

SEPTEMBER 2023

**SG SFH & SG SCF**  
**SOCIETE GENERALE**  
**COVERED BOND**  
**PROGRAMS**  **COVERED BOND**  
**LABEL**

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**INVESTOR PRESENTATION**

**THE FUTURE**  
**IS YOU**  **SOCIETE**  
**GENERALE**

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**SG SFH & SG SCF  
STRUCTURE  
OVERVIEW**

# SG SFH & SG SCF STRUCTURE OVERVIEW

Two issuers under a strict regulation with similar structure

European Covered Bond  
 'Premium' Label delivered  
 since July 8<sup>th</sup>, 2022



Set a new standard in covered  
 bonds' market

Many points in common				
Legal framework	Collateral strategy	Organization & governance	Strict monitoring	Transparency
<ul style="list-style-type: none"> <li>• Bankruptcy remote from SG</li> <li>• Licensed as French credit institution</li> <li>• Double recourse on SG and on the cover pool</li> </ul>	<ul style="list-style-type: none"> <li>• Originated by SG Group</li> <li>• Homogeneous cover pools</li> </ul>	<ul style="list-style-type: none"> <li>• Fully owned and supported by SG</li> <li>• Common governance</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Cover Pool Monitor</li> <li>• Regulated by the French banking regulator</li> <li>• Direct ECB supervision</li> </ul>	<ul style="list-style-type: none"> <li>• ECBC Covered Bond Label</li> </ul>

### SG SFH Program

- **EUR 70bn** program listed in Paris
- Rated **Aaa/AAA** by Moody's/Fitch Ratings
- Collateral type : **French home loans** originated only by SG Group Retail network
- **Positive Impact framework with CBI certification** 

### SG SCF Program

- **EUR 20bn** program listed in Paris
- Rated **Aaa/AAA** by Moody's/Standard & Poor's
- Collateral type : **public sector exposures** only, including sovereign, municipalities and export credit agencies

# SG SFH & SG SCF STRUCTURE OVERVIEW

A very strong legal and regulatory framework for a highest level of investors' protection

## Supervision

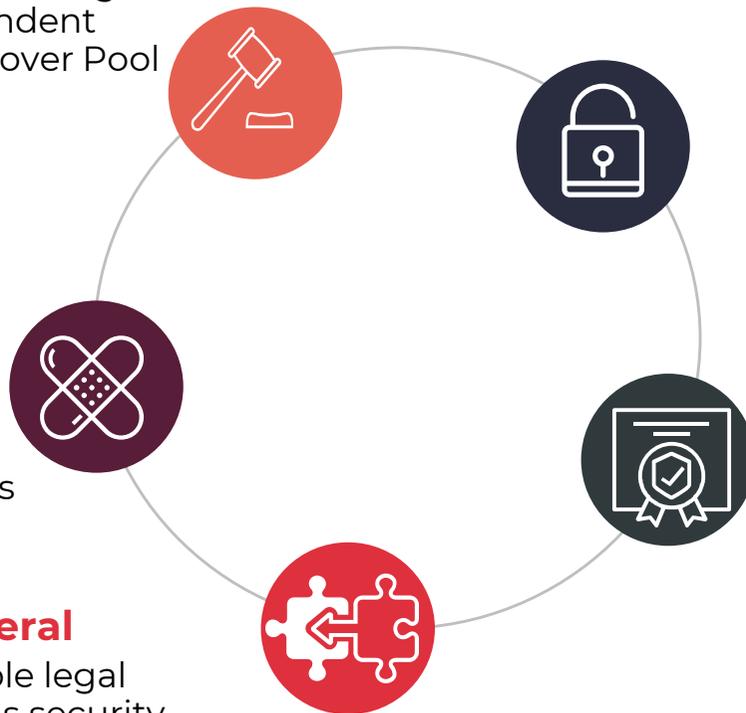
- Direct supervision by the European Central Bank
- Monitoring of the cover pool and certification of the legal ratios by an independent statutory auditor (Cover Pool Monitor)

## Legal mitigants

- Legal Cover Ratio (105%)
- Liquidity needs coverage for a 180 days period with restricted liquid assets
- Strict monitoring of asset liability mismatch in terms of WAL and gaps with regulatory limits

## Transfer of Collateral

- Valid and enforceable legal transfer of full title as security under the European Collateral Directive
- Provides a double recourse on the cover pool and on SG



## Exclusive legal purpose

- Business purpose limited by law to the sole refinancing of eligible assets
- Restricted legal eligibility criteria targeting an extremely high-quality collateral selection
- Global amount of exposure to credit institution limited to 15% of the privileged debt

## Derogation from the insolvency regime

- Segregation of cover pool assets and legal preferential claim for covered bonds investors
- Absolute seniority of payments over all creditors, no early redemption or acceleration
- Regulated covered bonds are exempted from bail-in (BRRD)

# SG SFH & SG SCF STRUCTURE OVERVIEW

## A preferential regulatory treatment of covered bonds for bank investors

**10% Risk Weight  
under  
Capital  
Requirements  
Regulations (CRR)**



**European Covered Bond ‘Premium’ Label delivered since July 8<sup>th</sup>, 2022, guarantees the respect of CRR Art. 129**

### **SG SFH (Art 129.1.e)**

- Residential loans all fully guaranteed by Crédit Logement (Aa3/AA for Moody's/DBRS)
- Loan to Income (LTI) lower or equal to 33%
- No mortgage liens on the residential property at loan origination and for loans granted from 1 January 2014 the borrower is contractually committed not to grant such liens without the credit institution's consent

### **SG SCF (Art 129.1.a.b)**

- Exposures to or guaranteed by EU central and local governments and public sector entities
- Exposures to or guaranteed by third country (other than EU) central and local governments public sector entities rated step 1

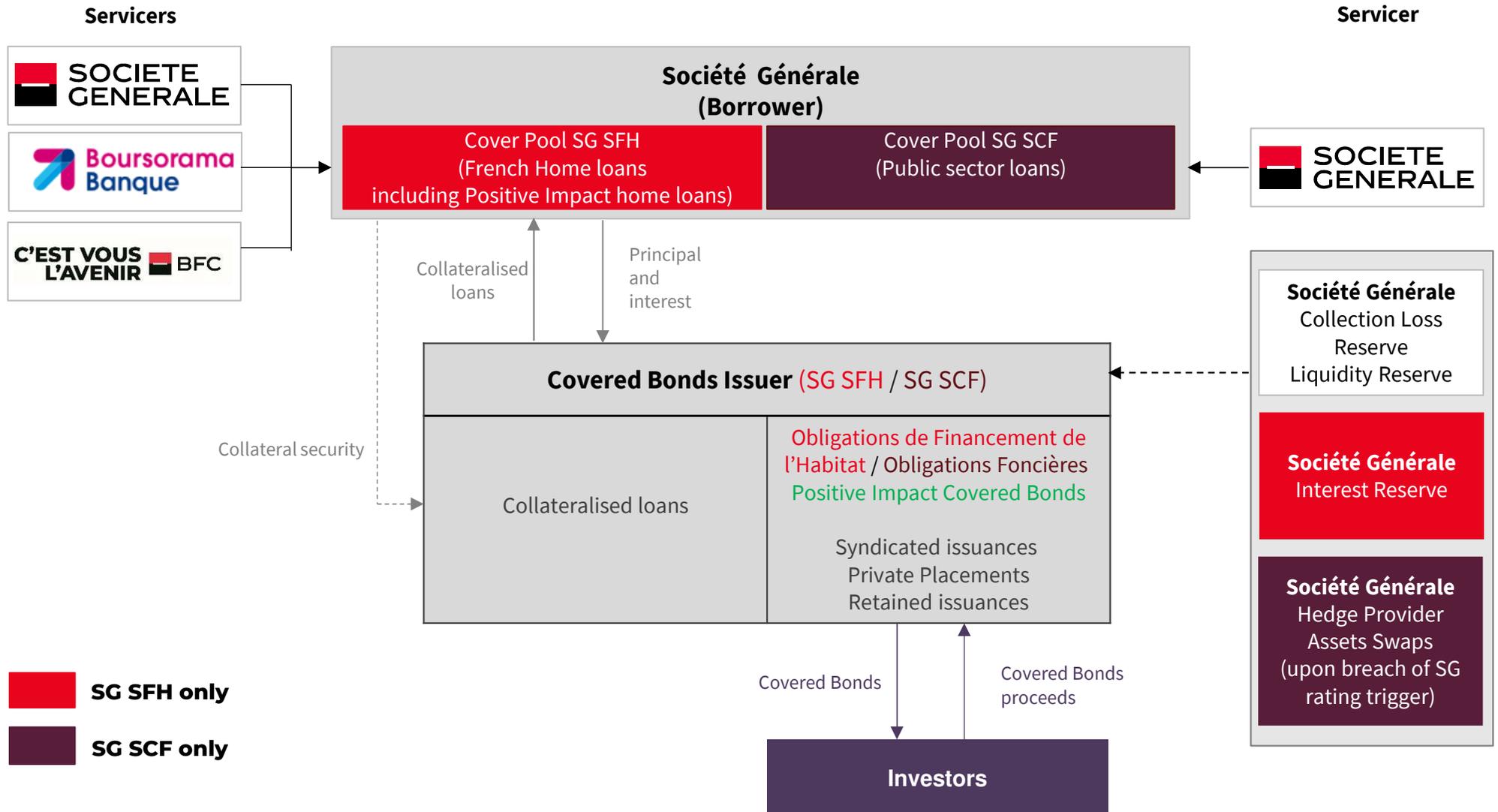
**L1 & L2A  
High Quality Liquid  
Assets**

- Compliant with Covered Bond Directive (EU) 2019/2162
- Minimum issuance size (at least EUR 250 million for L2A and EUR 500 million for L1)
- Step 1 covered bond rating by at least 1 ECAI
- Overcollateralization > 2% for L1 and 7% for L2A (SG SCF : 35% and SG SFH : 20%)\*
- Global exposures towards Credit institutions <15 % of outstanding covered bonds

