

FRENCH NATIONAL COVERED BOND LABEL REPORTING TEMPLATE

CB ISSUER Société Générale SFH
 Reporting date 31/03/2015 (dd/mm/yyyy)

1 GROUP LEVEL INFORMATION AND SENIOR UNSECURED RATINGS

1.1	Group	<u>Société Générale</u>		
	Group parent company	<u>Société Générale</u>		
	Group consolidated financial information (link)	http://www.societegenerale.com/fr/mesurer-notre-performance/investisseurs/investisseurs-dette		

		Rating	Rating Watch	Outlook	
1.2	Senior unsecured rating (group parent company)	Fitch	<u>A/F1</u>	<u>No</u>	<u>Negative</u>
		Moody's	<u>A2/P-1</u>	<u>No</u>	<u>Stable</u>
		S&P	<u>A/A-1</u>	<u>No</u>	<u>Negative</u>

		Rating	Rating watch	Outlook	
1.3	Covered bond issuer rating (senior unsecured)	Fitch	<u>NA</u>	<u>NA</u>	<u>NA</u>
		Moody's	<u>NA</u>	<u>NA</u>	<u>NA</u>
		S&P	<u>NA</u>	<u>NA</u>	<u>NA</u>

1.4	Core Tier 1 ratio (%) (group parent company)	<u>10,10%</u>
	as of	<u>31/03/2015</u>

2 COVERED BOND ISSUER OVERVIEW
2.1 Covered bond issuer

Name of the covered bond issuer	<u>SG SFH</u>
Country in which the issuer is based	<u>France</u>
Financial information (link)	http://www.societegenerale.com/fr/mesurer-notre-performance/investisseurs/investisseurs-dette

Information on the legal framework (link)	http://www.ecbc.eu/legislation/list
UCITS compliant (Y / N) ?	<u>Y</u>
CRD compliant (Y / N) ?	<u>Y</u>

2.2 Covered bonds and cover pool

		Total outstanding	of which eligible to central bank
Cover pool	Public sector exposures		
	Commercial assets		
	Residential assets	<u>22 893</u>	<u>18 332</u>
	Substitute assets	<u>493</u>	
Total		<u>23 387</u>	<u>18 332</u>

Covered bonds	<u>18 500</u>
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2.3 **Overcollateralisation ratios**

	minimum (%)	current (%)
Legal ("coverage ratio")	105,0%	120,44%
Contractual (ACT)	100,0%	102,28%
Current		123,75%

2.4 **Covered bonds ratings**

		Rating	Rating Watch	Outlook
Covered bonds rating	Fitch	AAA	NA	Stable
	Moody's	Aaa	NA	Stable
	S&P	NA	NA	NA

2.5 **Liabilities of the covered bond issuer**

LIABILITIES	Outstanding
Equity	481
Subordinated debt	
Other non privileged liabilities	107
Total equity and non privileged liabilities	588
Covered bonds	18 589
Other privileged liabilities	58
Total privileged liabilities	18 647
TOTAL	19 235

2.6 **Information required under article 129(7) CRR**

- (i) Value of the cover pool and outstanding covered bonds : please refer to section 2.2
- (ii) Geographical distribution : please refer to section 4.3 (residential), 5.2 , 5.3 and 5.4 (public sector)
 Type of cover assets : section 2.2
 Loan size : section 4.12 (residential) and 5.8 (public sector)
 Interest rate and currency risks
 hedging policy : section 3.4
 assets interest rate and currency : section 4.10 (residential), 5.5 and 5.6 (public sector)
 CB interest rate and currency : section 6.1 and 6.2 (Covered bonds tab/worksheet)
- (iii) Maturity structure of cover assets and covered bonds : please refer to section 3.1, 3.2 and 3.3
- (iv) Percentage of loans more than ninety days past due : please refer to section 4.1 (residential) and 5.1 (public sector)

2.7 **Compliance with the article 129 CRR in full**

Yes

3 ALM OF THE COVERED BOND ISSUER

3.1 WAL (weighted average life) of cover pool and covered bonds

	Expected	Contractual	Explanations (CPR rate used etc)
Public sector			
Residential	5,2 years	7,6 years	Expected: CPR=7,54%; Contractual: CPR=0%
Commercial			
Substitute assets	0,2 years	0,2 years	
WAL of cover pool	5,2 years	7,6 years	

