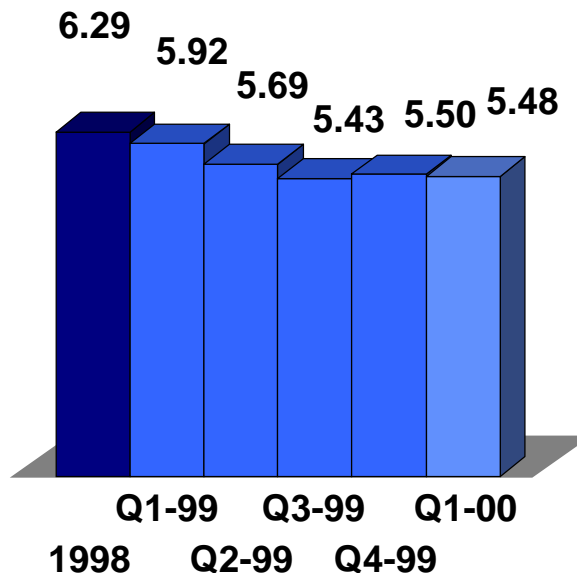
3-month Euribor



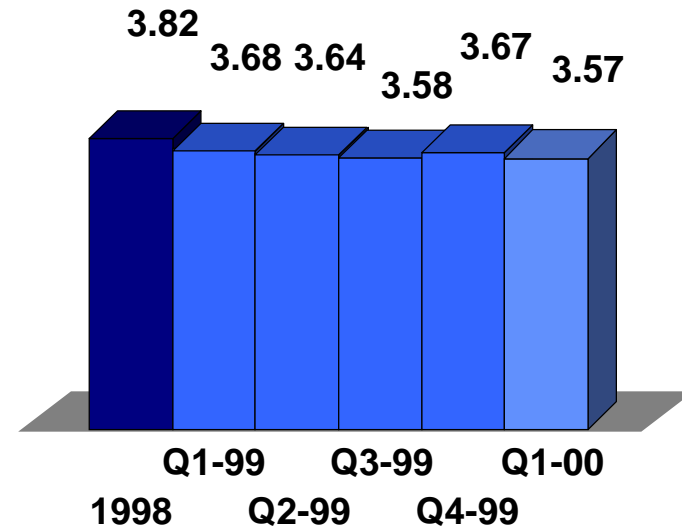
In %



Funding cost



Customer rate

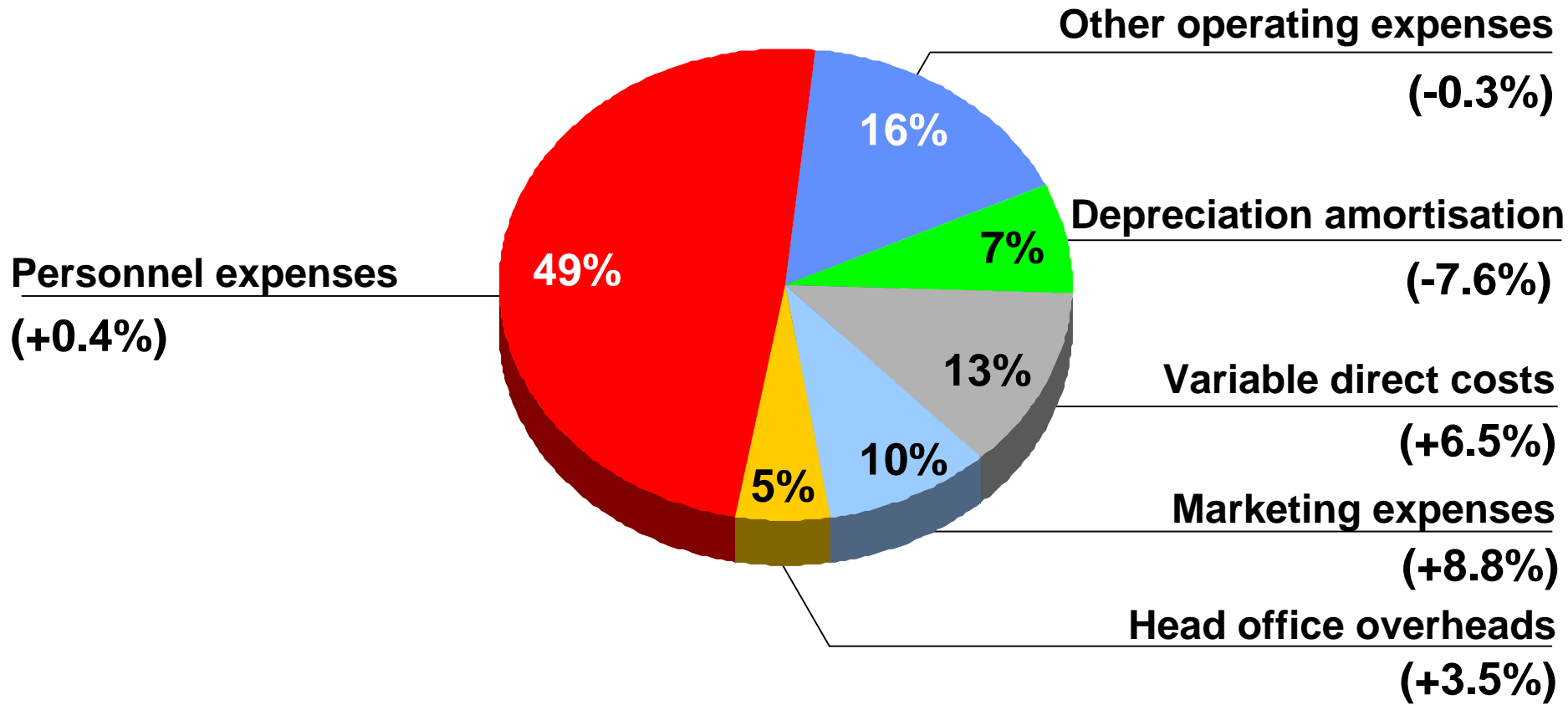


Gross intermediation spread



Change in structure of operating expenses

Breakdown of operating expenses in 1999
(Average annual change 1999/1995)