*\* Figures as of 30 June 2023*

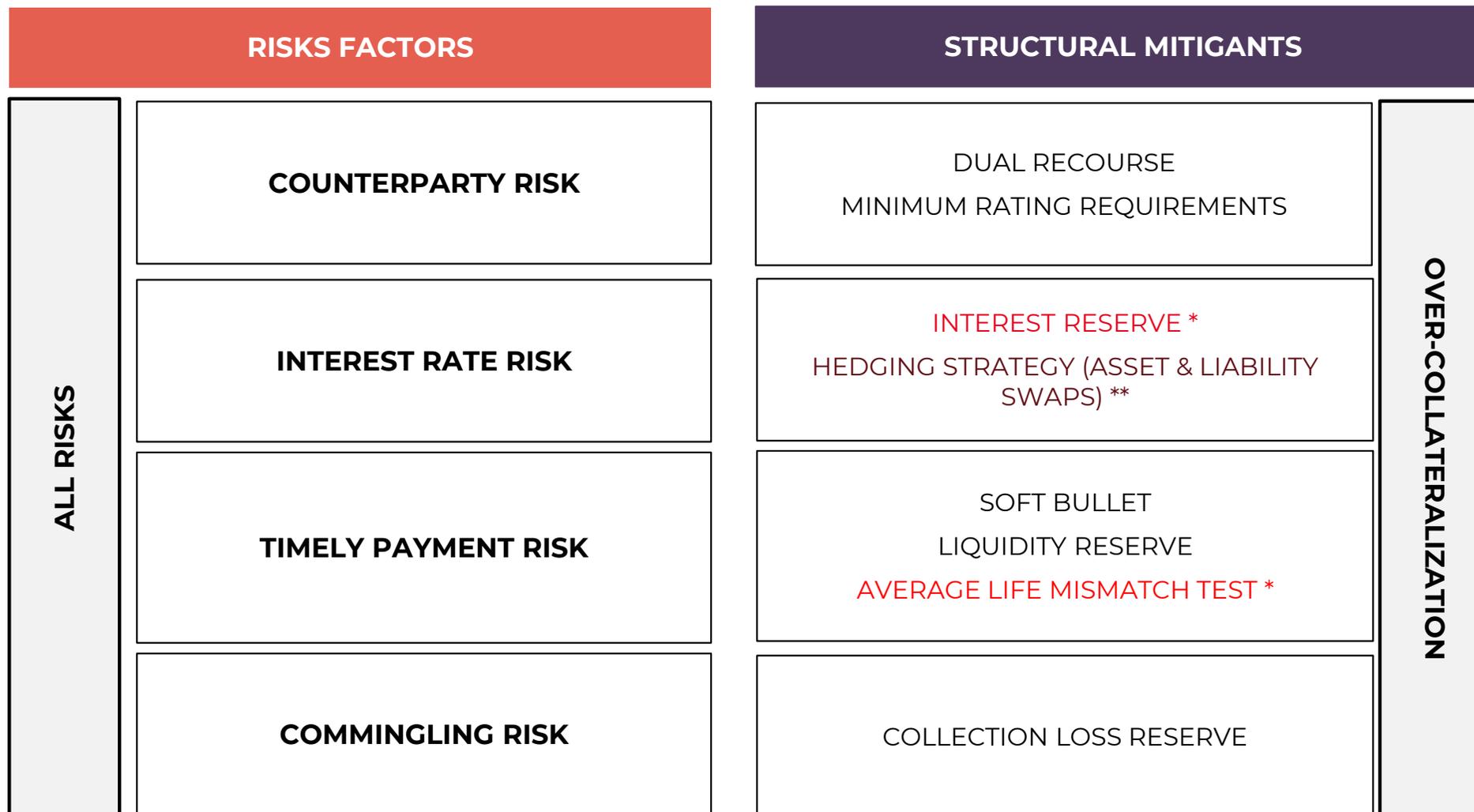
# STRUCTURE OVERVIEW AND GOVERNANCE

## Structure Overview



# STRUCTURE OVERVIEW AND GOVERNANCE

## Risks and Structural Mitigants

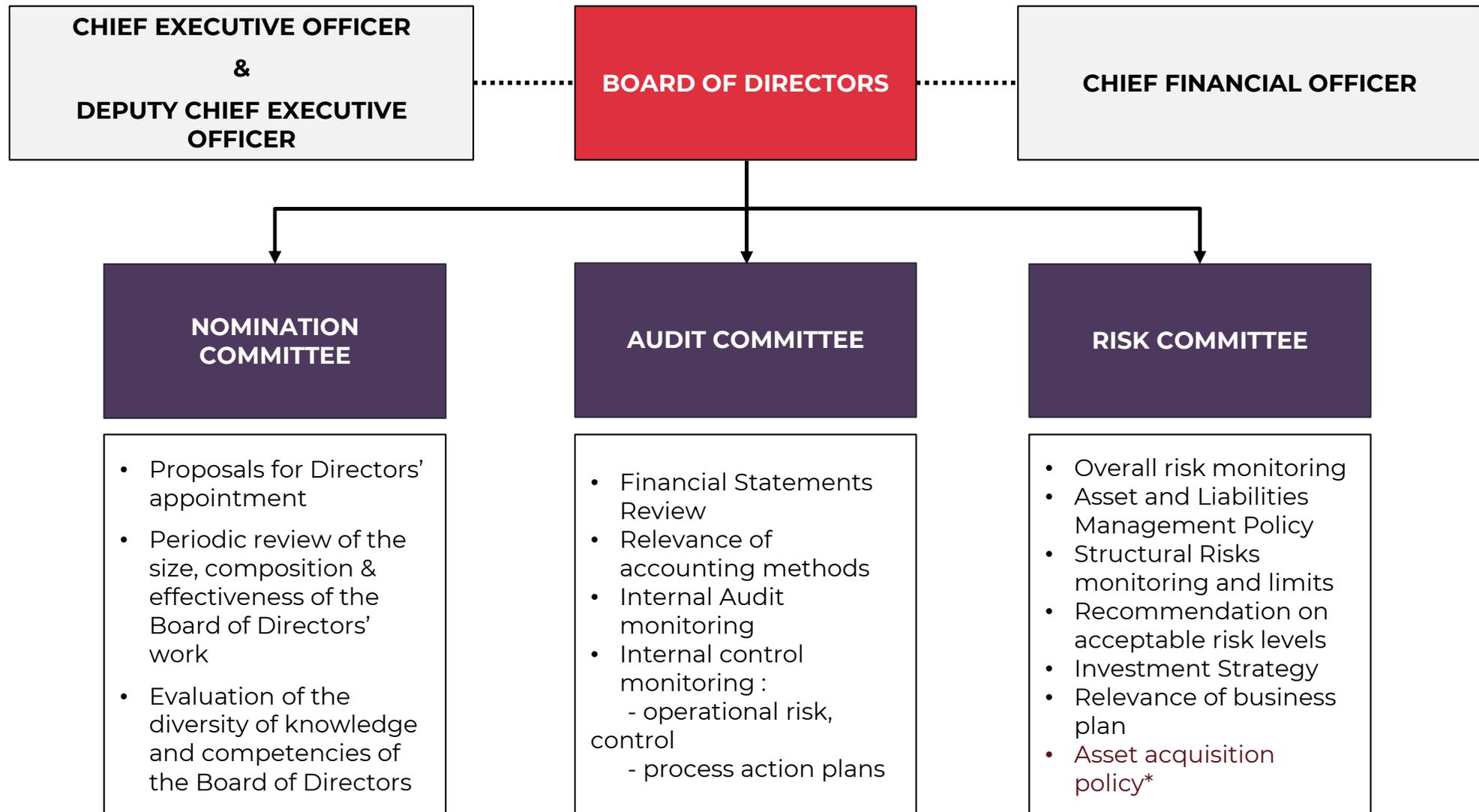


\* SG SFH only

\*\* SG SCF only

# SG SFH & SG SCF STRUCTURE OVERVIEW

## A dedicated governance with a strong control environment



\* SG SCF only

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**SG SFH COVERED  
BOND PROGRAM**

# SG SFH COVERED BOND PROGRAM

## A collateral investment policy in line with SG Group business strategy

### Strategic integration in the Group

- SG SFH is the main refinancing entity for the French Home Loan business originated by the SG Group French Retail Network
- Provides lower cost of funding to increase SG Group competitiveness

### Market segment

- High quality and well performing prime home loans
- Dedicated mutual guarantee mechanism (Crédit Logement)

### Concentration on core competencies

- Home loans represent 51% of French retail network outstanding loans granted to individual customers
- Sustained home loan production focusing on upscale clients

### Strict selection criteria

- Double credit approval by SG and by Crédit Logement at loan origination
- Due diligence of the selected assets by the Cover Pool Monitor in respect of compliance with legal criteria
- Additional self-imposed investment restrictions at SG SFH level : residual maturity can not exceed 30 years, no unpaid installment, borrowers are not SG employees

# SG SFH COVERED BOND PROGRAM

## Integrating SG Group environmental strategy : Positive Impact Covered Bond Framework & Issuance



### POSITIVE IMPACT COVERED BOND FRAMEWORK

#### USE OF PROCEEDS & TARGET IMPACT

- ✓ Use of proceeds: to refinance **mortgages on residential properties that belong to the top 15% carbon efficient dwellings in metropolitan France**
- ✓ Positive contribution to climate and support to the transition to a low carbon future
- ✓ Contribution to SDG target 7.3 and SDG 13



#### SELECTION OF POSITIVE IMPACT MORTGAGES

- ✓ Criteria of the underlying property:
  - Located in Metropolitan France
  - Destined to be exclusively used for main housing
  - Top 15% carbon efficient residential properties



#### ASSESSMENT & REPORTING

- ✓ The positive impact on climate change is estimated with the support of the external consultant company Wild Trees, **taking into consideration potential negative externalities**
- ✓ Annual reporting until maturity on:
  - Total outstanding amount of eligible mortgages
  - Estimated annual energy savings (in MWh)
  - Annual GHG emissions in tons of CO2 equivalent saved

#### TRANSPARENCY

- ✓ Second Party Opinion by ISS ESG on the alignment PPIF, the ICMA Principles and the EU GBS on a best effort basis
- ✓ Top 15% selection methodology developed with Wild Trees
- ✓ Impact measurement methodology developed by Wild Trees



### POSITIVE IMPACT COVERED BOND ISSUANCE

ISIN	Issue date	Currency	Amount issued (M)	Maturity date	Coupon (%)
FR0013434321	18-Jul-19	EUR	1,000	18-Jul-29	0.125
FR0013481207	11-Feb-20	EUR	1,000	11-Feb-30	0.01
FR0014006UI2	02-Dec-21	EUR	1,500	02-Dec-26	0.01
<b>Total</b>			<b>3,500</b>		

### PORTFOLIO OF ELIGIBLE LOANS (as of 31/12/2022)

SG SFH	Societe Generale Financing						Indicators		
	Signed Amount	Number of Loans**	Notional Share of Total Portfolio	Eligibility for Green Positive Impact Bonds	Allocated Amount*	Remaining Average Portfolio Lifetime	Estimated floor area	Estimated annual GHG emissions reduced or avoided, attributable to SG share in financing***	Annual Energy savings
	EUR m eq.		%	%	EUR m eq.	years	m <sup>2</sup>	tCO <sub>2</sub> e q.	MWh
<b>Residential Buildings (Total)</b>	<b>5,822</b>	<b>36,929</b>	<b>100</b>	<b>100</b>	<b>3,500</b>	<b>17.2</b>	<b>2,470,948</b>	<b>13,496</b>	<b>80,609</b>
Multi-family	3,873	24,404	67	100	-	-	1,300,859	6,262	37,399
Single-family	1,949	12,525	33	100	-	-	1,170,089	7,235	43,210

- Net proceeds of the Positive Impact Covered Bond issued since 2019 by SG SFH are **100% allocated** to the portfolio of Eligible **Loans refinancing consequently 60% of this portfolio's global amount**

\*based on the Harmonized Framework for Impact Reporting guidelines:  
<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Handbook-Harmonized-Framework-for-Impact-Reporting-WEB-100619.pdf>

\*\*as defined in SG SFH Positive Impact Covered Bond Framework:  
[https://www.societegenerale.com/sites/default/files/documents/Notations%20Financi%C3%A8res/sg\\_sf\\_h\\_positive\\_impact\\_covered\\_bond\\_framework\\_june2019.pdf](https://www.societegenerale.com/sites/default/files/documents/Notations%20Financi%C3%A8res/sg_sf_h_positive_impact_covered_bond_framework_june2019.pdf)

\*\*\*as defined in the methodology described in the Societe Generale Sustainable & Positive Impact Bonds Reporting  
<https://www.societegenerale.com/sites/default/files/documents/2023-04/SPIF-Reporting-as-of-2022-12-30.pdf>

# SG SFH COVERED BOND PROGRAM

Strategic integration in SG Group : diversified home loans origination & sources of collateral

