

# INVESTOR PRESENTATION

## SOCIETE GENERALE COVERED BOND PROGRAMS SG SFH & SG SCF



September 2017

BUILDING TOGETHER  
TEAM SPIRIT  SOCIETE  
GENERALE

## DISCLAIMER

---

**This document may contain a number of forecasts and comments relating to the targets and strategies of the Societe Generale Group.**

**These forecasts are based on a series of assumptions, both general and specific, notably - unless specified otherwise - 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.**

**This information was developed from scenarios based on a number of economic assumptions for 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;**
- to evaluate precisely 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 presentation.**

**There is a risk that these projections will not be met. Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when basing their investment decisions on information provided in this document.**

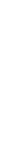
**More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the Registration Document filed with the French Autorité des Marchés Financiers.**

**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 quarter and half year ending 30th June 2017 was reviewed by the Board of Directors on 1st August 2017 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date. The limited review procedures on the condensed interim financial statements at 30th June 2017 carried out by the Statutory Auditors are currently underway.**

---

# CONTENTS



## SOCIETE GENERALE GROUP RESULTS (1<sup>st</sup> HALF 2017)

### GENERAL PRESENTATION: **SG SFH & SG SCF**

1. **SG SFH COVERED BOND PROGRAM**
2. **SG SCF COVERED BOND PROGRAM**

### Resilient revenues of Businesses

Strong momentum in International Retail Banking and Financial Services  
Resilience of Global Banking and Investor Solutions  
Good commercial momentum in negative rate environment in French Retail Banking  
Exceptional items in both Q2 17 (EUR -963m impact of LIA settlement)  
and Q2 16 (EUR 725m impact of Visa transaction)

Core Businesses NBI vs. Q2 16  
**EUR 6.4bn -0.5%**

### Costs under control

Operating expenses vs. Q2 16  
**EUR 4.2bn +1.2%**

### Further decrease in cost of risk

Cost of risk<sup>(1)</sup> vs. Q2 16  
**15bp vs. 38bp**

**Group Net Income<sup>(3)</sup>: EUR 1,218m in Q2 17 vs. EUR 1,599m in Q2 16 (inc. Visa)**

Underlying Group Net Income<sup>(2)</sup>  
vs. Q2 16  
**EUR 1,165m +11.0%**

### Strong capital position

Earning per share EUR 1.94 (EUR 2.12<sup>(3)</sup>) in H1 17  
Provision for dividend: EUR 1.10/share

CET1  
**11.7%**

**Overall good H1 results - Underlying Group Net Income<sup>(2)</sup>: EUR 2,551m in H1 17 +32.6% vs. EUR 1,924m in H1 16  
ROE<sup>(2)</sup>: 9.5% in H1 17 vs. 7.5% in H1 16**

(1) Annualised, in basis points. Outstandings at the beginning of period. Excluding litigation

(2) Adjusted for non-economic and exceptional items and IFRIC 21. See Methodology and Supplement p. 28

(3) Excluding non-economic items (revaluation of own financial liabilities and DVA (refer to p. 28))

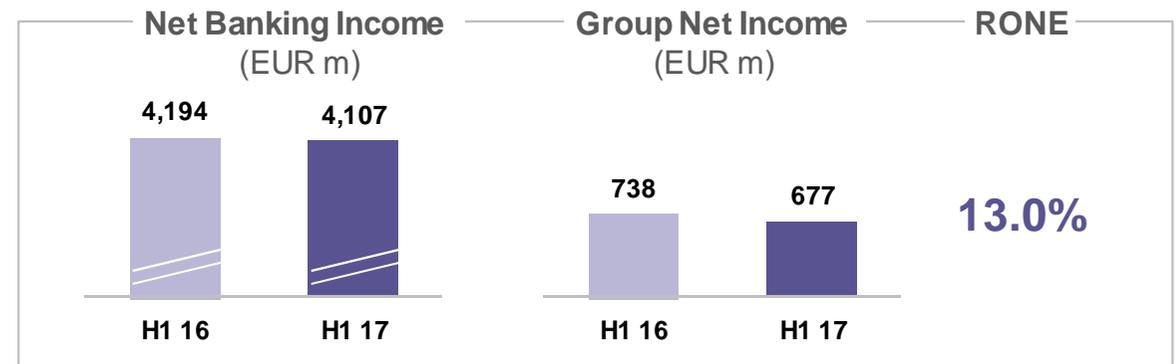
Note: Capital ratios reported are "fully loaded" under CRR/CRD4 rules including the Danish compromise for Insurance - see Methodology

# Leveraging the growth potential of a well-balanced business model

## French Retail Banking

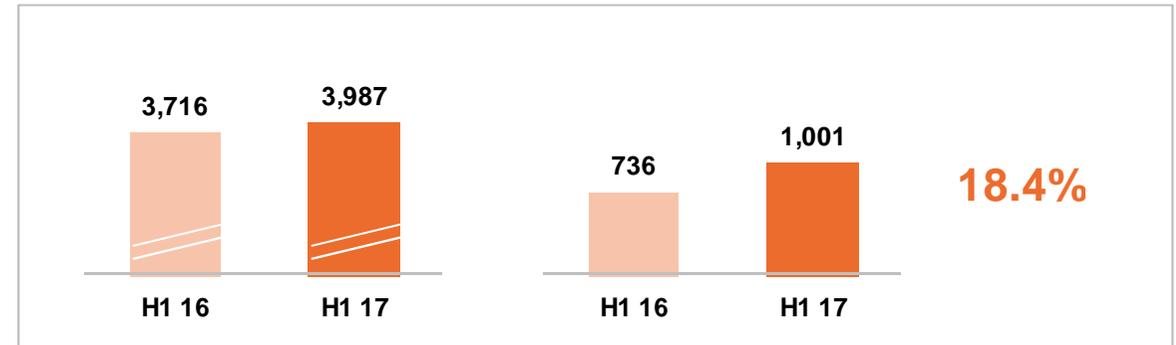
Good commercial momentum in negative rate environment  
 Development of fee business  
 Transformation on track

H1 17 figures



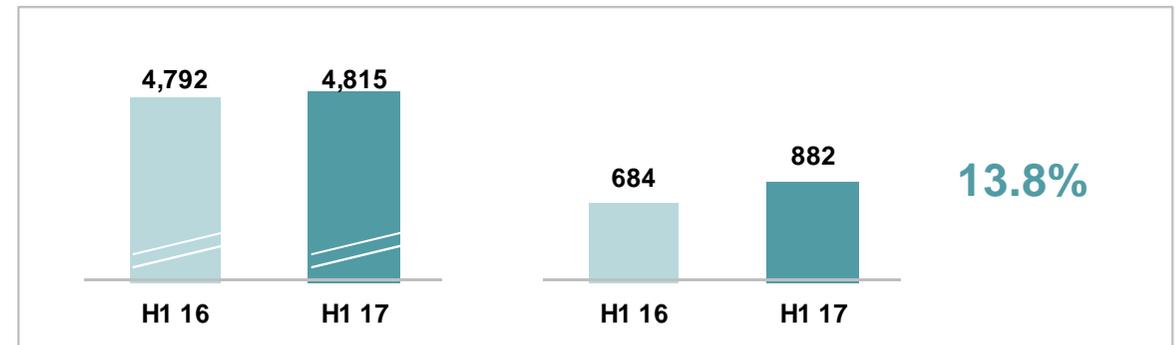
## International Retail Banking and Financial Services

Strong revenue growth  
 Low cost of risk  
 Growth in Group Net Income in all businesses  
 Profitability at historical high



## Global Banking and Investor Solutions

Resilience and low volatility of revenues  
 Good results reflecting transformed business model  
 Decrease in costs and low cost of risk



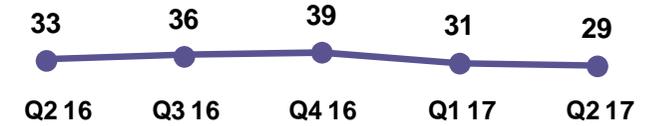
Note: RONE adjusted for IFRIC 21  
 NBI and Group Net Income adjusted for PEL/CEL provision for French Retail Banking and Euribor fine refund pour Global Banking and Investor Solutions in Q1 16

■ French Retail Banking    ■ International Retail Banking and Financial Services    ■ Global Banking and Investor Solutions

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

French Retail Banking

Stable cost of risk  
 Improving French economy



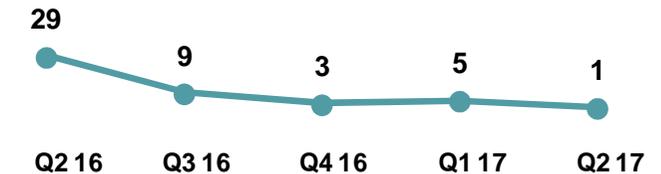
International Retail Banking and Financial Services

Cost of risk for Q2 17 at a historical low  
 Very few new defaults, net write-backs in Romania



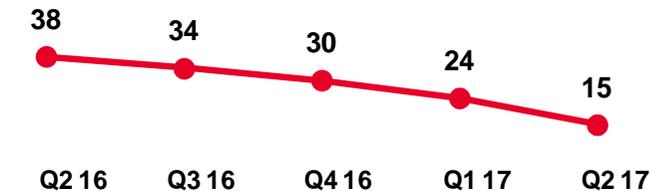
Global Banking and Investor Solutions

Low cost of risk across all regions and sectors



Group

Low cost of risk reflecting strong Group risk profile  
 and improved environment



(1) Commercial Cost of Risk in basis points: Excluding provisions for disputes. Outstandings at beginning of period. Annualised

# Capital ratios well above regulatory requirements

**CET1<sup>(1)</sup> at 11.7%, up +7bp vs. Q1 17**

Capital position already in line with end-2017 target [11.5%-12%]

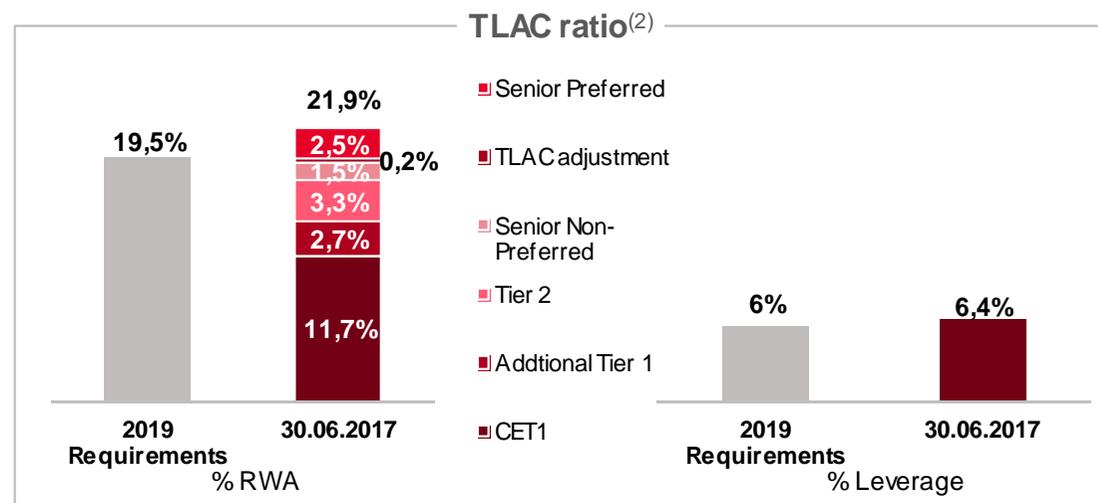
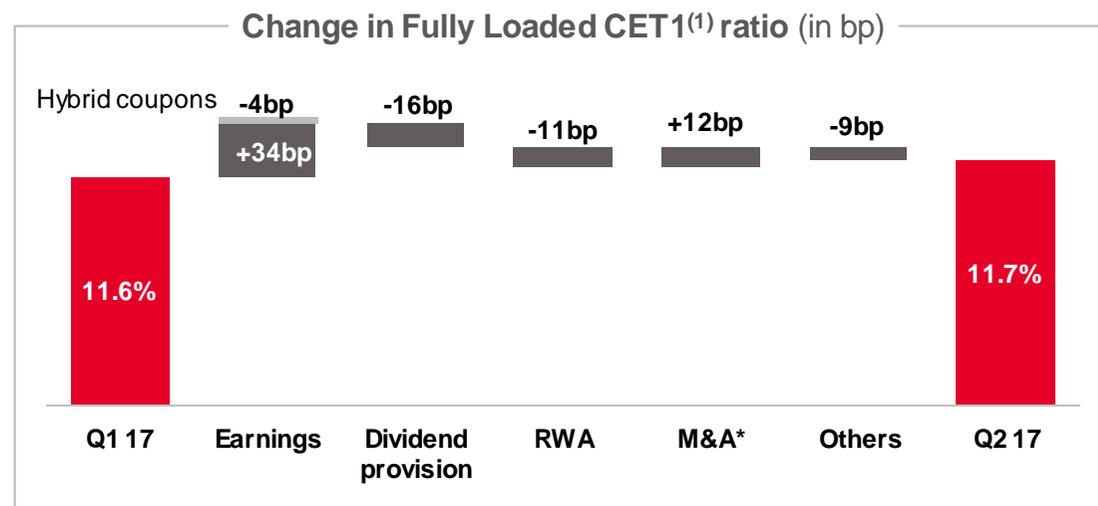
**Total Capital ratio at 17.7%**

**Leverage ratio at 4.2%**

**TLAC ratio already exceeding 2019 FSB requirements: 21.9% of RWA and 6.4% of leverage exposure at end-Q2 17**

Issued benchmark Senior Non-Preferred debts: EUR 5.2bn since December 2016

**Balance sheet ratios comfortably above regulatory requirements**



\* Antarius acquisition, disposal of Splitska Banka and ALD IPO

(1) Fully loaded, based on CRR/CRD4 rules, including the Danish compromise for Insurance. See Methodology

(2) Requirements excluding non significant impact of countercyclical buffer

Note : Capital and TLAC eligible debt computed as sum of (i) Regulatory fully loaded Total Capital (ii) TLAC adjustments (iii) Senior non preferred debt and (iv) senior preferred debt capped at 2.5% of RWA amount. RWA and leverage exposure computed as in CRR/CRD IV. TLAC adjustments: Deduction of Tier 2 instruments maturing within a year and integration of regulatory hair-cut

**Parent company 2017 funding programme EUR 24.1bn**

Including EUR 17.1bn of structured notes

Completed at 75% at 19<sup>th</sup> July 2017 (EUR 18.1bn, including 65% of structured notes)

Competitive funding conditions: MS6M+26bp, (incl. senior non preferred debt, senior preferred debt and covered bonds), average maturity of 5 years

