

**SOCIETE GENERALE SFH  
HOME LOAN COVERED BOND PROGRAMME  
INVESTOR PRESENTATION**

MAY 2011

BUILDING TOGETHER  
TEAM  SOCIETE  
SPIRIT  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 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 impact on its operations;
- to precisely evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this 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 quarterly results at 31 March 2011 were reviewed by the Board of Directors on 4 May 2011.

The financial information presented for the first quarter 2011 has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting". Societe Generale's management intends to publish condensed half-yearly consolidated financial statements for the six-month period ending 30 June 2011.

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## EXECUTIVE SUMMARY

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- **SG Group: a major player in the French retail banking market**
  - \_ SG Retail Network has 8.5 millions of clients
  - \_ EUR 52.3bn home loans outstanding to individuals, i.e. about 7% of the French home loan market
- **SG SFH: a new covered bond issuer for SG Group**
  - \_ Expected AAA (Fitch) / Aaa (Moody's) rated issuances with hard bullet maturities
  - \_ Full recourse obligations against Société Générale long term rated Aa2 / A+ / A+ and a high quality cover pool
  - \_ Robust legal framework: SG SFH is a credit institution licensed and regulated by the *Autorité de Contrôle Prudentiel* (the French banking supervisor) – articles L.515-14 to L.515-32-1 and L.515-34 to L.515-39 from the *Code Monétaire et Financier*
  - \_ Under supervision of a Specific Controller
  - \_ EUR 25bn program, listed in Paris
- **SG SFH: high quality cover pool**
  - \_ Only French Home Loans originated by SG Retail Network and guaranteed by Crédit Logement
  - \_ Cover Pool with highly seasoned with WA current LTV lower than 60%
  - \_ Geographic concentrations in the wealthiest French regions (Ile de France, Provence-Alpes-Côte d'Azur and Rhône-Alpes)

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## GOOD START TO THE YEAR

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- **Solid overall performance of business lines**
  - \_ French Networks: good quarter
  - \_ International Retail Banking: contribution reduced by EUR -59m in Q1 11 due to the situation in Sub-Saharan Africa and the Mediterranean Basin
  - \_ Corporate and Investment Banking: revenues up reflecting solidity of business model
  - \_ Specialised Financial Services and Insurance, Global Investment Management and Services: on-going recovery in results
- **Impact linked to the improvement of credit spread: EUR -362m on NBI, EUR -238m on Group Net Income**
- **Cost of risk continues to fall across all businesses**
- **Strong capital generation +30bp vs. Q4 10: Tier 1 ratio of 10.8%<sup>(a)</sup>, Core Tier 1 of 8.8%**

 **Group Net Income of EUR [0.9]bn,  
GNI excluding non-economic items of EUR [1.2]bn**

(a) Excluding floor effects (additional capital requirements with respect to floor levels)

NB: Excluding non-economic items: revaluation of credit derivative instruments used to hedge corporate loan portfolios and revaluation of own financial liabilities

