



## Third quarter 2013 results

### *Strong business growth in France but impact of exceptional depreciations*

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#### **Boursorama in France: 500,000 clients at end of 2013**

- Record number of new current accounts 21 064, +64%
- Record housing loan production at €248m, +85% (loan to deposit ratio of 61%)
- Balance sheet deposits up +14% to €3.9bn

**Total of 63.4 million euros in goodwill and other intangible assets depreciations for Selftrade (UK) and OnVista (Germany)**

**Process improvement plan at Selftrade on going, impacting on the results**

**Increase in OnVista's client franchise, but growth assumptions revised downward**

**Sustained growth in Self Bank's activity (Spain)**

**9M 2013 Group gross operating income (before exceptional items) in line with guidance: -20/-25%**

**9 M 2013 Group share of net income: -39.8 million euros**

**9 M 2013 Group share of net income (before exceptional items): 23.6 million euros (-18%)**

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<i>In €m</i>	Q3 2012	Q3 2013	△ Q3-13/ Q3-12	9M 2012	9M 2013	△ 9M-13/ 9M-12
<i>Net banking income</i>	48.9	49.6	1%	150.6	153.9	2%
<i>Total operating expenses</i>	(32.9)	(43.5)	32%	(103.9)	(117.4)	13%
<i>Gross operating income</i>	16.1	6.1	-62%	46.7	36.5	-22%
<i>Net cost of risk</i>	(0.2)	(0.4)	n.s.	(1.0)	(1.4)	44%
<i>Group share of net income</i>	10.0	(57.4)	n.s.	28.8	(39.8)	n.s.

*"In France, Boursorama has experienced unprecedented growth, with more than 21,000 current accounts opened this quarter and an 85% increase in housing loan production. We are confident we will achieve our target of 500,000 customers by the end of 2013. During this quarter, Boursorama has depreciated the goodwill of its subsidiaries Selftrade (UK) and OnVista (Germany) as their valuations were no longer valid." stated Marie Cheval, CEO of Boursorama.*

Unless otherwise stated, comparisons refer to quarter-on-quarter reported data.

Figures are in the process of being audited.

## ■ Group performance

Financial results have been affected by exceptional depreciations in goodwill and other intangibles assets related to Selftrade and OnVista totalling 63.4 million euros, made necessary by a combination of several factors:

- A more demanding compliance framework requires additional investments, particularly in the Finance and Risk services. Also, regulatory changes in the United Kingdom have induced new rules for managing client money deposits, leading thus to reduced net interest margin.
- For Selftrade specifically, a delayed IT migration in third-quarter 2013 generates additional costs.
- Lastly, the anticipated growth in the retail brokerage market has not materialised in the relevant countries, as measured by the number of orders executed. As Selftrade and OnVista generate a significant part of their net banking income from this activity, the planned business growth assumptions have been revised downward.

In a context of slow economic growth, with interest rates remaining low, Group Net Banking Income (NBI) for the third quarter 2013 has remained stable compared to last year (+1%), at 49.6 million euros. The rebound of stock indexes during the summer yielded better performance in the brokerage activity: thus the number of orders executed increased by +17%.

Operating expenses rose significantly to 43.5 million euros (+32%) under the combined effects of investments to upgrade processes and the depreciation of intangibles assets (6.4 million euros) in the UK. Also the sharp rise in client franchise was supported by marketing expenses and investments into the operating system in France. As a result, Gross operating income (GOI) amounted to 6.1 million euros, down -62%.

Group share of net income was posted at -57.4 million euros. This comes from the depreciation of intangible assets in the UK (6.4 million euros), from the 53.0 million euros depreciation in goodwill (29.8 million euros for Selftrade and 23.2 million euros for OnVista) and the 4 million euros depreciation in deferred tax asset at Selftrade. Excluding these exceptional items, Group Share of Net Income was 6 million euros, down -40%.