Diversification of the investor base (currencies, maturities)

Additional EUR 2.6bn issued by subsidiaries

**Q2 17 Landmark Issuance**

**AUD 500M 10Y Bullet Tier 2  
& AUD 150M TAP**



**Societe Generale**  
 10 Y Bullet Tier 2  
 5.000% 19-May-27  
 AUD 650,000,000

Second AUD Tier 2 of the year

Largest AUD subordinated transaction issued by a non-domestic issuer in recent years

**EUR 1bn 7Y FRN  
Senior Non-Preferred**



**Societe Generale**  
 7 Y FRN Senior Non-Preferred  
 3mE+80bp 22-May-24  
 EUR 1,000,000,000

Longest FRN ever done in Senior Non-Preferred format

High European investor diversification

**Dual tranche JPY 37.6bn 5Y & JPY 42.4bn 10Y  
Senior Non-Preferred**



**Societe Generale**  
 5 Y Senior Non-Preferred  
 0.448% 26-May-22  
 JPY 37.6bn

High diversification of funding sources after several forays in EUR, USD, SEK and CHF in 2017

Taking advantage from the strong appetite from Japanese investors following the French elections, in a risk-on environment



**Societe Generale**  
 10 Y Senior Non-Preferred  
 0.847% 26-May-27  
 JPY 42.4bn

**EUR 750M 8Y Bullet  
Covered bond**



**SG SFH Covered Bond**  
 8 Y Bullet  
 0.500% 02-Jun-25  
 EUR 750,000,000

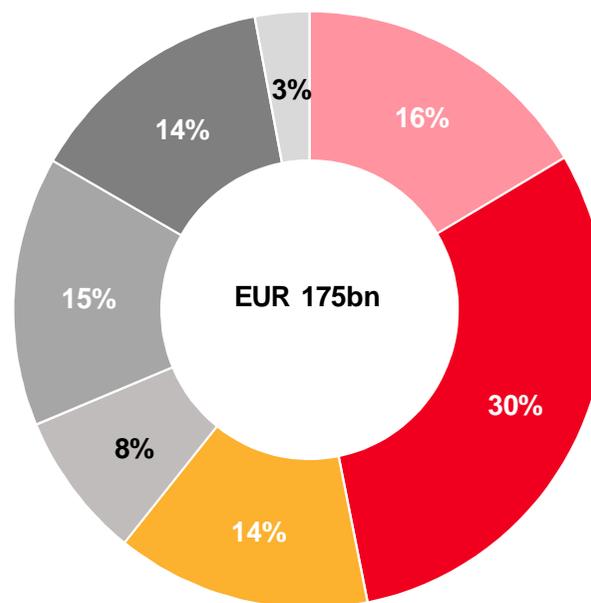
Second covered bond of the year after the EUR 750M 7Y launched in January

# SOCIETE GENERALE GROUP

## Long term funding breakdown

Long Term Funding Breakdown<sup>(1)</sup>

30.06.17



■ Subordinated debt<sup>(2)</sup>

■ LT interbank liabilities<sup>(5)</sup>

■ Subsidiaries

■ Senior Non-Preferred issues

■ Senior vanilla Preferred unsecured issues<sup>(3)</sup>

■ Senior structured issues

■ Secured issues<sup>(4)</sup>

(1) See : Methodology

(2) Including undated subordinated debt

(3) Including CD & CP >1y

(4) Including CRH

(5) Including IFI

---

# CONTENTS

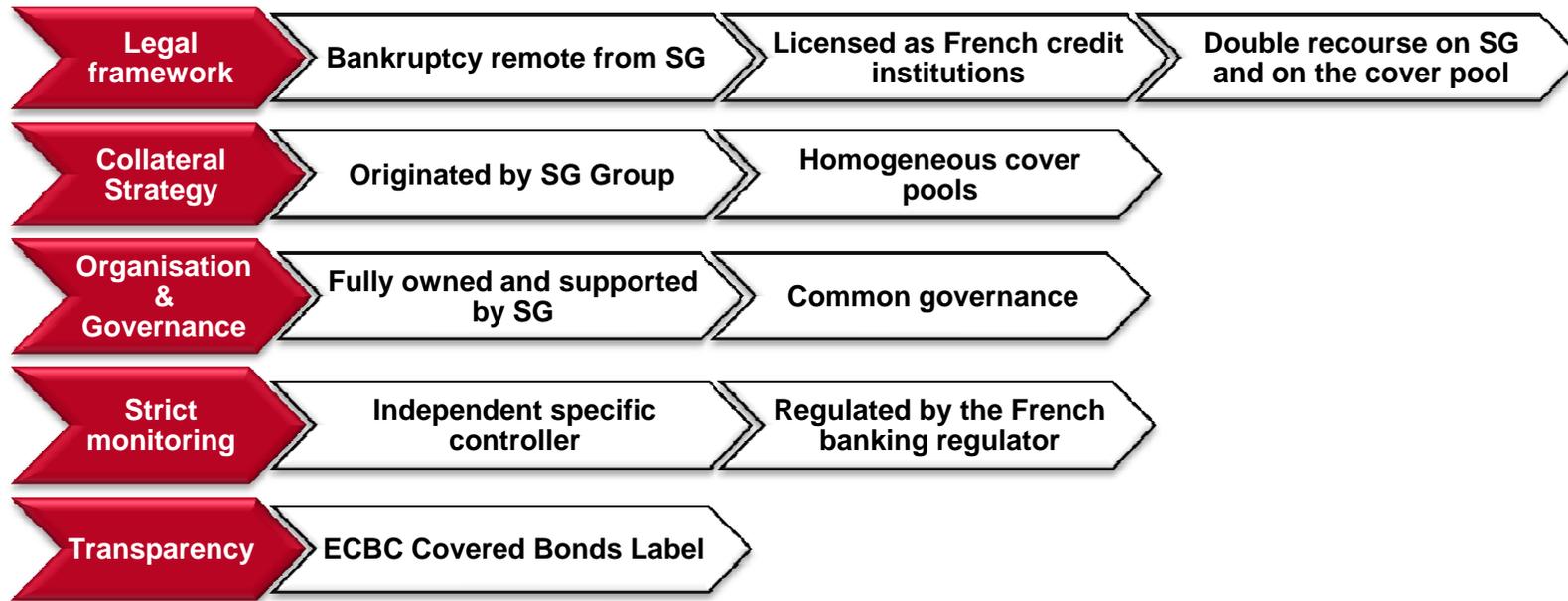
SOCIETE GENERALE GROUP RESULTS (1<sup>st</sup> HALF 2017)

GENERAL PRESENTATION: **SG SFH & SG SCF**

1. **SG SFH COVERED BOND PROGRAM**
2. **SG SCF COVERED BOND PROGRAM**

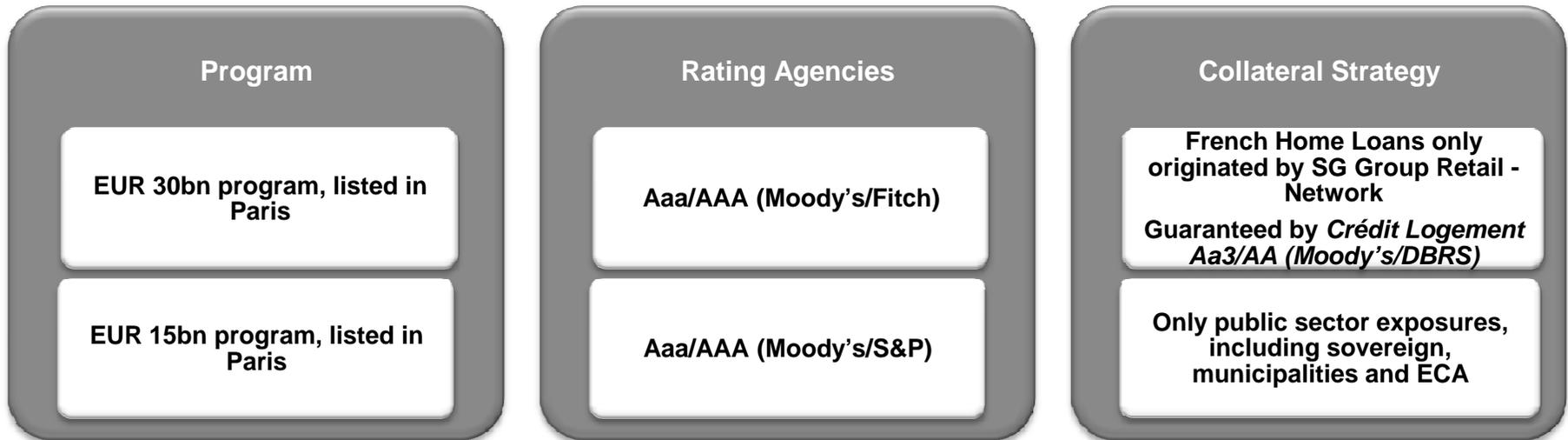
Two issuers with similar structure, a centralized and strict monitoring

SG SCF & SG SFH have many points in common



SG SFH

SG SCF



### Supervision

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

### Exclusive Legal Purpose

- Business purpose limited by law to the sole refinancing of eligible assets
- Restrained legal eligibility criteria targeting an extremely high quality collateral selection
- Substitution assets limited to 15% of the privileged debt

### Derogatory 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)

### Transfer of Collateral

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

### 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

## Covered bonds provide preferential regulatory treatment for bank investors

### Capital Requirements Regulations (CRR) (10% Weighting)

#### •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 when the loan is granted, and for the loans granted from 1 January 2014 the borrower is contractually committed not to grant such liens without the consent of the credit institution

#### •SG SCF (Art 129.1.a.b)

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



### High Quality Liquid Assets (L1 & L2A)\*

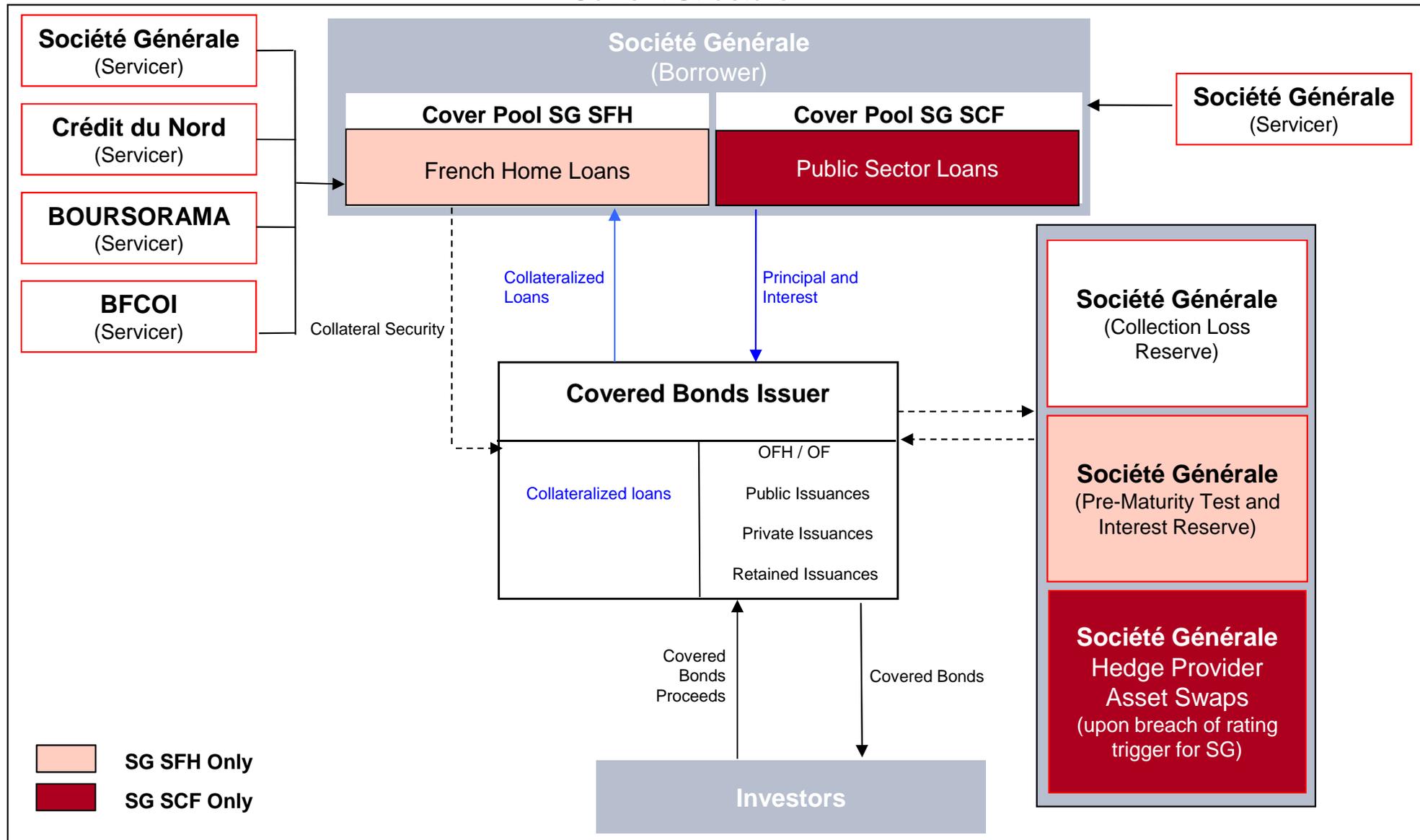
- UCITS compliant (52.4) ([http://ec.europa.eu/finance/investment/legal\\_texts/index\\_fr.htm](http://ec.europa.eu/finance/investment/legal_texts/index_fr.htm))
- Transparency requirements (Art. 129.7)\*
- Minimum issuance size (at least EUR 250 million for L2A and EUR 500 million for L1)
- Step 1 covered bond ratings by 2 ECAs
- Cover Ratio > 102% (SG SCF: 145.6% and SG SFH:111.6%)
- Exposures towards Credit institutions <15 % of outstanding covered bonds