1999 total: EUR 2.28 bn - Average annual change 1999/1995: +0.7%

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A dense and lean network

- Small relative footprint in France

PoS / total sector PoS:

4.6% including "La Poste"

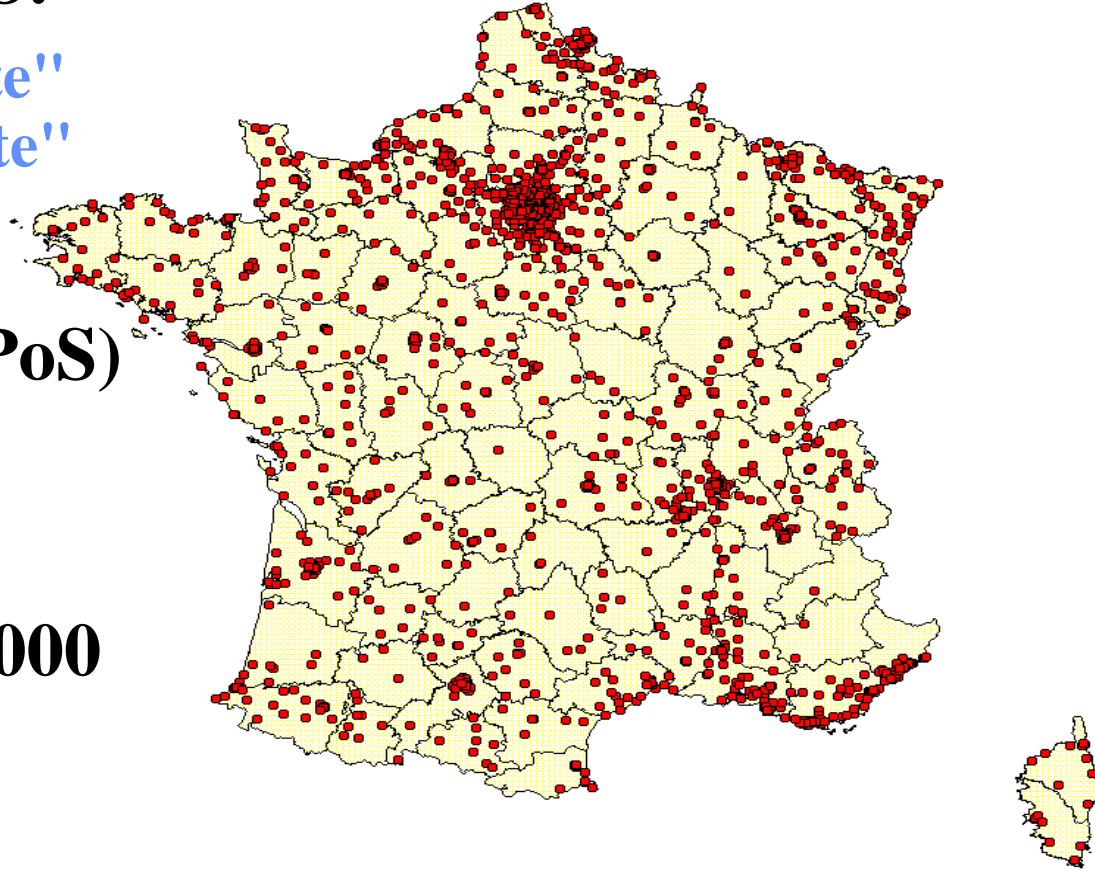
7.5% excluding "La Poste"

