

# INVESTOR PRESENTATION

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



September 2015



BUILDING TOGETHER  
TEAM SPIRIT  SOCIETE GENERALE

## **DISCLAIMER**

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**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.**

**Unless otherwise specified, the sources for the rankings are internal.**

**The Group's condensed consolidated accounts at 30 June 2015 thus prepared were examined by the Board of Directors on 5 August 2015. The Statutory Auditors' limited review of the condensed consolidated financial statements is currently underway.**

**The financial information presented for the six-month period ending 30 June 2015 has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date.**

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## SOCIETE GENERALE GROUP RESULTS (1<sup>st</sup> HALF 2015)

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

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

**Accelerated  
business  
growth and  
increased  
profitability**

Significant growth in revenues: Group NBI at EUR 6.9bn in Q2 15, up +16.4% (+8.9%<sup>(1)</sup>) vs. Q2 14 and EUR 13.2bn in H1 15, up +14.4%, (+6.7%<sup>(1)</sup>) vs. H1 14

Improvement of Cost to Income ratio<sup>(2)</sup>: down -0.9pt in Q2 15 vs. Q2 14 and -1.4pt in H1 15 vs. H1 14  
New initiatives to improve operational efficiency: EUR 850m additional savings planned by end-2017

Further decrease in Group cost of risk: at 44bp in Q2 15 vs. 57bp in Q2 14

Group net income at EUR 1,351m in Q2 15, up +25.2% vs. Q2 14 and EUR 2,219m in H1 15, up +77.8% vs. H1 14



**Q2 15 ROE<sup>(2)</sup>: 10.3%**

**EPS: EUR 2.54 in H1 15 (1.37 in H1 14)**

**Very strong  
balance sheet**

Robust capital<sup>(3)</sup> structure at end-Q2 15: CET 1 ratio at 10.4%, Leverage ratio at 3.8%,  
Total Capital ratio at 15.2%

End-2016 targets raised to further enhance flexibility: CET 1 close to 11% and Leverage ratio at 4-4.5%

Total Capital ratio target above 18% at end-2017 to anticipate TLAC regulation



**A dynamic and consistent business model ready to take advantage of the European recovery**

\* When adjusted for changes in Group structure and at constant exchange rates

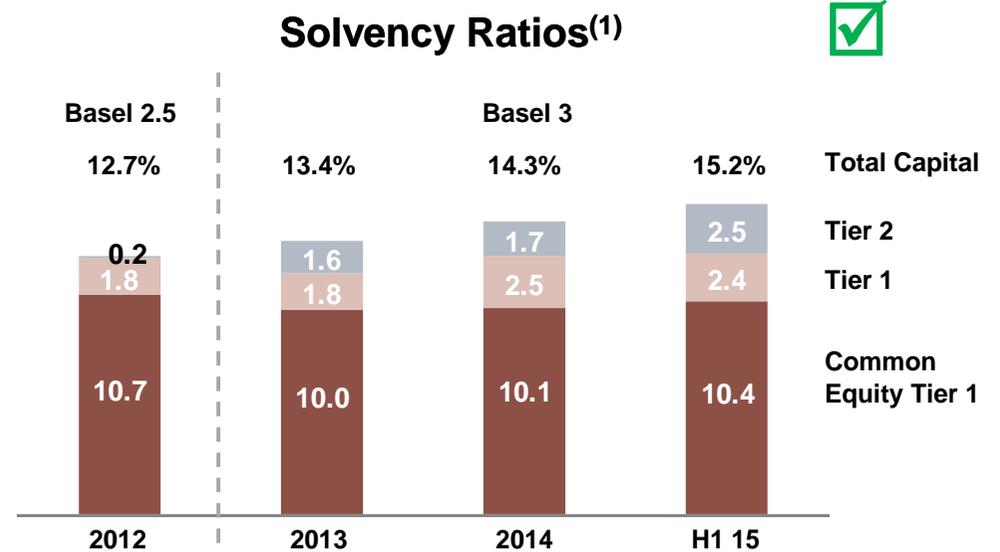
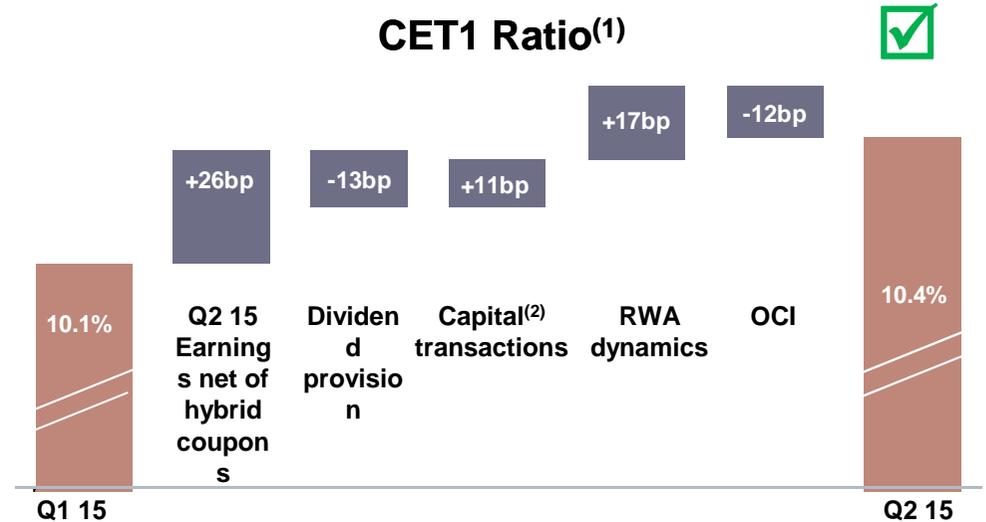
(1) Excluding impact of revaluation of own financial liabilities and DVA

(2) Excluding impact of revaluation of own financial liabilities, DVA, PEL/CEL provision, adjusted for IFRIC 21, and collective provision for litigation (ROE)

(3) Solvency ratios based on CRR/CRD4 rules integrating the Danish compromise for insurance. See Methodology, section 5

High quality capital and very solid ratios

- Common Equity Tier 1 ratio(1): 10.4% at end-June, up +31bp vs. Q1 15
- Solid capital generation allowing for RWA growth (2013-2016 CAGR: 4%) and 50% payout
- Expected Amundi IPO: positive impact on capital ratio ~20bp at end-2015
- High quality of capital
  - Full deduction of goodwills and DTAs
  - Limited benefit of Danish compromise post Amundi IPO: around 15bp at end-2016
- Leverage ratio: 3.8% at end-June
- End 2016 targets raised to further enhance flexibility
  - CET1(1) ratio: close to 11% for end-2016
  - Leverage ratio(1): 4% - 4.5% for end-2016
  - Total Capital ratio(1): above 18% for end-2017



(1) Fully loaded based on CRR/CRD4 rules, including Danish compromise for insurance. See Methodology section 5. Phased in CET1 ratio of 11.0% at end-June 2015 pro forma for current earnings, net of dividends, for the current financial year

(2) Treasury stock disposal (1% of shares) and acquisition of Boursorama minority interests

**2015 long term funding programme<sup>(1)</sup>**

<b>Parent company funding programme</b>		<b>EUR 25-27bn</b>	
<b>Issued by parent company</b>		<b>EUR 18.1bn</b>	
<b>Senior debt</b>		<b>EUR 14.7bn</b>	
	<i>o/w unsecured debt</i>	<i>EUR 13.7bn</i>	} Average maturity: 4.6 years Average spread: Euribor MS 6M+26bp
	<i>o/w covered bonds</i>	<i>EUR 1.0bn</i>	
<b>Subordinated debt</b>		<b>EUR 3.4bn</b>	
<b>Issued by subsidiaries</b>		<b>EUR 4.6bn</b>	

(1) As of 27 July 2015

## Diversified access to long term funding sources

- Access to diversified and complementary investor bases through:
  - Subordinated issues
  - Senior vanilla issuances (public or private placements)
  - Senior structured notes distributed to institutional investors, private banks and retail networks, in France and abroad
  - Covered bonds (SFH, SCF) and securitisations
- Issuance by Group subsidiaries further complements the diversification of funding sources
  - Access to local investor bases by subsidiaries which issue in their own names or issue secured transactions (Russian entities, ALD, GEFA, Crédit du Nord, etc.)
  - Increased funding autonomy of IBFS subsidiaries
  - Gradual amortisation schedule

(1) Funded balance sheet at 30/06/2015. See Methodology, section 7  
Including subordinated debts accounted as equity

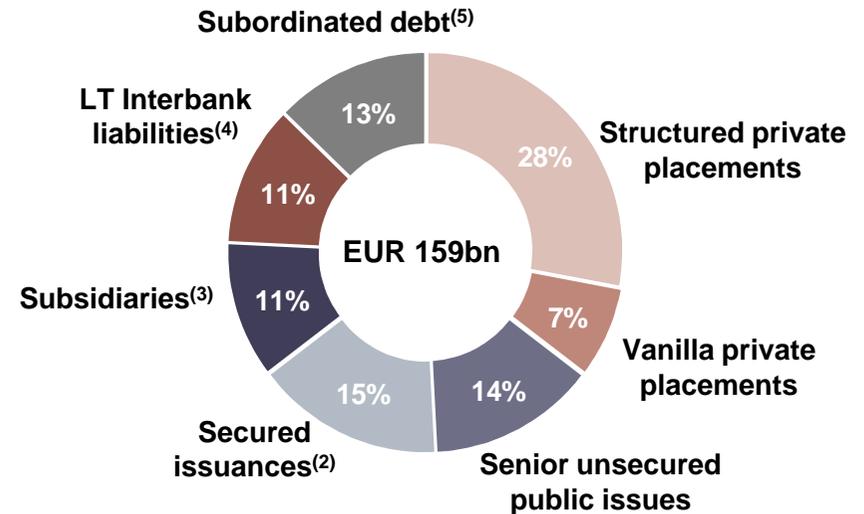
(2) Including Covered Bonds and CRH

(3) Including secured and unsecured issuance

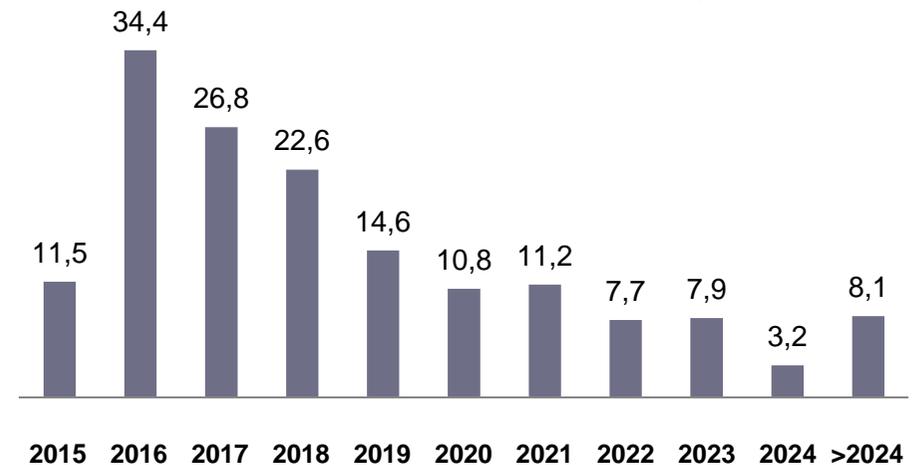
(4) Including International Financial Institutions