WAL of covered bonds	7,8 years	7,8 years
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3.2 Expected maturity structure of cover pool and covered bonds

	0 - 1 Y (years)	1 - 2 Y	2 - 3 Y	3 - 4 Y	4 - 5 Y	5 - 10 Y	10+ Y
Public sector							
Residential	3 387	3 009	2 642	2 309	2 017	6 335	3 194
Commercial							
Substitute assets	493	-	-	-	-	-	-
Expected maturity of cover pool	3 880	3 009	2 642	2 309	2 017	6 335	3 194

Expected maturity of covered bonds	-	1 600	1 500	1 500	1 500	5 650	6 750
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3.3 Contractual maturity structure of cover pool and covered bonds

	0 - 1 Y	1 - 2 Y	2 - 3 Y	3 - 4 Y	4 - 5 Y	5 - 10 Y	10+ Y
Public sector							
Residential	1 796	1 799	1 769	1 730	1 697	7 108	6 994
Commercial							
Substitute assets	493	-	-	-	-	-	-
Contractual maturity of cover pool	2 290	1 799	1 769	1 730	1 697	7 108	6 994

Contractual maturity of cov. bonds	-	1 600	1 500	1 500	1 500	5 650	6 750
of which hard bullet	-	1 600	1 500	1 500	1 500	2 500	90
of which soft bullet	-	-	-	-	-	3 150	6 660

3.4 Interest rate and currency risks

Interest rate risk		
strategy, limits, counterparties etc (if applicable)		
	<p>Société Générale SFH has a strict policy of neutralising interest rate risks. With this aim in mind, entering into ad hoc hedging swaps establishes a fixed margin on issuance, and any change in interest rates subsequently has a parallel effect on Société Générale SFH's assets and liabilities.</p> <p>The structural interest rate risk is measured with the help of "gaps" calculated based on the "Liability-Asset" situations of Societe Generale SFH with production halted, detailed over the next 15 years with monthly gaps over the first six months and then annual gaps over the following years.</p>	
	Nominal	WAL
Internal	9 000	4,48
External		
Currency risk		
	Not applicable	
	Nominal	WAL
Internal	N/A	N/A
External	N/A	N/A

3.5 Liquid assets

		Outstanding nominal
ECB eligible internal ABS		
ECB eligible external ABS		
ECB eligible public exposures		
Substitute assets	ECB eligible	
	Other	493
Total liquid assets		493
% liquid assets / covered bonds		2,67%

Pre-Maturity Test	91	comments
Collection Loss Reserve	529	
% liquidity support / covered bonds	6,02%	

3.6 Substitution assets

	Outstanding	WAL
AAA to AA-		
A+ to A-	493	0,2
Below A-		
Total	493	0,2

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4 RESIDENTIAL COVER POOL DATA**4.1 Arrears and defaulted loans outstanding (excluding external MBS)**

	% of outstanding residential assets
Current	100%
Arrears	
0-1 months	0%
1-2 months	0%
2-3 months	0%
3-6 months	0%
6+ (Defaulted)	0%
>3 months	0%

4.2 Arrears and defaulted loans outstanding (including external MBS)

Zone	Country	%
EU	France	0%

4.3 Regional breakdown of assets (excluding external MBS)

Region	%
Alsace	1,21%
Aquitaine	4,56%
Auvergne	0,77%
Basse-Normandie	1,77%
Bourgogne	1,39%
Bretagne	2,80%
Centre	2,57%
Champagne-Ardenne	0,82%
Corse	0,84%
DOM – TOM	0,56%
Franche-Comte	0,47%
Haute-Normandie	3,46%
Ile-de-France (Paris included)	42,54%
Languedoc-Roussillon	3,43%
Limousin	0,42%
Lorraine	1,47%
Midi-Pyrénées	3,30%
Nord-Pas-de-Calais	4,16%
Pays de Loire	3,37%
Picardie	2,69%
Poitou - Charentes	1,43%
Provence-Alpes-Côte d'Azur	8,06%
Rhones Alpes	7,92%
other	
No data	