- 2,000 points of sale (PoS)

- 19,200 employees

- 90% of branches in towns with over 5,000 inhabitants

- 2,112 ATMs

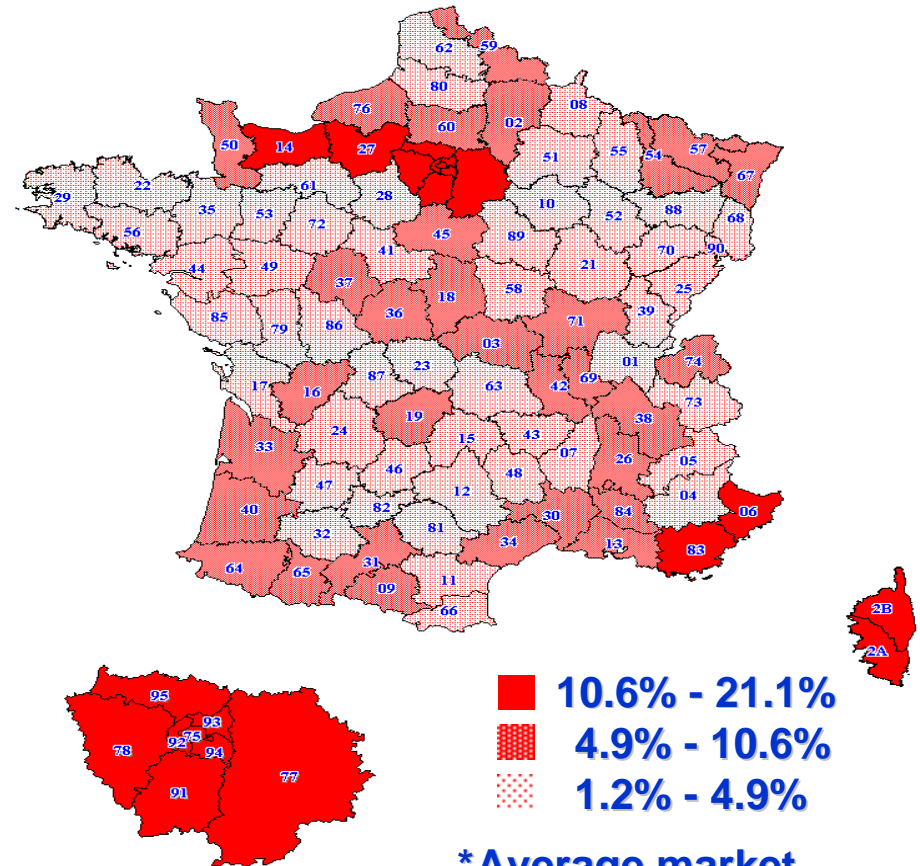


Société Générale Branch Network

A dense and lean network

- Presence in high-growth areas with high average income per head
- Strong correlation between share of PoS and market share