(5) Including undated subordinated debt (EUR 8.7bn) accounted in Equity

### Long term funding breakdown<sup>(1)</sup>



### Long term funding<sup>(1)</sup> Amortisation schedule (as of 30 June 2015, in EUR bn)



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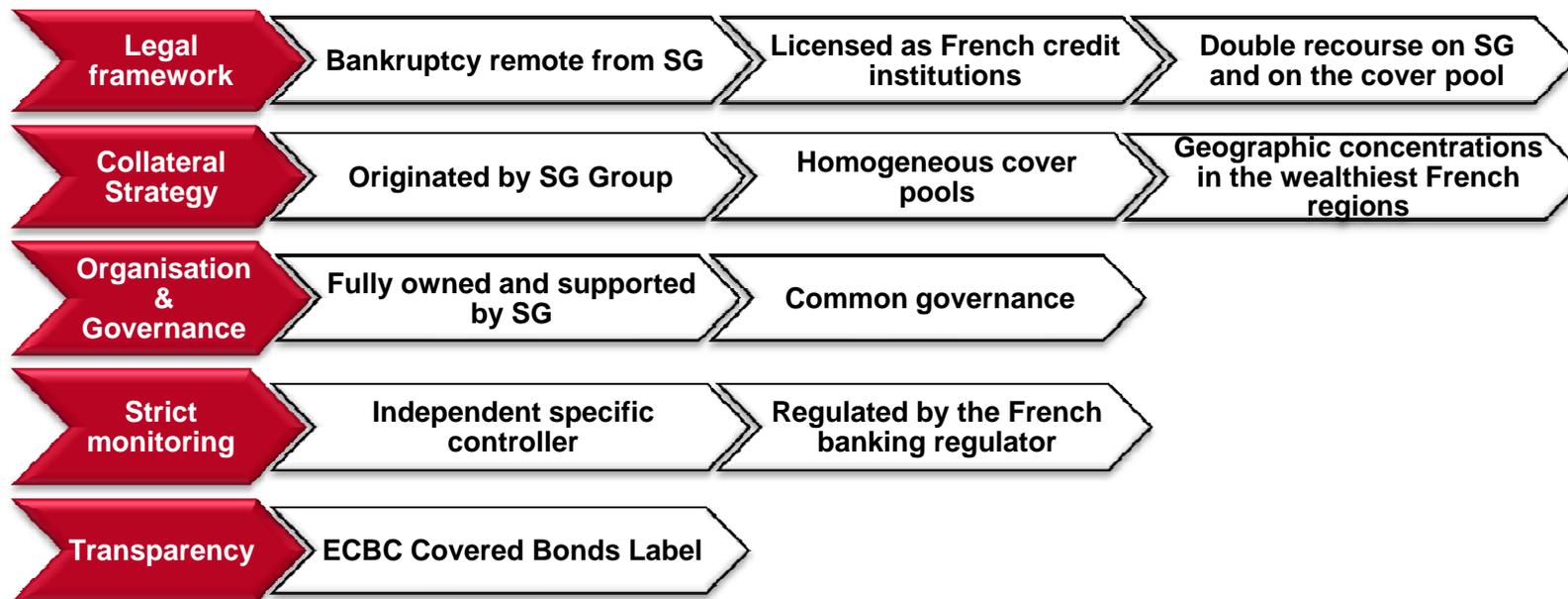
SOCIETE GENERALE GROUP RESULTS (1<sup>st</sup> HALF 2015)

**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



However each issuer has its own characteristics



### 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

### Insolvency derogating 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 treatments for bank investors

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

• **SG SFH (Art 129.1.e)**

- Residential loans 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)\*

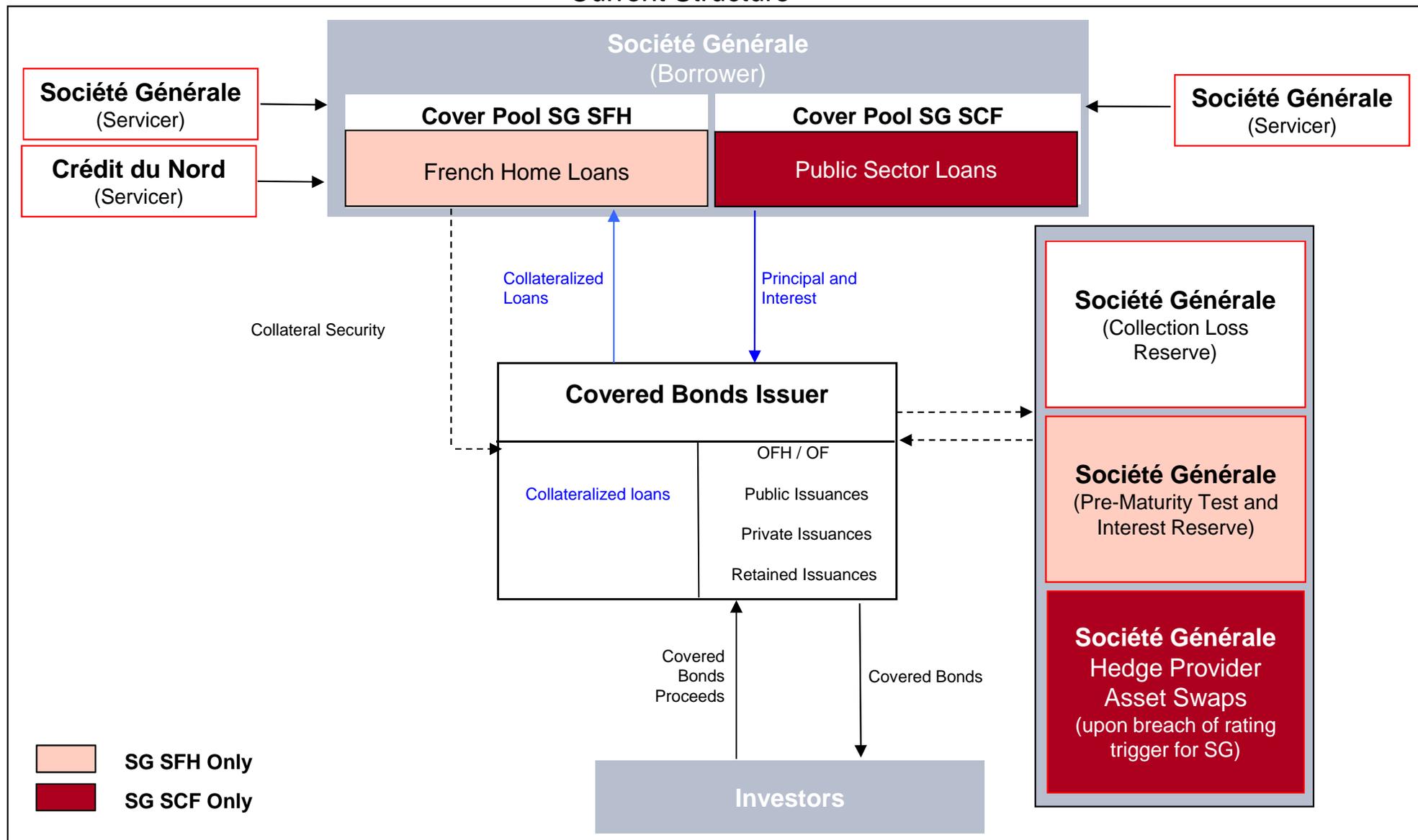
- UCITS compliant (52.4) ([http://ec.europa.eu/finance/investment/legal\\_texts/index\\_fr.htm](http://ec.europa.eu/finance/investment/legal_texts/index_fr.htm))
- Transparency requirements (art. 129 (7))\*
- Minimum issuance size (at least EUR 250 million for L2A and EUR 500 million for L1)
- Step 1 covered bonds ratings by an ECAI
- Cover Ratio > 102% (SG SCF: 118.3% and SG SFH:118.25%)
- Exposures towards Credit institutions <15 % of outstanding Covered bonds



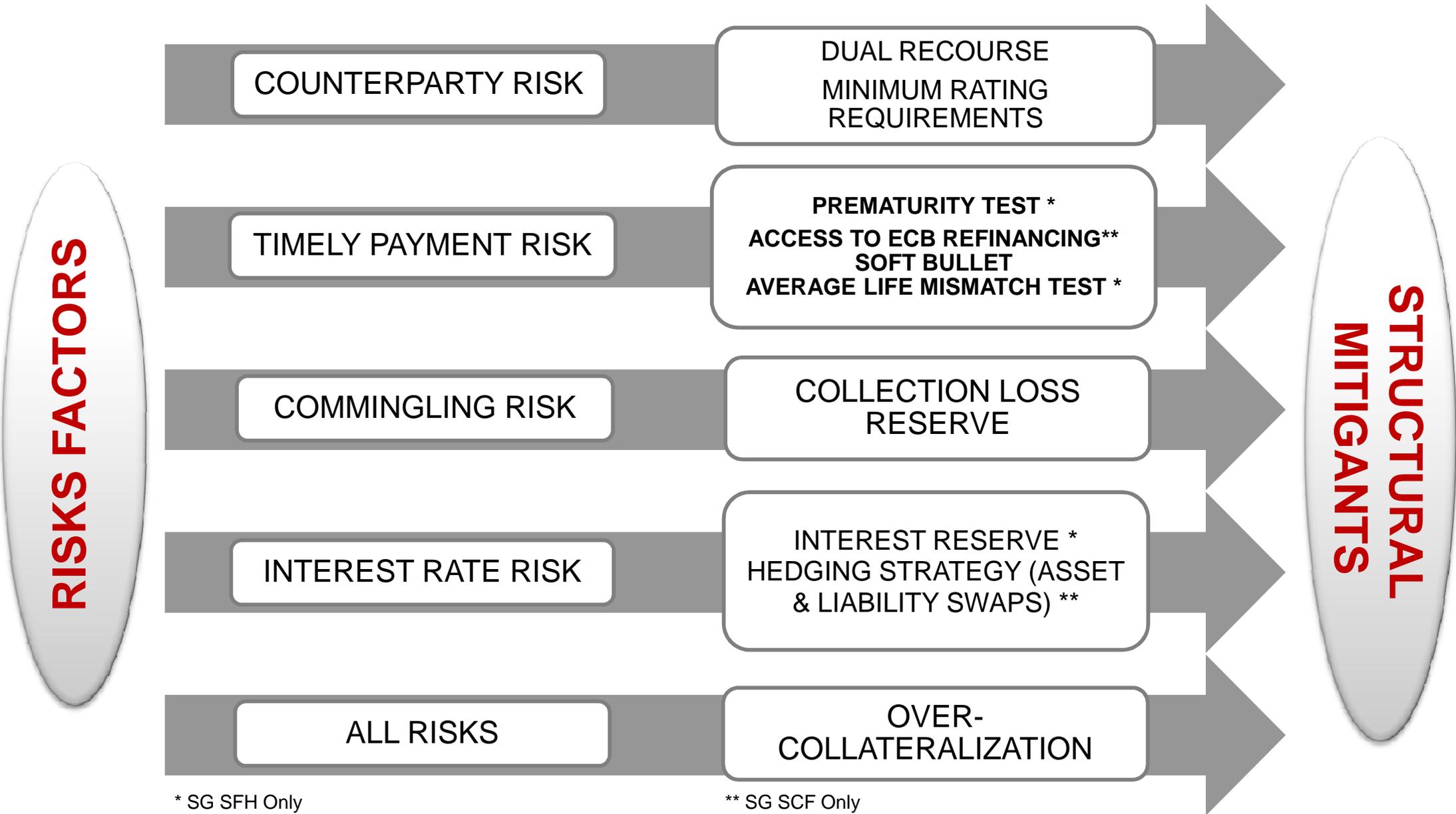
\* cf ECBC Report available on the investor website (<http://www.societegenerale.com/fr/mesurer-notre-performance/investisseurs/investisseurs-dette>)