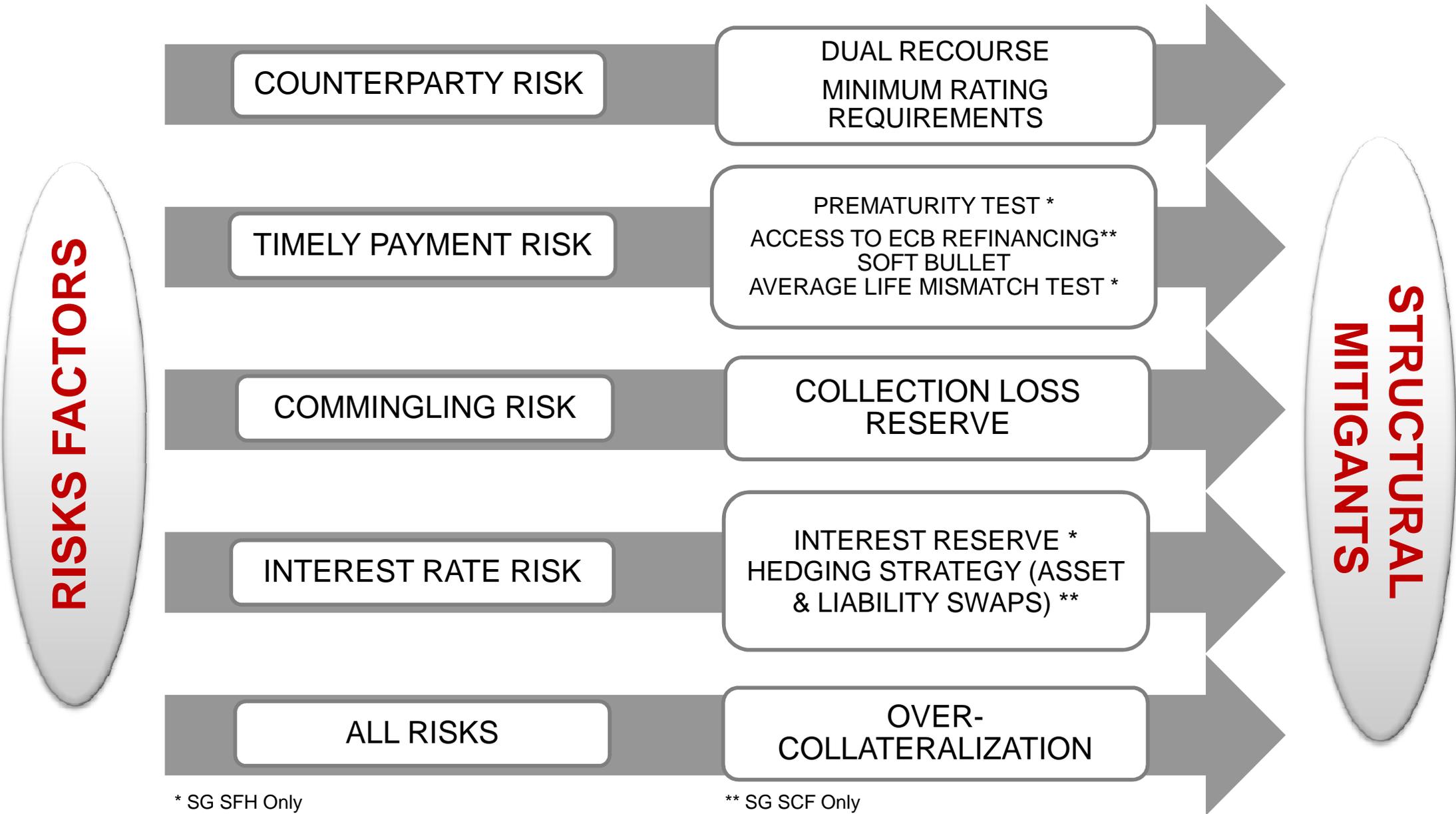
\* cf. ECBC Report available on the investor website (<http://www.societegenerale.com/fr/mesurer-notre-performance/investisseurs/investisseurs-dette>)

# Comprehensive and simple structures compliant with Rating Agencies criteria

## Current Structure



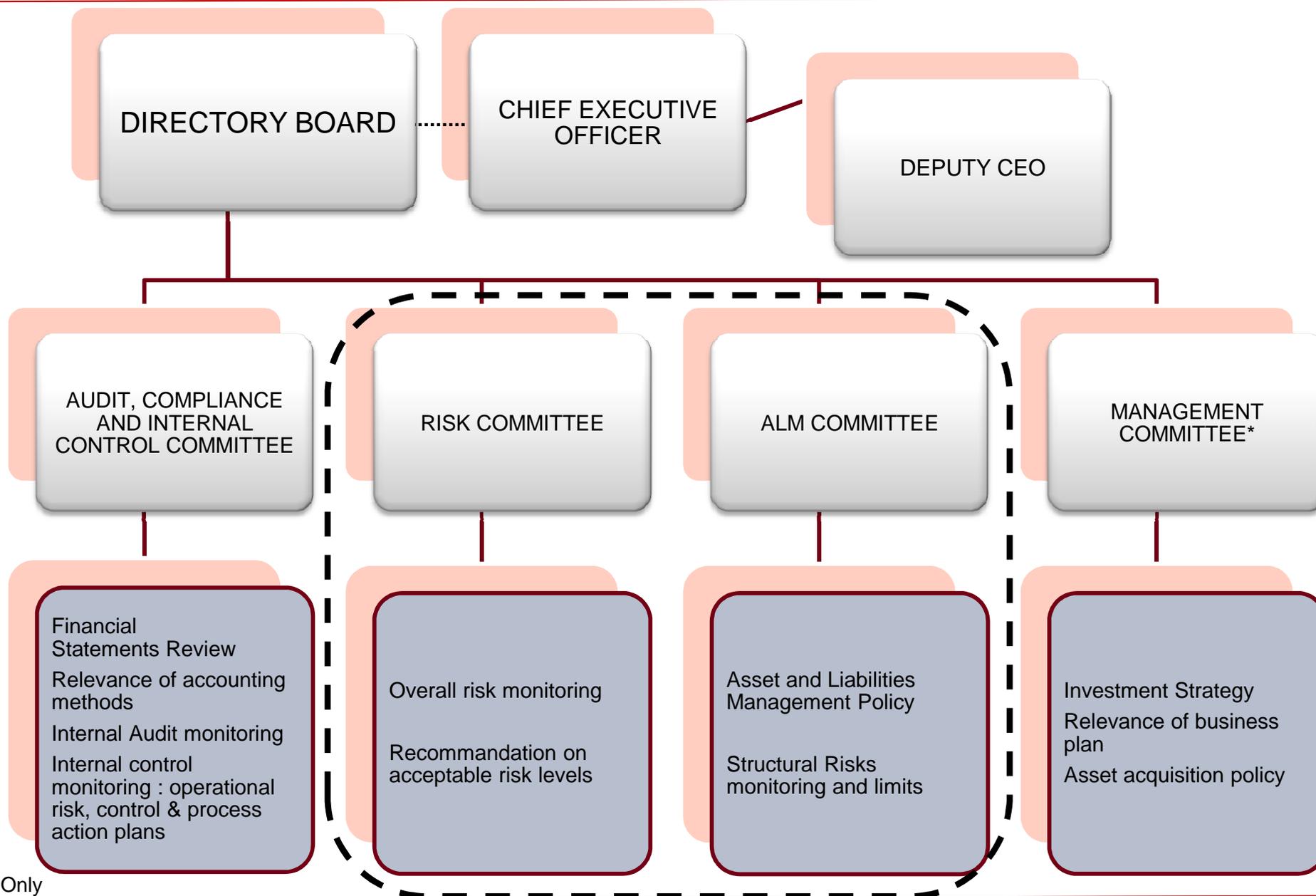
Risks are rigorously managed and strongly mitigated



\* SG SFH Only

\*\* SG SCF Only

## Dedicated governance and strong control environment



\* SG SCF Only

---

# CONTENTS



SOCIETE GENERALE GROUP RESULTS (1<sup>st</sup> HALF 2017)

GENERAL PRESENTATION: **SG SFH & SG SCF**

- 1. SG SFH COVERED BOND PROGRAM**
- 2. SG SCF COVERED BOND PROGRAM**

## 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
- Realizes funding advantages to increase SG Group competitiveness

### Attractive and resilient market segment

- Low home ownership rate allowing further development of the French Home Loan business
- Resilient home prices
- High quality and well performing prime loans
- Dedicated mutual guarantee mechanism (Crédit Logement)

### Concentration on core competences

- Home loans represent 50% of French retail network
- Sustained home loan production focusing on upscale clients

### Strict selection criteria

- Double credit approval at origination at SG and Crédit Logement levels
- Due diligence on legal compliance of the selected assets made by the Specific Controller
- Additional self-imposed investment restrictions at SG SFH level: residual maturity can not exceed 30 years, no unpaid instalment, borrowers are not SG employees

# Strategic Integration in SG Group: Diversified home loans origination and sources of collateral



## OUTSTANDING LOANS REFINANCED THROUGH SG SFH



A solid universal bank in the service of the economy

**2 246**  
agencies

**€ 24.5bn**  
home loans outstanding



8 regional banks

**899**  
agencies

**€ 4.1bn**  
home loans outstanding

DEVELOPPONS ENSEMBLE L'ESPRIT D'EQUIPE



29 agencies

Leading player in the economic environment of la Réunion & Mayotte

**€ 80m**  
home loans outstanding

## NEW ENTITY REFINANCED THROUGH SG SFH



N°1 in the online bank in France

Leading player of the brokerage and on line savings

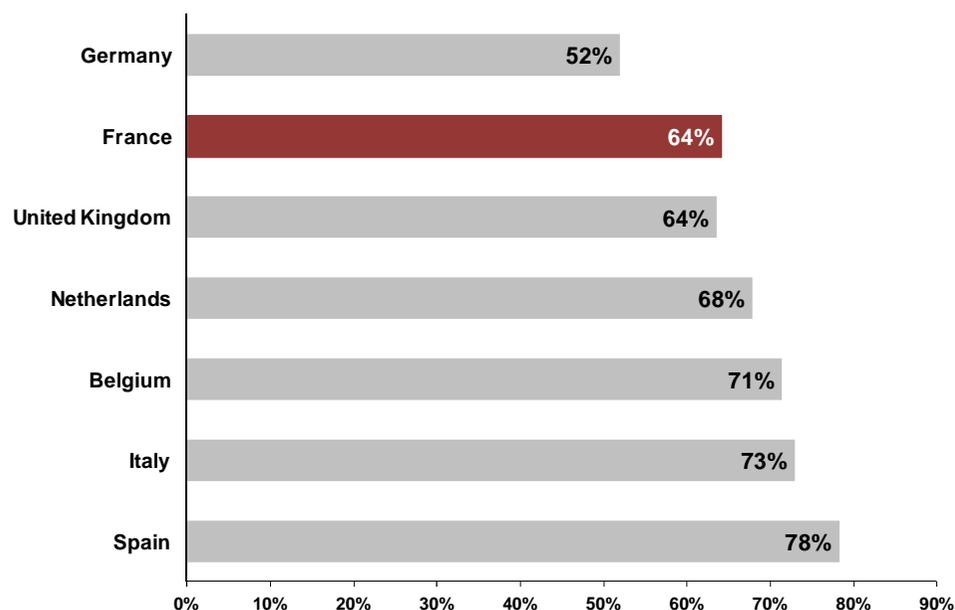
**€ 1.9bn**  
home loans outstanding

Figures as of end of June 2017

## Attractive and resilient market segment : French home loan market context

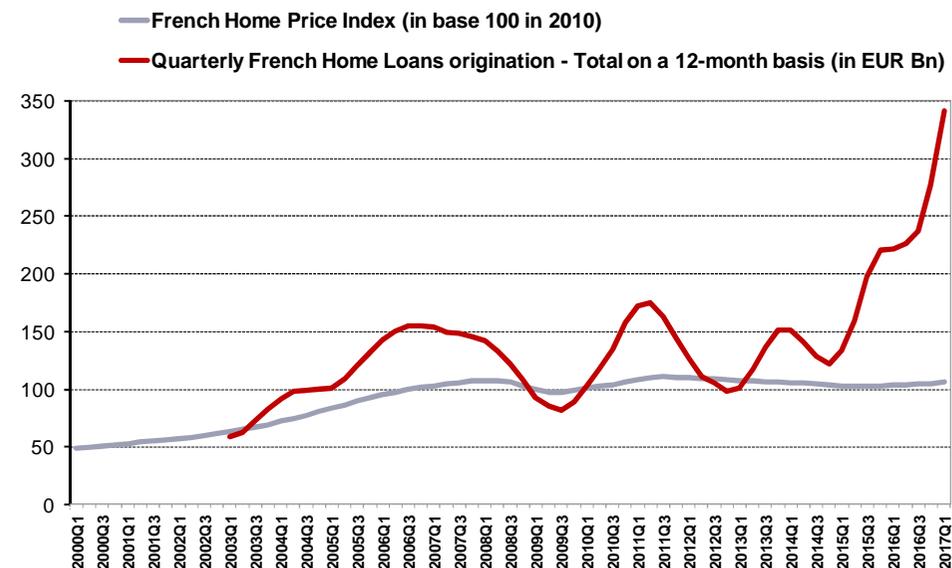
- 64% ownership rate in 2015 (one of the lowest in EU)
- 30.7% of French households bearing residential loans in 2016
- Home prices resilient (very limited impact during financial crisis)
- Maturity at origination below French market practice