Over the first nine months 2013, Group NBI grew +2% to 153.9 million euros. GOI fell -22% to 36.5 million euros, in line with the guidance announced at the beginning of the year. Group Share of Net Income reported a loss of -39.8 million euros. Excluding these exceptional items, Group Share of Net Income was 23.6 million euros, down -18%.

Assets under management rose 10% to 18,0 billion euros, of which 4.9 billion euros for balance sheet deposits.

## ■ France

In €m	Q3 2012	Q3 2012	Δ Q3-13/ Q3-12	9M 2012	9M 2013	Δ 9M-13/ 9M-12
<i>Net banking income</i>	38.5	39.3	2%	117.9	122.4	4%
<i>Total operating expenses</i>	(22.3)	(25.4)	14%	(71.8)	(77.1)	7%
<i>Gross operating income</i>	16.1	13.9	-13%	46.1	45.3	-2%
<i>Net cost of risk</i>	(0.2)	(0.3)	n.s.	(0.9)	(1.3)	43%
<i>Profit before tax</i>	15.9	13.6	-14%	45.1	44.0	-2%
<i>Group share of net income</i>	10.5	8.2	-22%	29.2	27.8	-5%

France posted a NBI for the third quarter of 2013 of 39.3 million euros, recording a +2% increase, although net interest margin remained under pressure due to low rates. Brokerage NBI rose by +21%, benefiting from an increase in the number of orders executed, which were 728,380 for the quarter.

- **Banking NBI:** 24.1 million euros (-6%); 61% of NBI France
- **Brokerage NBI:** 13.1 million euros (+21%); 33% of NBI France
- **Internet portal revenues:** 2.1 million euros (+13%); 6% of NBI France

The increase in operating expenses to 25.4 million euros (+14%) is partly explained by the marketing investment in Q3 2013, to sustain client recruitment. GOI is therefore down -13% to 13.9 million euros and Group Share of Net Income is down -22% (due to the increase in income tax) to 8.2 million euros.

#### - **Banking activity**

##### On the way to 500,000 customers

During the third quarter of 2013, the acceleration of current account opening leads to new record of 21,064 (+64%). Boursorama has now 476,402 customers in France.

The Boursorama housing loan production has seen a record increase of +85%, with a total of 248 million euros. A rise in the average value per file has also been recorded: 182,000 euros vs. €170,000 euros.

Brokerage activity performed well this quarter with number of orders executed up +6%, despite volumes on Euronext Paris remaining stable. This sustained growth demonstrates the quality and depth of Boursorama's brokerage offering (number of financial instruments available, richness and presentation of financial information).

The increase in client franchise was accompanied by a +14% rise in balance sheet deposits to 3.9 billion euros: current account deposits also rose +19% to 856 million euros, with a +12% increase in bank savings account deposits (CSL, LDD, Livret A, etc.) to 2.2 billion euros. Trading account deposits grew by +17% to 867 million euros.

Life Insurance inflow remained strong and allowed the bank to post, for the first nine months 2013, a net inflow of 159 million euros which represents a +54% increase versus last year with a high proportion of account units (24%). The "Euro Exclusive" fund has consolidated its attractiveness with a +36% increase in assets to 45.6 million euros and a +27% rise in the number of contracts. Life insurance total assets were up +10% to 2.8 billion euros.

Boursorama the bank that clients trust: its customer recommendation rate has risen to 92% compared to 90%<sup>1</sup> and Boursorama Banque keeps its status of "bank with lowest prices in France"<sup>2</sup>, as published by Capital newsmagazine.

##### Boursorama: the first 100% mobile bank

Launched last July, the responsive web design site has enabled Boursorama to become France first bank to offer a fully mobile banking experience. With a Smartphone or tablet, potentially new clients and existing ones are able to open and manage a current account in just a few clicks, subscribe a loan, place an order on the stock markets or adjust their life insurance contract.

The portal has been embraced by web users over the past quarter and boursorama.com was awarded the favourite site of French Internet users in the Finance category<sup>3</sup>. 80%<sup>4</sup> of users like its new design and new functions.