**Comprehensive and simple structures compliant with Rating Agencies criteria**

Current Structure



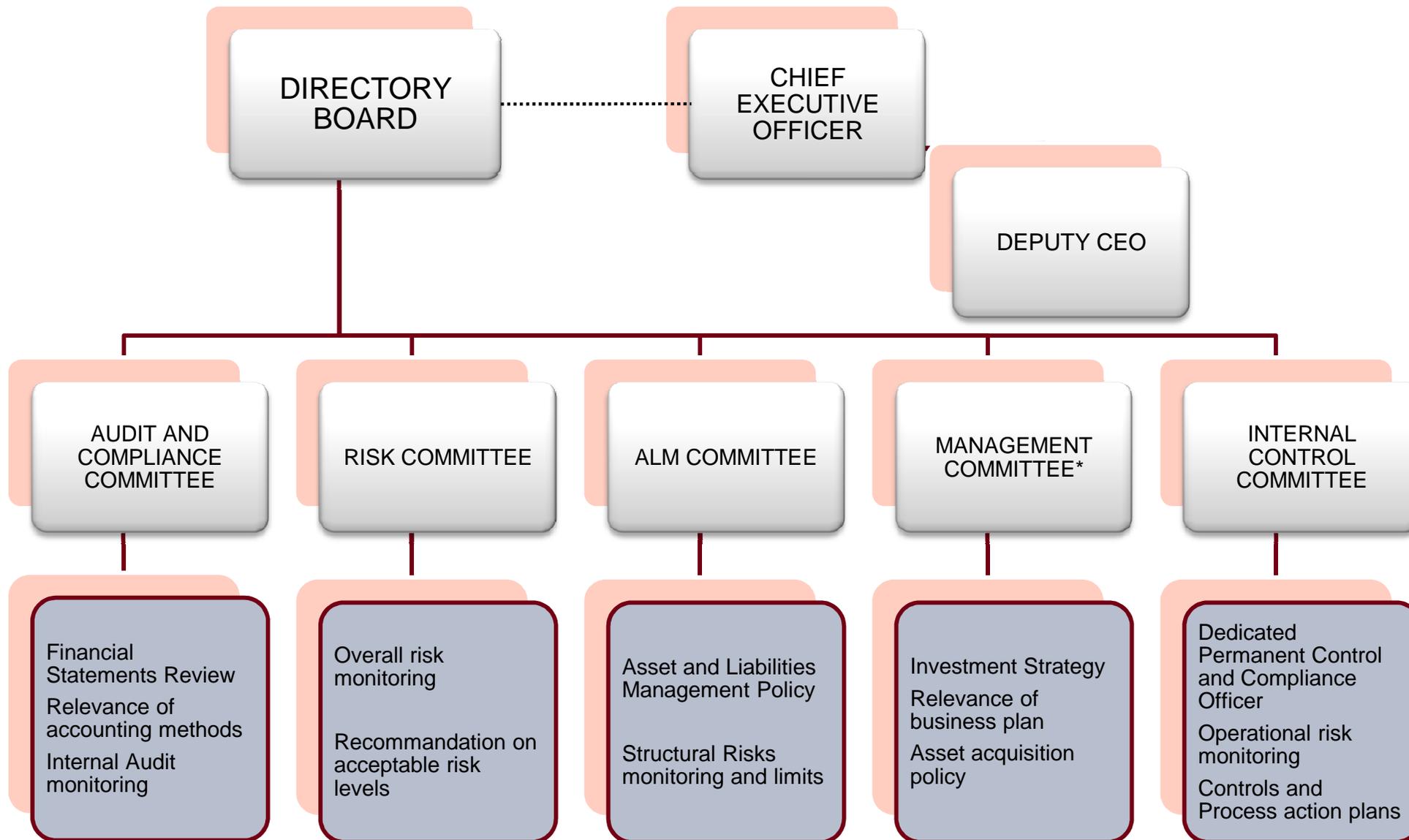
**Risks are rigorously managed and strongly mitigated**



\* SG SFH Only

\*\* SG SCF Only

GENERAL PRESENTATION : SG SFH & SG SCF  
**Dedicated governance and strong control environment**



\* SG SCF Only

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SOCIETE GENERALE GROUP RESULTS (1<sup>st</sup> HALF 2015)

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

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

**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 49% of Retail banking loan production
- Sustained home loan production focusing on upscale clients
- Increasing market share of SG Group thanks to an attractive price policy

**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



ENTITIES REFINANCED THROUGH SG SFH



A solid universal bank in the service of the economy

**2 221**  
agencies

**€ 65.7bn**  
outstanding of home loans



8 regional banks

**907**  
agencies

**€ 18.8bn**  
outstanding of home loans

FUTURE ENTITIES TO BE REFINANCED THROUGH SG SFH



N°1 in the online bank in France

Leading player of the brokerage and on-line savings

**€ 2.67bn**  
outstanding of home loans



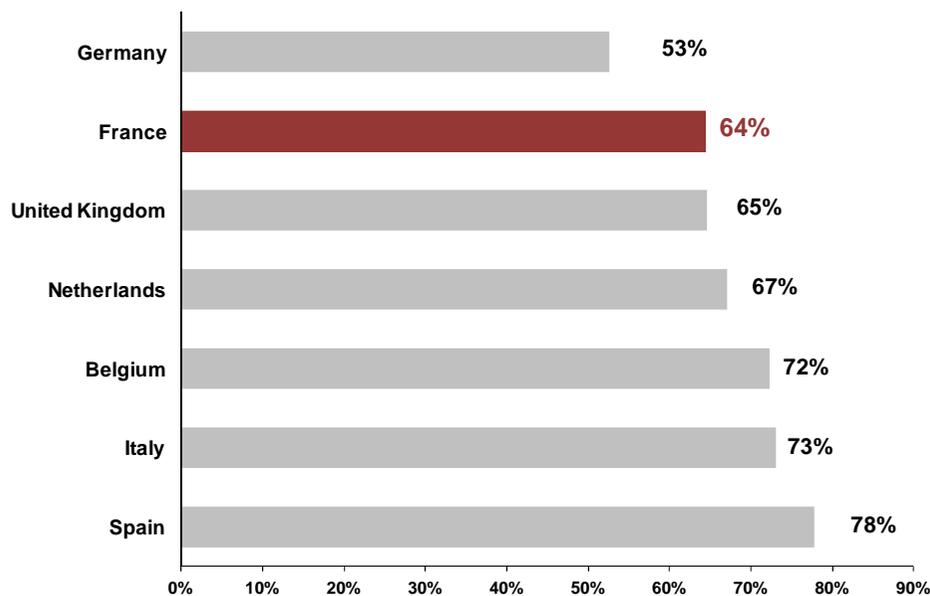
29 agencies in the Indian Ocean

Leading player in the economic environment of la Réunion & Mayotte

**€ 621.4m**  
outstanding of home loans

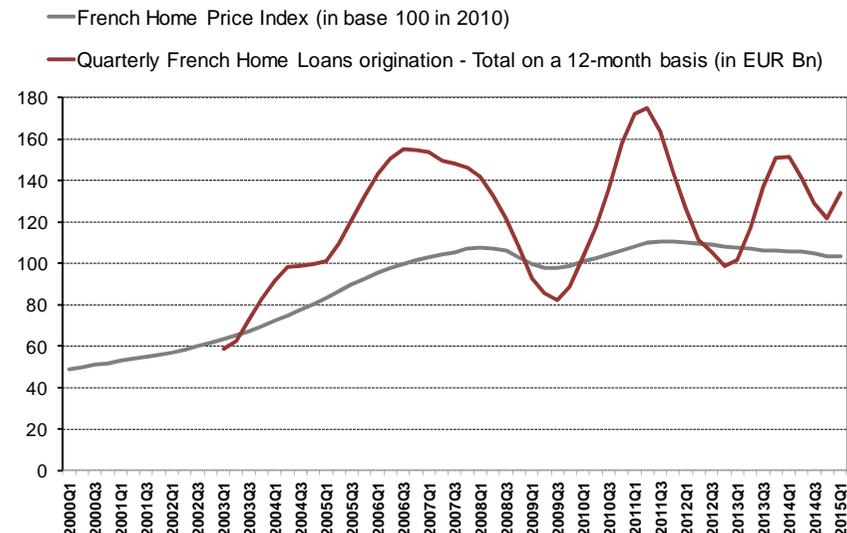
- 64% ownership rate (second lowest in EU)
- 31.4% of French households bearing residential loans
- Home prices resilient (very limited impact during financial crisis)
- Maturity at origination below French market practice

**European home ownership %**



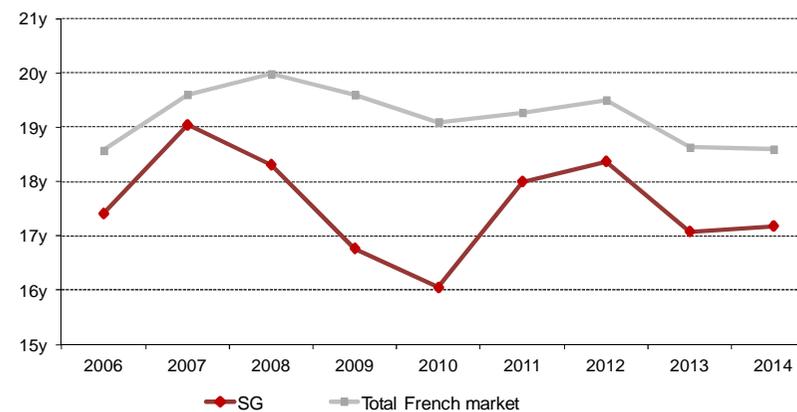
Source : Eurostat, 2014

**French home loan market**



Source : Banque de France / Insee-Notaries

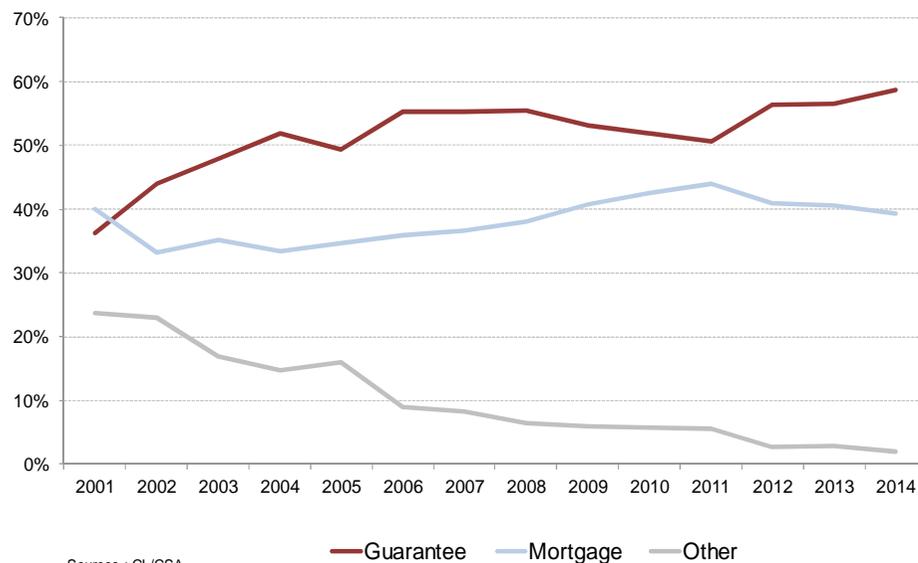
**Maturity of home loans at origination**