## TWO STRONG AND COMPLEMENTARY BRANDS REFINANCED THROUGH SG SFH



A solid universal bank at the service of the economy

**€ 47.28bn**  
home loans  
outstanding



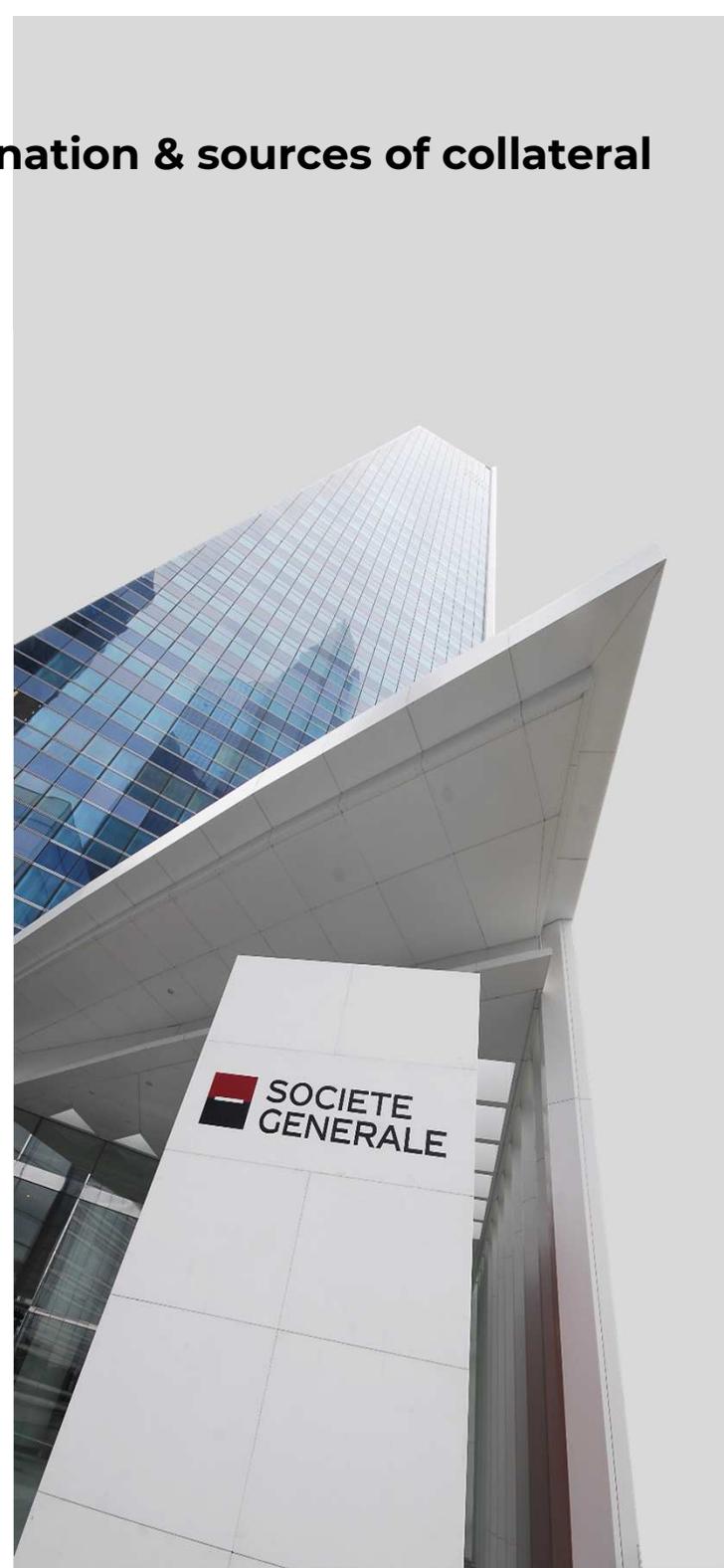
N°1 online bank in France

Leading player of the brokerage and online savings

**€ 8.53bn**  
home loans  
outstanding

**Total cover pool = € 55.81bn**

Figures as of 30 June 2023



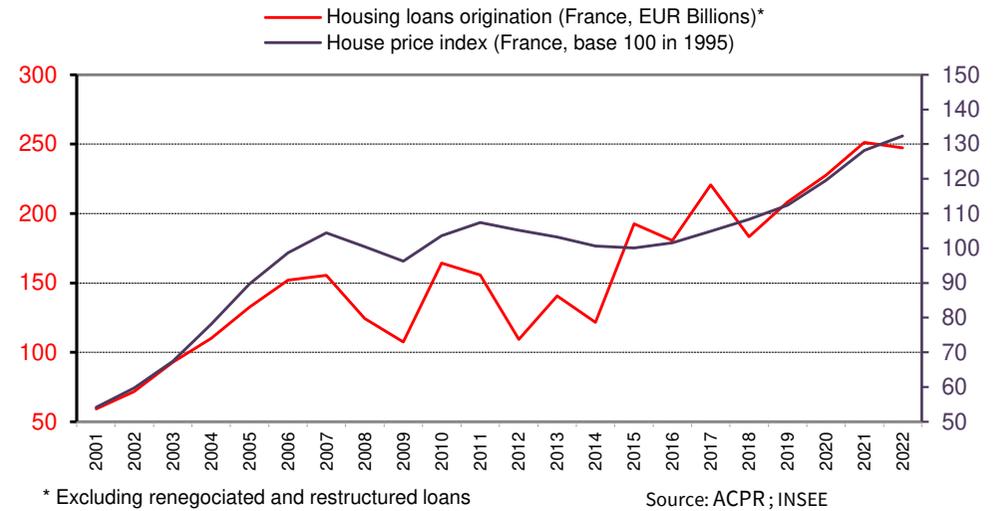
# SG SFH COVERED BOND PROGRAM

## The French home loan market : a resilient market despite a tightening economic environment (1/2)

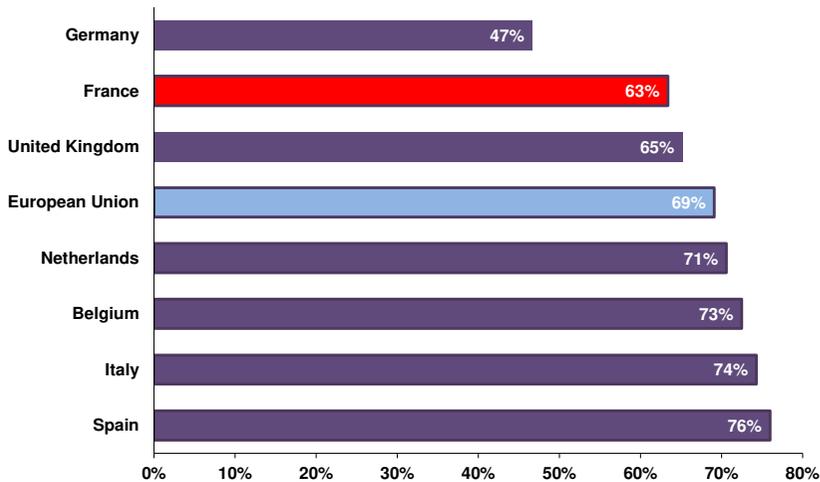
### MARKET CONTEXT

- 63% ownership rate (6 percentage points below EU average) allowing further growth of the market
- 30.1% of French households bearing residential loans in 2022 (source : Observatoire des crédits aux ménages)
- French market has slowed-down in 2022, in line with the increase in interest rates initiated by the ECB, and is expected to slow-down further in 2023
- The impact of rising rates on the borrowers' repayment capacity should be limited, due to prevalence of fixed rates loans on French market
- Besides, the market has remained sound, with stable key indicators such as the average LTV or Debt-to-Income ratio

### French housing market : loans origination and price index



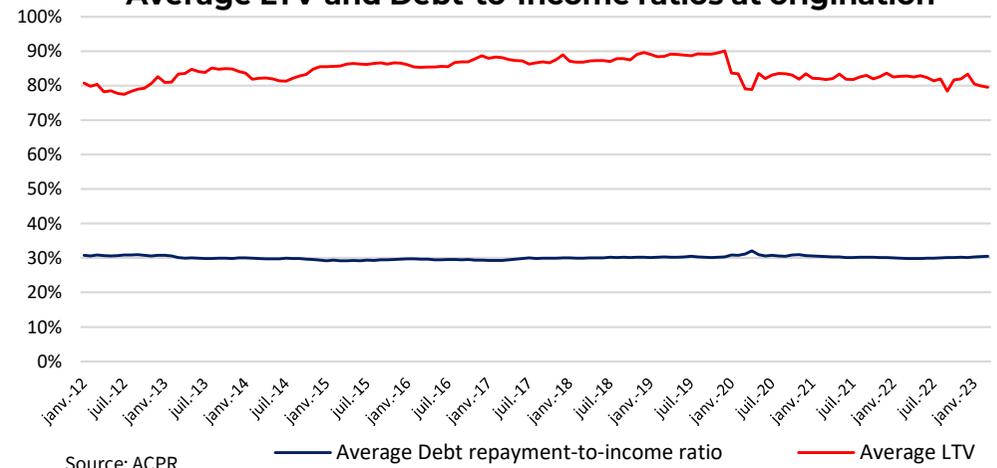
### European home ownership rate



Source : Trading Economics, 2022



### French home loans financial indicators : Average LTV and Debt-to-Income ratios at origination



# SG SFH COVERED BOND PROGRAM

## The French home loan market : a resilient market despite a tightening economic environment (2/2)

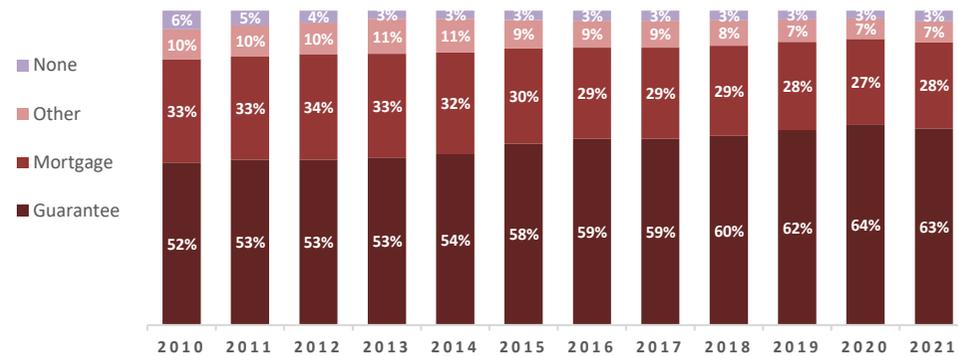
### HOME LOANS MAIN CHARACTERISTICS

- Loan amounts are based on borrower's capacity to repay
- Security type : guaranteed rather than mortgage loans
- Mostly fixed rate loans with monthly fixed instalments
- No home equity loan market

### A PRIME HOME LOAN MARKET

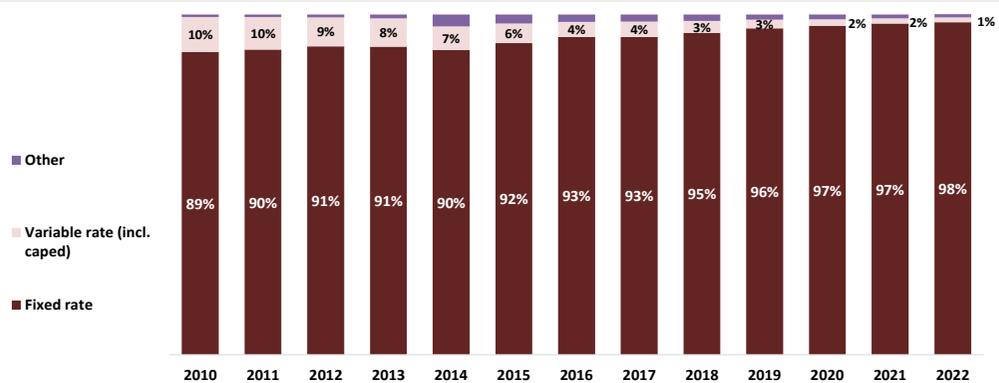
- Loan purpose : a stable distribution between new & old properties
- Non-performing loans rates remain low and decreasing, especially when guaranteed by Crédit Logement

French home loans outstanding : breakdown by Security Type



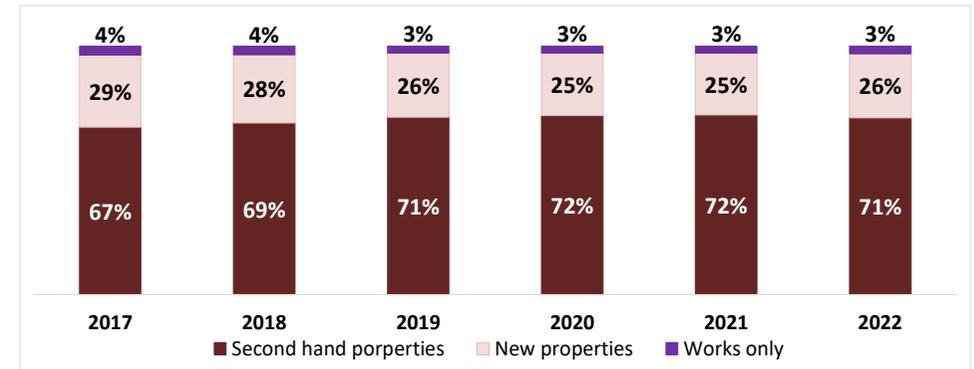
Source: Financement de l'habitat - ACPR

French home loans outstanding : Breakdown by type of rate



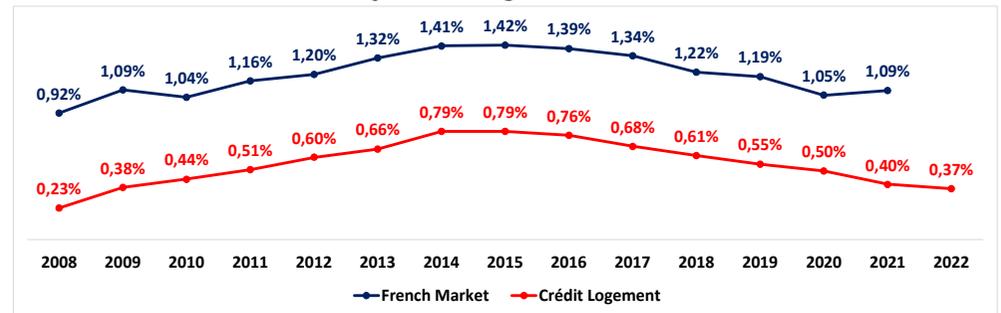
Source: Financement de l'habitat - ACPR

French home loans origination: breakdown by type of property financed



Source: Crédit Logement

Non-Performing Home Loans : French market and loans guaranteed by Crédit Logement