The boursorama.com portal has also confirmed its status as the leading French website for economic and financial information, with over 27 million visits and 257 million pages seen in September<sup>5</sup>. Advertising revenue was therefore up significantly in Q3 2013, with media NBI increasing by +13%.

<sup>1</sup> Source: OpinionWay, July 2013 vs. December 2012

<sup>2</sup> In the Employees category, Capital magazine, November 2013

<sup>3</sup> Source: Institut Harris Interactive, July 2013, ranking based on votes by regular visitors to each of the 9 chosen website categories. Depending on the category, between 8,084 and 15,593 users therefore voted in favour of their favourite site in an environment familiar to them.

<sup>4</sup> Survey conducted by Boursorama on 25 and 26 September 2013 from a sample of 7,000 respondents.

<sup>5</sup> Source: OJD, September 2013.

**International**

- Selftrade, in the **United Kingdom**, posted a -34% decrease in NBI to 3.6 million euros: new regulatory changes have induced new rules for managing client money deposits and the low rates are having a direct effect on interest margin. The ongoing process improvement plan and the exceptional depreciation of the intangible asset have resulted in a sharp rise of general overheads. Gross operating loss was -8.9 million euros (-2.5 million euros excluding the exceptional depreciation), as well as a loss in Group Share of Net Income (- 42.8 million euros) given the 29.8 million euros depreciation in goodwill and a 4 million euros depreciation in deferred tax assets. Excluding exceptional items, the loss is -2.7 million euros.
- **In Germany**, OnVista has recorded a sharp increase in client franchise, with the number of customers rising +13% to 49,828. Brokerage activity has benefited from a larger market share thanks to the successful pricing strategy of OnVista's offer and a general rebound on the market: order volumes are up +46% and balance sheet deposits rose in a similar proportion (+43%). NBI has therefore risen +24% to 3.9 million euros. Operating expenses are down -9% compared to Q3 2012 due to the restructuring plan initiated at the end of 2012/early 2013. GOI is breakeven out at 0.1 million euros. Despite this good operating performance, the business plan has been revised downward resulting in goodwill depreciated by 23.3 million euros. OnVista's Group Net Share of Income therefore amounted to -23.3 million euros for Q3 2013; it would have breakeven excluding this exceptional depreciation.
- **In Spain**, Self Bank has experienced a sustained growth in its activity, with the number of customers increasing by +12% to 43,017. Balance sheet deposits have registered a record rise, up +72% to 140 million euros. In the third quarter of 2013, NBI increased by +52% to 2.8 million euros and operating expenses were up +9% to 1.8 million euros. Group share of net income was 0.5 million euros. For the third year in a row, Self Bank has been awarded "Customer Service of the Year<sup>6</sup>" in the category on-line banking in Spain.

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*The quarterly financial information includes this press release and the financial presentation, available at the group's website in the finance section: <http://groupe.boursorama.fr>*

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<sup>6</sup> Source: TNS and Sotto Tempo Advertising

■ **Appendix**

**Quarterly consolidated income statement\***

In €m	Q3 2012					Q3 2013				
	Group	France	UK	Germany	Spain	Group	France	UK	Germany	Spain
Net Banking Income	48.9	38.5	5.5	3.1	1.8	49.6	39.3	3.6	3.9	2.8
Total operating expenses	(32.9)	(22.3)	(4.7)	(4.2)	(1.7)	(43.5)	(25.4)	(12.5)	(3.8)	(1.8)
Gross operating income	16.1	16.1	0.9	(1.1)	0.2	6.1	13.9	(8.9)	0.1	1.0
Net cost of risk	(0.2)	(0.2)	0.0	0.0	0.0	(0.4)	(0.3)	0.0	0.0	0.0
Group share of net income	10.0	10.5	0.5	(1.1)	0.1	(57.4)	8.2	(42.8)	(23.3)	0.5