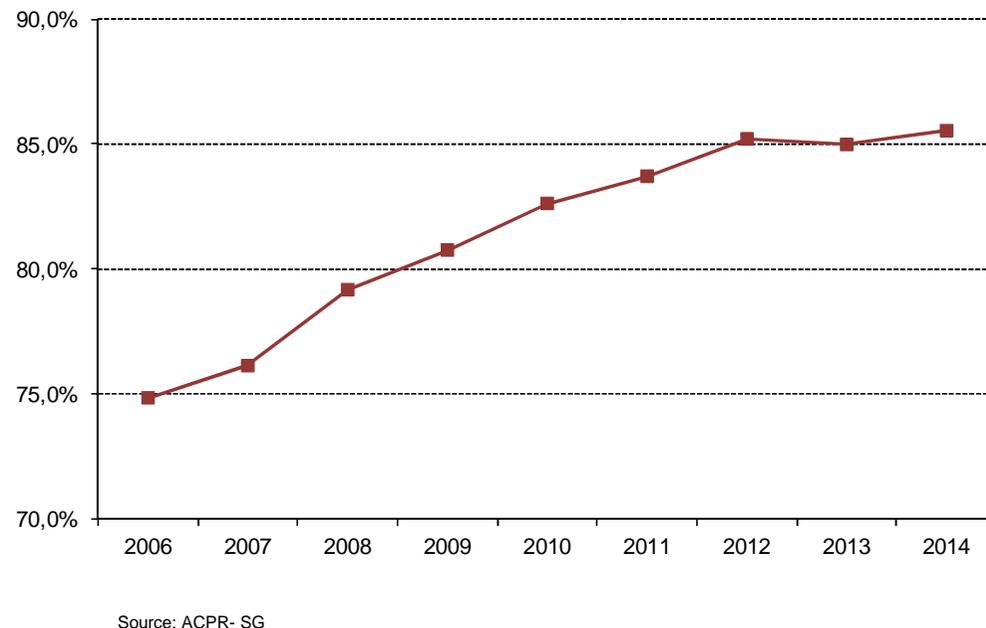
Source: ACPR - SG

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

**Type of security of French Home loans outstanding**

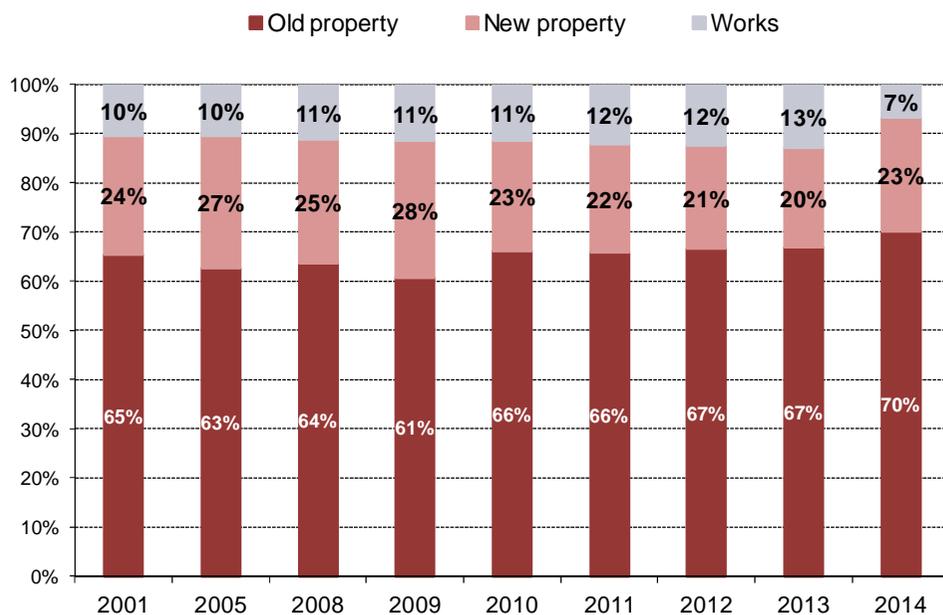


**Portion of fixed rate loans in home loans origination**



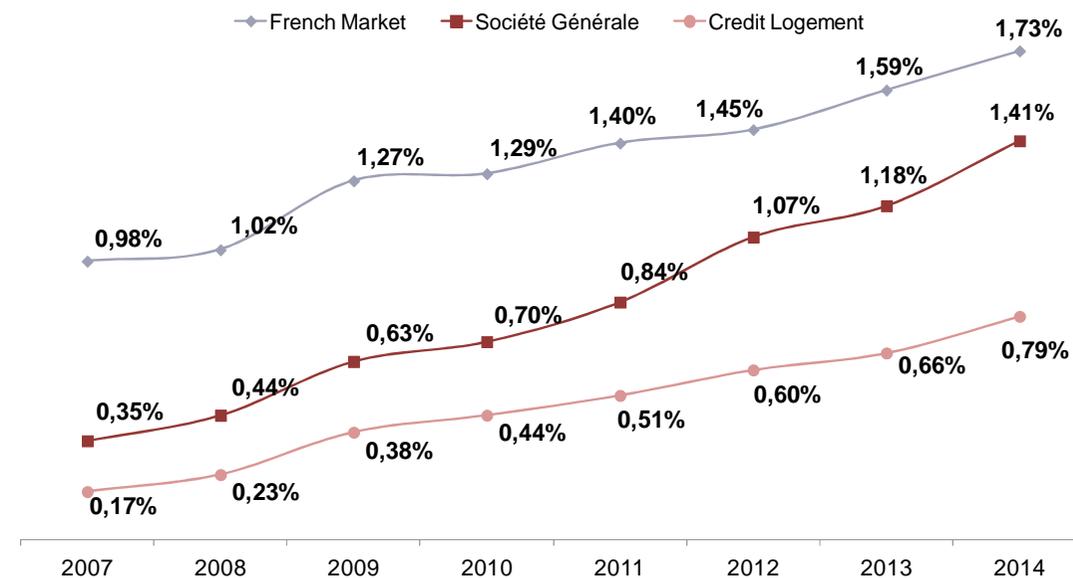
- The French home loan market is a prime home loan market
  - \_ Mainly on existing properties (+/- 2/3)
- Default rates remain at low level
  - \_ At national level
  - \_ At Société Générale level
  - \_ Especially when guaranteed by Crédit Logement

French market – Loan purpose



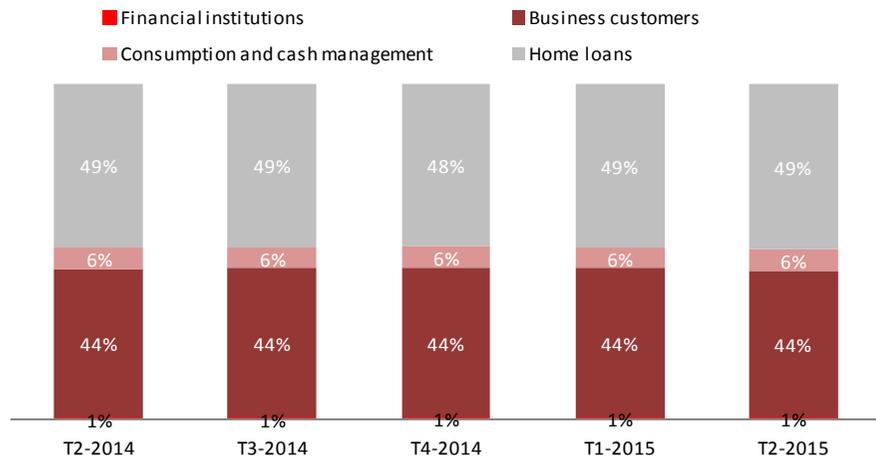
Source : Observatoire de la Production des Crédits Immobiliers (OPCI)

Doubtful home loans



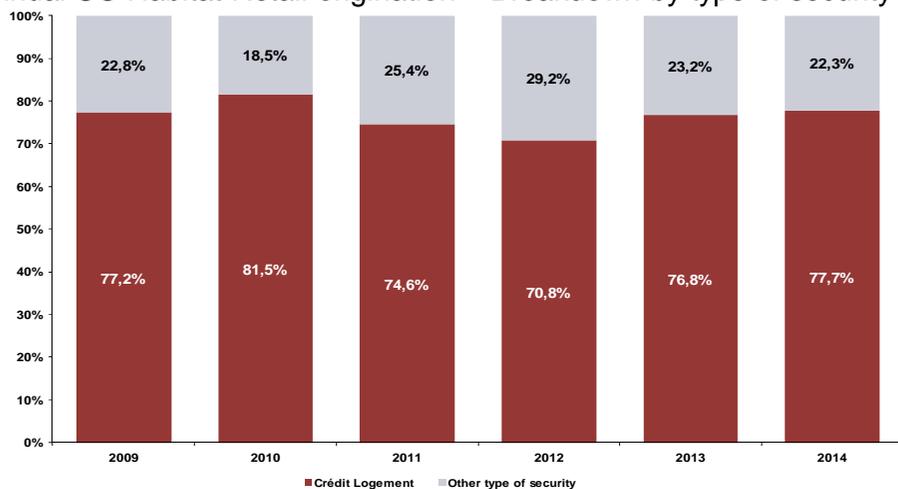
Source ACP, Société Générale, Crédit Logement  
Change of method of calculation since 2014 and applicable on all history

Société Générale loans breakdown



Société Générale production's structure

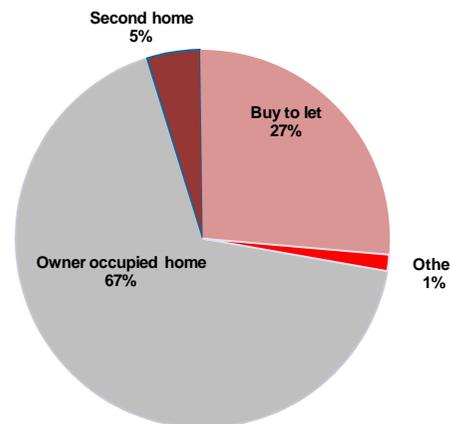
Annual SG Habitat Retail origination – Breakdown by type of security



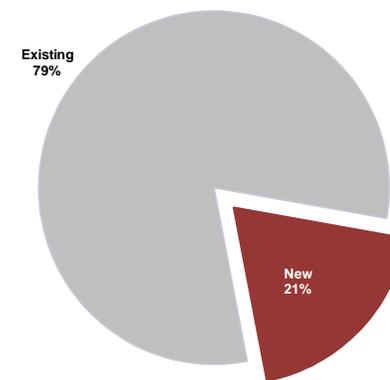
Société Générale French Home Loan Business