# SG GROUP CONSOLIDATED RESULTS Q1 2011

- **Excluding non-economic items and PEL/CEL:**

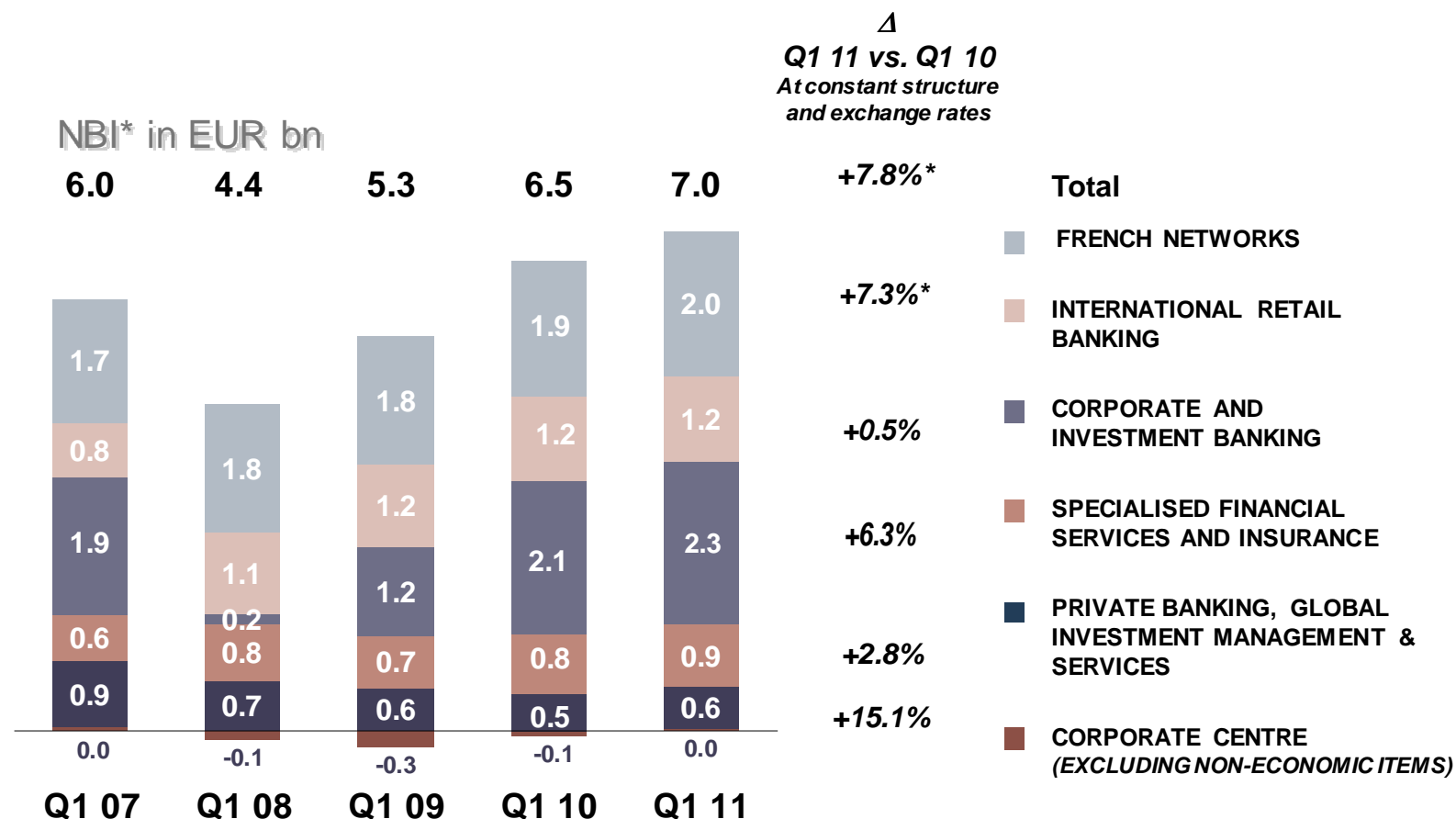
- \_ Good NBI momentum +7.8%
- \_ C/I ratio under control 62.6%
- \_ ROE 11.4%

 **Strong Group Net Income growth: +16.0% vs. Q1 10**

In EUR m	Q1 10	Q4 10	Q1 11	Change Q1 vs Q1	
Net banking income	6,581	6,857	6,619	+0.6%	-0.9%*
Net banking income (excl. non-economic items and PEL/CEL)	6,485	6,722	6,988	+7.8%	
Operating expenses	(4,001)	(4,440)	(4,376)	+9.4%	+9.2%*
<b>Gross operating income</b>	<b>2,580</b>	<b>2,417</b>	<b>2,243</b>	<b>-13.1%</b>	<b>-16.4%*</b>
Net allocation to provisions	(1,132)	(1,100)	(878)	-22.4%	-23.3%*
<b>Operating income</b>	<b>1,448</b>	<b>1,317</b>	<b>1,365</b>	<b>-5.7%</b>	<b>-11.0%*</b>
<b>Group net income</b>	<b>1,063</b>	<b>874</b>	<b>916</b>	<b>-13.8%</b>	<b>-19.3%*</b>
Group net income (excl. non-economic items and PEL/CEL)	1,000	785	1,160	+16.0%	
<b>ROE (after tax)</b>	<b>11.1%</b>	<b>8.4%</b>	<b>8.8%</b>		
ROE (after tax and excl. non-economic items and PEL/CEL)	10.4%	7.5%	11.4%		
<b>C/I ratio (excl. non-economic items and PEL/CEL)</b>	<b>61.7%</b>	<b>66.0%</b>	<b>62.6%</b>		