\*Non audited

**Nine months consolidated income statement\***

In €m	9M 2012					9M 2013				
	Group	France	UK	Germany	Spain	Group	France	UK	Germany	Spain
Net Banking Income	150.6	117.9	16.3	10.8	5.6	153.9	122.4	12.0	12.2	7.3
Total operating expenses	(103.9)	(71.8)	(14.0)	(12.7)	(5.5)	(117.4)	(77.1)	(23.2)	(11.5)	(5.6)
Gross operating income	46.7	46.1	2.3	(1.8)	0.1	36.5	45.3	(11.3)	0.7	1.7
Net cost of risk	(1.0)	(0.9)	0.0	0.0	0.0	(1.4)	(1.3)	0.0	0.0	0.0
Group share of net income	28.8	29.2	1.4	(1.9)	0.0	(39.8)	27.8	(47.1)	(21.4)	0.9

\*Non audited.

**Business indicators**

Number of executed orders	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13	Q2-13	Q3-13
<b>Group</b>	<b>1,548,513</b>	<b>1,213,216</b>	<b>1,173,713</b>	<b>1,137,532</b>	<b>5,072,974</b>	<b>1,417,097</b>	<b>1,325,166</b>	<b>1,374,990</b>
France	945,468	701,323	687,535	665,870	3,000,196	804,185	683,555	728,380
United Kingdom	255,189	216,731	189,207	192,114	853,241	237,244	221,752	205,802
Germany	288,267	236,523	232,892	226,680	984,362	294,900	335,322	340,580
Spain	59,589	58,639	64,079	52,868	235,175	80,768	84,537	100,228

Number of new accounts	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13	Q2-13	Q3-13
<b>Group</b>	<b>45,309</b>	<b>37,077</b>	<b>34,584</b>	<b>38,681</b>	<b>155,651</b>	<b>41,429</b>	<b>38,999</b>	<b>41,988</b>
France	35,724	30,672	28,449	32,272	127,117	34,286	33,084	36,421
<i>Current accounts</i>	16,983	14,531	12,831	14,811	59,156	17,340	18,286	21,064
<i>Savings and other accounts</i>	13,350	11,216	11,387	11,173	47,126	10,482	8,928	9,181
<i>Life insurance and MF</i>	1,207	1,689	1,682	2,925	7,503	2,642	2,984	2,532
<i>Trading accounts</i>	4,184	3,236	2,549	3,363	13,332	3,822	2,886	3,644
United Kingdom	5,682	3,044	2,338	2,284	13,348	1,033	427	359
Germany	1,368	1,009	1,354	1,835	5,566	2,749	1,788	2,433
Spain	2,535	2,352	2,443	2,290	9,620	3,361	3,700	2,775

Total number of accounts	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13	Q2-13	Q3-13
<b>Group</b>	<b>987,135</b>	<b>998,704</b>	<b>1,015,319</b>	<b>1,040,801</b>	<b>1,040,801</b>	<b>1,068,900</b>	<b>1,096,641</b>	<b>1,128,498</b>
France	658,559	683,590	706,086	729,597	729,597	754,824	780,749	810,014
<i>Current accounts</i>	232,172	244,716	255,449	268,167	268,167	283,416	299,586	318,352
<i>Savings and other accounts</i>	150,376	160,232	170,077	179,368	179,368	187,751	194,763	201,936
<i>Life insurance and MF</i>	125,207	126,269	127,286	127,915	127,915	129,699	131,762	133,304
<i>Trading accounts</i>	150,804	152,373	153,274	154,147	154,147	153,958	154,638	156,422
United Kingdom	227,658	212,729	204,612	203,681	203,681	202,281	200,099	198,600
Germany	41,532	40,999	41,258	42,257	42,257	44,270	45,254	47,120
Spain	59,386	61,386	63,363	65,266	65,266	67,525	70,539	72,764