European home ownership %



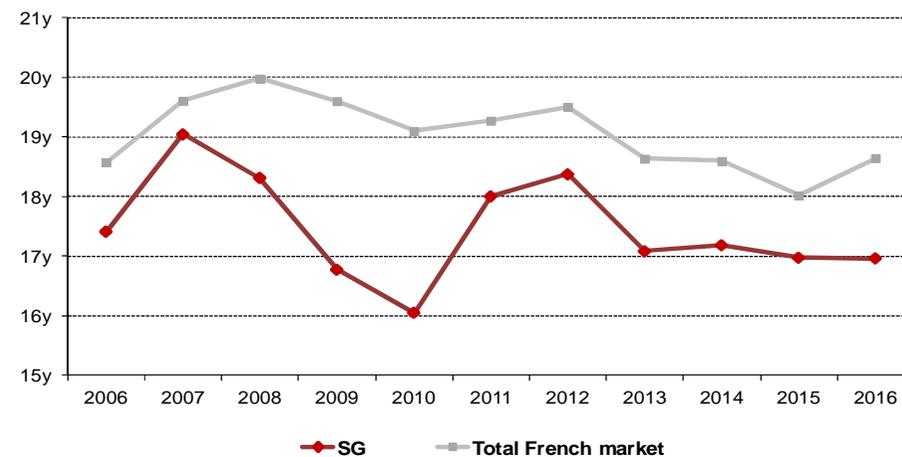
Source : Eurostat, 2015

French home loan market



Source : Banque de France / Insee-Notaries

Maturity of home loans at origination

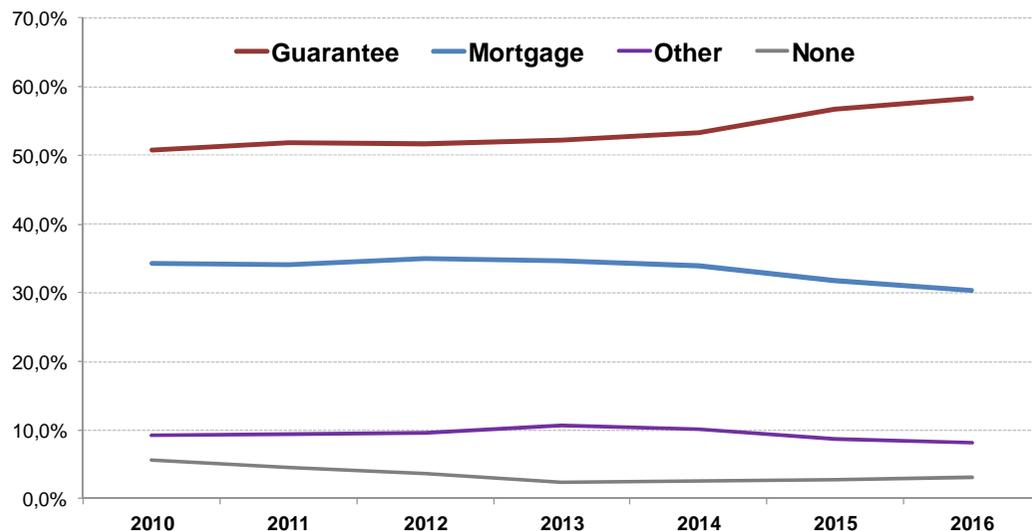


Source: ACPR - SG

## Attractive and resilient market segment: French home loans main characteristics

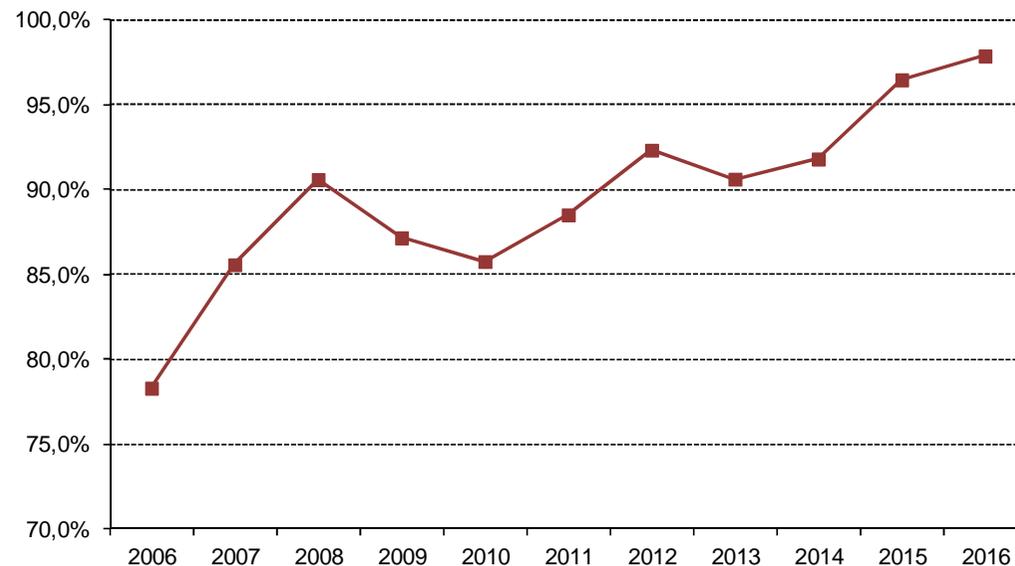
- Amounts lent are based on the borrower's capacity to repay
- Guaranteed rather than mortgage loans
- Mostly fully fixed rate loans with constant instalments
- No home equity loan market

Type of security of French Home loans outstanding



Source : Enquête Habitat 2016 - ACPR

Portion of fixed rate loans in French home loans origination

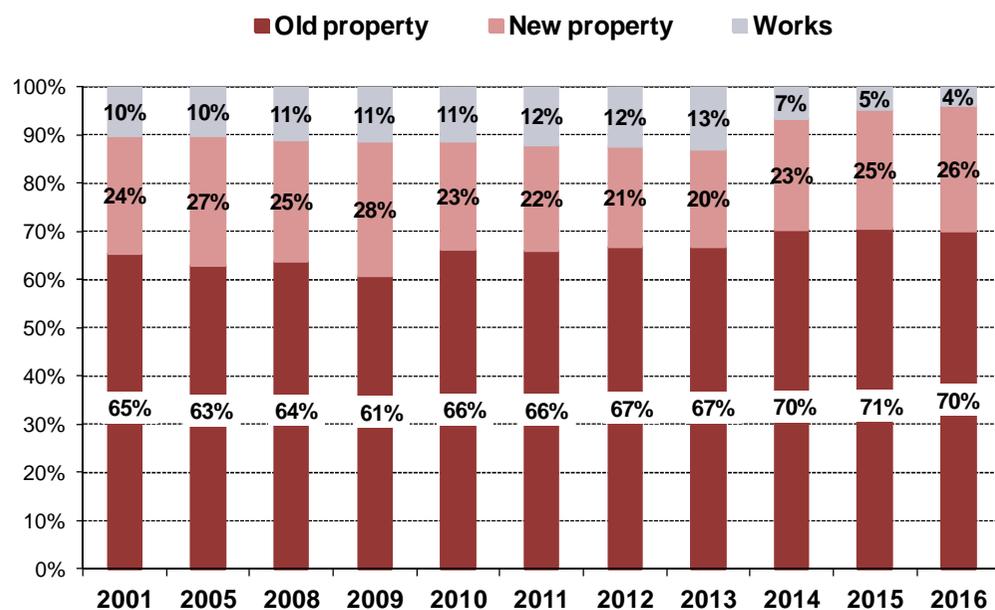


Source: ACPR

## Attractive and resilient market segment: A prime home loan market

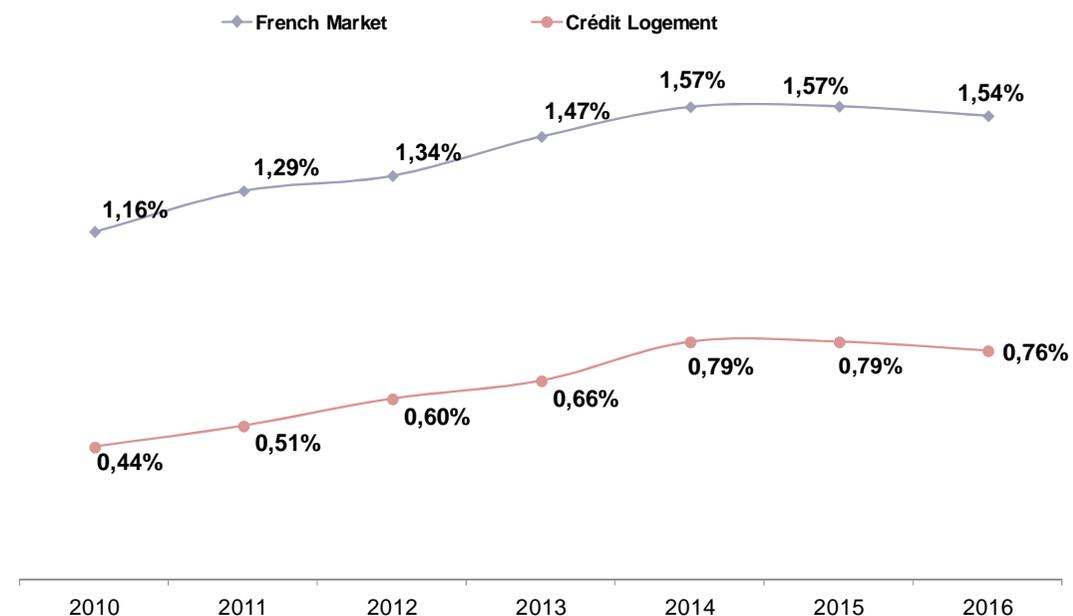
- The French home loan market is a prime home loan market
  - \_ Mainly on existing properties (+/- 2/3)
- Default rates remain at low level
  - \_ At national level
  - \_ Especially when guaranteed by Crédit Logement

French market – Loan purpose  
(Crédit Logement classification)



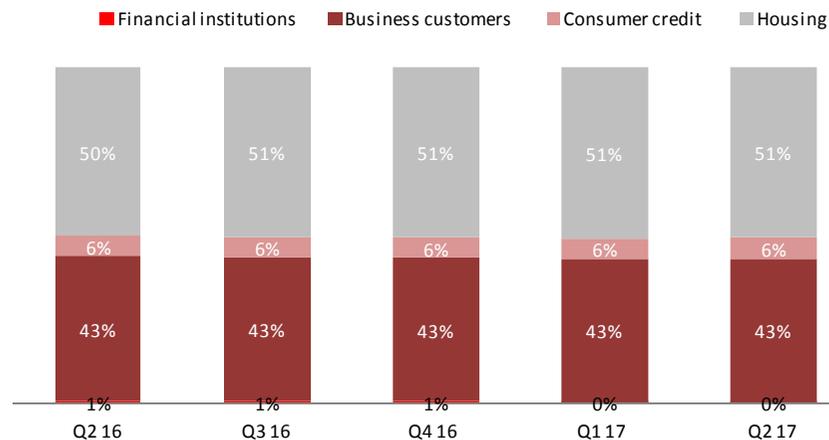
Source : Observatoire de la Production des Crédits Immobiliers (OPCI)

Doubtful home loans

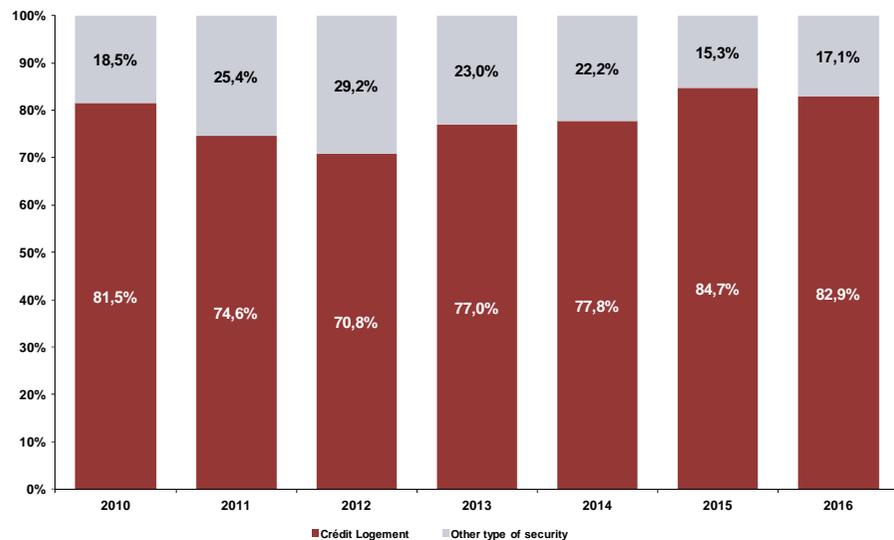


Source ACPR, Crédit Logement

SG French retail outstanding loans breakdown



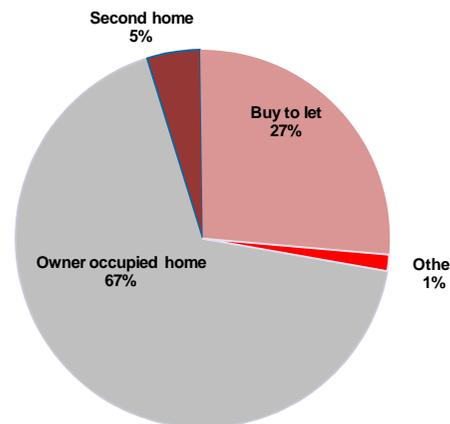
Annual SG Retail Home loans origination—Breakdown by type of security



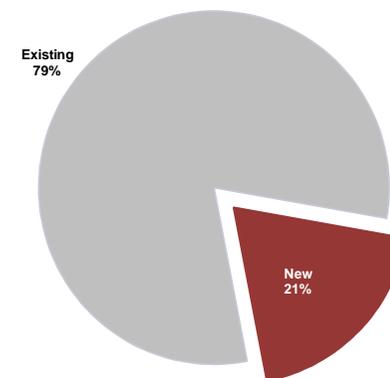
Société Générale French Home Loan Business

Breakdown as of end of 2016

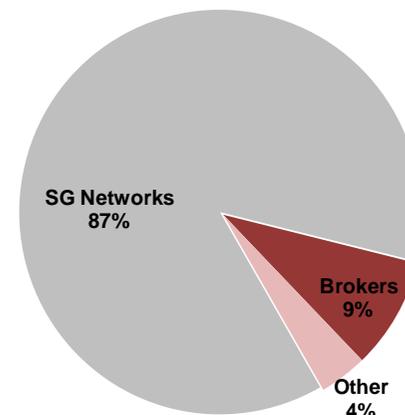
Type of loan purpose



Type of clients



Type of acquisition channel



## CREDIT LOGEMENT PERFORMANCE

- **“Guaranteed loans” market share in home loan market** : in 2016, guaranteed loans represented 58%(\*) of the overall residential loans granted in France
- **Crédit Logement is the national leader** of the home loan guarantee, with a market share of around 38% of the whole home loan market.
- Main figures(\*):

in EUR Bn	2011	2012	2013	2014	2015	2016
French home loan production	156,5	109,2	140,5	121,6	192,6	180,4
CL Guarantee production	51,1	35,1	49,1	43,2	80,4	69,4
<i>CL guarantee production market share</i>	33%	32%	35%	36%	42%	38%
French home loan outstanding	722,3	754,9	783,4	802,4	834,1	870,8
CL Guarantees outstanding	224,0	232,9	245,5	254,3	280,3	301,1
<i>CL guarantees outstanding market share</i>	31%	31%	31%	32%	34%	35%

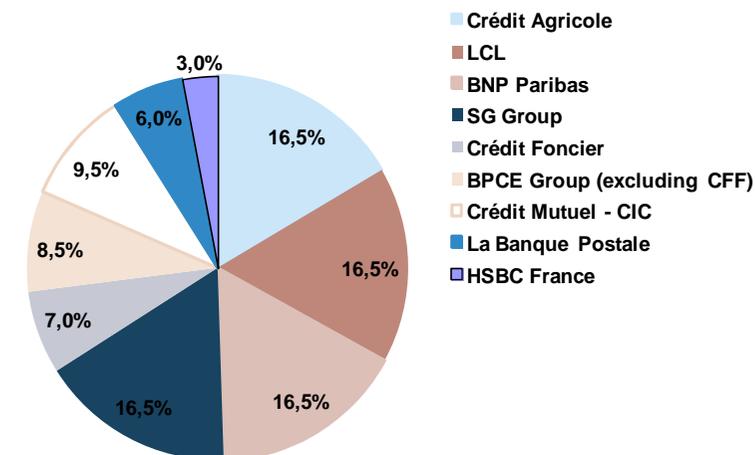
- Disbursements on guarantee calls and full partner bank compensations are paid from the **Mutual Guarantee Fund (MGF)\*\***, while Crédit Logement overheads are covered by payments partly spread over the life time of the guarantees.
- Crédit Logement NBI also comprises interest income from the MGF investments and reached EUR 218m in 2016 (EUR 435m in 2015 and 215 in 2014, 2015 including exceptional cash flow events - balancing cash adjustment and capital gain on mutual funds of EUR 163.5m).