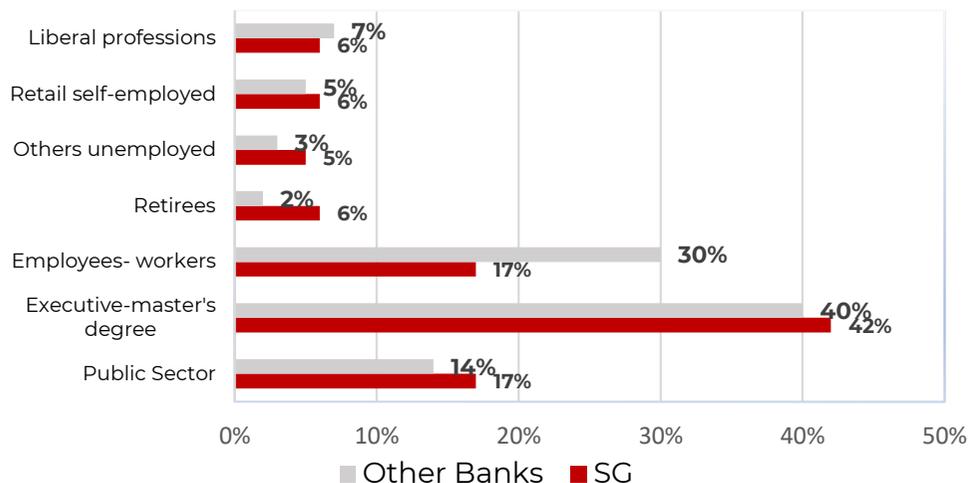


Sources: Financement de l'habitat - ACPR ; Crédit Logement

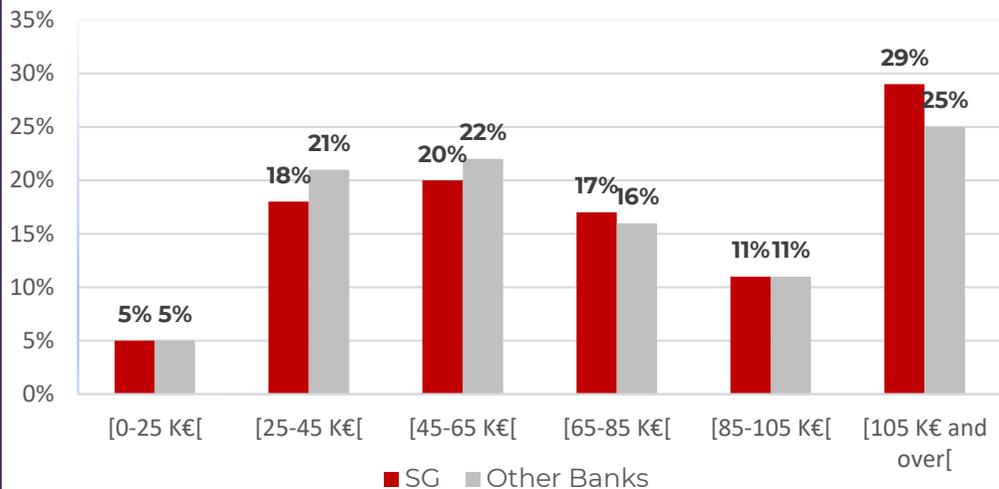
# SG SFH COVERED BOND PROGRAM

## Concentration on core competencies : Société Générale French home loan business

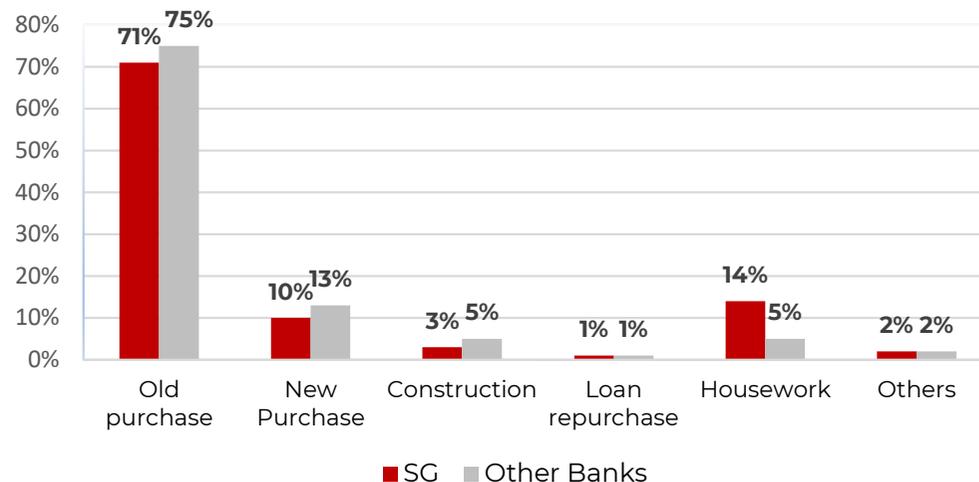
### SG loans customer base : strong presence on key segments like public sector employees and executives



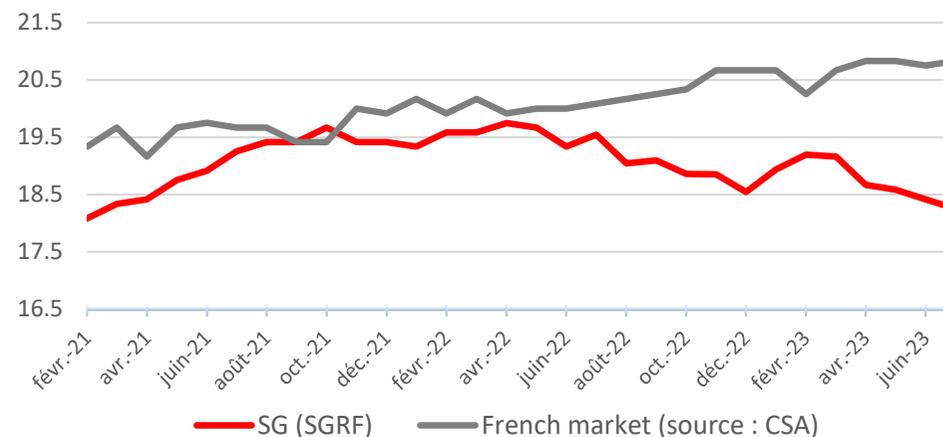
### SG loans customer base : breakdown by revenue



### SG loans structure : breakdown by loan purpose



### SG loans customer base : average maturity on home loan origination\*



\* Excluding AVL, bridge loan, cash flow credit, regulated loans, loan repurchase or grouping of credits

# SG SFH COVERED BOND PROGRAM

## The French home loan market : Benefits of Credit Logement's guarantee (1/2)

### CREDIT LOGEMENT PERFORMANCE

• **“Guaranteed loans” market share in home loan market** : in 2022, guaranteed loans represented more than 62%(\*) of the overall residential loans granted in France, stable compared to 2020.

• **Crédit Logement is the national leader** of the home loan guarantee, with a market share of around 34% of the whole home loan market, quite stable in the latest years.

in EUR Bn	2017	2018	2019	2020	2021	2022
French home loan production	220,5	183,4	208,3	227,7	251,3	259,7
CL Guarantee production	84,4	66,3	79,8	69,9	80,1	90,2
<i>CL guarantee production market share</i>	<i>38%</i>	<i>36%</i>	<i>38%</i>	<i>31%</i>	<i>32%</i>	<i>35%</i>
French home loan outstanding	927,7	983,5	1 052,1	1 114,0	1 188,0	1 281,0
CL Guarantees outstanding	325,7	345,8	374,7	390,4	413,4	429,7
<i>CL guarantees outstanding market share</i>	<i>35%</i>	<i>35%</i>	<i>36%</i>	<i>35%</i>	<i>35%</i>	<i>34%</i>

• Disbursements on guarantee calls and full partner bank compensations are paid from the **Mutual Guarantee Fund (MGF)\*\***, while Crédit Logement overheads are covered by fees partly spread over the life time of the guarantees.

• Crédit Logement NBI also comprises interest income from the MGF investments and reached EUR 216m in 2022 (EUR 222m in 2021) representing a decrease of 2,8%. With activity levels down in 2022, commission income fell by 3,8%, mainly due to the decrease in new arrangements made during the year and early repayments. The global decrease is also due to a decrease in average proceeds from the investment of available cash, a decrease in income from “conventional” cash as a result of equity loan transactions under less favorable terms and an increase in the cost of subordinated securities due to rising interest rates. The NBI is very satisfying as it is higher than the ones of 2020 (EUR 201,17m) and 2019 (EUR 211.38m).

(\*) Source: Enquête annuelle 2023 du SG ACPR sur le financement de l'habitat

(\*\*) which funds are collected from the initial fee payments when guarantees are granted

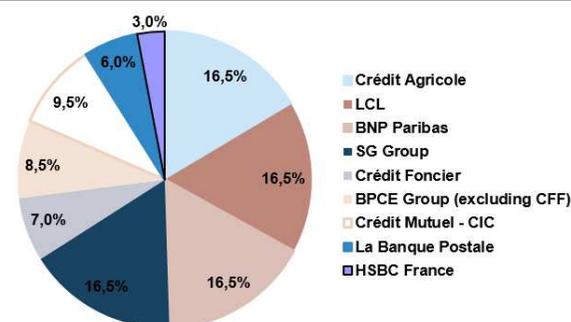
# SG SFH COVERED BOND PROGRAM

## The French home loan market : Benefits of Credit Logement's guarantee (2/2)

### OTHER CREDIT LOGEMENT CREDENTIALS

- **Crédit Logement is backed by all larger French banks:**

- Long term rating : Aa3 (stable outlook) by Moody's & Aa low (stable outlook) by DBRS
- Shareholders are formally committed to support Crédit Logement's growth in terms of capital needs



- Crédit Logement is a financial institution supervised by the French Banking Regulator (*Autorité de Contrôle Prudentiel et de Résolution*).
- Crédit Logement risk decreases since 2015 and doubtful debt ratio reaches a new low 0,37% at end 2022.
- In 2022, the MGF covers for more than four times all doubtful debts (defined as >3 months instalments arrears) :

in EUR Mn	2017	2018	2019	2020	2021	2022
CL Guarantees outstanding	325 720	345 777	374 746	390 392	413 437	429 706
CL MGF outstanding	5 321	5 651	6 065	6 352	6 642	6 939
Balance Sheet - Doubtful debt outstanding	1 335	1 347	1 326	1 251	1 089	1 029
Off Balance Sheet - Doubtful debt outstanding	873	771	748	715	577	549
<b>Total Doubtful debt outstanding</b>	<b>2 208</b>	<b>2 118</b>	<b>2 074</b>	<b>1 967</b>	<b>1 666</b>	<b>1 578</b>
<i>Doubtful debt % of the guarantees outstanding</i>	<i>0,68%</i>	<i>0,61%</i>	<i>0,55%</i>	<i>0,50%</i>	<i>0,40%</i>	<i>0,37%</i>
<i>CL MGF outstanding / Total Doubtful debt outs</i>	<i>2,4</i>	<i>2,7</i>	<i>2,9</i>	<i>3,2</i>	<i>4,0</i>	<i>4,4</i>
Written off amounts	50,9	67,4	81,2	51,3	192,2	68,1
<i>Write-offs (N) / Doubtful debt outstanding (N-1)</i>	<i>2,22%</i>	<i>3,05%</i>	<i>3,83%</i>	<i>2,47%</i>	<i>9,77%</i>	<i>4,09%</i>
<i>Write-offs (N) / CL MGF outstanding</i>	<i>0,96%</i>	<i>1,19%</i>	<i>1,34%</i>	<i>0,81%</i>	<i>2,89%</i>	<i>0,98%</i>

# SG SFH COVERED BOND PROGRAM

## A high quality and well diversified cover pool (1/3)

**As at 30 June 2023**

Collateral	100% prime French residential loans guaranteed by Crédit Logement
Pool Size	€ 55,8 bn
Number of borrowers	395,119
Number of loans	445,545
Average loan balance	€ 125.3k
Current WA LTV	67.64%
WA Seasoning	54 months
WAL	96 months
Nonperforming loans	0