Performing outstanding breakdown as of end of 2014

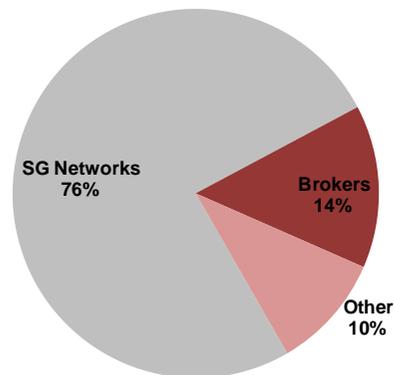
Type of loan purpose



Type of clients



Type of acquisition channel



**CREDIT LOGEMENT PERFORMANCE**

- **“Guaranteed loans” market share in home loan market** : in 2014, guaranteed loans represented 53% of the overall residential loans granted in France
- **Crédit Logement is the national leader** of the home loan guarantee market, with a market share of around 67%.
- Main figures(\*):

in EUR Bn	2006	2007	2008	2009	2010	2011	2012	2013	2014
French home loan production	154,2	157,7	126,3	109,0	165,5	156,5	109,2	140,5	121,6
French guaranteed home loan production	87,9	86,7	63,9	55,0	85,3	80,3	57,8	79,5	64,1
<i>French guaranteed home loan market share</i>	<i>57%</i>	<i>55%</i>	<i>51%</i>	<i>51%</i>	<i>52%</i>	<i>51%</i>	<i>53%</i>	<i>57%</i>	<i>53%</i>
CL Guarantee production	40,0	39,5	34,5	32,5	56,3	51,1	35,1	49,1	43,2
<i>CL guaranteed home loan market share</i>	<i>45%</i>	<i>46%</i>	<i>54%</i>	<i>59%</i>	<i>66%</i>	<i>64%</i>	<i>61%</i>	<i>62%</i>	<i>67%</i>
French home loan outstanding	494,4	560,9	607,1	634,3	672,9	714,6	739,5	770,0	802,0
CL Guarantees outstanding	118,5	139,5	155,4	167,6	201,9	224,0	232,9	245,5	254,3

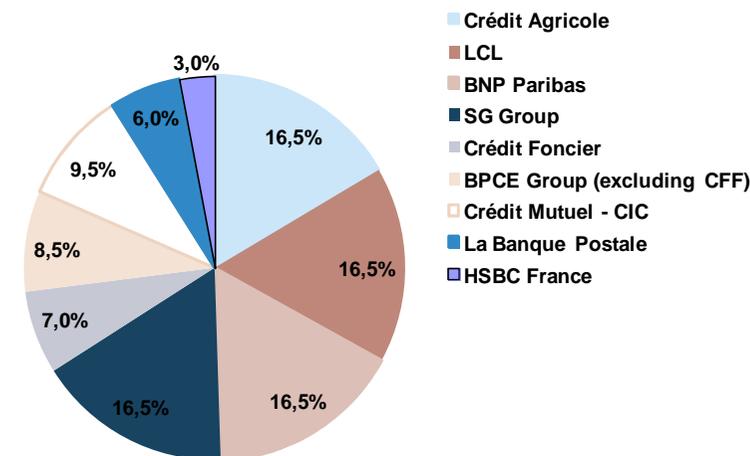
- Disbursements on guarantee calls and full partner bank compensations are paid from the **Mutual Guarantee Fund (MGF)\*\***, while Crédit Logement overheads are covered by fees partly spread over the life time of the guarantees.
- Crédit Logement NBI also comprises interest income from the MGF investments and reached EUR 215m in 2014 (EUR 212m in 2013).

(\*) Source: Enquête annuelle 2014 du SGACP sur le financement de l'habitat

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

**OTHER CREDIT LOGEMENT CREDENTIALS**

- **Crédit Logement is backed by all larger French banks:**
  - \_ Long term rating
    - Aa3 by Moody's (under stable outlook)
    - AA by DBRS
  - \_ 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 2014 the MGF covers 2.1 times all doubtful debts (defined as >2 months instalments arrears)**

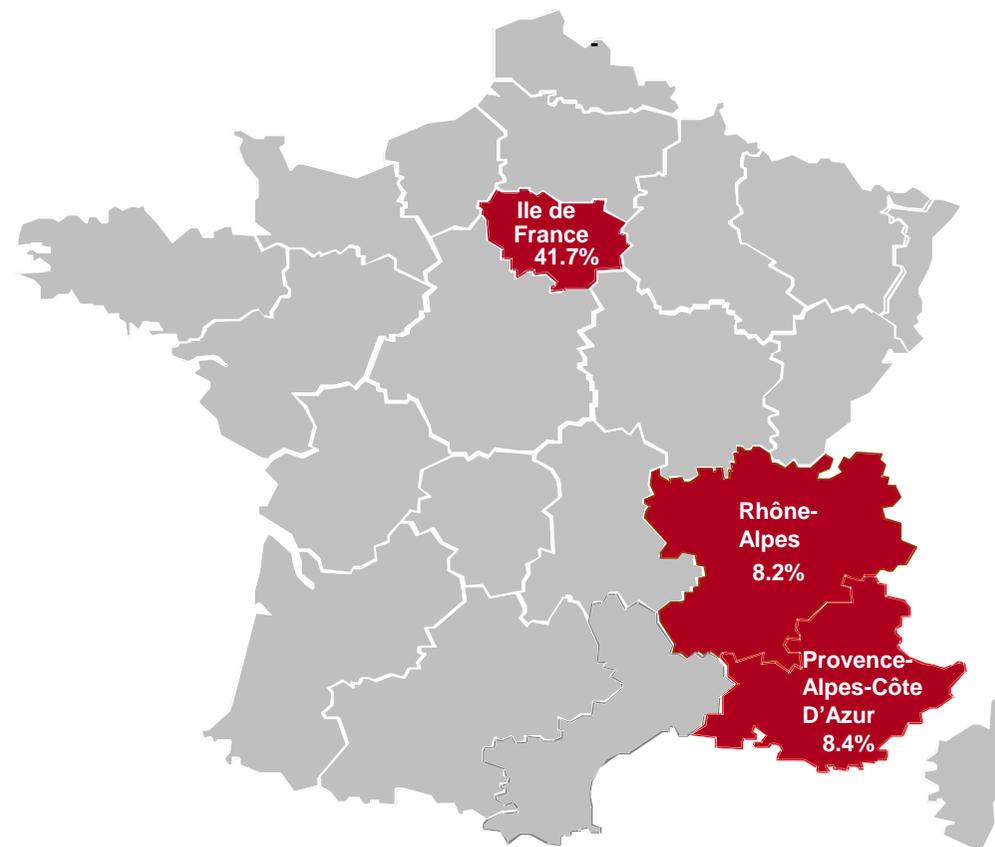


in EUR Mn	2006	2007	2008	2009	2010	2011	2012	2013	2014
CL Guarantees outstanding	118 504	139 510	155 350	167 608	201 927	223 976	232 870	245 470	254 288
CL MGF outstanding	2 295	2 508	2 688	2 867	3 231	3 518	3 703	3 950	4 120
Balance Sheet - Doubtful debt outstanding	98,1	119,8	171,1	274,7	379,6	482,0	587,6	730,4	889,2
Off Balance Sheet - Doubtful debt outstanding	74,6	117,3	193,9	366,1	513,4	661,4	809,3	897,9	1 118,6
Total Doubtful debt outstanding	172,7	237,1	365,0	640,8	893,0	1 143,4	1 396,9	1 628,3	2 007,8
<i>Doubtful debt % of the guarantees outstanding</i>	0,15%	0,17%	0,23%	0,38%	0,44%	0,51%	0,60%	0,66%	0,79%
<i>CL MGF outstanding / Total Doubtful debt outs.</i>	13,3	10,6	7,4	4,5	3,6	3,1	2,7	2,4	2,1
Written off amounts	1,8	3,2	2,4	6,0	5,0	2,9	6,5	13,9	19,8
<i>Write-offs (N) / Doubtful debt outstanding (N-1)</i>		1,85%	1,01%	1,64%	0,78%	0,32%	0,57%	1,00%	1,21%
<i>Write-offs (N) / CL MGF outstanding</i>	0,08%	0,13%	0,09%	0,21%	0,15%	0,08%	0,17%	0,35%	0,48%

**SG SFH COVERED BONDS PROGRAMME**  
**High quality and well diversified cover pool (1/2)**

<b>Collateral</b>	100% prime French residential loans & guaranteed by Crédit Logement
<b>Pool size</b>	EUR 24.8bn
<b>Number of borrowers</b>	237,528
<b>Number of loans</b>	322,927
<b>Average Loan Balance</b>	76,898
<b>Current WA LTV</b>	63.63%
<b>WA Seasoning</b>	60 months
<b>WA Remaining Term</b>	157 months
<b>Non performing loans</b>	0