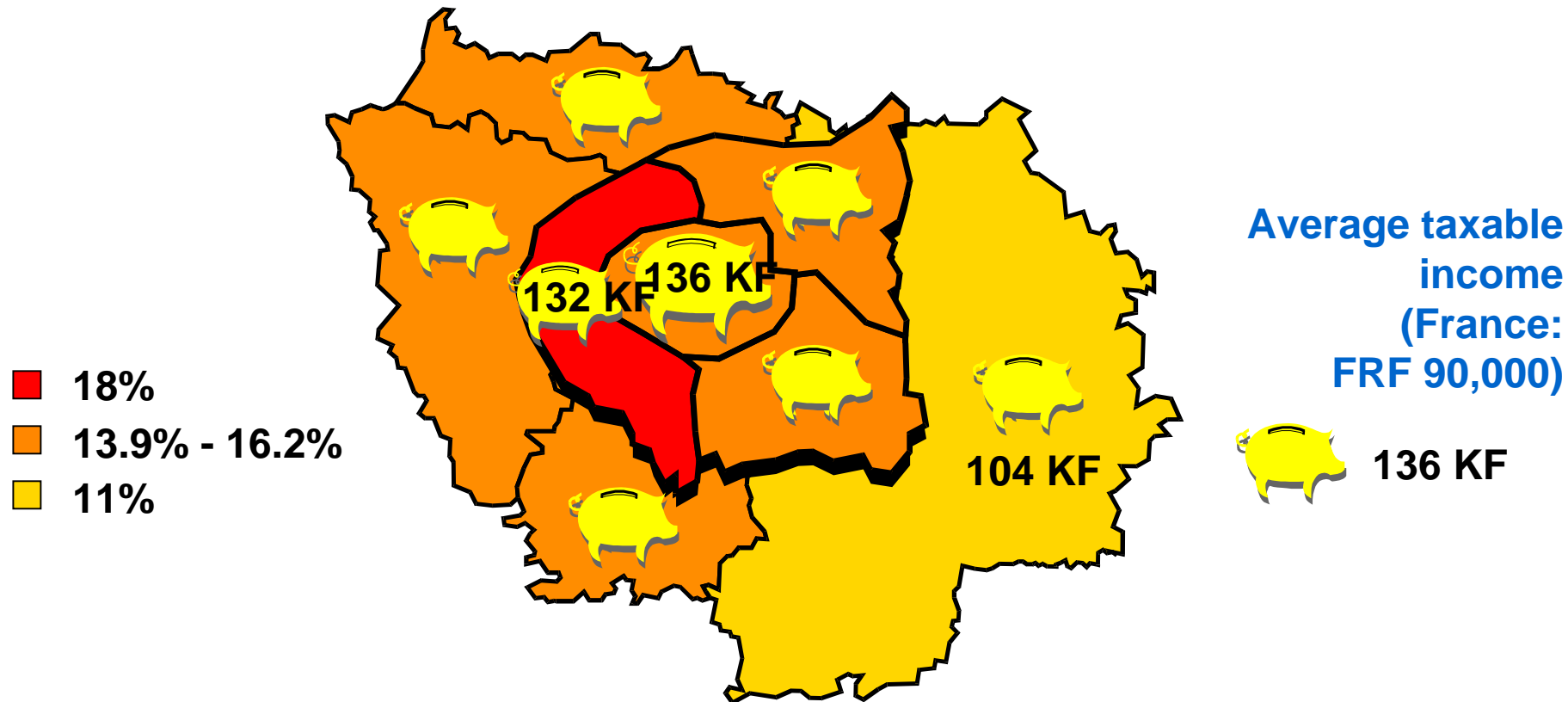
SOCIÉTÉ GÉNÉRALE MARKET SHARE AT DECEMBER 31st, 1999



Network concentrated in high-income regions

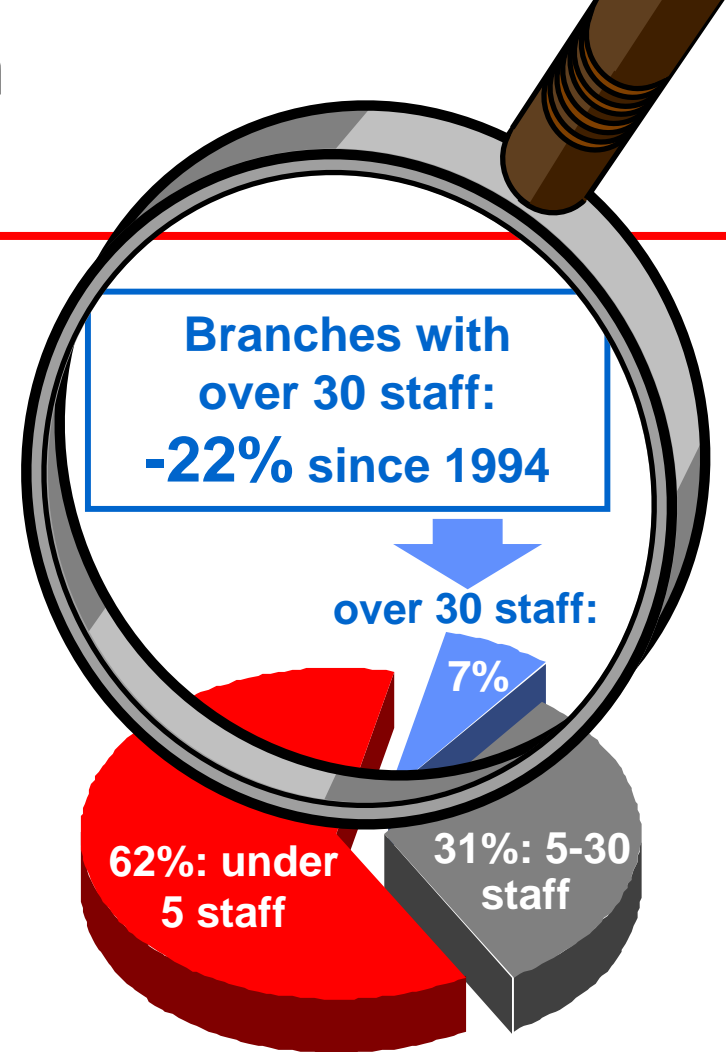
In Ile-de-France, Société Générale accounts for 14% of branches