4.4 Unindexed current LTV (excluding external MBS)

WA unindexed current LTVs (%)	63,97%
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	Category	%
LTV buckets	0 - 40	20,25%
	40 - 50	10,07%
	50 - 60	11,10%
	60 - 70	12,17%
	70 - 80	13,85%
	80 - 85	8,21%
	85 - 90	9,06%
	90 - 95	8,52%
	95 - 100	6,49%
	100 - 105	0,26%
	105 - 110	0,02%
	110 - 115	0,00%
	115+	0,01%

4.5 **Indexed current LTV (excluding external MBS)**

WA indexed current LTVs (%)	62,24%
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	Category	%
LTV buckets	0 - 40	23,30%
	40 - 50	9,64%
	50 - 60	10,51%
	60 - 70	11,57%
	70 - 80	13,05%
	80 - 85	7,35%
	85 - 90	7,86%
	90 - 95	7,90%
	95 - 100	8,79%
	100 - 105	0,02%
	105 - 110	0,00%
	110 - 115	0,00%
	115+	0,00%

4.6 **Mortgages and guarantees (excluding external MBS)**

		%
1st lien mortgage with state guaranty		
1st lien mortgage without state guaranty		
Total 1st lien mortgages		
guaranteed	Crédit Logement	100%
	other	
	other	
	other	
total guarantees		

4.7 **Seasoning (excluding external MBS)**

Months	%
< 12	8,93%
12 - 24	8,79%
24 - 36	9,02%
36 - 60	25,73%
> 60	47,52%

4.8 **Loan purpose (excluding external MBS)**

	%
Owner occupied	74,5%
Second home	5,0%
Buy-to-let	20,6%
Other	0,0%
No data	0,0%

4.9 **Principal amortisation (excluding external MBS)**

	%
Amortising	97,7%
Partial bullet	
Bullet	2,3%
Other	
No data	

4.10 **Interest rate type (excluding external MBS)**

	%
Fixed for life	93,0%
Capped for life	
Floating (1y or less)	7,0%
Mixed (1y+)	
Other	
No data	

4.11 **Borrowers (excluding external MBS)**

	%
Employees	55,73%
Civil servants	30,69%
Self employed	8,90%
Retired / Pensioner	1,28%
Other non-working	2,95%
No data	0,45%

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6 COVERED BONDS

6.1 Outstanding covered bonds

	2015	2014	2013	2012
Public placement	9 000	8 500	7 750	5 750
Private placement	9 500	10 000	11 250	14 750
Sum	18 500	18 500	19 000	20 500

Denominated in €	18 500	18 500	19 000	20 500
Denominated in USD	0	0	0	0
Denominated in CHF	0	0	0	0
Denominated in JPY	0	0	0	0
Denominated in GBP	0	0	0	0
Other	0	0	0	0
Sum	18 500	18 500	19 000	20 500

Fixed coupon	9 000	8 500	7 750	5 750
Floating coupon	9 500	10 000	11 250	14 750
Other	-	-	-	-
Sum	18 500	18 500	19 000	20 500

6.2 Issuance

	2015	2014	2013	2012
Public placement	500	750	2 000	4 250
Private placement	1 000	-	1 590	14 750
Sum	1 500	750	3 590	19 000

Denominated in €	1 500	750	3 590	19 000
Denominated in USD	-	-	-	-
Denominated in CHF	-	-	-	-
Denominated in JPY	-	-	-	-
Denominated in GBP	-	-	-	-
Other	-	-	-	-
Sum	1 500	750	3 590	19 000

Fixed coupon	500	750	2 000	4 250
Floating coupon	1 000	-	1 590	14 750
Other	-	-	-	-
Sum	1 500	750	3 590	19 000

unless detailed otherwise

all amounts in EUR millions (without decimals)
percentages (%) with 2 decimals
time periods in months (with 1 decimal)

Group level information, senior unsecured ratings and covered bond issuer overview

1.2 Ratings of the parent company of the group in which the CB issuer is consolidated.

1.3 Covered bond issuer ratings

The rating agencies' methodologies usually take the senior unsecured rating of a covered bond issuer's parent company as a starting point for their assessment of the credit risk of covered bonds. However, instead of referring to the parent company rating, some rating agencies may issue a "covered bond issuer rating" which is an assessment of the credit quality of a CB issuer's credit quality on an unsecured basis. Generally, a "covered bond issuer rating" is the same as the senior unsecured rating of the CB issuer's parent company although it may be different in some specific cases. If no "CB issuer rating" has been granted to the CB issuer, "NA" is indicated.