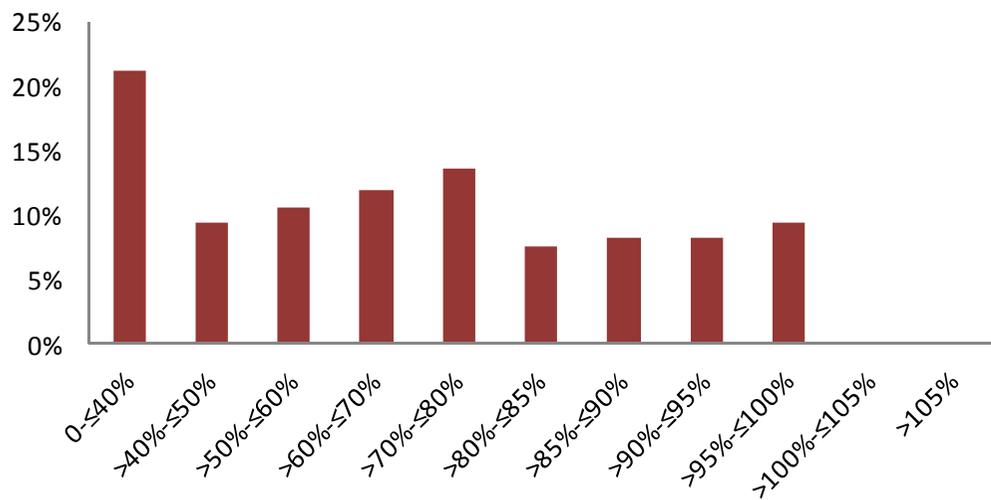
**Geographical distribution**



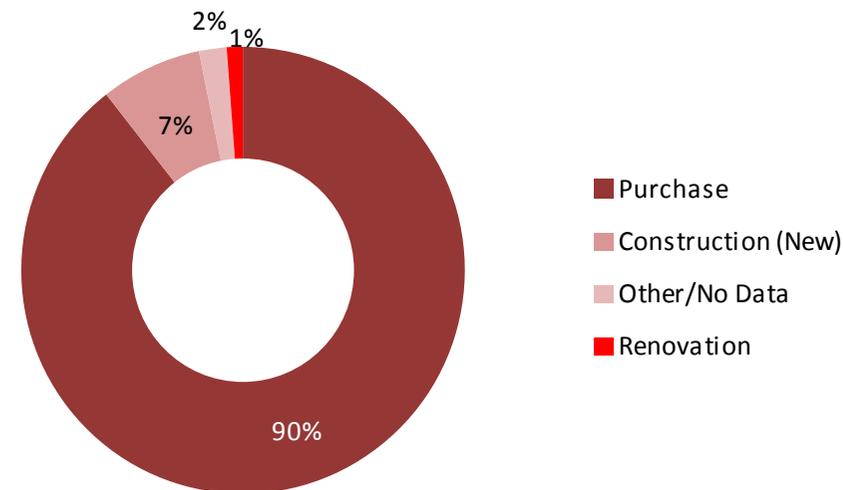
Figures as of end of July 2015

**SG SFH COVERED BONDS PROGRAMME**  
**High quality and well diversified cover pool (2/2)**

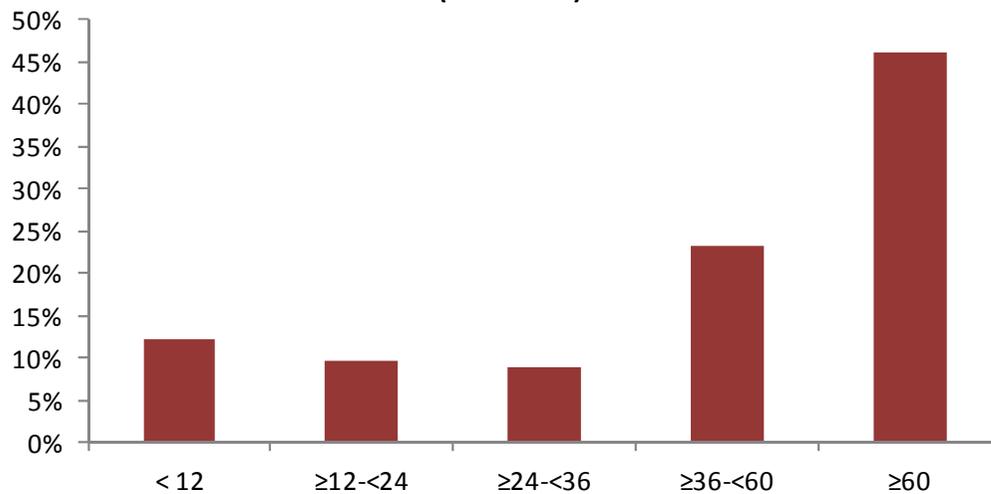
**Indexed LTV Distribution**



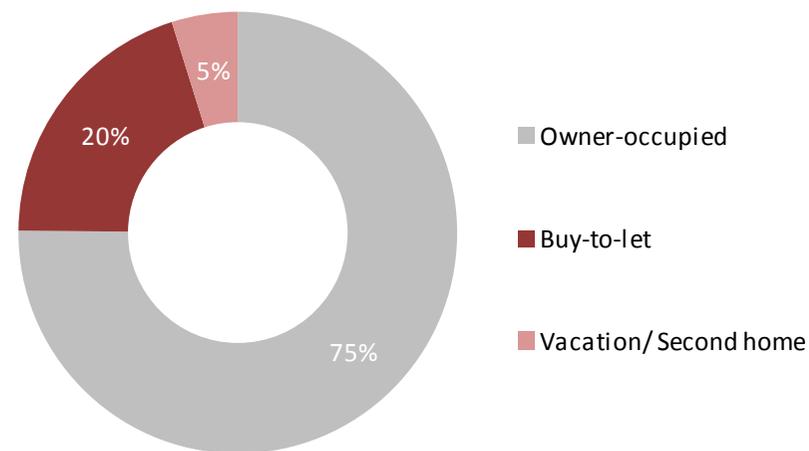
**Loan Purpose**



**Seasoning  
(in months)**



**Occupancy type**

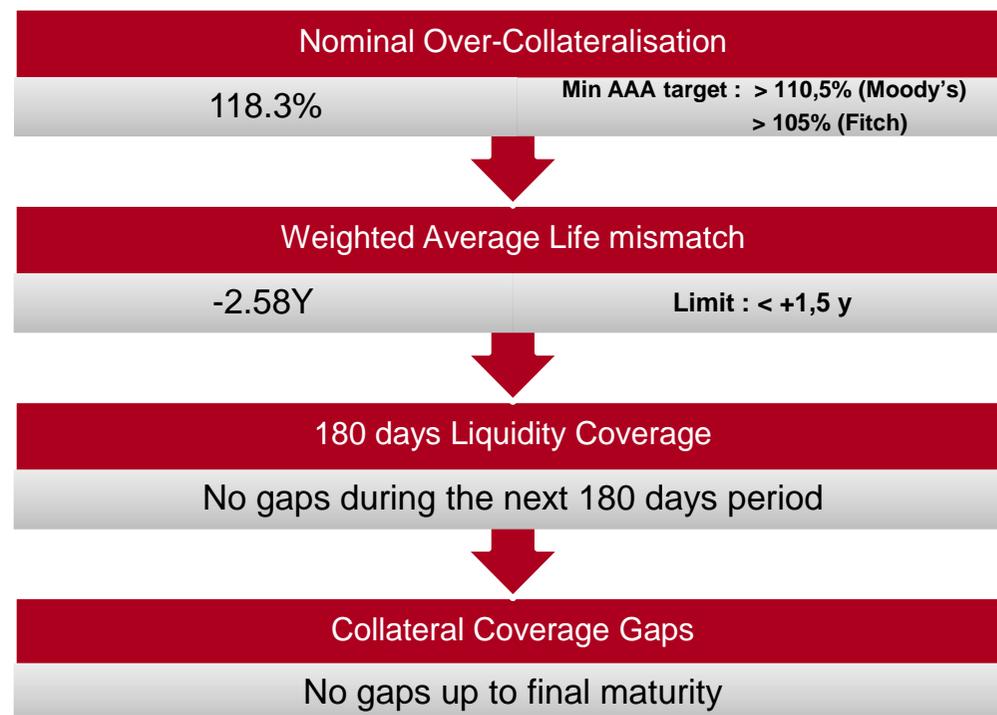
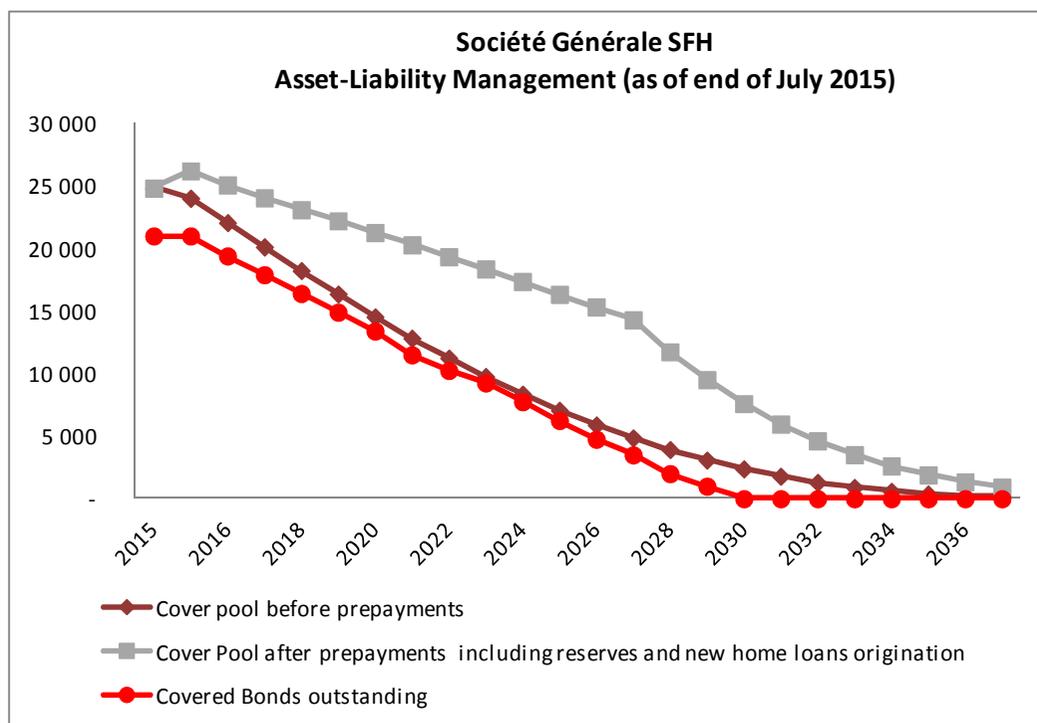


Figures as of end of July 2015

## SG SFH COVERED BONDS PROGRAMME

### Dynamic, projective and cautious ALM monitoring

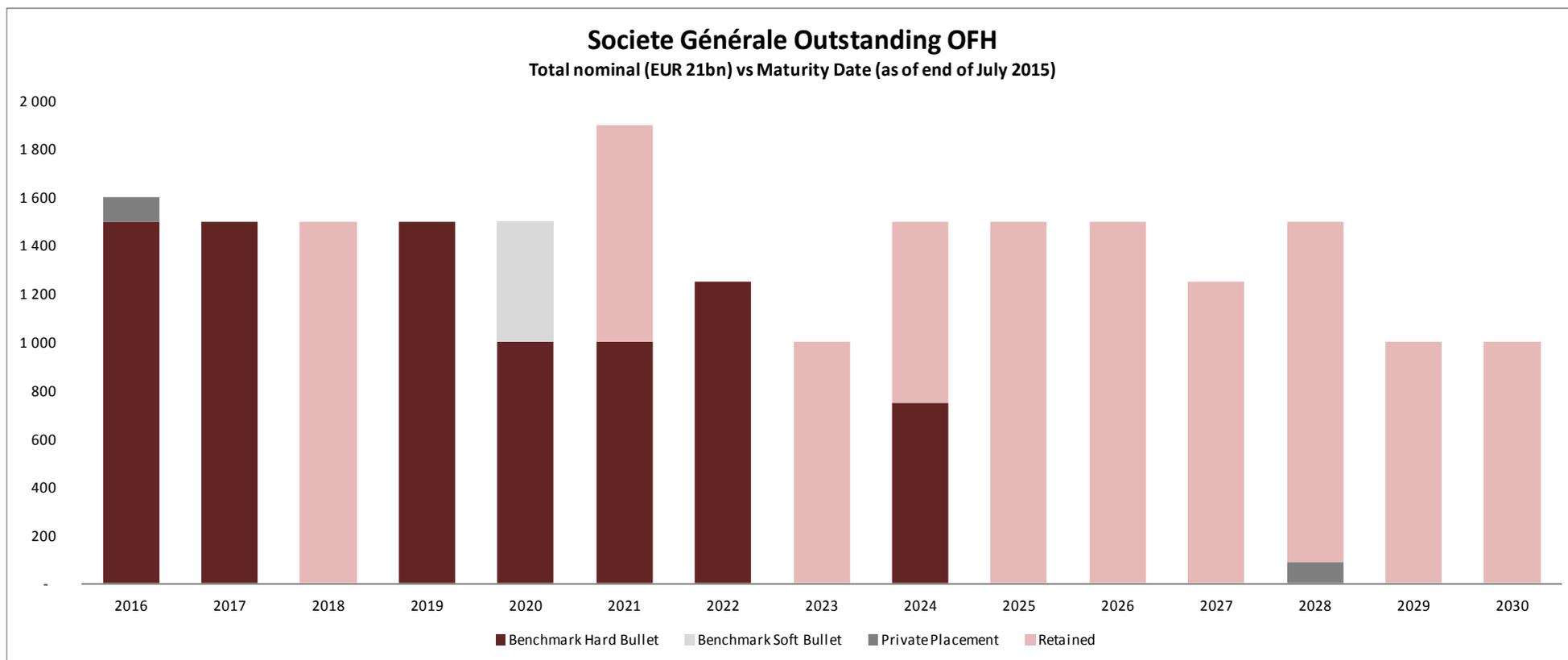
- Covered Bonds fully backed up to their final maturities
- The structure has been set up taking into account best ALM practice
  - Tight projective monitoring of ALM metrics
  - Definition and strict follow-up of a coverage long-term plan based on available eligible assets and conservative new production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