Société Générale market shares* as at 31/12/99 and average taxable income



Permanent adaptation of the network

- Stable market share in terms of number of outlets
- Development of more streamlined, purely sales-focused structures
- Development of "cashless" branches and dedicated areas
- Branches located closer to customers
- Branches designed to enhance quality

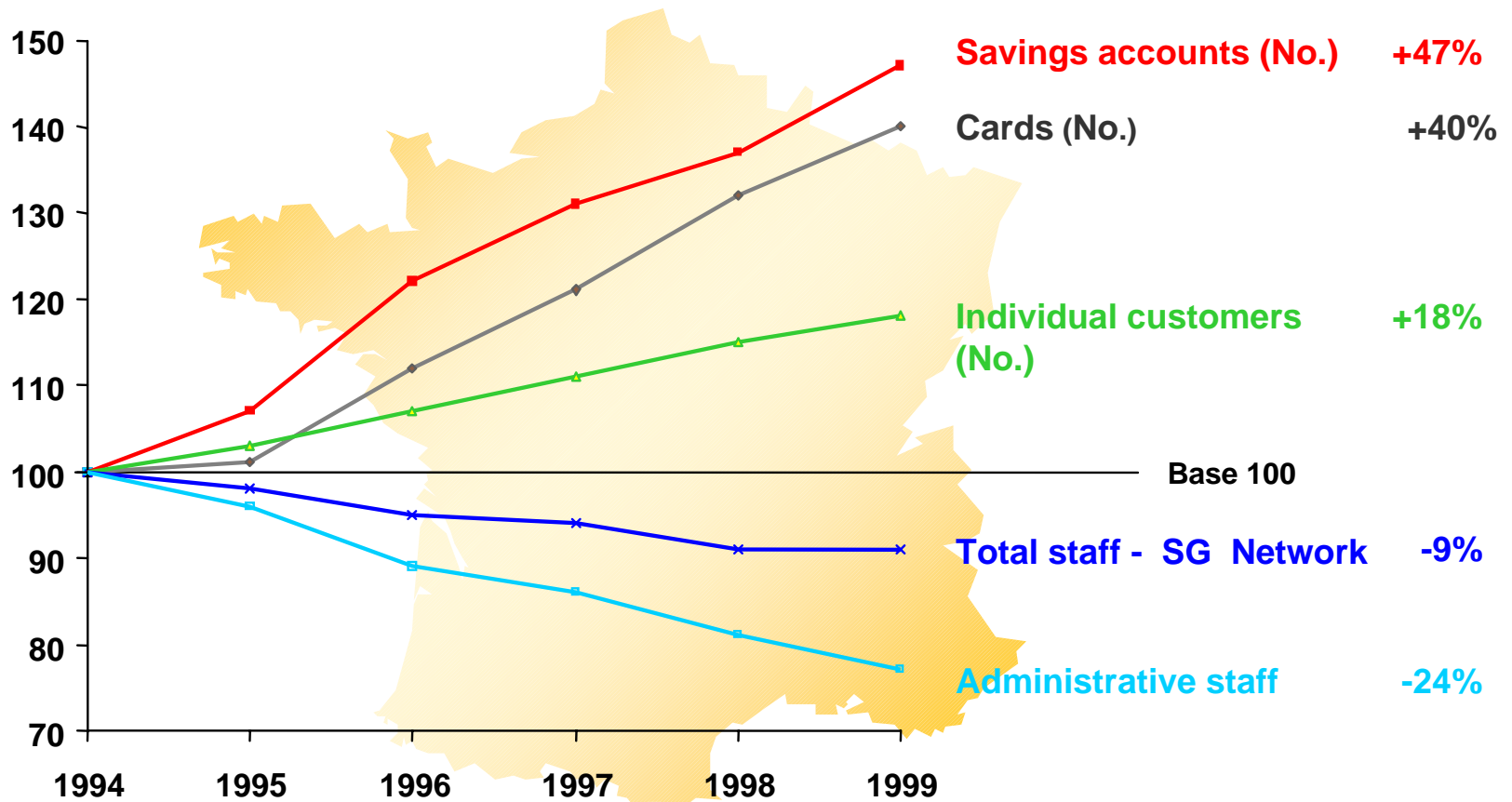


A sales-dedicated network

New types of branch in shopping arcades

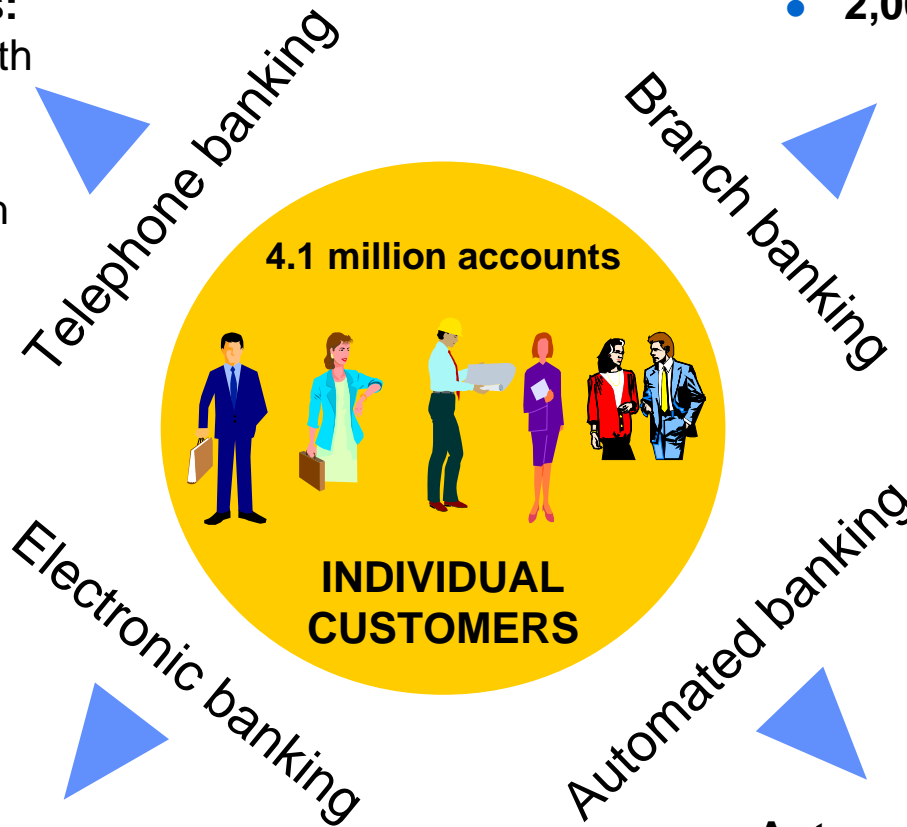


Attract new customers, improve loyalty and enhance productivity



A multi-channel distribution system put in place over 5 years ago

- **Call centre operators:**
125,000 calls per month
- **Telemarketing:**
90,000 calls per month



- **2,000 outlets**



- **Internet:**
147,000 users
24,000 connections per day
- **Minitel:**
387,000 users

- **Automated voice server:**
3.9m calls per month
1.1 million users
- **2,112 ATMs**

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Present on the 3 major markets

Individuals

4.1 m accounts

7.2% share of current account market

6.3 products /customer

66% of NBI

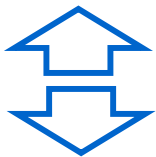


Businesses

38,000 customers

Penetration rate: 26.7%

20% of NBI



Self-employed

458,000 accounts

16.5% share of professional services market

14% of NBI



Businesses

- Number 2 (including Crédit du Nord) on the business credit market, penetration rate of 49% among large SMEs and 43% among active exporters
- A new approach to profitability combining marketing segmentation, evolution of the business model and risk management
- A clear and comprehensive offer (product lines), coupled with innovation (e-business) and the progressive development of value-added products (M&A...)