\* When adjusted for changes in Group structure and at constant exchange rates  
 Excluding non-economic items: revaluation of credit derivative instruments used to hedge corporate loan portfolios and revaluation of own financial liabilities

# NBI INCREASING ACROSS ALL THE BUSINESSES



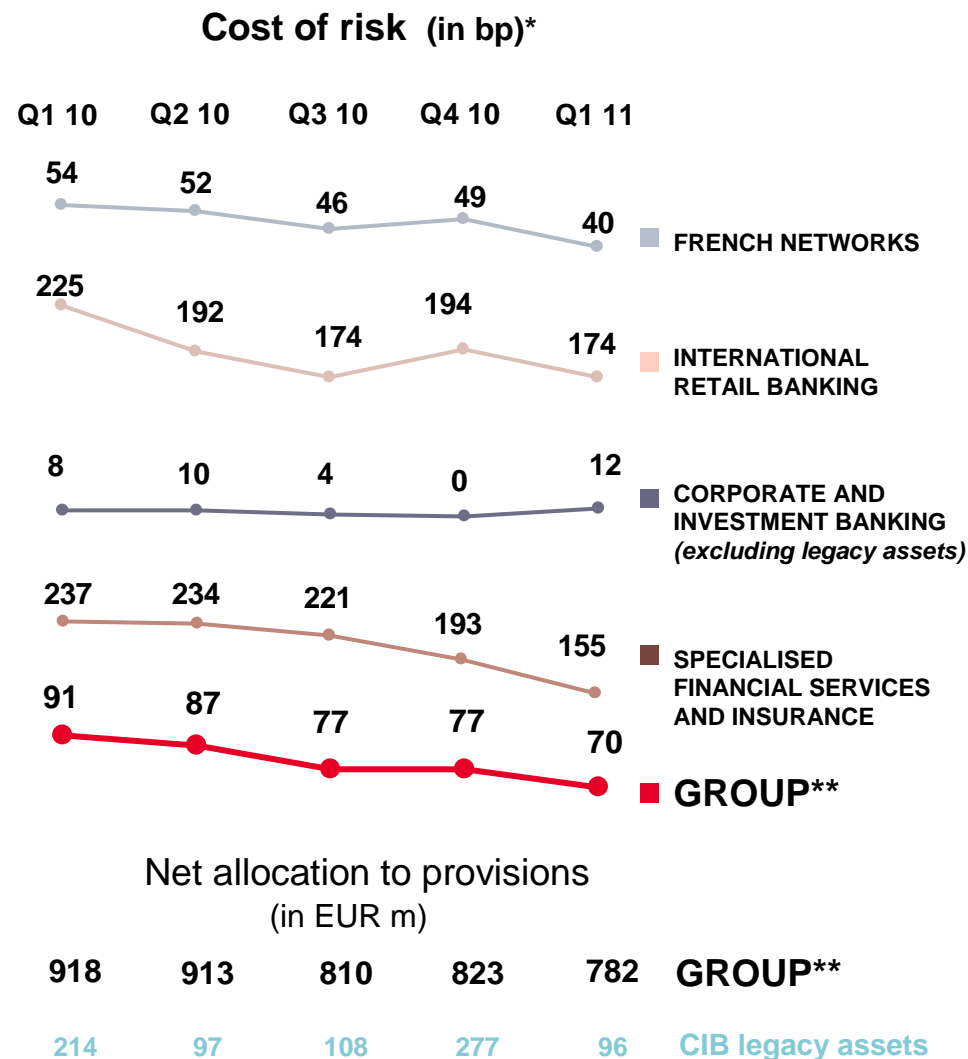
\* Excluding non-economic items: revaluation of credit derivative instruments used to hedge corporate loan portfolios and revaluation of own financial liabilities and PEL/CEL

Note: Q1 07 for reference (no "non-economic" items), reclassification was carried out starting Q1 08