Figures as of end of July 2015

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

- Last Benchmark issuance in February 2015 : EUR 500M, maturity 5 years
- The SG Group funding strategy allocated around EUR 1.0bn per year to the SFH programme
- Strong issuance capacity (Retained issuances: EUR 11.81Bn)



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SOCIETE GENERALE GROUP RESULTS (1<sup>st</sup> HALF 2015)

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

1. **SG SFH COVERED BOND PROGRAM**

2. **SG SCF COVERED BOND PROGRAM**

**Strategic integration in the Group**

- SG SCF is the main refinancing entity for the Public Sector financing originated mainly by the SG Group French Retail Network and by the Investment Bank as well
- Realises funding advantages 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, 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 2015 : Best Export Finance Bank
- Energy Risk Awards 2015 : Energy Finance House 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

EUR **12.6** bn  
financed amount in 2014

over **80**  
employees

**23**  
private insurers

**1<sup>st</sup>**  
Best Global Export  
Finance Bank

**42** countries including  
33 importing countries and  
9 exporting countries

**22** export credit  
programs

**1<sup>st</sup>** Best DFI Finance  
Arranging Bank

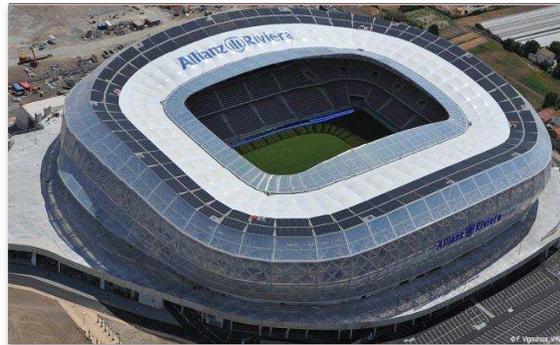
**40** years of knowledge and  
practice with their Export Credit  
Programs

-  Australia (EFIC)
-  Austria (OeKB) \*
-  Belgium (Ducroire) \*\*
-  Canada (EDC) \*\*
-  China (SINOSURE) \*\*
-  Czech Republic (EGAP)
-  Denmark (EKF) \*\*
-  Finland (Finnvera Oyj) \*\*
-  France (COFACE) \*
-  Germany (Euler Hermes) \*
-  Italy (SACE)
-  Japan (JBIC & NEXI)
-  Korea (KSURE & KEXIM) \*\*
-  Luxembourg (ODL)
-  Netherlands (Atradius) \*\*
-  Norway (GIEK) \*
-  Poland (KUKE)
-  Spain (CESCE)
-  Sweden (EKN) \*\*
-  Switzerland (SERV) \*\*
-  United Kingdom (UKEF) \*\*
-  United States (Ex Im Bank) \*

\* Already refinanced through SG SCF

\*\* Target refinancing through SG SCF

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



STADE DE NICE



LGL TOURS-BORDEAUX



MUCEM - MARSEILLE



BALARD - PARIS



PHILARMONIE DE PARIS



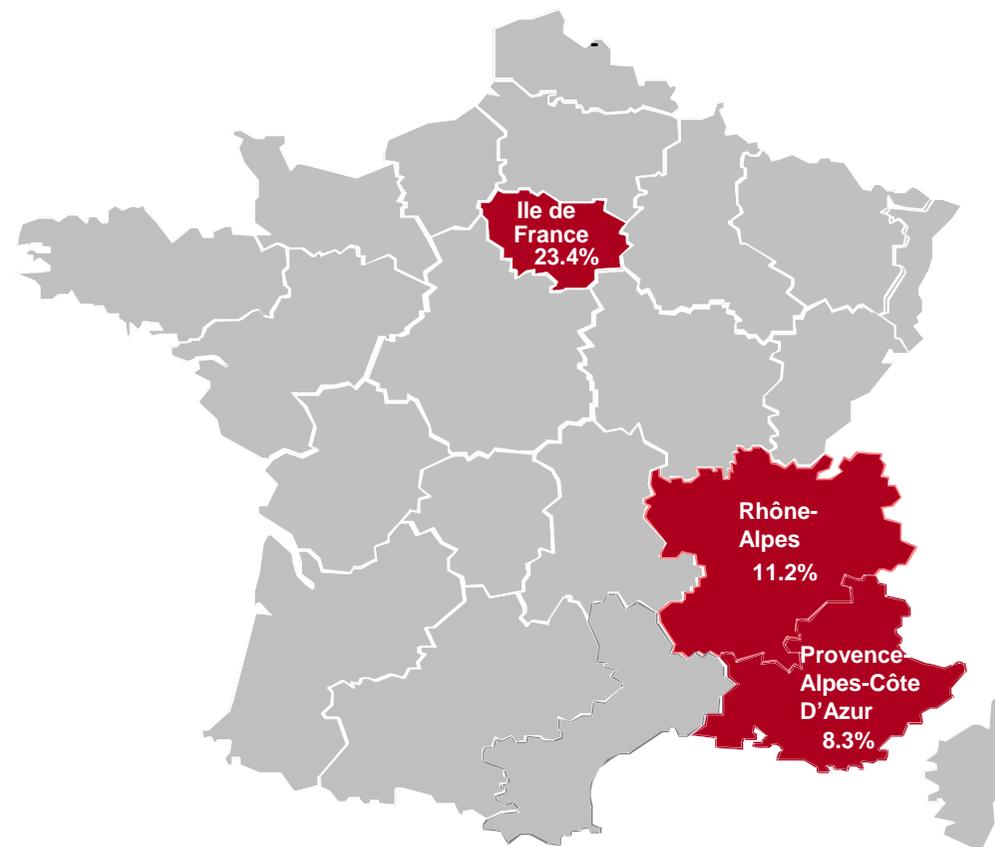
VELODROME – SAINT QUENTIN EN Y.



**SG SCF COVERED BONDS PROGRAMME**  
**High quality and well diversified cover pool (1/2)**

<b>Collateral</b>	Exposures to / or guaranteed by eligible public entities
<b>Pool size</b>	EUR 11.131bn
<b>Number of borrowers</b>	627
<b>Number of loans</b>	1,614
<b>Average Loan Balance</b>	EUR 6,896,803
<b>Currency Distribution</b>	EUR: 91% USD: 9%
<b>WA Remaining Term</b>	144 months
<b>ECB Eligible Assets</b>	65.86%
<b>Non performing loans</b>	0

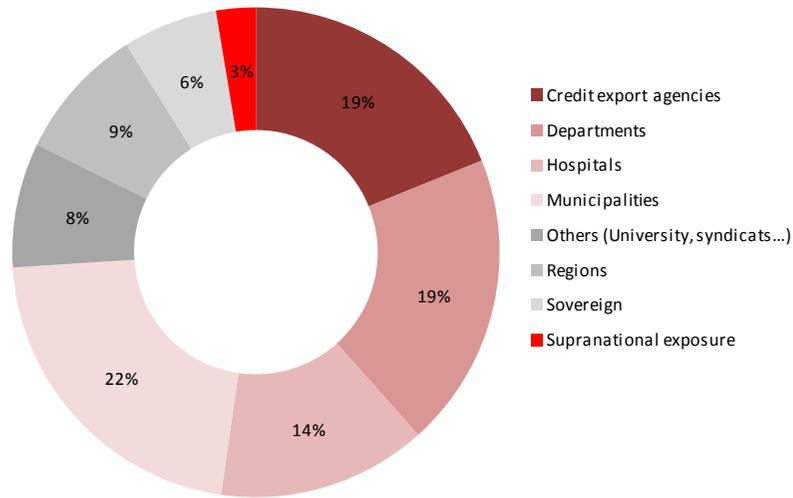
**Geographical distribution in France (88% of the Cover Pool)**



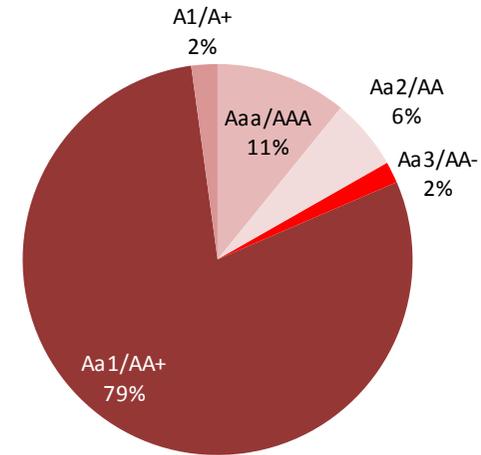
Figures as of end of July 2015

**SG SCF COVERED BONDS PROGRAMME**  
**High quality and well diversified cover pool (2/2)**

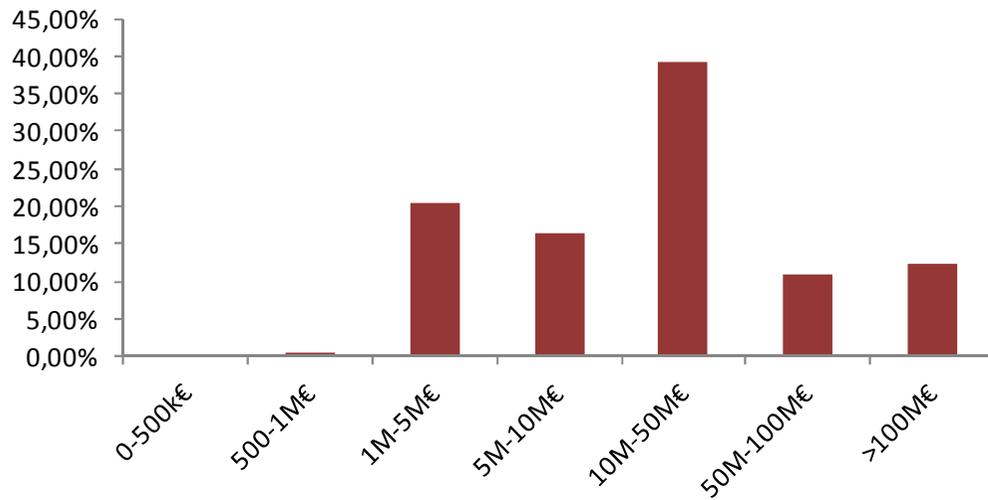
**Borrower type**



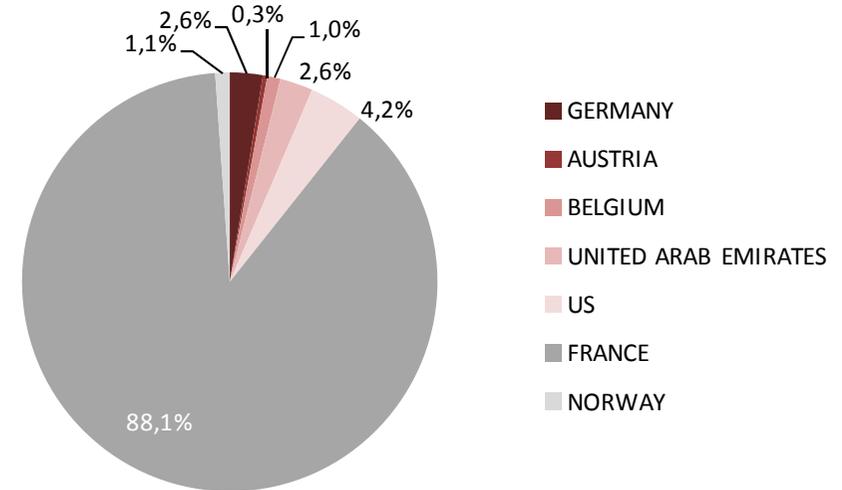
**Pool Distribution by exposure rating**  
 (SG internal rating in rating agencies equivalent)