Self-employed professionals market

- 12% market share on average, with accent placed on prime professionals (16%)
- Profitable market favoured by leveraging dual relationship, and accentuated by centralising risk management
- Updated commercial offer, easier access to credit for smallest companies and active policy of partnerships

Industrialisation of processes across the board

Centralised processing of credit files of self-employed professionals with
Franfinance (starting 01/97)

1996	1999
<p>7 decision-making levels on different sites</p> <p>Average response time to customers : 1.5 months</p>	<p>Central expert system + team of analysts</p> <p>Average response time: 60% of files within 24 hours max. 5 working days</p> <p>Files received Number: 35,800 (+ 50%/18 months) Amount: FRF 16bn (+68%/18 months)</p>

Individual customer market

Steady growth in customer base

- Over 4.1 million sight accounts in the first half of 2000
- Above 100,000 additional clients every year for past 6 years
- + 111,000 clients in 1999

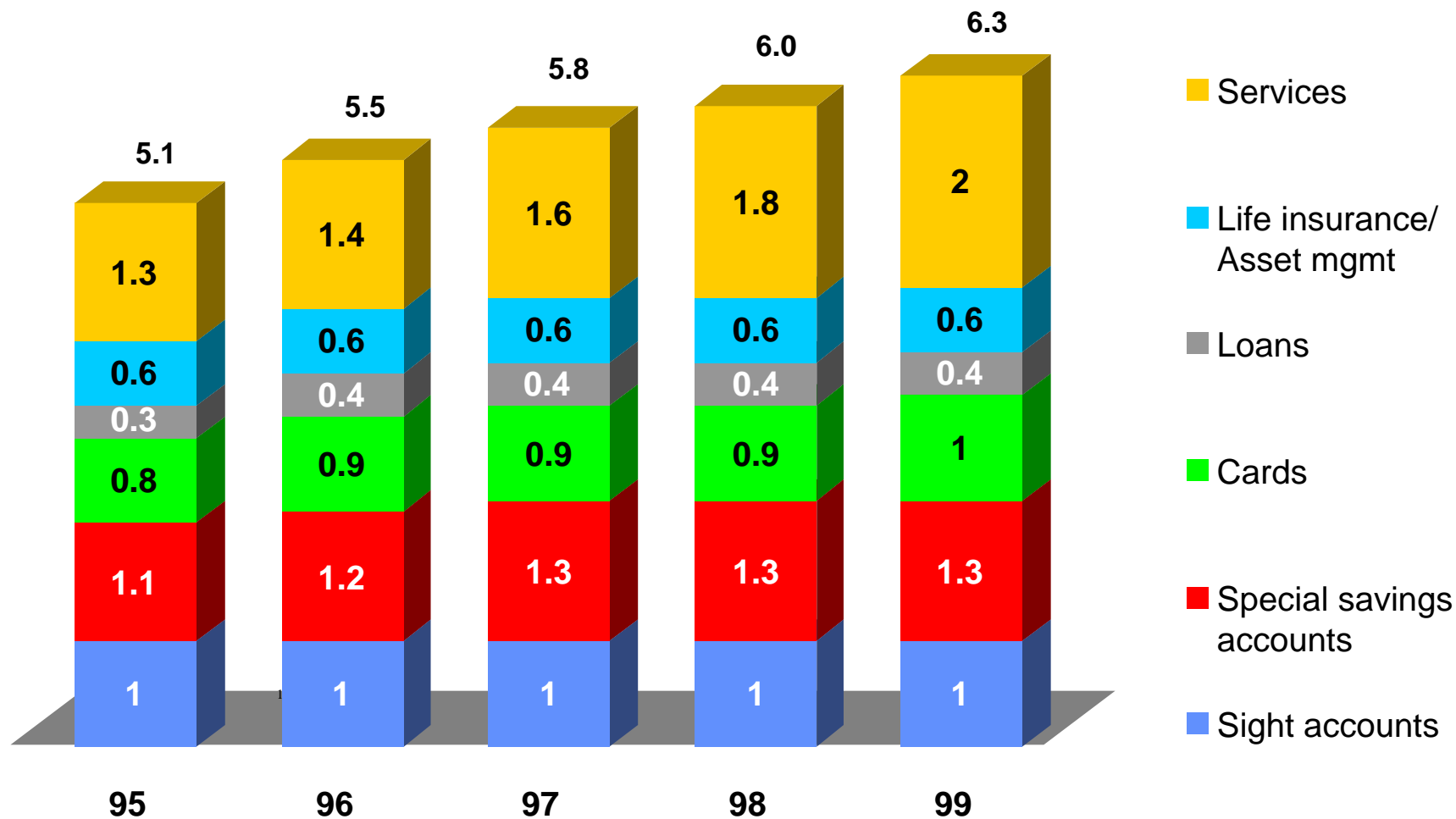
Individual customer market: A loyal customer base

- 60% of customer relationships are over 7 years old
- Société Générale is primary bank in 60% of cases
- A customer base more sensitive to relationship factors than to pricing
- 6.3 products per current account customer, steady growth from 5.1 in 95