Outstandings in €m	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13	Q2-13	Q3-13
<b>Balance Sheet deposits</b>	<b>4,011</b>	<b>4,152</b>	<b>4,310</b>	<b>4,274</b>	<b>4,274</b>	<b>4,353</b>	<b>4,580</b>	<b>4,869</b>
<i>Trading accounts</i>	1,462	1,490	1,602	1,530	1,530	1,478	1,557	1,766
<i>Current accounts</i>	651	718	722	746	746	751	810	861
<i>Savings and other accounts</i>	1,899	1,944	1,986	1,998	1,998	2,124	2,213	2,242
<b>Mutual Funds</b>	<b>1,364</b>	<b>1,316</b>	<b>1,400</b>	<b>1,413</b>	<b>1,413</b>	<b>1,526</b>	<b>1,464</b>	<b>1,551</b>
<b>Life Insurance</b>	<b>2,479</b>	<b>2,472</b>	<b>2,542</b>	<b>2,572</b>	<b>2,572</b>	<b>2,672</b>	<b>2,712</b>	<b>2,803</b>
<b>Securities</b>	<b>7,878</b>	<b>7,472</b>	<b>8,041</b>	<b>8,170</b>	<b>8,170</b>	<b>8,430</b>	<b>8,317</b>	<b>8,777</b>
<b>Total AUA</b>	<b>15,732</b>	<b>15,411</b>	<b>16,293</b>	<b>16,430</b>	<b>16,430</b>	<b>16,980</b>	<b>17,073</b>	<b>18,001</b>

**NBI France by activity**

In €m	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13	Q2-13	Q3-13
<b>Total NBI France</b>	<b>42.6</b>	<b>36.8</b>	<b>38.5</b>	<b>40.6</b>	<b>158.5</b>	<b>44.2</b>	<b>38.9</b>	<b>39.3</b>
<i>Banking</i>	24.4	22.6	25.8	27.3	100.0	29.1	24.5	24.1
<i>Brokerage</i>	15.7	11.6	10.8	10.3	48.4	13.0	11.3	13.1
<i>Internet Portal</i>	2.4	2.7	1.9	3.0	10.0	2.1	3.1	2.1

**Balance sheet at 30 September 2013\***

In €m					
ASSETS				LIABILITIES	
	30/06/2013	30/09/2013		30/06/2013	30/09/2013
Customer loans	2,254	2,427	Customer deposits	4,080	4,367
Bank loans (including cash and central banks)	1,524	1,611	Bank liabilities and debt	158	166
Other assets	1,186	1,239	Other liabilities	200	216
Non current assets and goodwill	266	210	Shareholders' equity	792	738
<b>Total assets</b>	<b>5,230</b>	<b>5,487</b>	<b>Total liabilities</b>	<b>5,230</b>	<b>5,487</b>

\*Non audited.

**Regulatory capital, RWA and Basel II solvency ratios**

In €m	30/06/2013	30/09/2013
Group share of consolidated equity	644.6	590.6
Minority interest	27.1	27.5
Intangibles, Goodwills	(241.1)	(184.8)
Complementary adjustments - AFS	(28.6)	(32.7)
Equity	402.0	400.5
Subordinated debt	120.0	120.0
Total equity	522.0	520.5
RWA credit risk	969.7	1,027.8
RWA market risk	0.0	0.0
RWA operational risk	124.0	124.0
Total RWA	1,093.7	1 151.8
Tier 1	36.8%	34.8%
Global solvency ratios	47.7%	45.2%

Boursorama, part of the Société Générale Group, is a major player in online banking in Europe with nearly 702,000 customers, 1,128,498 direct accounts and total assets under management of 18.0bn euros at end of September 2013. In France, Boursorama is the online bank of reference: more than 475,000 customers, at end of September 2013, rely on its innovative, simple, inexpensive and secure bank offering. Its portal, [www.boursorama.com](http://www.boursorama.com), is the leading financial and economic online information website. Boursorama is also active in the United Kingdom and in Spain, under the respective brands Selftrade and Self Bank. In Germany, Boursorama is a major player in brokerage and in financial and economic online information, through its brand OnVista.

Boursorama is listed on NYSE Euronext Paris- compartment B- ISIN: FR0000075228 (BRS) – Reuters: FMTX.LN – Bloomberg BRS FP.

For all information on Boursorama, go to: <http://groupe.boursorama.fr>

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