(\*) Source: Enquête annuelle 2015 du SG ACPR sur le financement de l'habitat

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

## OTHER CREDIT LOGEMENT CREDENTIALS

- **Crédit Logement is owned by all largest French banks:**
  - \_ Long term rating
    - Aa3 by Moody's (under stable outlook)
    - Aa low by DBRS (under stable outlook)
  - \_ Commitment of partners and shareholders to rebuild the MGF if necessary.
- **Crédit Logement, a financial institution supervised by the French Banking Regulator (*Autorité de Contrôle Prudentiel et de Résolution*)**
- **Despite the 2008/2009 financial crisis, Crédit Logement risk remains low and totally under control**
- **In 2016 the MGF covers 2.1 times all doubtful debts (defined as >3 months instalments arrears)**

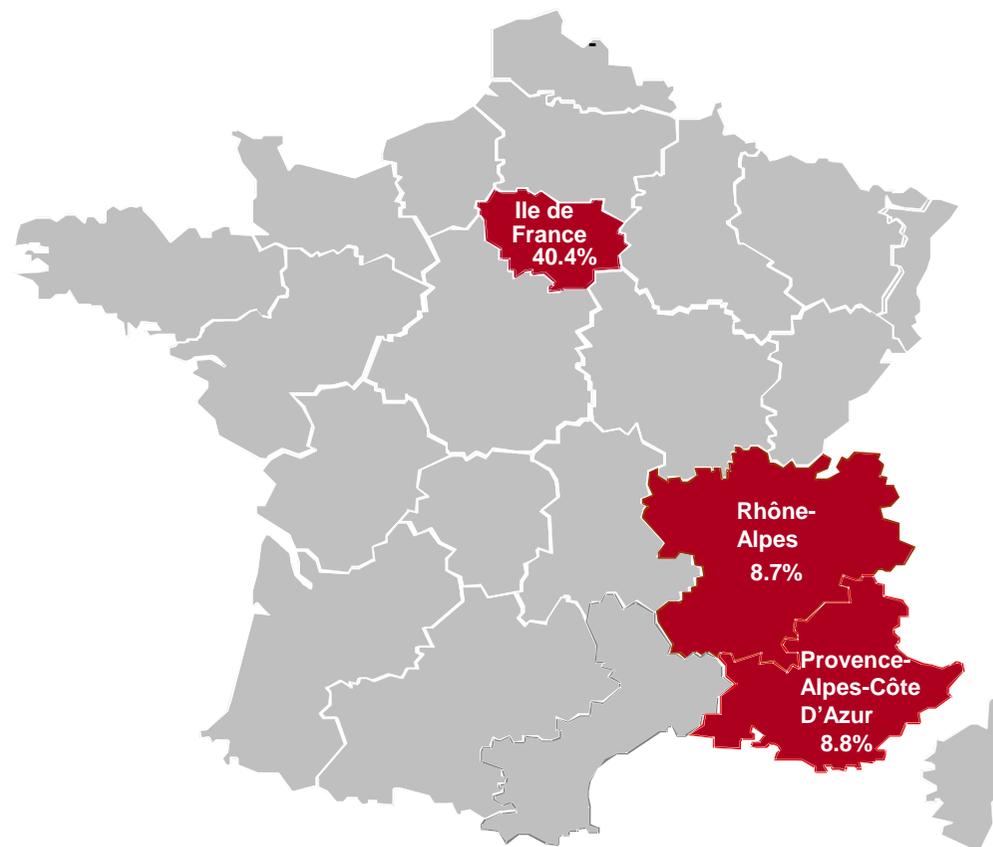


in EUR Mn	2011	2012	2013	2014	2015	2016
CL Guarantees outstanding	223 976	232 870	245 470	254 288	280 344	301 096
CL MGF outstanding	3 518	3 703	3 950	4 120	4 571	4 924
Balance Sheet - Doubtful debt outstanding	482	588	730	889	1 078	1 244
Off Balance Sheet - Doubtful debt outstanding	661	809	898	1 119	1 146	1 047
Total Doubtful debt outstanding	1 143	1 397	1 628	2 008	2 224	2 291
<i>Doubtful debt % of the guarantees outstanding</i>	<i>0,51%</i>	<i>0,60%</i>	<i>0,66%</i>	<i>0,79%</i>	<i>0,79%</i>	<i>0,76%</i>
<i>CL MGF outstanding / Total Doubtful debt outs:</i>	<i>3,1</i>	<i>2,7</i>	<i>2,4</i>	<i>2,1</i>	<i>2,1</i>	<i>2,1</i>
Written off amounts	2,9	6,5	13,9	19,8	29,7	27,1
<i>Write-offs (N) / Doubtful debt outstanding (N-1)</i>	<i>0,32%</i>	<i>0,57%</i>	<i>1,00%</i>	<i>1,21%</i>	<i>1,48%</i>	<i>1,22%</i>
<i>Write-offs (N) / CL MGF outstanding</i>	<i>0,08%</i>	<i>0,17%</i>	<i>0,35%</i>	<i>0,48%</i>	<i>0,65%</i>	<i>0,55%</i>

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

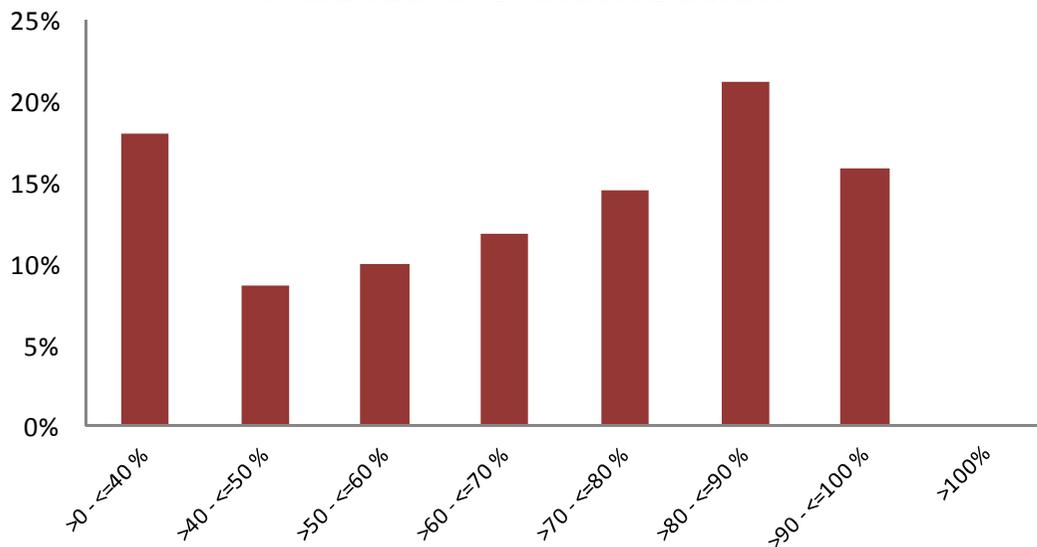
<b>Collateral</b>	<b>100% prime French residential loans &amp; guaranteed by Crédit Logement</b>
<b>Pool size</b>	<b>EUR 30.66bn</b>
<b>Number of borrowers</b>	<b>283,448</b>
<b>Number of loans</b>	<b>354,291</b>
<b>Average Loan Balance</b>	<b>86,557</b>
<b>Current WA LTV</b>	<b>65.6%</b>
<b>WA Seasoning</b>	<b>55 months</b>
<b>WA Remaining Term</b>	<b>154 months</b>
<b>Non performing loans</b>	<b>0</b>

**Geographical distribution**

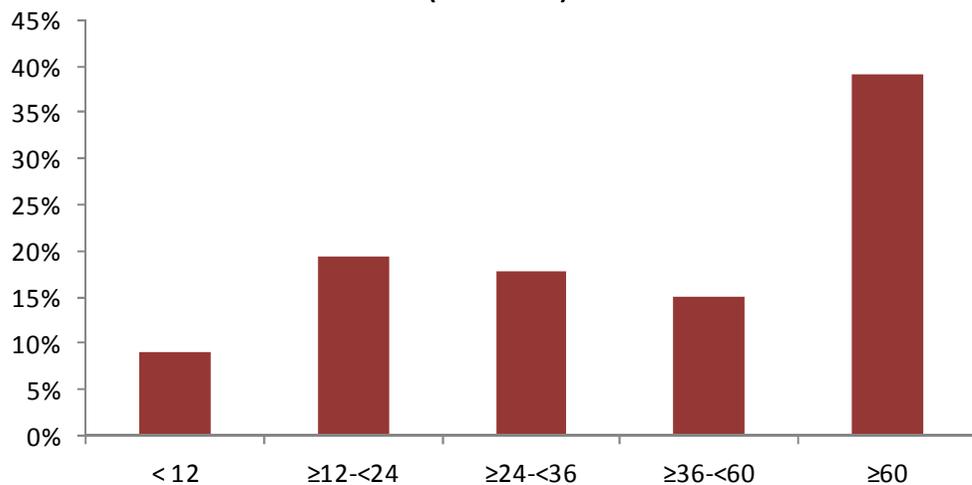


Figures as of end of June 2017

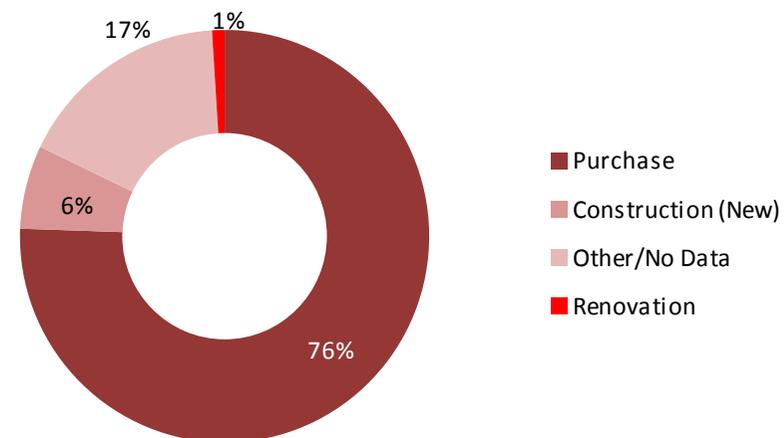
### Indexed LTV Distribution



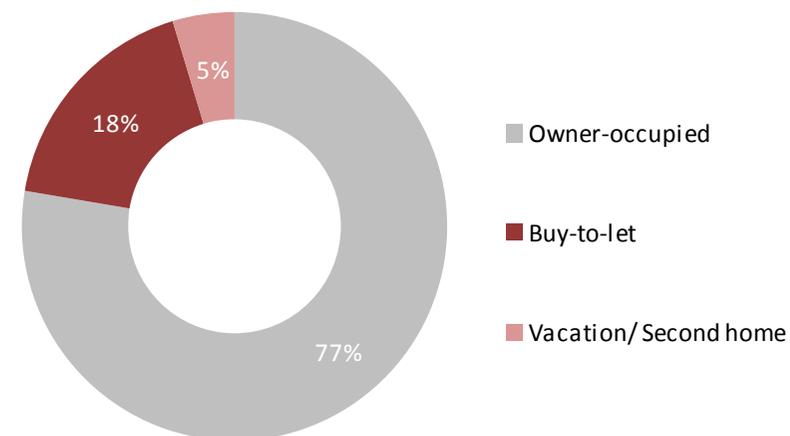
### Seasoning (in months)