Source: NCBS as of June 30<sup>th</sup>, 2023

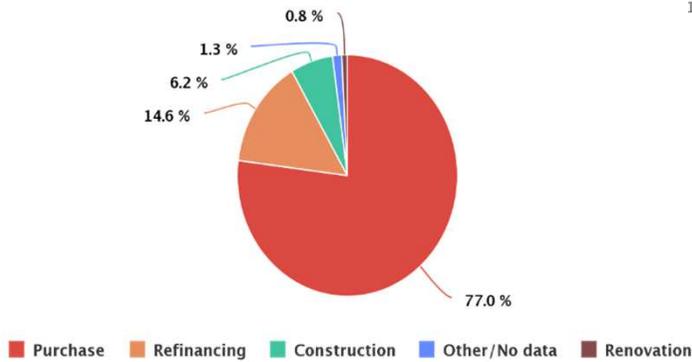
### Main regional distribution



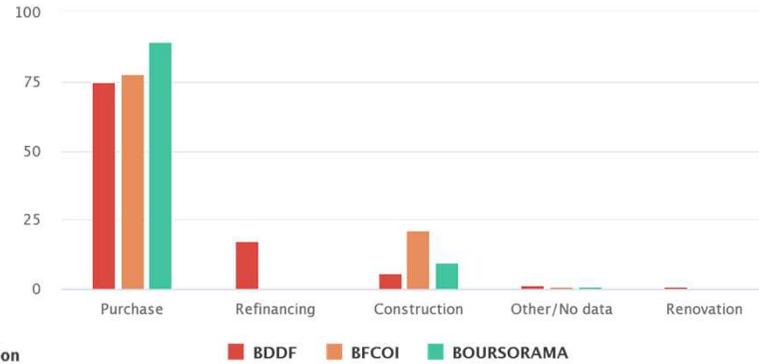
# SG SFH COVERED BOND PROGRAM

## A high quality and well diversified cover pool (2/3)

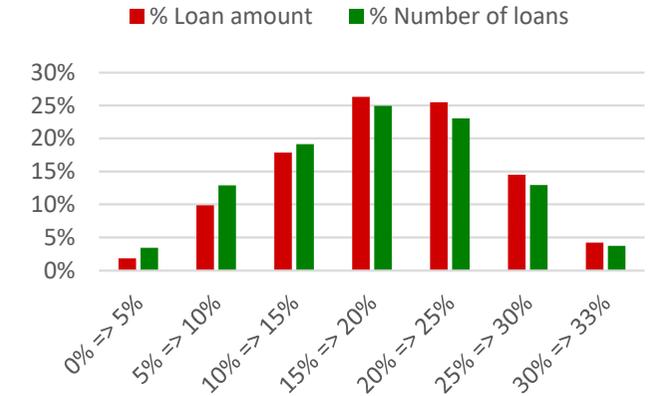
1. Loan Purpose



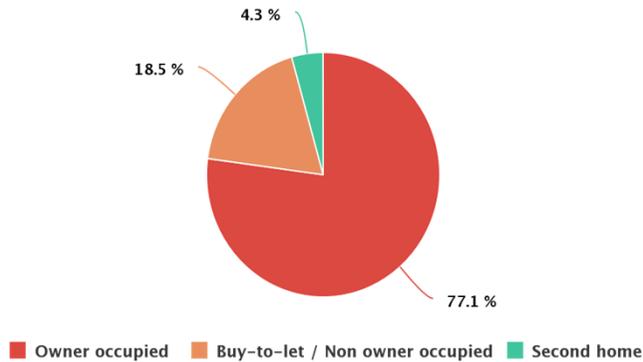
2. Loan purpose by contributor



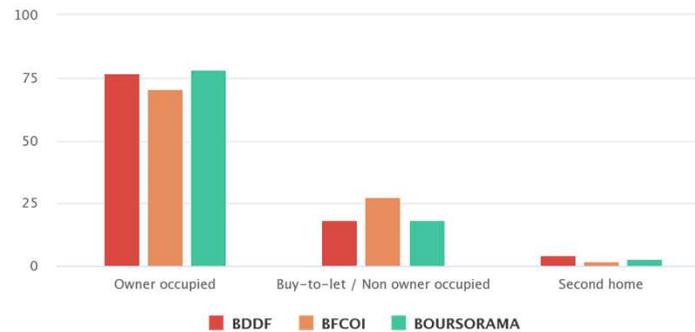
3. Loan to Income ratio



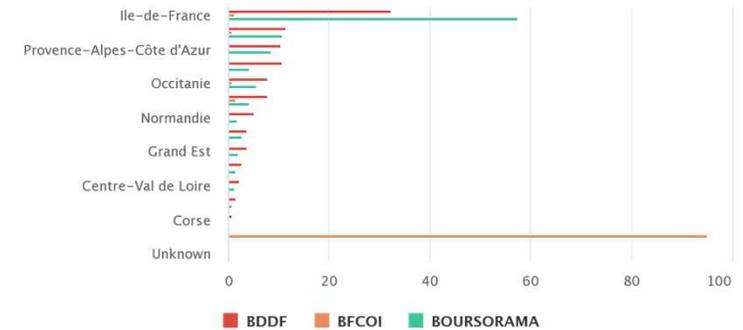
4. Occupancy Type



5. Occupancy type by contributor



6. Region by contributor

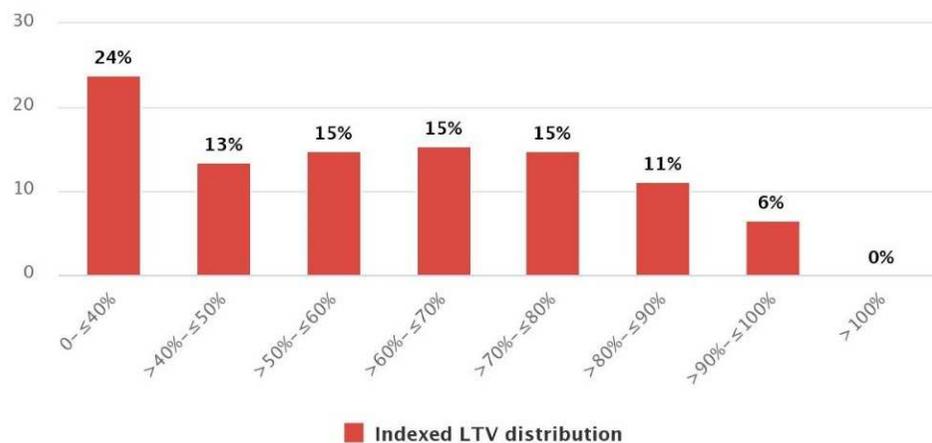


Source: NCBS as of June 30<sup>th</sup>, 2023

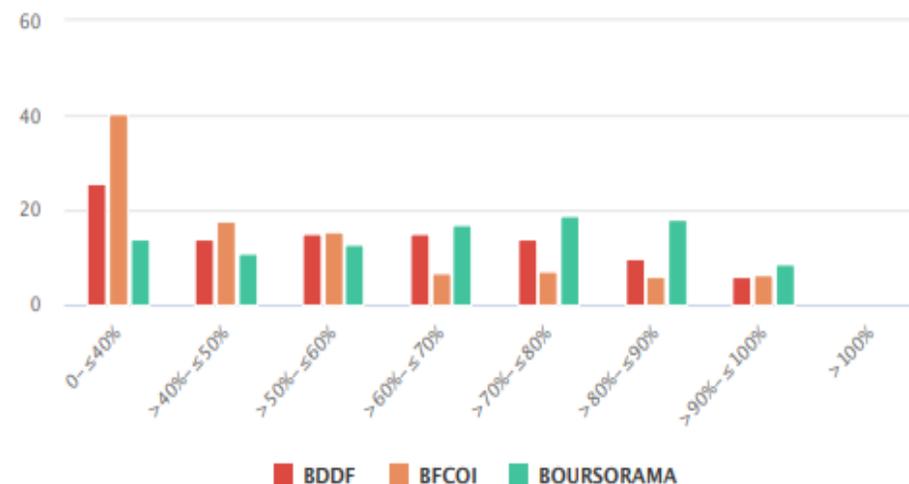
# SG SFH COVERED BOND PROGRAM

## A high quality and well diversified cover pool (3/3)

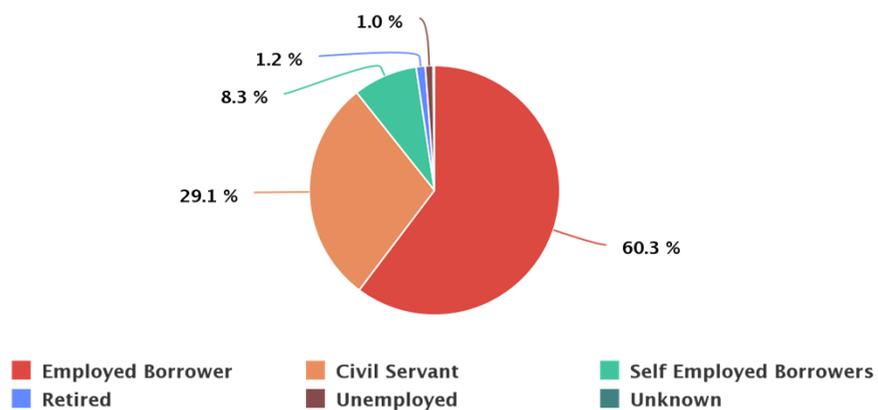
### 1. Indexed LTV-band



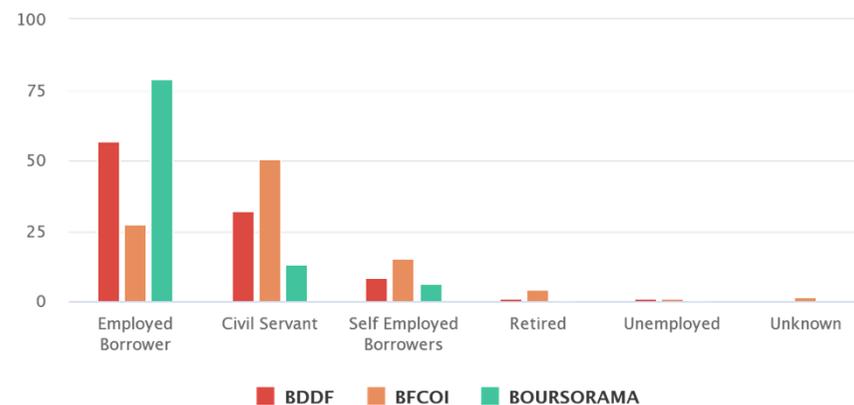
### 2. Indexed LTV-band by contributor



### 3. Professional social categories



### 4. Professional social categories by contributor



Source: NCBS as of June 30<sup>th</sup>, 2023

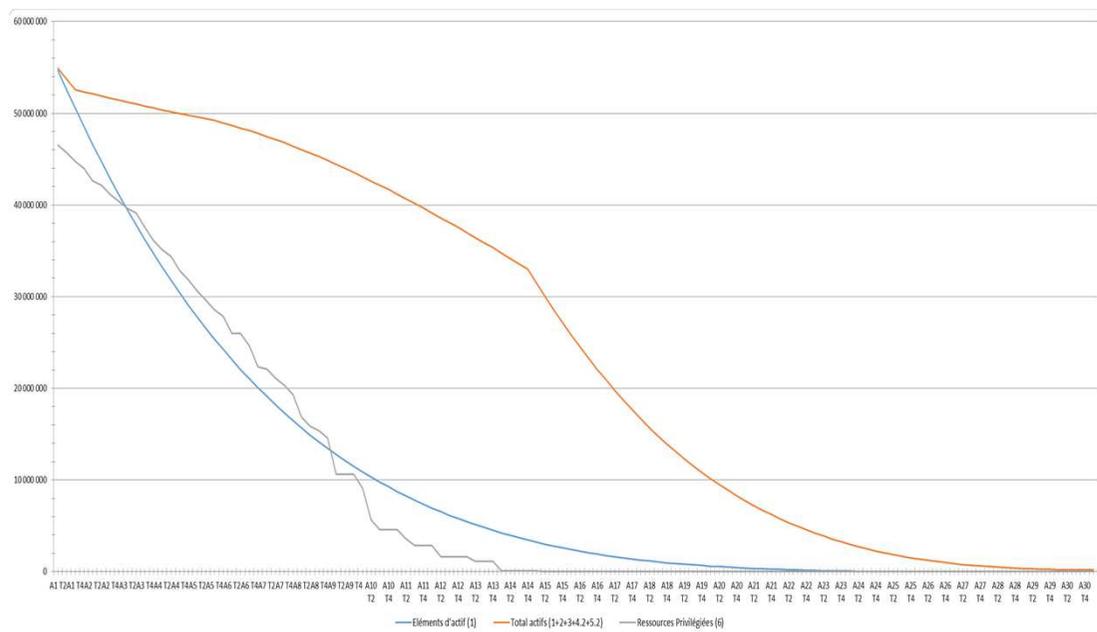
# SG SFH COVERED BOND PROGRAM

## A dynamic, projective and cautious ALM monitoring

- Covered bonds fully backed up to their final maturities
- The structure has been set up to take into account best ALM practice
  - Tight projective monitoring of ALM metrics
  - Definition and strict monitoring of a coverage long term plan based on available eligible assets and conservative new production assumptions
- Stress Tests have been designed to ensure the resilience of the structure to downgraded economic environment

### Asset Liability Management profile

As of 30/06/2023



#### Nominal Over-Collateralisation

Nominal Over		Min AAA target : > 106,5% (Moody's)
- Collateralisation	<b>120%</b>	> 114,5% (Fitch)
Coverage ratio	<b>117,56%</b>	Min : 105%

#### Weighted Average Life mismatch

**-4 months**                      Limit : < +18 months

#### 180 days Liquidity Coverage

No gaps during the next 180 days period

#### Collateral Coverage Gaps

No gaps up to final maturity

Figures as of end of June 2023

# SG SFH COVERED BOND PROGRAM

**Funding strategy : well balanced mix between Group funding needs and issuance capacity**

- Last public benchmark issuances in July 2023 : 2,5 Bn€, 3 and 7 years maturity in soft bullet format
- The SG group funding strategy remains significant for both SG covered bonds program in 2023 and 2024
- Strong issuance capacity of EUR 20,55 bn as of 30 of June 2023



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## **SG SCF COVERED BOND PROGRAM**

# SG SCF COVERED BOND PROGRAM

## A collateral investment policy in line with SG Group business strategy

### Strategic integration in the Group

- SG SCF is the main refinancing entity for the Public Sector financing originated by the SG Group French Retail Network and the Investment Bank
- Provides lower cost of funding to increase SG Group competitiveness

### Strategic key financing areas

- Municipalities and Local Governments financing
- Public utilities and service providers
- Public infrastructure projects such as expansion of the national grid, renewable energy, harbors, airports, highways, schools and social housing buildings
- Export Credit Agencies guaranteed transactions

### Concentration on core competencies

- 3rd global ranking in export finance in 2022 with a 6.8% market share (source : TXF – MLA ECA deals)
- 5<sup>th</sup> ranking in French public sector origination in 2021 (source : Finance Active Observatory)

### Strict selection criteria

- Stringent selection based on a multi-step process
- Certification by reputable law firms of each asset class' eligibility
- Ex ante due diligence by the Cover Pool Monitor on the proposed collateral assets
- Validation by SG SCF's Risk Committee of new asset class

# SG SCF COVERED BOND PROGRAM

Financing new innovative projects supporting economic growth and development

CULTURE



LORRAINE UNIVERSITY



GRENOBLE UNIVERSITY



MUCEM - MARSEILLE

SPORT



HYBRID BUS - DIJON



PHILHARMONIE DE PARIS



VELODROME - SAINT QUENTIN EN Y.