1.4 Core Tier 1 ratio (%)

Core Tier 1 is the Common Equity Tier 1 ratio - CET1 calculated for Bale 2,5

2.1 Covered bond issuer

2.2 Covered bonds and cover pool

Guaranteed loans or mortgage promissory notes :

The eligible assets, fully composed of French Home Loans 100% guaranteed by Credit Logement, are transferred into the cover pool using guaranteed loans (i.e. collateral directive framework). The outstanding amount of the eligible assets pledged as collateral of the loans are indicated instead of the amount of the guaranteed loans. The nominal outstanding amount of the eligible assets is booked in Off-Balance Sheet as guarantee received.

Substitute assets :

Are reported the amount of substitute assets as defined by the French Law (Articles L515-17 and R515-7 of Code Monétaire et Financier). For SG SFH the substitute assets are composed of cash and deposits to its parent company. The outstanding amount is booked in Assets - Balance Sheet as amounts due from credit institution. These substitute assets are included in the calculation of the legal coverage ratio but not taken into account in the nominal rating agencies overcollateralisation ratio.

Accounting assets not included in the cover pool :

Are not included in the cover pool the guaranteed loans (replaced by the eligible assets pledged as collateral) and the prepayments and accrued income on derivatives.

Asset backed securities :

If eligible asset backed securities are included in the cover pool, the explanations to the reporting should specify whether the information is provided using a look through approach (i.e. underlying assets) or if the outstanding amount of ABS securities held is indicated.

"Of which assets eligible to CB repo-operations" :

The outstanding amount of eligible assets including replacement assets shall be filled in. If the eligible assets are transferred into the cover pool using guaranteed loans (i.e. collateral directive framework) or mortgage promissory notes, the outstanding amount of the eligible assets pledged as collateral of the notes or loans should be indicated instead of the amount of the guaranteed loans. The eligibility criteria to central bank repo-operations include the exceptional measures accepted by the ECB in February 2012 and presently in use with the French NCB.

2.3 Overcollateralisation ratios

Legal "Coverage ratio"

This ratio is calculated by dividing the total assets amount (including accrued interests, substitute assets and other assets as prepayments and net accrued incomes on derivatives) by the amount of privileged debts accrued interests included (covered bonds, sums due on derivatives and collateral management fees). When the eligible assets are transferred into the cover pool using guaranteed loans, the amount of the guaranteed loans in the assets amount is replaced by the amount of the eligible assets pledged as collateral. Following amendments to the French covered bond legal framework for sociétés de crédit foncier (SCF) and sociétés de financement de l'habitat (SFH) that came into force on 28 May 2014 (published in JO n°0123 of 28 May 2014), a cap on intragroup exposure has been set at 25% of non-privileged resources and the legal minimum collateralisation raised to 105%, from 102%, on a nominal basis.

The legislation requires that a legal coverage ratio is calculated a posteriori on the basis of the audited accounting figures twice a year : as of December 31st and June 30th and on unaudited accounting figures as of March 31st and September 30th. These legal ratios are audited and available within a period of three months following the calculation reference date. The last audited ratio is provided as an additional information. As a consequence, the current ratio, calculated on a quarterly basis, is provisionnal / unaudited when the report is published and is based on forecast amounts as of the end of each quarter, calculated in the frame of the approval of the funding programme of the issuer.

Nominal Overcollateralisation "OC" ratio

The OC ratio as established to comply with contractual and rating agencies minimum requirements is a nominal rate calculated by dividing the nominal outstanding amount of eligible assets (substitute assets and accrued interests excluded) by the nominal amount of covered bonds (after taking into account interest rate and currency swaps and accrued interests excluded).