### Loan Purpose

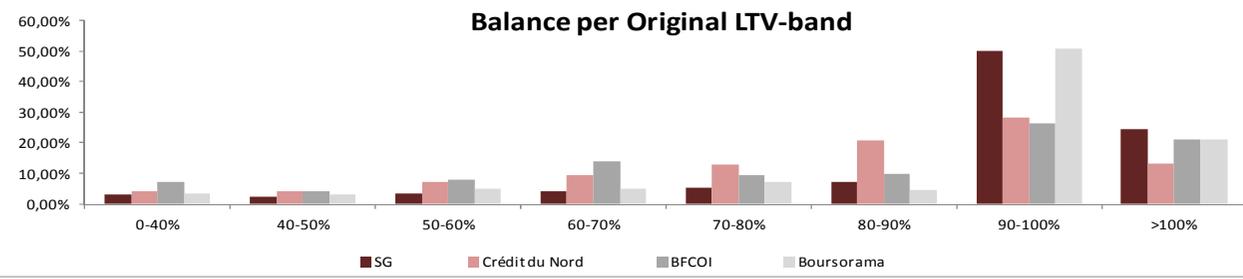
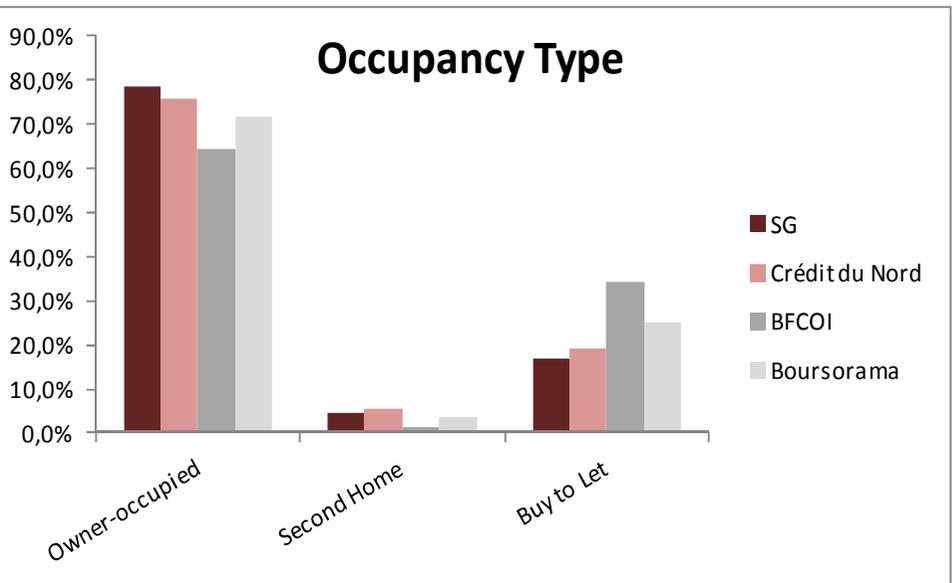
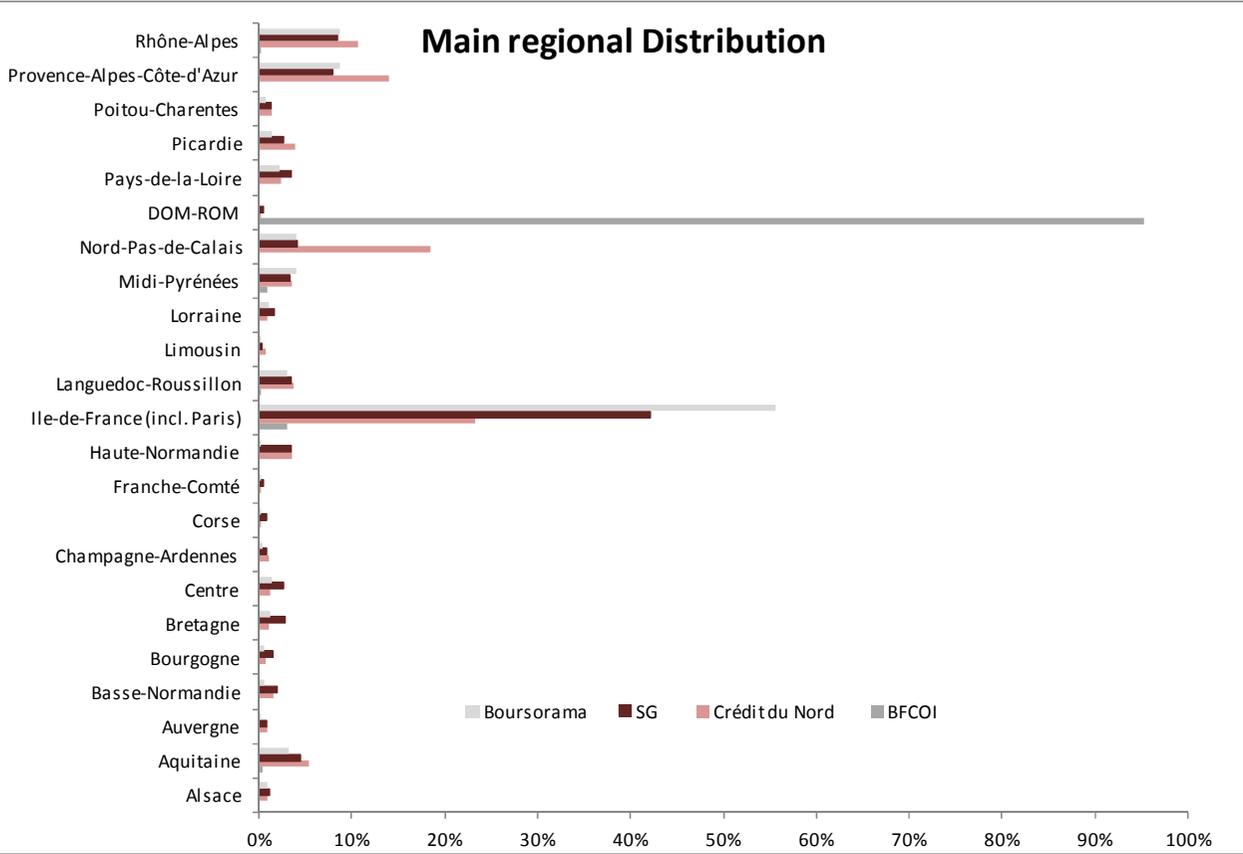
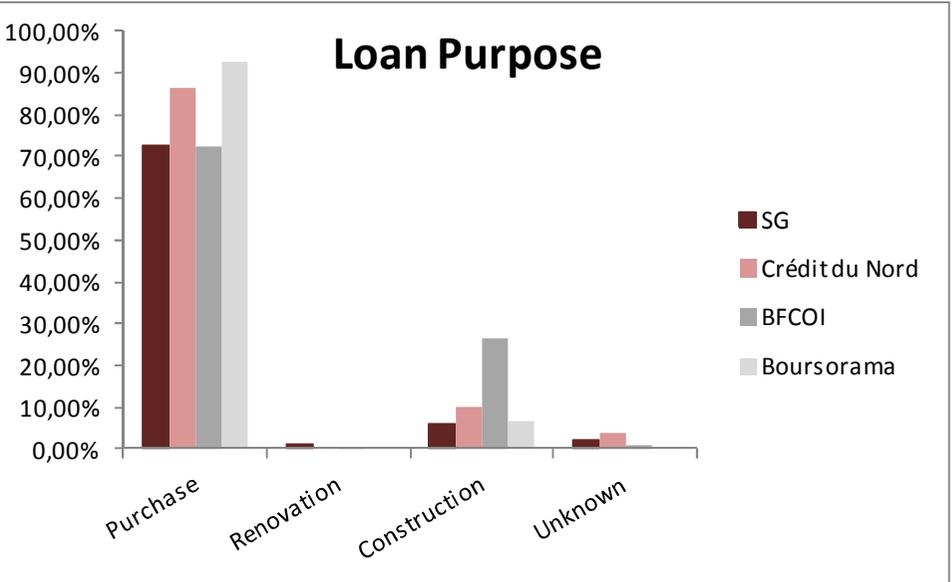


### Occupancy type



Figures as of end of June 2017

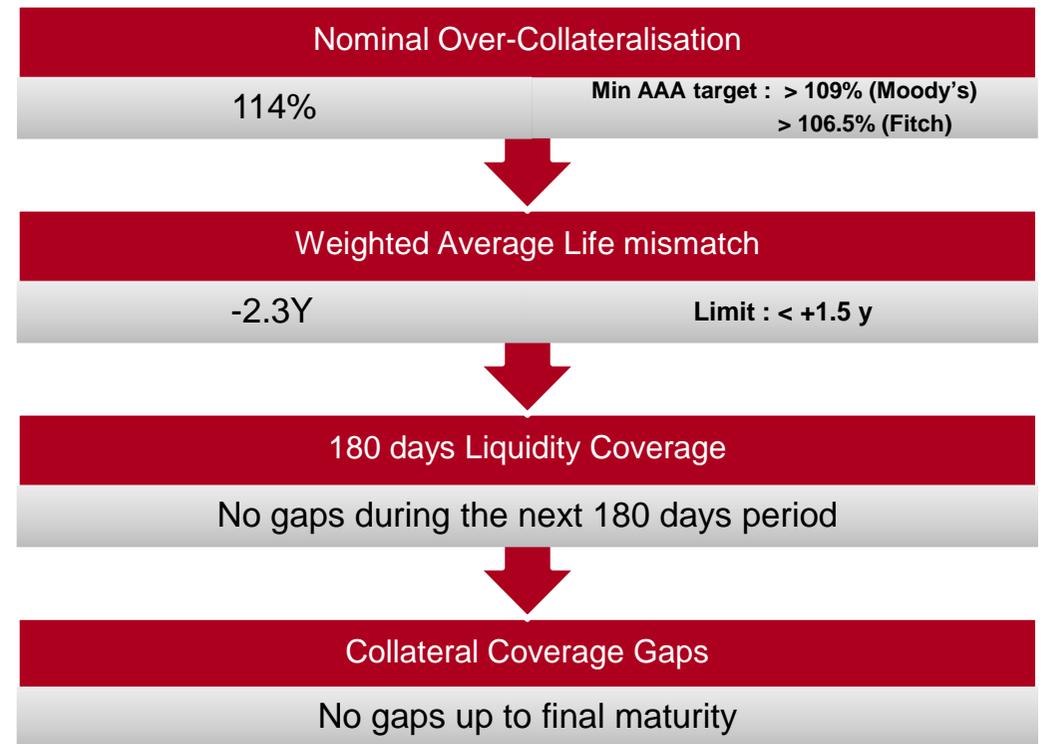
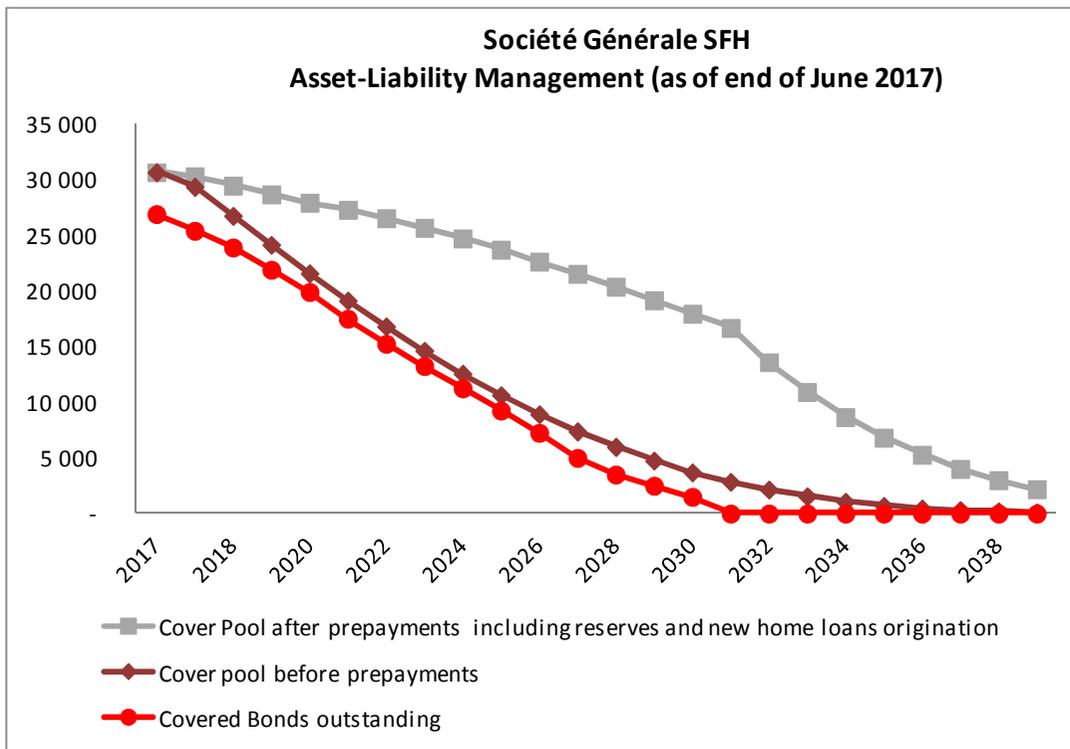
# Well diversified and homogeneous sub-cover pools (3/3)



Figures as of end of June 2017

## Dynamic, projective and cautious ALM monitoring

- Covered Bonds fully backed up to their final maturities
- The structure has been set up taking into account best ALM practice
  - Tight projective monitoring of ALM metrics
  - Definition and strict follow-up 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

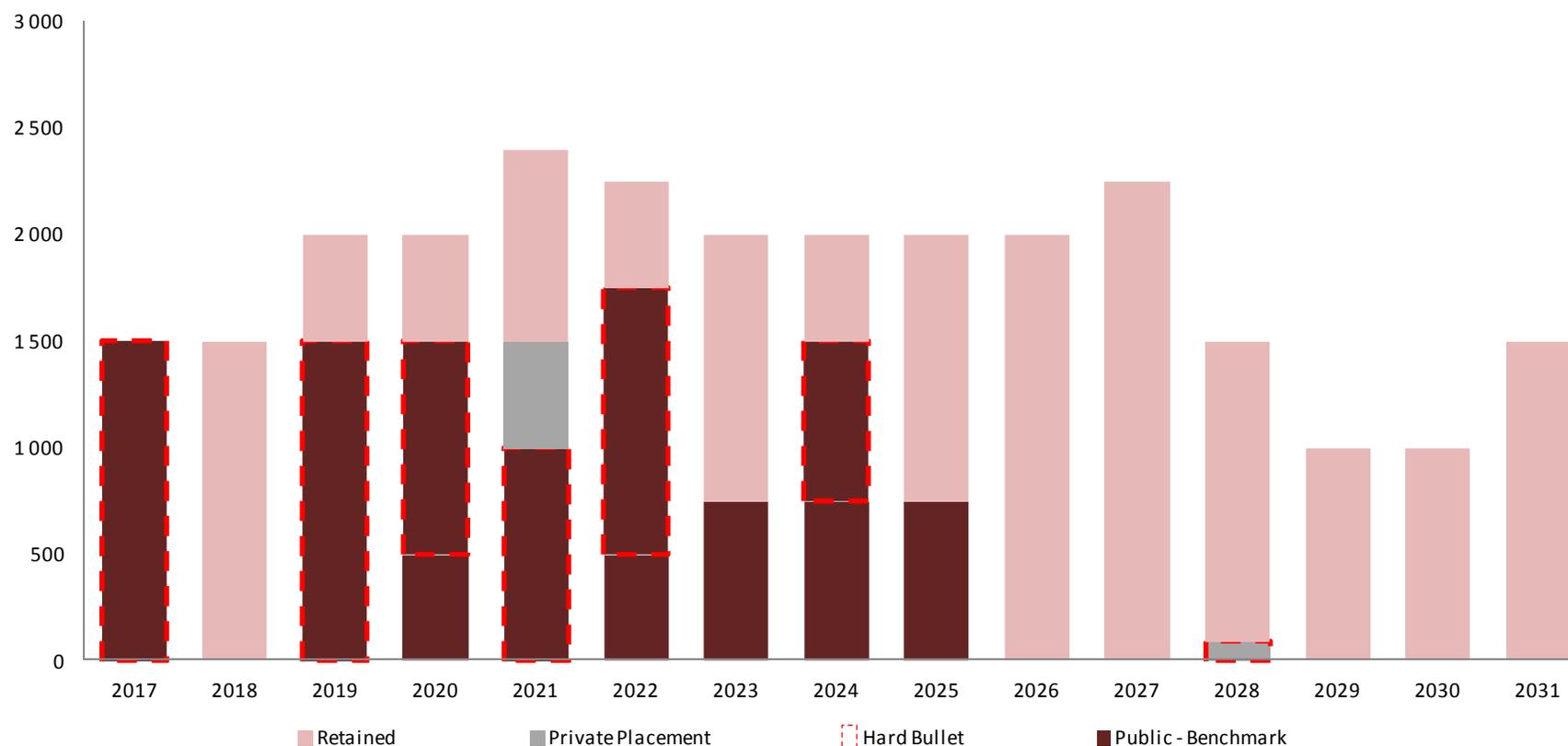


Figures as of end of June 2017

## Funding Strategy: well balanced mix between Group funding needs and issuance capacity

- Last issuance in June 2017: EUR 750M, 8y maturity, soft bullet format
- The SG Group funding strategy allocated around EUR 1.5bn per year to the SFH programme
- Strong issuance capacity (Retained issuances: EUR 16.06Bn as of end of June 2017)