INFRASTRUCTURES

# SG SCF COVERED BOND PROGRAM

Contributing to financing the French public sector entities

LOCAL GOVERNMENTS

SUPPORTING INVESTMENTS IN TRANSPORTATION, ENERGY AND RESOURCES SECTOR



LOCAL PUBLIC ENTITIES



CONTRIBUTING TO CONSTRUCTION PROJECTS FOR ALL CITIZENS

SOCIAL HOUSING

COMMITTED FOR THE DEVELOPMENT AND ATTRACTIVENESS OF TOMORROW'S TERRITORIES



PUBLIC HEALTH INSTITUTIONS

# SG SCF COVERED BOND PROGRAM

## Contributing to promoting Export & Development finance

SG CIB is a global leader in delivering export and import financial solutions together with development financing

**69**  
staff members

Based in **11** countries

**22**  
ECA programs +  
MIGA

Supporting exporters and importers in meeting their SDG objectives and energy transition trajectory

Over **40**  
Years of knowledge and practice with ECA and MLA programs



-  Australia (**EFIC**)
-  Austria (**OeKB**) \*
-  Belgium (**ONDD**) \*
-  Canada (**EDC**)
-  China (**SINOSURE**)
-  Denmark (**EIFO**) \*
-  Finland (**Finnvera**) \*
-  France (**Bpifrance AE**) \*
-  Germany (**Euler Hermes**) \*
-  Italy (**SACE**) \*\*
-  Japan (**NEXI**)\*\*
-  Korea (**KSURE\*** and **Kexim\***)
-  Luxembourg (**ODL**)
-  Netherlands (**Atradius**) \*
-  Norway (**EKSFIN**) \*
-  Poland (**KUKE**)\*\*
-  Spain (**CESCE**) \*
-  Sweden (**EKN**) \*
-  Switzerland (**SERV**)
-  United Kingdom (**UKEF**) \*
-  United States (**ExIm Bank**) \*
-  MIGA (World Bank) \*

\* Already refinanced through SG SCF  
\*\* Target refinancing through SG SCF



ENERGY TRANSITION



HEALTH



FOOD SECURITY



MOBILITY



SUSTAINABLE CITY



PPP IN AFRICA

# SG SCF COVERED BOND PROGRAM

## A high quality and well diversified cover pool (1/2)

As at 30 June 2023

Collateral	Exposures to / or guaranteed by eligible public entities
Pool Size	€ 16.57 bn
Number of borrowers	1,463
Number of loans	4,004
Origination by SG French retail vs Investment Bank	62% 38%
Currency Distribution	EUR : 89% USD : 11%
WAL	73 months
Nonperforming loans	0

### Main regional distribution in France

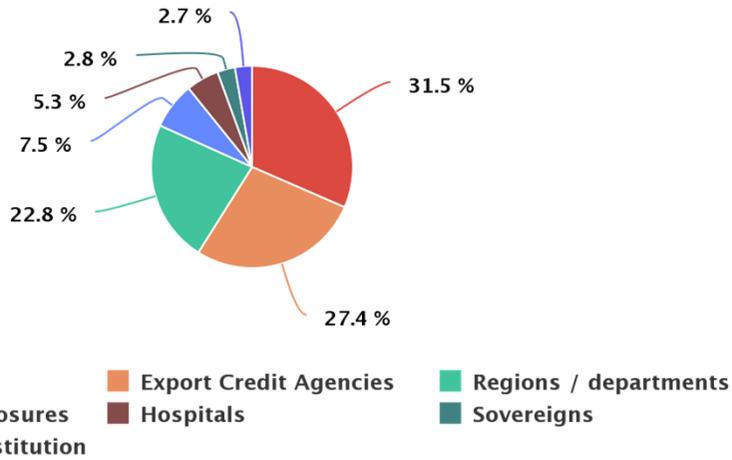


Source: NCBS as of June 30<sup>th</sup>, 2023

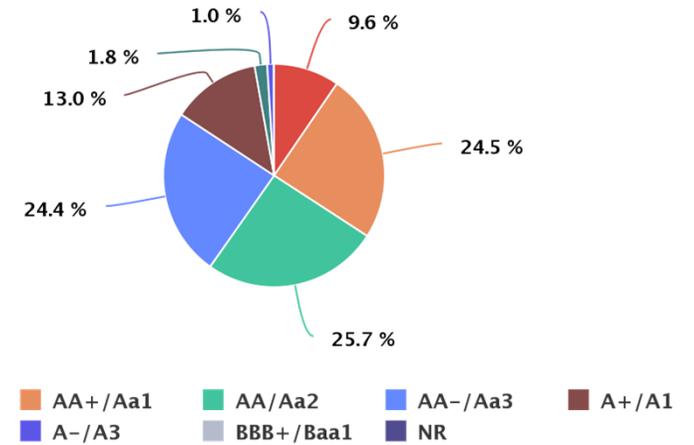
# SG SCF COVERED BOND PROGRAM

## A high quality and well diversified cover pool (2/2)

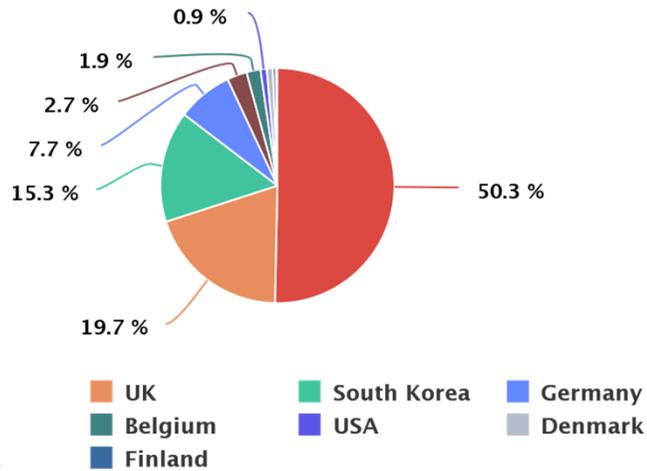
Exposure Type



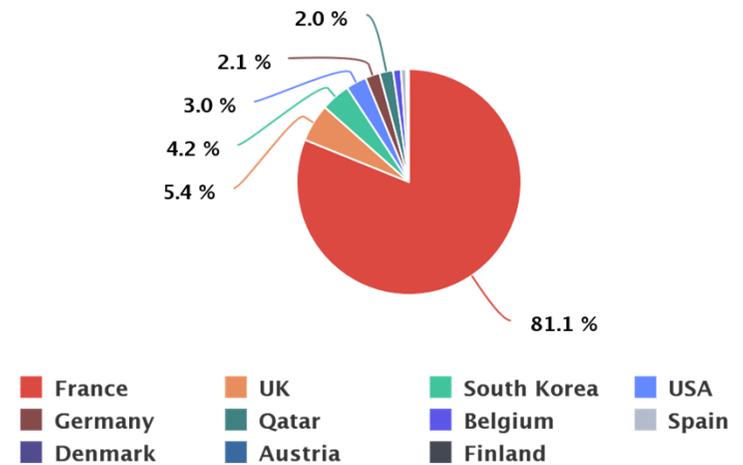
Exposure Rating



Export credit agencies country



Geographic exposure



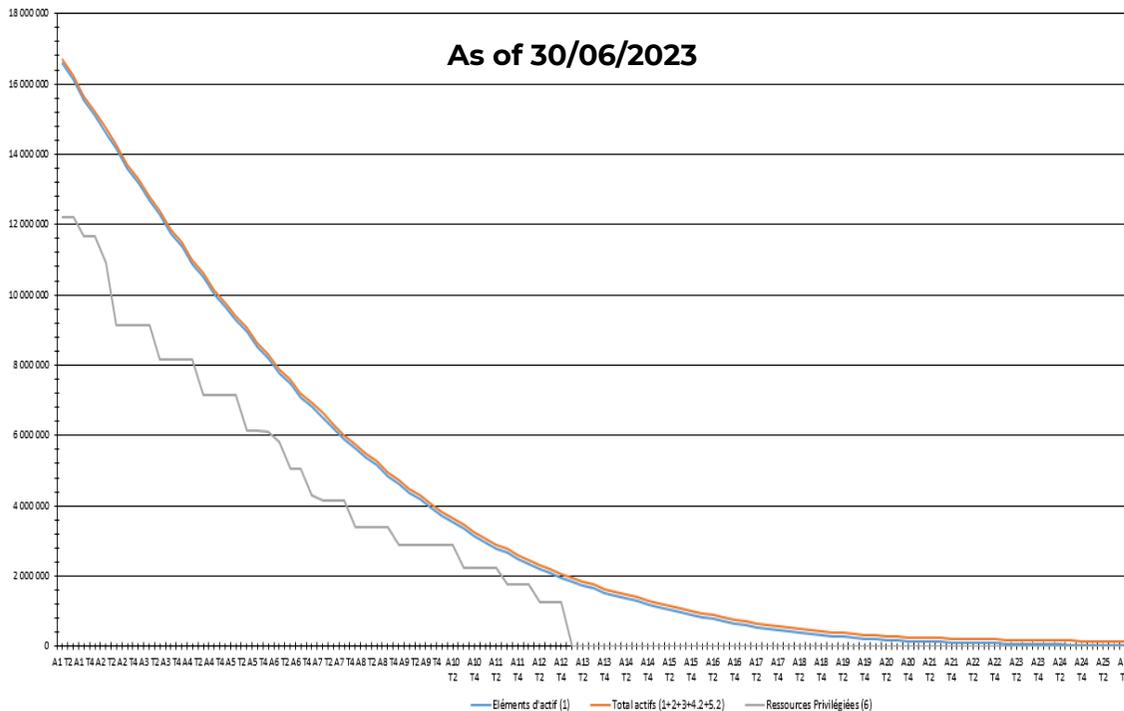
# SG SCF COVERED BOND PROGRAM

## A dynamic, projective and cautious ALM monitoring

- Covered bonds fully backed up to their final maturities
- The structure has been set up to take into account best ALM practice
  - Tight projective monitoring of ALM metrics
  - Definition and strict monitoring of a coverage long term plan based on available eligible assets and conservative new production assumptions
- Stress Tests have been designed to ensure the resilience of the structure to downgraded economic environment

### Asset Liability Management profile

As of 30/06/2023



#### Nominal Over-Collateralisation

Nominal Over - Collateralisation	<b>135,39%</b>	Min AAA target : > 104% (Moody's) > 121,8% (S&P)
Coverage ratio	<b>135,18%</b>	Min : 105%