The most restricting OC rate required by the rating agencies is disclosed in this report

Each issuer shall explain calculation methodology for each OC ratio :

- formulas
- all amounts shall be indicated after taking into account the cover pool's interest rate or currency swaps.
- accrued interest included or excluded ?

The legislation requires that the calculation of the legal coverage ratio be audited semi-annually within a period of three months following the calculation date. As a consequence, the current ratio is provisionnal / unaudited when the report is published. The last audited ratio is

Rating agencies : Minimum OC
Issuers shall disclose the highest minimum OC requirement.

2.4 **Liabilities of the covered bond issuer**

Privileged liabilities :

The legislation defines the privileged liabilities as follows :

- the outstanding covered bond amount (accrued interests included)
- the sums due to swap counterparties
- the sums due, related to the management and recovery of the eligible assets

Other non privileged liabilities :

Means the other accounts payables, including loans or resources raised pursuant to an agreement (with the meaning of article L. 412-1 of Code Monétaire et Financier), and other social and tax liabilities

3 **ALM**

Contractual maturities :

Contractual maturities are calculated assuming a zero prepayment scenario on the cover pool assets.

Regarding covered bonds and substitute assets, contractual maturity is calculated according to the legal final maturity.

For pass through ABS, this assumption is applied to the underlying assets to determine the contractual maturity of the ABS (i.e. contractual maturity is not calculated according to the legal final maturity of the securities).

Expected maturities :

The assumptions underlying the calculation of the expected WAL and expected maturity breakdown shall be disclosed for each element of the cover pool including substitute assets.

Some information should be provided to explain the prepayment assumptions on assets and liabilities.

For substitute assets, it should be explained if these assumptions include asset sales or repo.

Expected WAL and maturities of the cover pool assets are calculated assuming an average percentage of prepayment rate observed over the last year.

The substitute assets being actually composed of cash and term deposits to financial institutions, their expected maturity is assumed to be equal to their contractual one.

Covered bonds are all hard bullets and no early repayment is assumed, therefore their expected maturity is equal to their contractual one.

3.5 **Liquid assets**

Outstanding

The nominal value of liquid assets is reported.

Liquidity support

Provide details on the nature of liquidity support.

3.6 **Substitute assets**

Details of the information provided shall be given in the case of split ratings.

Residential cover pool data

- 4 Explain for each table which information is included or not included (e.g. external RMBS assets excluded)

The SG SFH cover pool is 100% made of french residential home loans totally guaranteed by Credit Logement
Each table reported in section 4 display information on this french residential home loan cover pool
There is no residential mortgage in the SG SFH cover pool
The assets backing guaranteed loans (collateral directive framework), mortgage promissory notes and internal ABS shall be disclosed using a look through approach in each table.

4.2, 4.3 **Geographical distribution / regional breakdown**

The geographical breakdown of assets takes into account the location of the property which is refinanced by the guaranteed loans
The geographical breakdown of assets shall take into account the location of the pledged property for residential mortgages and the location of the property which is refinanced by the loan in the case of guaranteed loans.

4.4 **Unindexed current LTV**

Unindexed LTV is calculated on the basis of the current outstanding amount of the loans and the initial valuation / price of the residential assets.

4.5 **Indexed current LTV**

Indexed LTV is calculated on the basis of the current outstanding amount of the loans to the appraised values or prices of the residential assets using an indexation methodology.
The current residential values / prices are calculated based on INSEE Index published on the following website address:
<http://www.bdm.insee.fr>
Current value of residential home loans is calculated automatically but also controlled twice a year both internally and by the Contrôleur Spécifique

4.6 **Mortgages and guarantees**

100% of the Cover Pool is guaranteed by Credit Logement
Provide a breakdown by guarantee regime in the case of state guarantees (FGAS, NHG...)

4.10 **Interest rate type**

"Floating" includes loans with interest rate reset periods exceeding one year (e.g. loan indexed on CMS 5Y with an interest rate reset every five years)

"Mixed" is used for loans with a combination of fixed, capped or floating periods (e.g. 10 years initial fixed rate switching to floating).