**Loan size distribution**



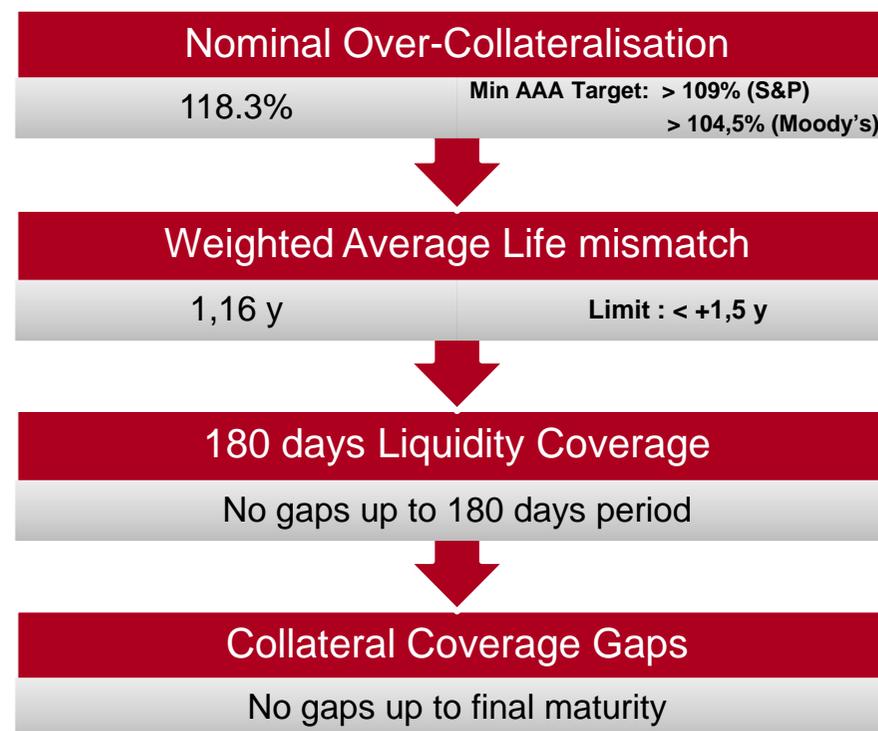
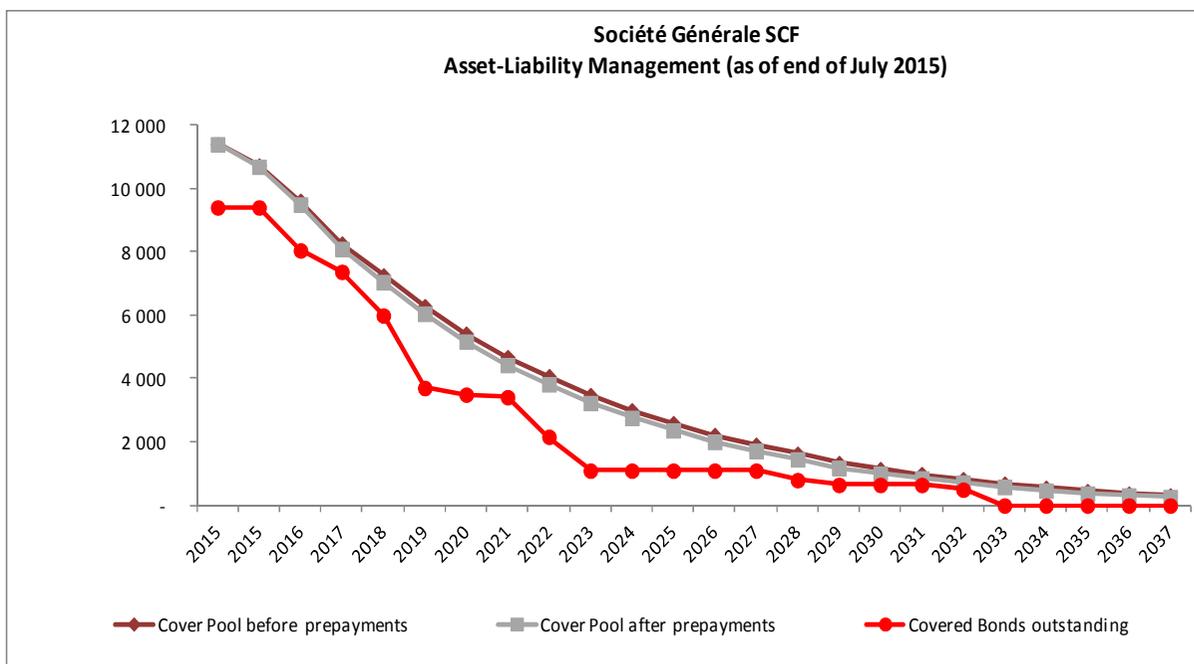
**Country Final Exposure**



Figures as of end of July 2015

## Dynamic, projective and cautious ALM monitoring

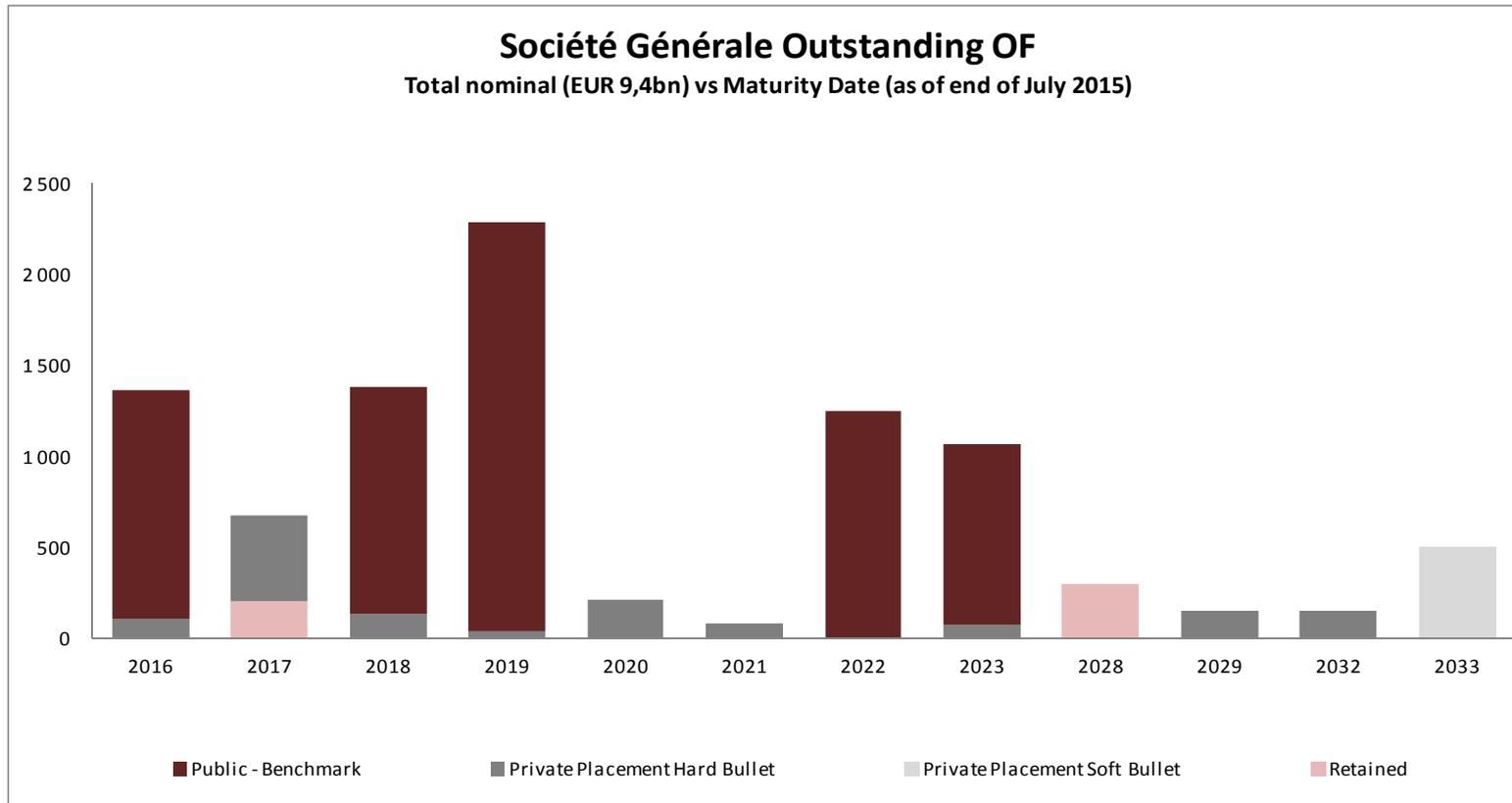
- Covered Bonds fully backed up to their final maturities
- The structure has been set up taking into account best ALM practice
  - Tight projective monitoring of ALM metrics
  - Definition and strict follow-up of a coverage long-term plan based on available eligible assets and conservative new production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



Figures as of end of July 2015

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

- Last Club Deal issuance in August 2015 : EUR 500M, maturity 18 years
- The SG Group funding strategy allocated another EUR 250M for 2015 to Private Placement to the SCF programme
- Regular new assets origination creates new issuance capacity of around EUR 0.5bn per annum



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# CONTENTS

## APPENDICES

Appendix 1 : Focus on Credit 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 fee 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 fee 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

- 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 remaining well aware of the 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.

### **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

## APPENDIX 2

# Focus on SG SFH Eligibility Criteria

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- 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 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 is current (i.e. 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

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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...	06/05/2015	27/03/2029	EUR 500,000,000	Fixed	No	Yes	No	Yes	Yes	N/A
FR0012697894	Credit Home Loa...	06/05/2015	27/03/2029	EUR 500,000,000	Fixed	No	Yes	No	Yes	Yes	1
FR0012697902	Credit Home Loa...	06/05/2015	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		Date	
				Titre	
				SG SFH – Base Prospectus dated 16 March 2015	
French Covered Bonds Label Reporting / Asset Reports		30/06/2015		SG SFH – French Covered Bond Label Reporting 30.06.2015 (xls)	
		30/06/2015		SG SFH – French Covered Bond Label Reporting 30.06.2015 (pdf)	
		30/06/2015		SG SFH – Asset Report – 2015.06.30	
		31/05/2015		SG SFH – Asset Report-2015.05.31	
		30/04/2015		SG SFH – Asset Report-2015.04.30	
		31/03/2015		SG SFH – Asset Report-2015.03.31	
		31/01/2015		SG SFH – Asset Reports – 2015.01.31 (pdf)	
		28/02/2015		SG SFH – Asset Reports – 2015.02.28 (pdf)	
		31/03/2015		SG SFH – French Covered Bond Label Reporting	
		31/03/2015		SG SFH – French Covered Bond Label Reporting	

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

Program 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	

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BUILDING TOGETHER

TEAM  SOCIETE  
SPIRIT GENERALE