#### Weighted Average Life mismatch

**+ 7 months**                      Limit : < +18 months

#### 180 days Liquidity Coverage

No gaps during the next 180 days period

#### Collateral Coverage Gaps

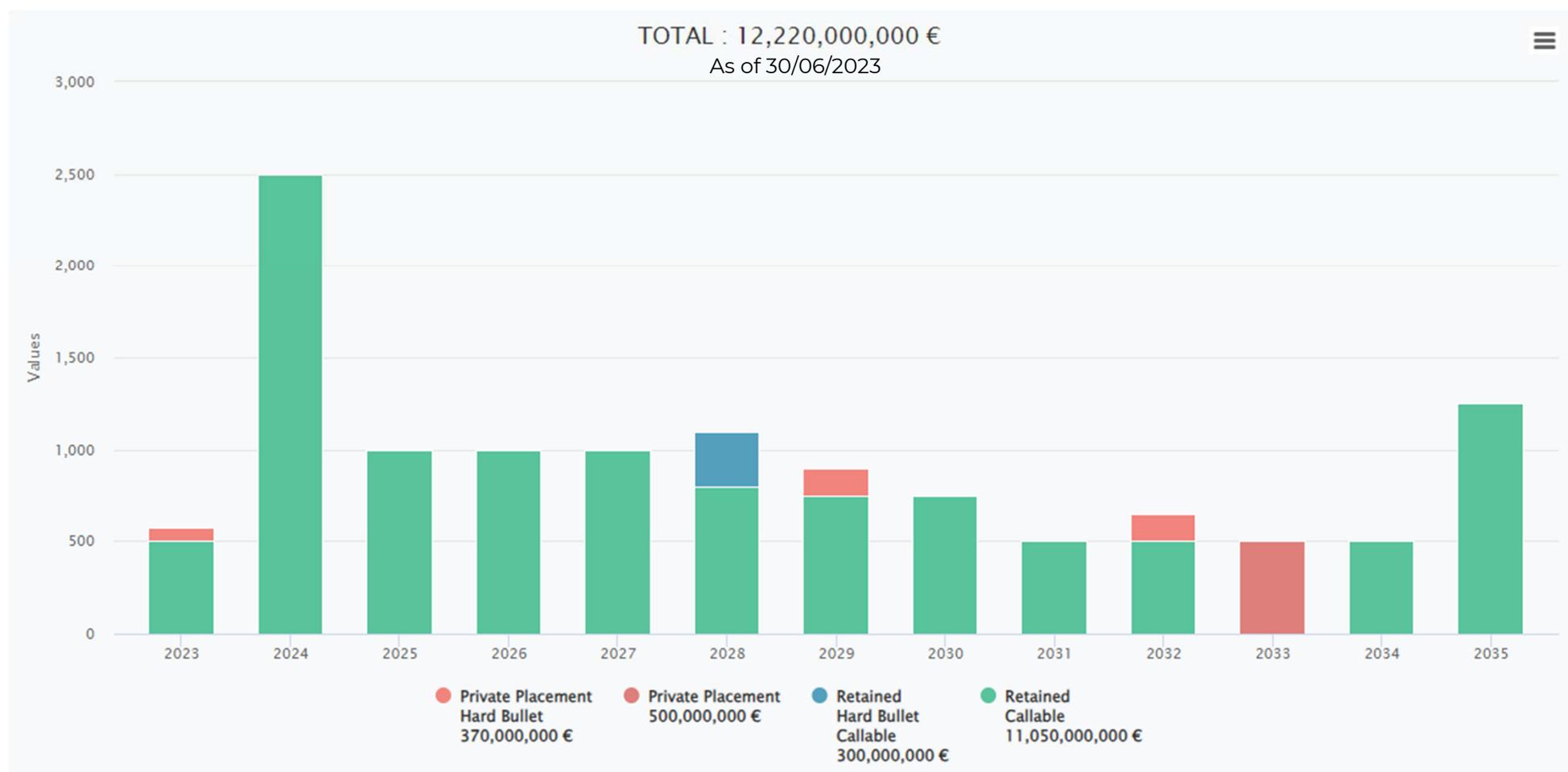
No gaps up to final maturity

Figures as of end of June 2023

# SG SCF COVERED BOND PROGRAM

**Funding strategy : well balanced mix between Group funding needs and issuance capacity**

- Last Club Deal issuance in August 2015: 500M€ 18 years maturity in soft bullet format
- Issuance capacity of EUR 11,35 bn as of 30 of June 2023



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**APPENDICES**

## A. ELIGIBILITY CRITERIA: SG SFH COVER POOL

### SG SFH main eligibility criteria

- Loans granted in Euros
- Loans governed by French law
- The financed property is a residential property, located in France
- Loans are secured by a guarantee granted by Crédit Logement
- At the date on which the loan is selected to enter into the pool:
  - principal outstanding can not exceed EUR 480,000 if the property value exceeds EUR 600,000
  - residual maturity can not exceed 30 years
  - at least one instalment has been paid
  - no unpaid instalment
- Borrowers are individuals
- Borrowers are not SG Group employees
- No contractual set off right granted to the borrower
- No amount drawn under the loan and already repaid can be redrawn by the borrower
- Loan to Income ratio (LTI) lower or equal to 33%

The Cover Pool is replenished on a monthly basis, eligibility criteria being applied at each replenishment

## A . ELIGIBILITY CRITERIA: SG SCF COVER POOL

### SG SCF main eligibility criteria

- Loans to or guaranteed by public entities :
  - Central or local governments
  - Central banks
  - Public sector entities
  - Supranational institutions
- Minimum exposure rating :
  - BBB-/Baa3 and/or internal rating equivalent (within European Union)
  - AA-/Aa3 and/or internal rating equivalent (outside European Union)
- Minimum country exposure rating of AA-/Aa3 with derogations possible for below AA- within a certain limit
- Loans denominated in EUR and USD only
- No highly complex structured rates loans
- No contractual set off right granted to the borrower
- No defaulted loans

**The Cover Pool is monitored on a monthly basis, eligibility criteria being applied and all defaulted loans are withdrawn**

## B. CREDIT LOGEMENT MECHANISMS (1/2)

### BUSINESS MODEL

- Crédit Logement provides guarantees of home loans in case of non repayment by borrowers, as an alternative to the traditional registration of a mortgage :
  - Each home loan granted by SG and guaranteed by Crédit Logement has to satisfy both Crédit Logement and SG credit policies;
  - Its unique knowledge of the home loan market (working with all the French banks) allows Crédit Logement to remain well aware of market practices.
- Crédit Logement has signed agreements with 190 partner banks it is working with, these agreements stating the rights and obligations of each partner bank.
- The use of Crédit Logement guarantee has a real competitive advantages both for banks and borrowers.

### FOR BORROWERS

- Competitive cost, with repayment of a high portion of the contribution to the Mutual Guarantee Fund (MGF)
- Allow avoidance of French mortgage registration, heavy process
- Flexible: efficient process allowing quick obtaining and cancellation (once loan is fully repaid), with no extra deregistration cost in case of early repayment.

### FOR BANKS

- No cost involved and automatic process to obtain the guarantee approval based on precise criteria
- No administrative burden to follow on the mortgage
- Full and rapid compensation when a guaranteed loan is defaulting
- Excellent risk control: a second risk review
- Recovery process and costs fully managed by Crédit Logement, in particular Crédit Logement developed an expertise on this activity
- Guaranteed home loans eligible to refinancing via SCF and SFH

## B. CREDIT LOGEMENT MECHANISMS (2/2)

### MUTUAL GUARANTEE FUND

- The guarantee provided by Crédit Logement is based on the contribution of each borrower to the Mutual Guarantee Fund (MGF) which is a dedicated guarantee on residential loans
- How does the MGF work and where the money comes from?
  - Initial payment in average around 1% of the loan amount to the MGF for every borrower benefiting from a CL guarantee,
  - Defaulted loans are bought back by Crédit Logement and MGF funds repay the bank,
  - When a loan is fully repaid, part of the initial payment is reimbursed to the borrower (calculated according to the global rate of use of the MGF)
- The MGF mechanism is more profitable to the borrowers in comparison with the standard guarantees offered by some other institutions:
  - Less expensive than a mortgage constitution fee,
  - Borrowers can get back some portion of their initial contribution

### PROCESSES

#### GRANTING PROCESS

- When receiving a guarantee request, in mostly cases through electronic transmission or its extranet, the process works as follows:
  - Internal review of its own register to assess Crédit Logement exposure on this borrower,
  - Automated analysis by the DIAG system,
  - Manual assessment by analysts, in circumstances where DIAG has not provided an automatic clearance.
- DIAG combines a score, limits and professional rules with two main axis of analysis:
  - Customer ability to repay the loan,
  - Analysis of the borrower's available assets, knowing that Crédit Logement has the ability to seize all the assets of the defaulted borrower.

#### RECOVERY PROCESS

- When called on a guarantee, after three unpaid instalments, the process is the following:
- The recovery analyst, after receiving the whole file from the bank, contacts the borrower and try, within a limited period of time, to get full repayment of unpaid amounts
    - Crédit Logement manages to put back to normal loan process 50% of guarantee calls
    - Otherwise, Crédit Logement's target is to get an out of Court sale, but may initiate the property seizure. After sale, Crédit Logement has still the ability to pursue the borrower thanks to the common pledge on the borrower's property
      - During the whole procedure, Crédit Logement may secure its recovery by obtaining a judicial mortgage, within less than a week

# C. SOCIÉTÉ GÉNÉRALE GROUP RESULTS

## QUARTERLY RESULTS

### GROUP NET INCOME

EUR 1.2bn<sup>(1)</sup> in Q2 23

EUR 0.9bn reported

### ROTE

7.6%<sup>(1)</sup> in Q2 23

5.6% reported

### Business performance

#### Group revenues

EUR 6.5bn<sup>(1)</sup> under IFRS17  
-5.4% vs. Q2 22

#### Gross operating income

EUR 2.1bn<sup>(1)</sup> in Q2 23

#### Cost/income ratio

65.8%<sup>(2)</sup> in Q2 23

### Balance sheet and liquidity profile

#### Cost of risk

12 bps in Q2 23

Limited defaults, high level of provision

#### CET 1

13.1%<sup>(3)</sup> at end Q2 23

~330 bps over MDA

Launch of the 2022 share buy-backs

~EUR 440m

#### Liquidity Coverage Ratio

152% at end Q2 23

EUR 284bn liquidity reserves

### Major milestones

#### French networks merger

IT migration completed

#### Boursorama

5m clients milestone reached early July

#### LeasePlan acquisition by ALD

Acquisition closed on 22 May 2023

#### International Retail Banking

Agreements to sell four African subsidiaries

H1 23 underlying<sup>(1)</sup> net income of EUR 2.7bn, ROTE of 9.1%  
H1 23 reported net income of EUR 1.8bn, ROTE of 5.6%

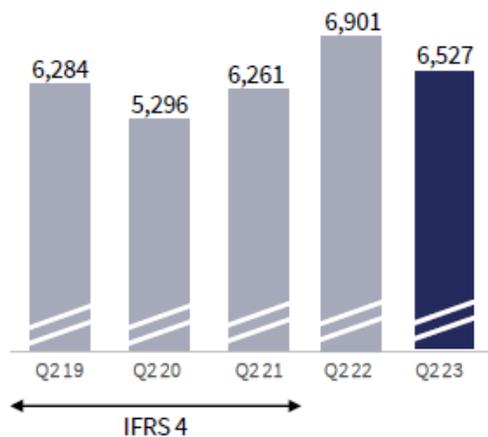
(1) Underlying data: adjusted for exceptional items (see Supplement), (2) Underlying and excluding the contribution to the Single Resolution Fund, (3) Including IFRS 9 phasing, 13.0% fully-loaded  
NB: 2022 figures have been restated, in compliance with IFRS 17 and IFRS 9 for insurance entities

# C. SOCIÉTÉ GÉNÉRALE GROUP RESULTS

## UNDERLYING GROSS OPERATING INCOME IN Q2 23

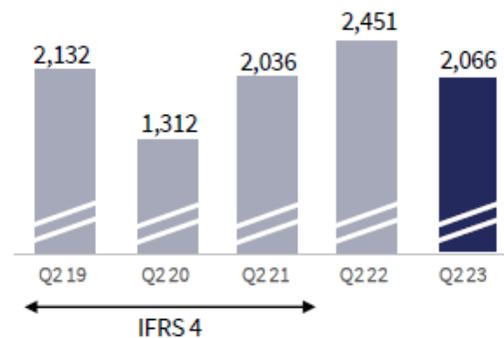
### Revenues

\_Total underlying revenues (EUR m)



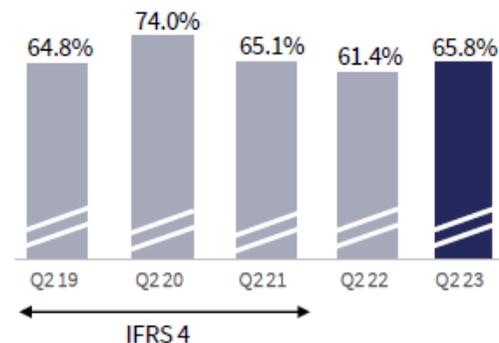
### Gross operating income

\_Underlying gross operating income (EUR m)