**Société Générale Outstanding OFH**  
Total Nom. (26,9bn) vs Maturity date (as of end of June 2017)



---

# CONTENTS



SOCIETE GENERALE GROUP RESULTS (1<sup>st</sup> HALF 2017)

GENERAL PRESENTATION: **SG SFH & SG SCF**

1. **SG SFH COVERED BOND PROGRAM**

2. **SG SCF COVERED BOND PROGRAM**

## 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

### 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, harbours, airports, highways, schools and social housing buildings
- Export Credit Agencies guaranteed transactions

### Concentration on core competences

- Very good performance of SG Group Export and Infrastructure Financing
- Trade & Export Finance Award 2016 : Most innovative investment bank in Western Europe
- Energy Risk Awards 2016 : Innovation of the year

### Strict selection criteria

- Stringent selection based on a multi-step process
- Reputable Law firms certify eligibility of each asset class to be refinanced
- Specific Controller performs ex ante his due diligence on the proposed collateral assets
- SG SCF's Management Committee validates new types of assets

**Collateral investment policy in line with SG Group Business Strategy:  
Financing new innovative projects supporting economic growth and development**



**STADE DE NICE**



**LGV TOURS-BORDEAUX**



**MUCEM - MARSEILLE**



**BUS HYBRIDES – DIJON**



**PHILHARMONIE DE  
PARIS**



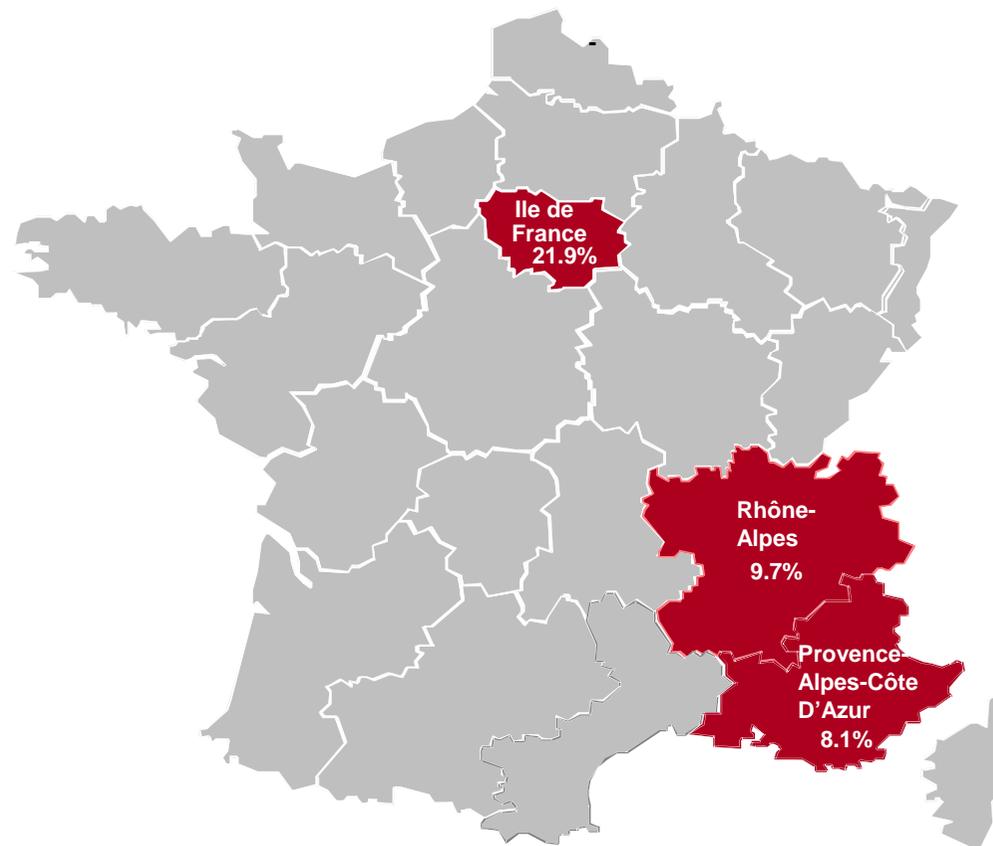
**VELODROME – SAINT QUENTIN EN Y.**



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

<b>Collateral</b>	<b>Exposures to / or guaranteed by eligible public entities</b>
<b>Pool size</b>	<b>EUR 12.35bn</b>
<b>Number of borrowers</b>	<b>798</b>
<b>Number of loans</b>	<b>2,058</b>
<b>SG French retail versus GBIS</b>	<b>63% / 37%</b>
<b>Currency Distribution</b>	<b>EUR: 92% USD: 8%</b>
<b>WA WAL</b>	<b>6.02 Y</b>
<b>ECB Eligible Assets</b>	<b>60.4%</b>
<b>Non performing loans</b>	<b>0</b>

**Geographical distribution in France  
(87% of the Cover Pool)**

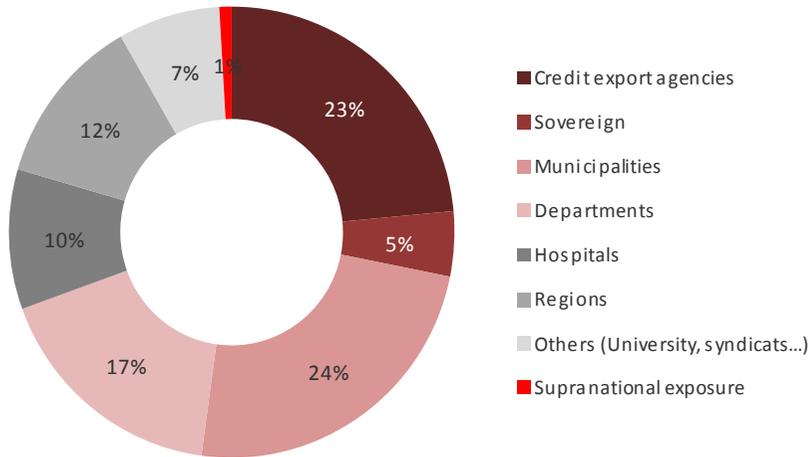


Figures as of end of July 2017

# SG SCF COVERED BONDS PROGRAMME

## High quality and well diversified cover pool (2/2)

### Borrower type

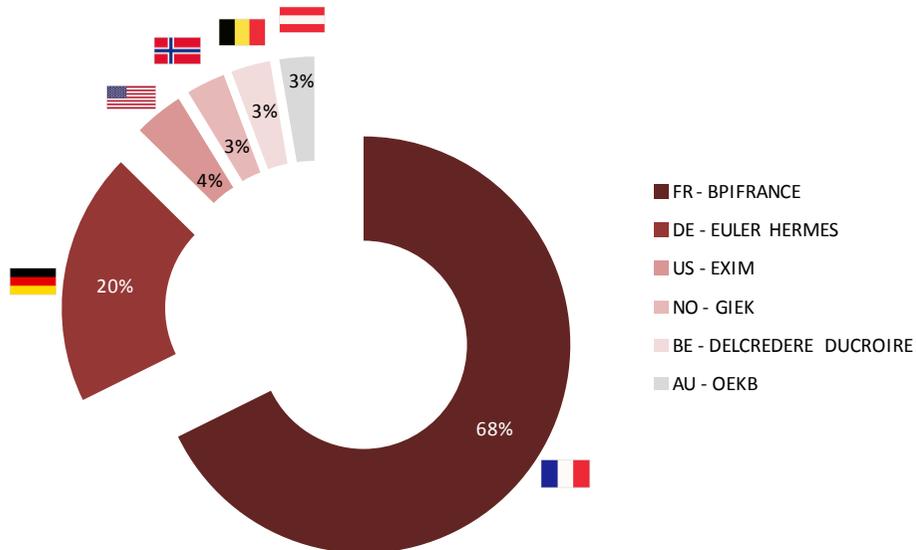


### Pool Distribution by exposure rating

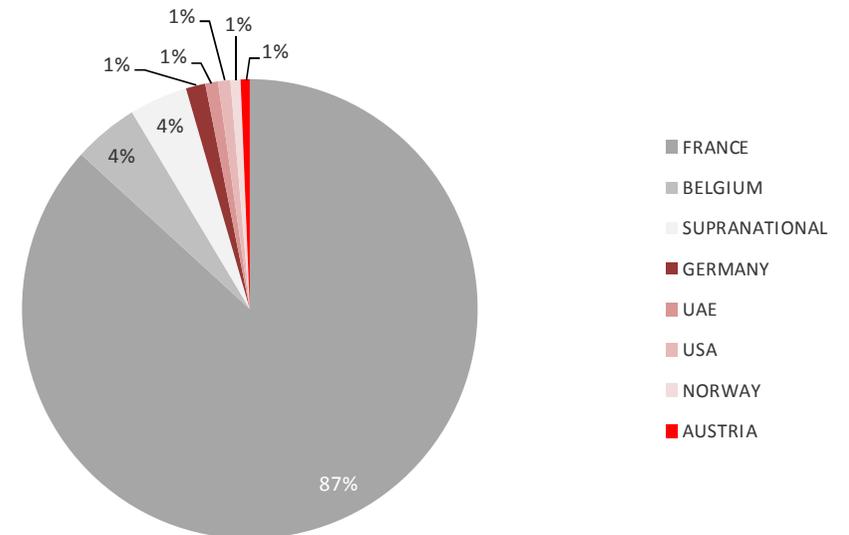
(SG internal rating in rating agencies equivalent)



### ECA Type



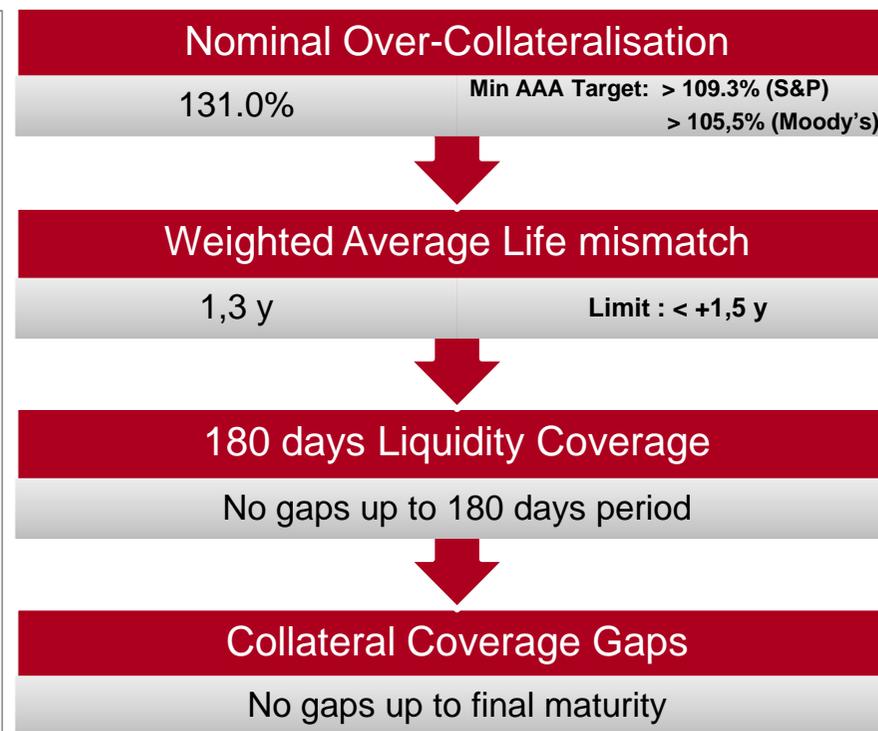
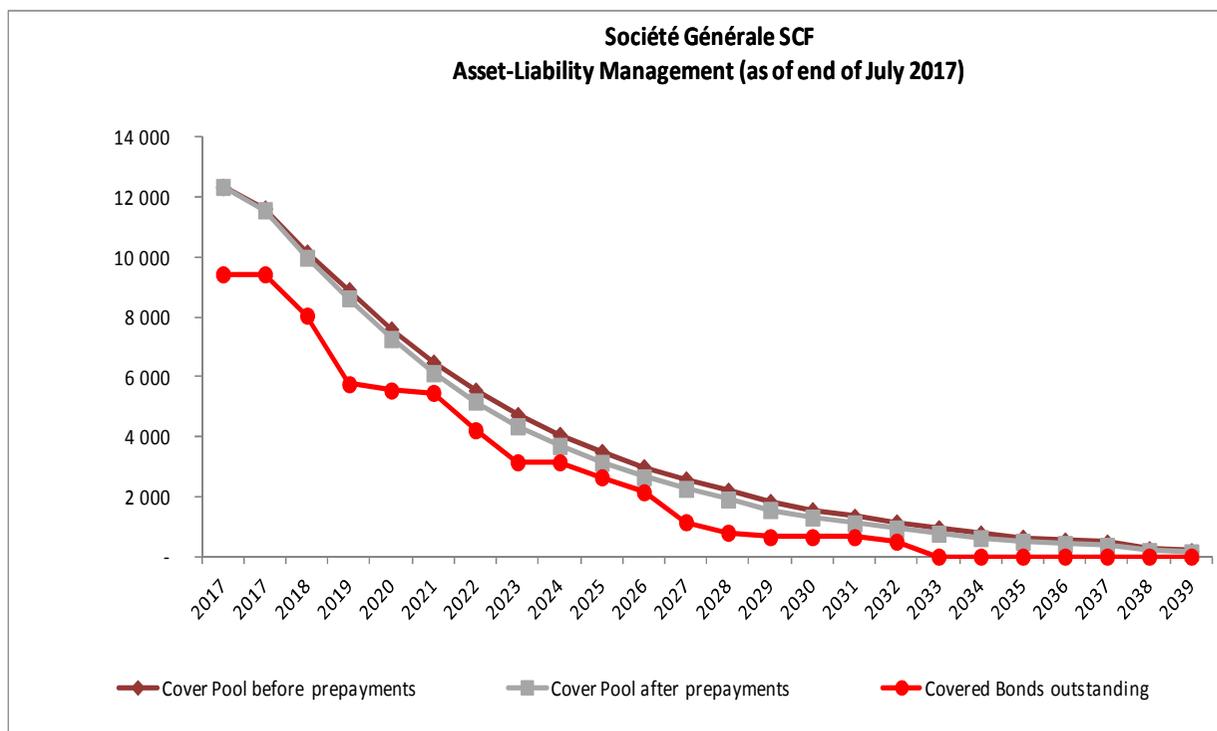
### Country Final Exposure