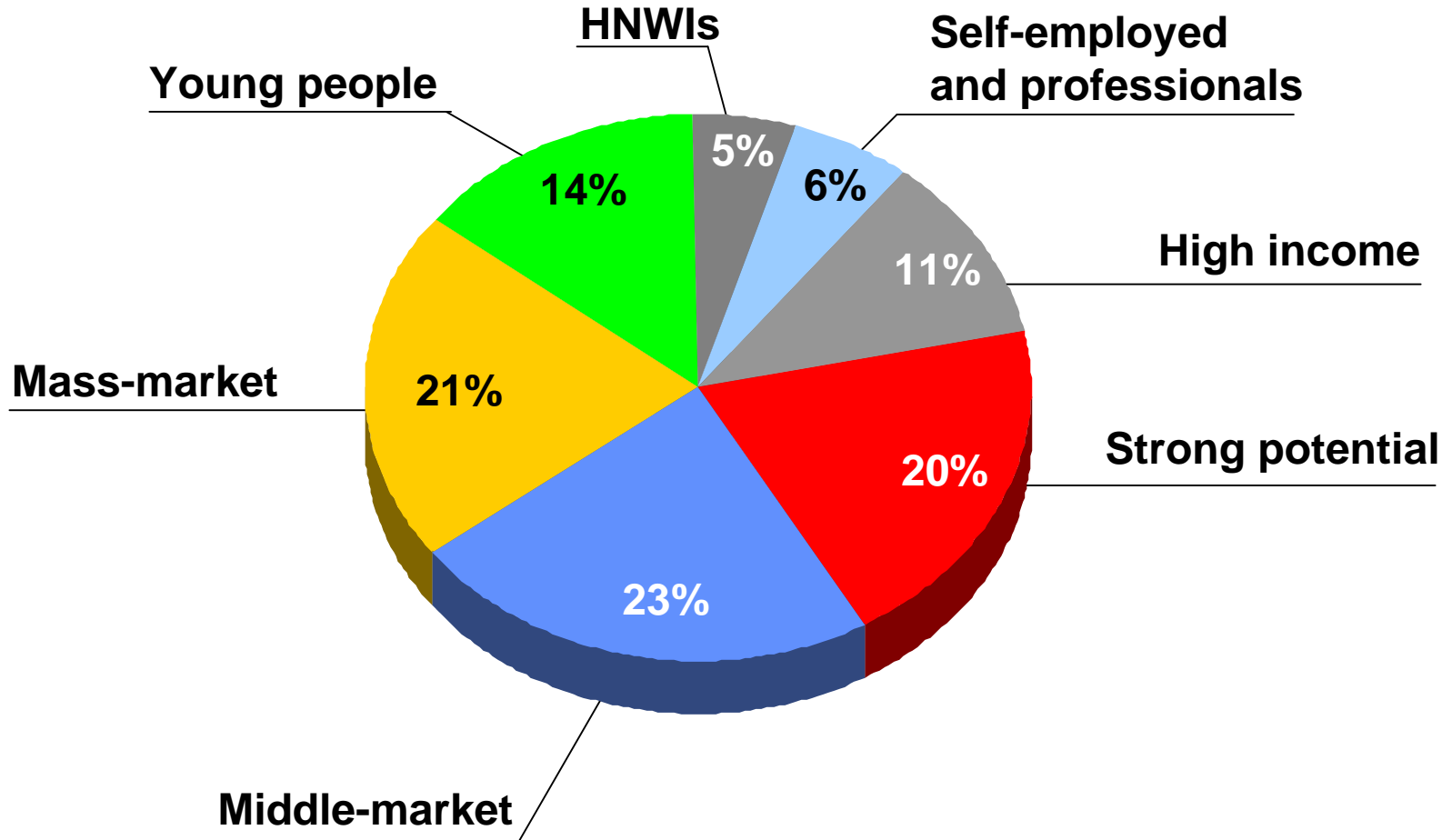
Individual customer market

Increase in number of products per customer

Société Générale network excl. Sogenal



A segmented approach to the individual customer market



Individual customer market

Sales drive underpinned by segmentation

- **Secure customer loyalty:** HNWI and High Income segments
- **Attract new customers:**
 - high-potential young customers
 - first-time home-buyers
- **Use multi-channel model to leverage less profitable customer segments**

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Société Générale Retail Banking: strategic axes

- **Increase sales via new distribution channels**
- **Further strengthen commercial role of network**
- **Optimise different sales channels through cross-channel vision of customer contacts**
- **Offer customers the convenience of e-banking and the quality of branch banking**
- **While keeping costs under control**

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