### Cost/income ratio

\_Underlying cost/income ratio<sup>(1)</sup>

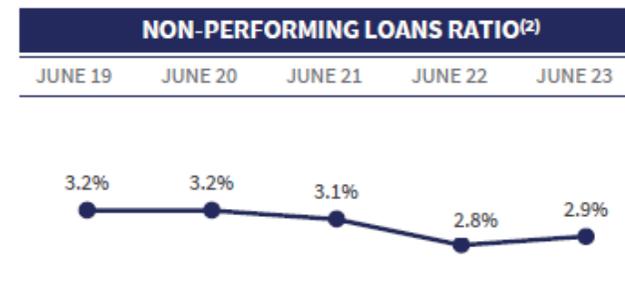
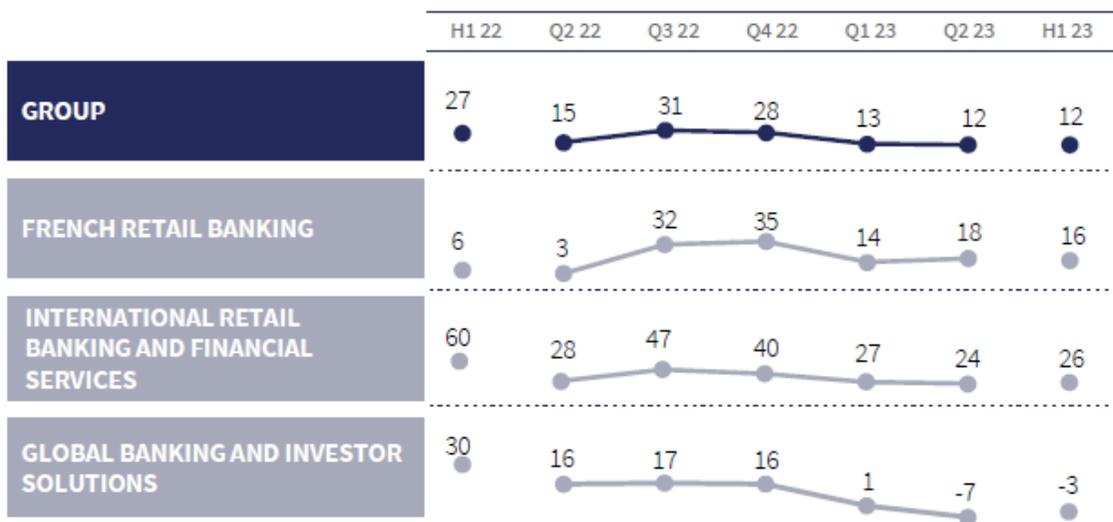


(1) Underlying and excluding the contribution of the Single Resolution Fund

# C. SOCIÉTÉ GÉNÉRALE GROUP RESULTS

## LOW COST OF RISK

\_Cost of risk<sup>(1)</sup> (in bp)



Gross coverage ratio<sup>(3)</sup>: 46% at end June 23  
(Before netting of guarantees and collateral)

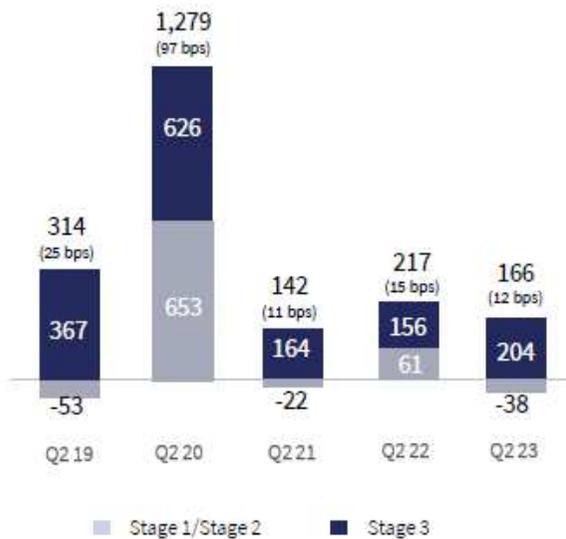
(1) Calculated based on Gross loans outstanding at the beginning of period (annualised), (2) According to new EBA methodology published on 16 July 2019. The NPL rate calculation was modified in order to exclude the net accounting value of the tangible assets for operating lease from the gross exposure in the denominator. Historical data restated (see Supplement), (3) Ratio of S3 provisions to gross book value of NPL before netting of guarantees and collateral

# C. SOCIÉTÉ GÉNÉRALE GROUP RESULTS

## LOW DEFAULTS, PRUDENT PROVISIONING

### Low defaults

\_Cost of risk (in EUR m)



### High level of S1/S2 total provisions

\_Total S1/S2 provisions<sup>1)</sup> (in EUR m)



1) Quarterly variation of provisions for S1/S2 is not strictly matching the net S1/S2 cost of risk mainly due to FX impact

## C. SOCIÉTÉ GÉNÉRALE GROUP RESULTS

### REGULATORY RATIOS COMFORTABLY ABOVE MINIMUM REQUIREMENTS

	Requirements <sup>(1)</sup>	End Q2 23 ratios <sup>(5)</sup>	
		Phased in	Fully loaded
<b>CET1</b>	<b>9.73%</b> <sup>(2)(3)</sup>	13.1%	13.0%
<b>Total Capital</b>	14.16%	18.7%	18,6%
<b>Leverage ratio</b>	<b>3.5%</b>	4.2%	4.2%
<b>TLAC (%RWA)</b>	<b>22%</b> <sup>(3)</sup>	32.1%	32,0%
<b>TLAC (%leverage)</b>	6.75%	8.5%	8.5%
<b>MREL (%RWA)</b>	<b>25.7%</b> <sup>(3)</sup>	33.1%	33,0%
<b>MREL (%leverage)</b>	5.91%	8.7%	8.7%
<b>LCR<sup>(4)</sup></b>	>100%		158%
<b>NSFR</b>	>100%		113%

(1) Requirements are presented as of today's status of regulatory discussions

(2) Based on CRR2/CRD5 rules, with the P2R increase from 2.12% to 2,14%, effective from 1st January 2023

(3) Including counter cyclical buffer (53 bp as of 30.06.23)

(4) On average in the period

(5) For capital ratios: pro-forma estimation, subject to ECB notification

# C. SOCIÉTÉ GÉNÉRALE GROUP RESULTS

## LONG TERM FUNDING PROGRAM

2023 long-term funding program:

- c. EUR 24bn vanilla debt, well balanced across formats
- c. EUR 25bn of structured notes

As of 18 July 23, EUR 39.5bn has been raised under the 2023 funding program, of which:

- c. EUR 24.0bn of vanilla debt (incl. EUR 7.1bn of pre-funding raised in 2022)
- c. EUR 15.5bn of structured notes

As of 18 July 23, funding program conditions:

- MS+79bp (including structured notes, excluding subordinated debt)
- Average maturity of 4.9 years

Additional EUR 1.9bn issued by subsidiaries

Active diversification of the investor base across different currencies (EUR, USD, AUD, CHF, NOK, CNY, GBP, HKD), maturities and types

2023 vanilla long term funding program execution close to 100%<sup>(1)</sup> giving flexibility to consider prefunding for 2024

	Program EUR bn	Issued EUR bn
Secured debt	~ 6 - 7	~7.3
Senior Preferred debt	~6 - 7	~7.1
Senior Non Preferred debt	~5 - 6	~5.2
Subordinated debt (AT1/T2)	~4 - 5	~2.4 AT1    ~2.0 T2

### Selected recent transactions

 <b>Societe Generale</b> In Jun-23 <b>Senior Preferred 10Y</b> GBP 500m 6.250% Jun-33	 <b>Societe Generale</b> In Jan-23: <b>Additional Tier 1 PerpNC6.5</b> EUR 1,000m 7.875% PerpNC29	 <b>Societe Generale</b> In Jan-23 <b>Senior Non-Preferred</b> USD 1,250m 6.447% 27NC26 USD 1,250m 6.446% 29NC28 USD 1,500m 6.691% 34NC33 <b>Tier 2 30Y bullet</b> USD 1,000m 7.367% Jan-53
 <b>Societe Generale SFH</b> In Jul-23 <b>Covered Bonds 3Y &amp; 7Y</b> EUR 1,250m 3.625% Jul-26 EUR 1,250m 3.375% Jul-30	 <b>Societe Generale</b> In May-23 <b>Tier 2 10Y bullet</b> EUR 1,000m 5.625% Jun-33 <b>Senior Preferred 4Y</b> EUR 1,250m 4.125% Jun-27	

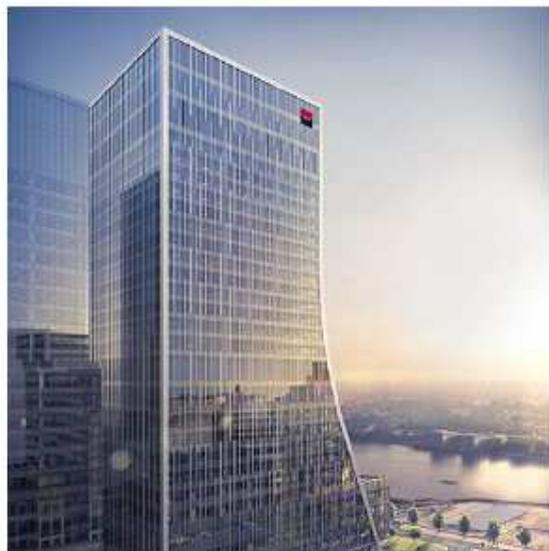


# C. SOCIÉTÉ GÉNÉRALE GROUP RESULTS

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## SAVE THE DATE

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### Capital Markets Day

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#### SAVE THE DATE

Societe Generale Capital Markets Day

**Monday 18 September**

9.00 to 13.00 (BST)

London, United Kingdom



# PUBLICATIONS AND CONTACTS

## PUBLICATIONS

Link to the **SOCIETE GENERALE's website** :

<https://investors.societegenerale.com/fr/informations-financieres-et-extra-financiere/investisseurs-dette>

Link to the **SOCIETE GENERALE prospectus' website** :

<https://prospectus.socgen.com/>

Link to the **Covered Bond Label's website** :

<https://www.coveredbondlabel.com/>

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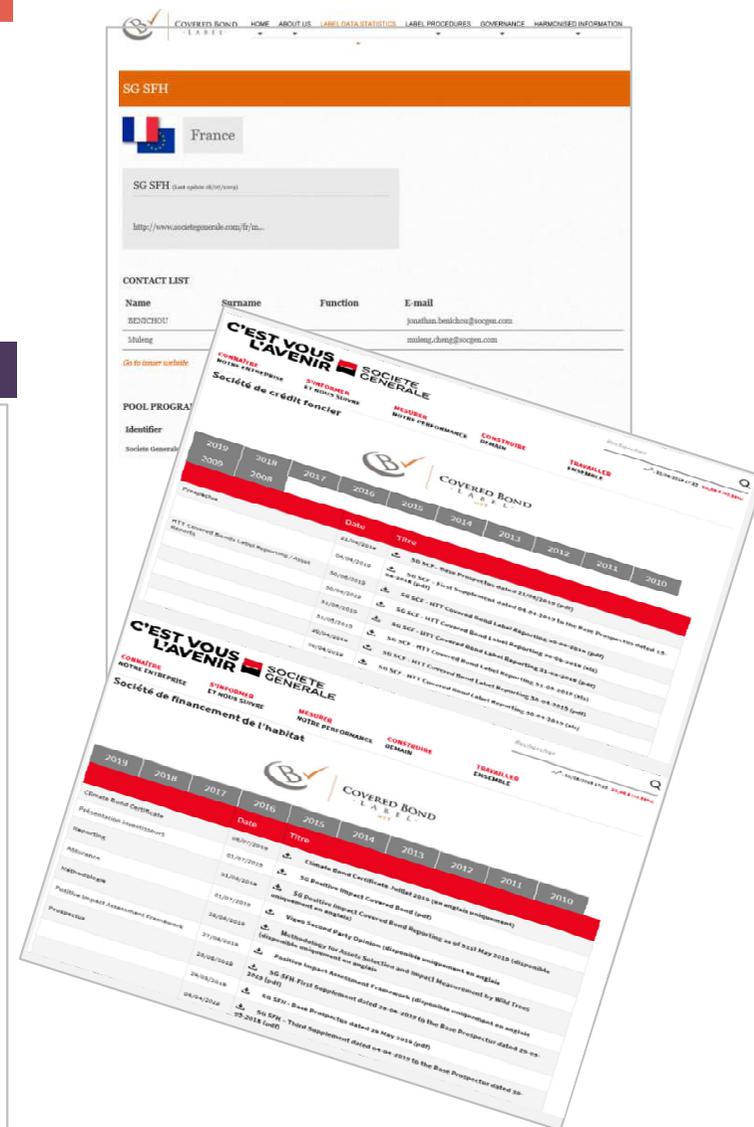
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This presentation contains forward-looking statements relating to the targets and strategies of the Société Générale Group.

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 Société Générale, Société Générale SFH and Société Générale SCF believe that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, in particular in Ukraine war context, 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 Société Générale's markets in particular, regulatory and prudential changes, and the success of Société Générale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Société Générale, Société Générale SFH or Société Générale SCF's financial results can be found in Société Générale Registration Document, Société Générale SFH and Société Générale SCF Base Prospectus as supplemented, both filed with the French Autorité des Marchés Financiers.

Further information regarding Société Générale Positive Impact Covered Bonds Framework are available on the website of Société Générale (<https://investors.societegenerale.com/fr/informations-financieres-et-extra-financiere/investisseurs-dette>)

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, Société Générale, Société Générale SFH and Société Générale SCF do 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.

Figures in this presentation are unaudited.