Figures as of end of July 2017

## Dynamic, projective and cautious ALM monitoring

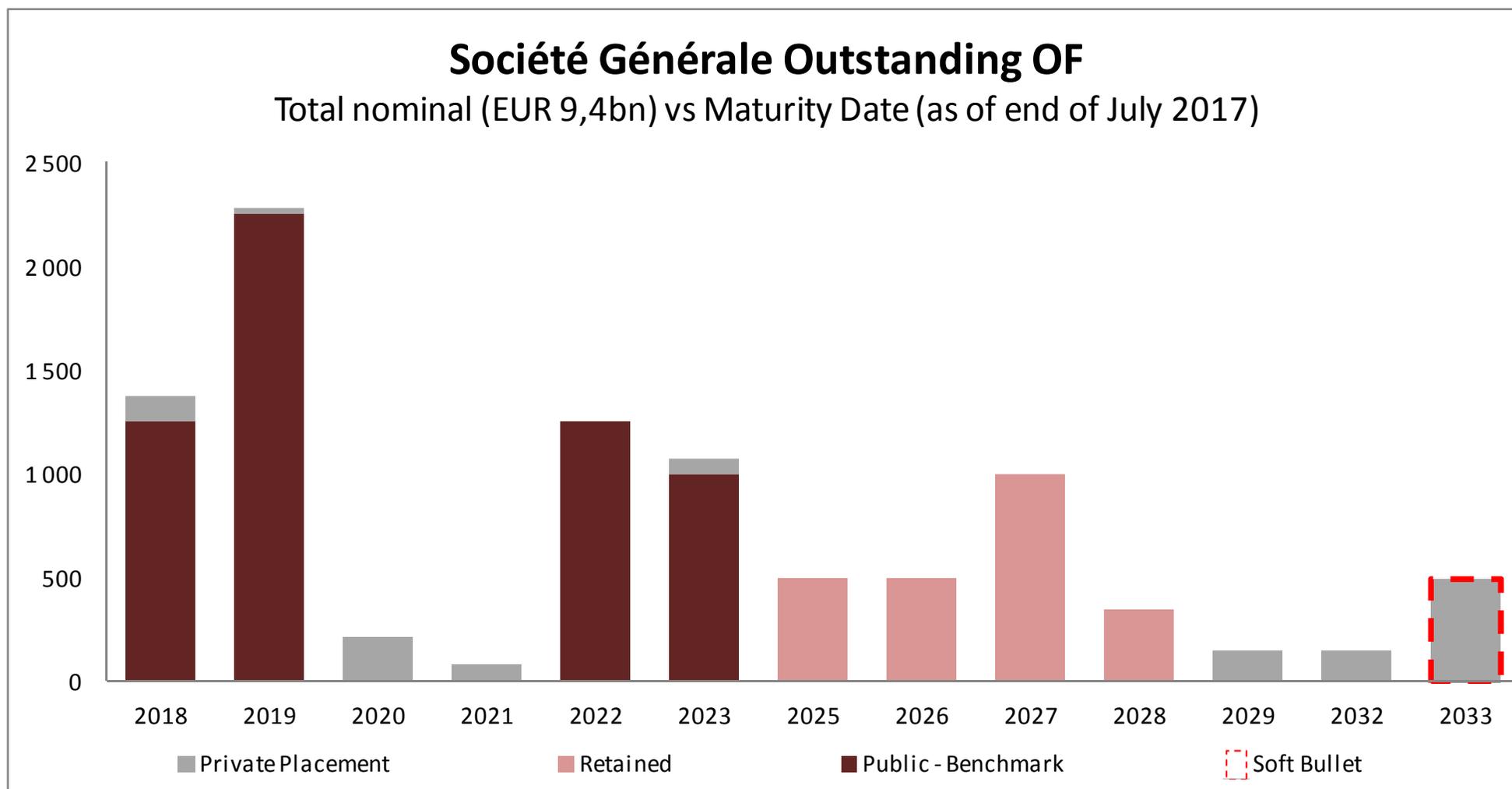
- Covered Bonds fully backed up to their final maturities
- The structure has been set up taking into account best ALM practice
  - Tight projective monitoring of ALM metrics
  - Definition and strict follow-up of a coverage long-term plan based on available eligible assets and conservative new production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



Figures as of end of June 2017

## Funding Strategy: well balanced mix between Group funding needs and issuance capacity

- Last Club Deal issuance in August 2015: EUR 500M, 18y maturity, soft bullet format
- Issuance capacity (Retained issuances: EUR 0.5Bn)



---

# CONTENTS

## APPENDICES

Appendix 1 : Focus on Crédit Logement

Appendix 2 : Focus on SG SFH Eligibility Criteria

Appendix 3 : Useful Links

Appendix 4 : Main Contacts

- 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 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
  - Free release in case of early repayment

- 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 230 partner banks it is working with, these agreements stating the rights and obligations of each partner bank
- The use of Crédit Logement guarantees has 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,
- Recovery process fully managed by Crédit Logement, in particular Crédit Logement developed an expertise on this activity

### 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
  - During the whole procedure, Crédit Logement may secure its recovery by obtaining a judicial mortgage, within less than a week

## Focus on SG SFH Eligibility Criteria

---

- The home loan from which it arises is denominated in Euros and is governed by French law,
- the tax residence of the home loan debtor is located in France,
- the underlying property is located in France,
- on the relevant Selection Date, the outstanding principal amount of the home loan from which arises the Home Loan Receivable is lower or equal to EUR 1 000 000,
- the loan-to-value ratio of the home loan is no more than or equal to one hundred per cent. (100%),
- on the relevant Selection Date the remaining term for the home loan is no more than thirty (30) years,
- the debtor under the home loan has paid at least one (1) installment in respect of the such home loan,
- the home loan does not present any arrears,
- the debtor under the home loan is not an employee of the originator of such home loan,
- the home loan is secured by a joint and several guarantee (*cautionnement solidaire*) of Crédit Logement acting as loan guarantor,
- the home loan can be either amortizing on a monthly, quarterly or bi-yearly basis or with bullet repayment as of the relevant Selection Date,
- in respect of bullet repayment home loans, the initial maturity shall be strictly superior to twenty-four (24) months and the aggregate amount of bullet repayment home loans shall not represent more than 5% of the Collateral Security Assets,
- the debtor under the home loan does not benefit from a contractual right of set-off,
- the lender under the home loan has managed and serviced the home loan between the date upon which the home loan has been made available to the debtor and the Selection Date (i) in a consistent manner pursuant to its Servicing Procedures and (ii) in compliance with all legal and regulatory provisions applicable to the home loan,
- prior to the date upon which the home loan had been made available to the debtor thereof, all lending criteria and preconditions as applied by the originator of the home loan pursuant to its customary lending procedures were satisfied,
- the opening by the debtor under the home loan of a bank account dedicated to payments due under the home loan is not provided in the relevant contractual arrangements as a condition precedent to the originator of the home loan making the home loan available to the debtor under the home loan; and
- no amount drawn under the home loan is capable of being redrawn by the relevant debtor.

# APPENDIX 3 Useful Links

## Covered Bonds Label website <https://www.coveredbondlabel.com/>



SG SFH



SG SFH (Last update: 14/07/2015)

<http://www.societegenerale.com/fr/m...>

### CONTACT LIST

Name	Surname	Function	E-mail
Mahouche	Sylvie	Issuer	sylvie.mahouche@socgen.com
BENICHOU	JONATHAN		jonathan.benicou@socgen.com

### POOL PROGRAMS LIST

Identifier	Country	Model	Nat. trans. templ.	Type
Credit Home Loan SFH		Obligations à l'habitat	Go to website	Mortgage

### BOND LIST

ISIN	Pool Identifier	Initial Date of Issuance	Maturity Date	Face value*	Coupon	Syn.	Listed	Tapped	Ext.	EEA*	LCR**
FR0012843126	Credit Home Loa...	17/07/2013	17/07/2018	EUR 1,500,000,000	Fixed	No	Yes	No	Yes	Yes	N/A
FR0012843118	Credit Home Loa...	17/07/2013	17/07/2030	EUR 1,000,000,000	Fixed	No	Yes	No	Yes	Yes	N/A
FR0012697886	Credit Home Loa...	06/04/2012	27/03/2029	EUR 500,000,000	Fixed	No	Yes	No	Yes	Yes	N/A
FR0012697894	Credit Home Loa...	06/05/2015	27/02/2029	EUR 500,000,000	Fixed	No	Yes	No	Yes	Yes	1
FR0012697902	Credit Home Loa...	04/03/2015	27/03/2024	EUR 750,000,000	Fixed	No	Yes	No	Yes	Yes	N/A
FR0012697910	Credit Home Loa...	06/05/2015	28/07/2025	EUR 1,000,000,000	Fixed	No	Yes	No	Yes	Yes	N/A
FR0012697928	Credit Home Loa...	06/05/2015	28/07/2025	EUR 500,000,000	Fixed	No	Yes	No	Yes	Yes	1
FR0012697936	Credit Home Loa...	06/05/2015	26/08/2026	EUR 1,000,000,000	Fixed	No	No	No	Yes	Yes	N/A

## Société Générale website: <http://www.societegenerale.com/fr/mesurer-notre-performance/investisseurs/investisseurs-dette>

2015	2014	2013	2012	2011	2010
Présentation investisseurs					
Prospectus		16/03/2015		↓ <a href="#">SG SFH – Base Prospectus dated 16 March 2015</a>	
French Covered Bonds Label Reporting / Asset Reports		30/06/2015		↓ <a href="#">SG SFH – French Covered Bond Label Reporting 30.06.2015 (xls)</a>	
		30/06/2015		↓ <a href="#">SG SFH – French Covered Bond Label Reporting 30.06.2015 (pdf)</a>	
		30/06/2015		↓ <a href="#">SG SFH – Asset Report – 2015.06.30</a>	
		31/05/2015		↓ <a href="#">SG SFH – Asset Report-2015.05.31</a>	
		30/04/2015		↓ <a href="#">SG SFH – Asset Report-2015.04.30</a>	
		31/03/2015		↓ <a href="#">SG SFH – Asset Report-2015.03.31</a>	
		31/01/2015		↓ <a href="#">SG SFH – Asset Reports – 2015.01.31 (pdf)</a>	
		29/02/2015		↓ <a href="#">SG SFH – Asset Reports – 2015.02.28 (pdf)</a>	
		31/03/2015		↓ <a href="#">SG SFH – French Covered Bond Label Reporting</a>	
		31/03/2015		↓ <a href="#">SG SFH – French Covered Bond Label Reporting</a>	

## Prospectus website : <http://prospectus.socgen.com/>

Program search

Search criteria

Issuer: SOCIETE GENERALE SCF | Program: | Document type: | Year: | Reset | Search

Showing 1 to 10 of 29 entries

Issuer	Program	Year	Document type	Document Name	PDF link
SOCIETE GENERALE SCF	DEBT ISSUANCE PROGRAM	2012	Program documentation	Société Générale SCF - EMTN Program dated 25 May 2012	↓
SOCIETE GENERALE SCF	DEBT ISSUANCE PROGRAM	2008	Program documentation	EMTN Program 2008_Base Prospectus dated 22.05.2008_SG SCF	↓
SOCIETE GENERALE SCF	DEBT ISSUANCE PROGRAM	2008	Program Supplement	Supplement 2008_01 dated 14.11.2008_SG SCF	↓
SOCIETE GENERALE SCF	DEBT ISSUANCE PROGRAM	2008	Program Supplement	Supplement 2008_02 dated 02.04.2009_SG SCF	↓
SOCIETE GENERALE SCF	DEBT ISSUANCE PROGRAM	2009	Program Supplement	Supplement EMTN 2009_02 dated 4 December 2009_SG SCF	↓
SOCIETE GENERALE SCF	DEBT ISSUANCE PROGRAM	2011	Program Supplement	Supplement EMTN 2011_03 dated 4 April 2012_SG SCF	↓
SOCIETE GENERALE SCF	DEBT ISSUANCE PROGRAM	2009	Program documentation	Société Générale SCF - EMTN Programme dated 27 May 2009	↓
SOCIETE GENERALE SCF	DEBT ISSUANCE PROGRAM	2009	Program Supplement	Supplement EMTN 2009_01 dated 30 September 2009_SG SCF	↓
SOCIETE GENERALE SCF	DEBT ISSUANCE PROGRAM	2009	Program Supplement	Supplement EMTN 2009_03 dated 23 February 2010_SG SCF	↓
SOCIETE GENERALE SCF	DEBT ISSUANCE PROGRAM	2011	Program Supplement	Supplement EMTN 2011_02 dated 15 Novembre 2011_SG SCF	↓

## Chief Executive Officer

### **Stéphane LANDON**

Group Treasurer  
SG SFH and SG SCF CEO  
+33 1 42 13 33 08

[stephane.landon@socgen.com](mailto:stephane.landon@socgen.com)

## Deputy Chief Executive Officer

### **Vincent ROBILLARD**

Head of Group Funding  
SG SFH and SG SCF Deputy CEO  
+33 1 57 29 53 35

[vincent.robillard@socgen.com](mailto:vincent.robillard@socgen.com)

## Covered Bonds Team

### **Didier HARNOIS**

Head of Group Collateral Management

+33 1 42 14 29 22

[didier.harnois@socgen.com](mailto:didier.harnois@socgen.com)

### **Zdravka IANKOVA**

Covered Bonds Issuer

+33 1 42 14 26 06

[zdravka.iankova@socgen.com](mailto:zdravka.iankova@socgen.com)

### **Jonathan BENICHO**

Covered Bonds Issuer

+33 1 57 29 42 86

[jonathan.benichou@socgen.com](mailto:jonathan.benichou@socgen.com)

### **Muleng CHENG**

Covered Bonds Issuer

+33 1 42 14 93 79

[Muleng.cheng@socgen.com](mailto:Muleng.cheng@socgen.com)

### **Philippe BRUNEL**

Covered Bonds Issuer

+33 1 58 98 32 13

[philippe.brunel@socgen.com](mailto:philippe.brunel@socgen.com)

BUILDING TOGETHER

TEAM SPIRIT  SOCIETE  
GENERALE