# LOWER COST OF RISK ACROSS ALL THE BUSINESSES

- **French Networks**
  - \_ Marked fall
- **International Retail Banking: significant drop**
  - \_ EUR -50m provision established for countries in Sub-Saharan Africa and the Mediterranean Basin
  - \_ Reduction in Russia and in Czech Republic
  - \_ Stabilisation in Romania
  - \_ Level remains high in Greece
- **Corporate and Investment Banking**
  - \_ Low cost of risk
- **Specialised Financial Services and Insurance**
  - \_ Strong improvement
- **Group doubtful loan coverage ratio\*\* (72% in Q1 11 stable vs.Q4 10)**



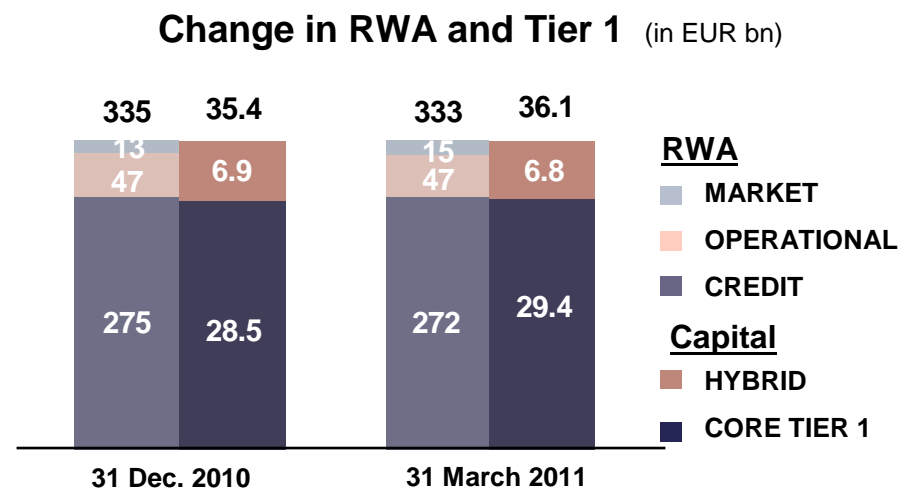
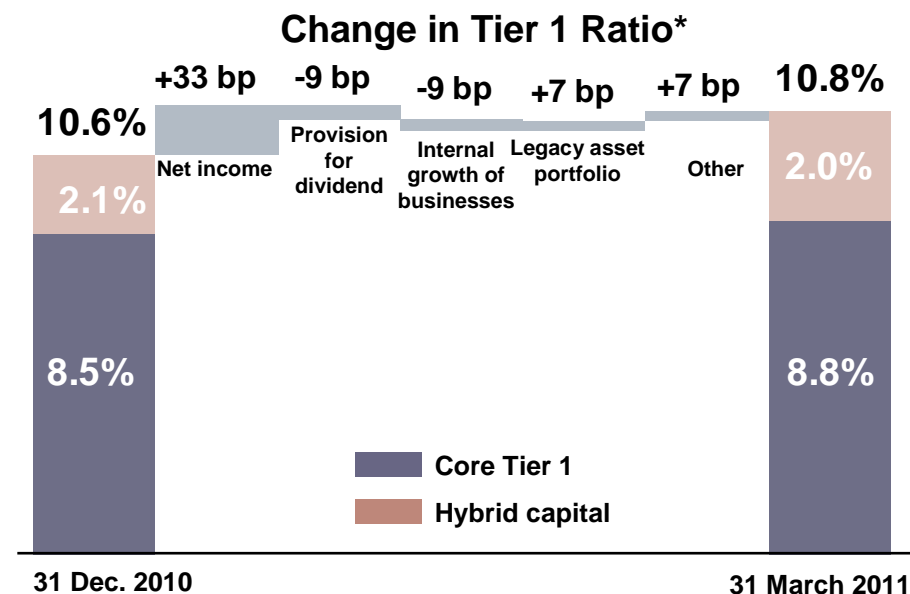
\* Annualised, excluding disputes

\*\* Excluding CIB legacy assets

## ROBUST FINANCIAL STRUCTURE (1/2)

- **Substantial capital generation driven by strong income: +33bp in Q1 11**
- **Risk-Weighted Assets: EUR 333.3bn (-0.5% vs. end-2010)**
  - \_ Strict management of volumes
- **Legacy asset portfolio optimised**
  - \_ Disposals and amortisations totalling EUR 1.9bn in Q1 11
  - \_ Restructurings of CDO of RMBS representing a cumulative capital relief of up to EUR 0.8bn(\*\*) under Basel III

↪ **Tier 1 ratio of 10.8%\* and Core Tier 1 of 8.8% at end-March 2011**

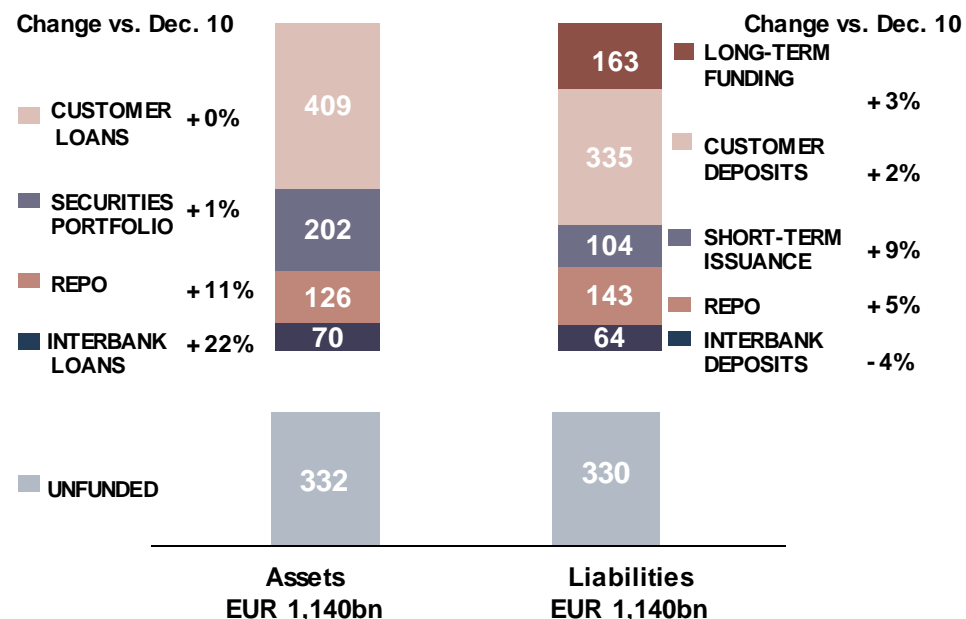


\* Excluding floor effects (additional floor capital requirements): -11 bp on Tier 1 ratio  
 \*\* Net of negative P&L impact and assuming all underlying asset in the CDOs are sold

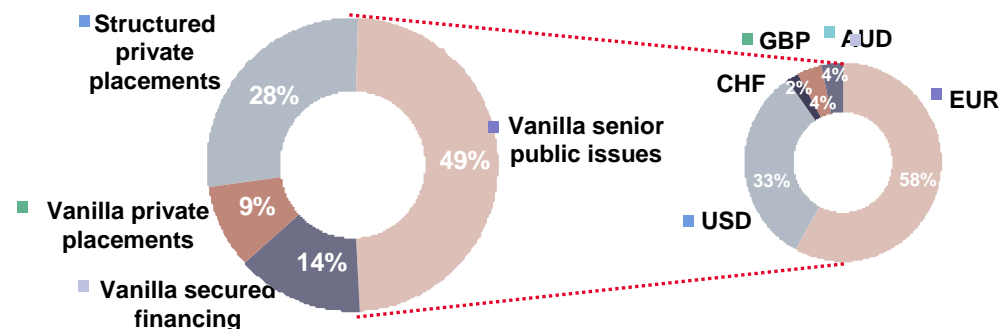
## ROBUST FINANCIAL STRUCTURE (2/2)

- Deposits up EUR +6.0bn over Q1 11
- Improvement of the loan/deposit ratio of 2pts vs. Q4 10, reaching 122%
- 2011 long-term funding programme: EUR~17.2bn in senior debt issued, i.e. 66% of the programme
  - \_ Vanilla issuance: 77% of programme completed (average maturity at issuance of 7 years in 2011 vs. 6 years in 2010)
  - \_ Structured issuance: 49% of the programme completed
- A new secured issuance vehicle (SG SFH) set up with EUR 25bn program size

### Breakdown of balance sheet at 31 March 2011



### Issuance\*



\* at 2 May 2011

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# 2011 LONG-TERM FINANCING PROGRAMME

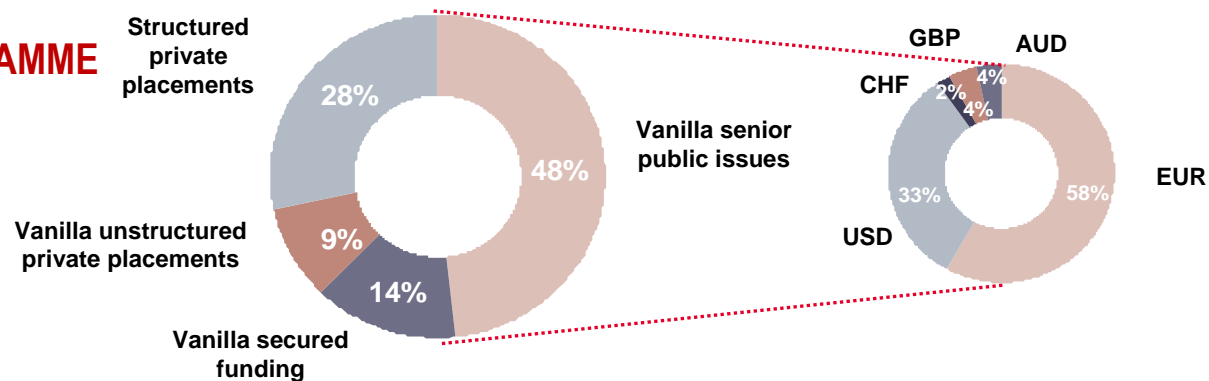
## 2011 LONG-TERM FINANCING PLAN

- Targeted to be in line with Ambition SG 2015: EUR 26bn senior debt
- As of 2nd May EUR 17.2bn in senior debt issued i.e. 66 % of the program split into:
  - \_ 77% of vanilla funding programme executed with:
    - EUR 9.9bn from the senior unsecured market (o/w: EUR 8.2bn vanilla senior public issues)
    - EUR 2.4bn through vanilla secured funding (o/w: EUR 1.4bn through CRH and EUR 1bn through SG SCF),
  - \_ 49% of the structured funding programme executed:
    - EUR 4.9bn via structured private placements

## 2011 LONG-TERM FINANCING STRATEGY

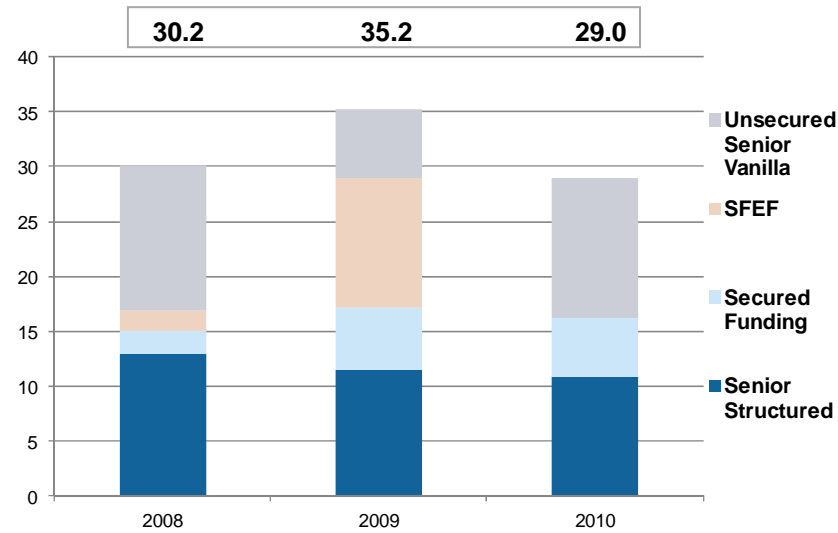
- Continue an active policy of diversification both in terms of markets and products
  - \_ Vanilla senior public issues executed outside the EUR market represents 30% of the total amount executed so far,
  - \_ Further expand the secured funding portion of the programme by taking advantage of the new covered bond vehicle using home loans as collateral (SG SFH)
- Extend the average maturity life of our debt profile
  - \_ The average maturity of vanilla issues, which was 6 years in 2010, has increased to 7 years in 2011 (so far).

## 2011 LONG-TERM PROGRAMME Split as of May 2nd, 2011

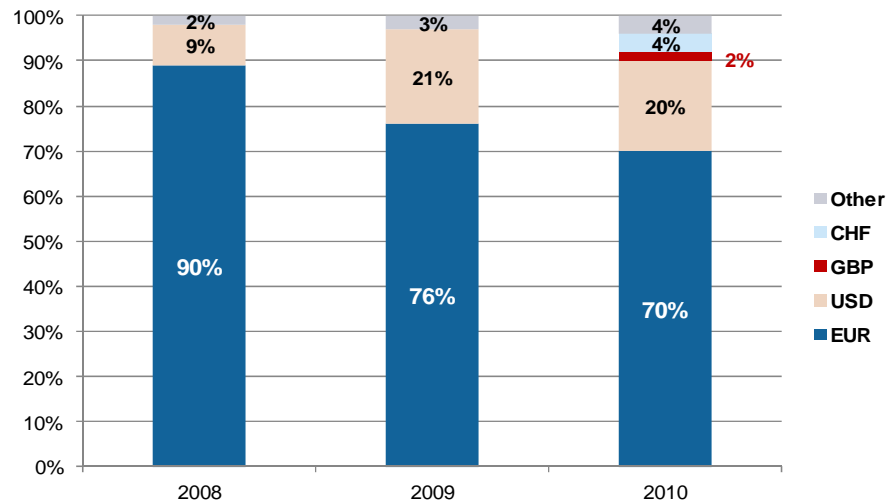


# TOWARDS MORE DIVERSIFIED SOURCES OF FUNDING

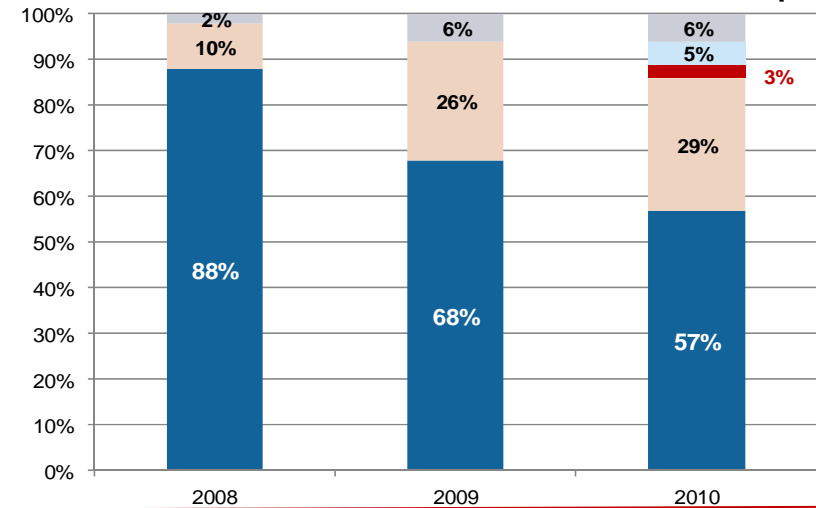
**LT Funding Program split by type of product**  
(in EUR bn and in %)



**Unsecured and Secured Senior Vanilla Issues split**



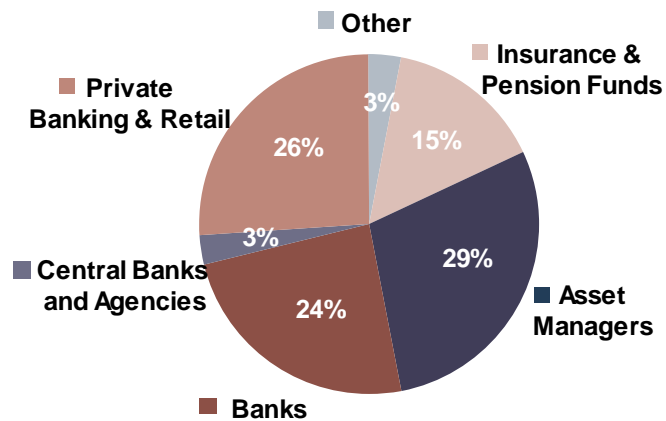
**Unsecured Senior Vanilla Issues split**



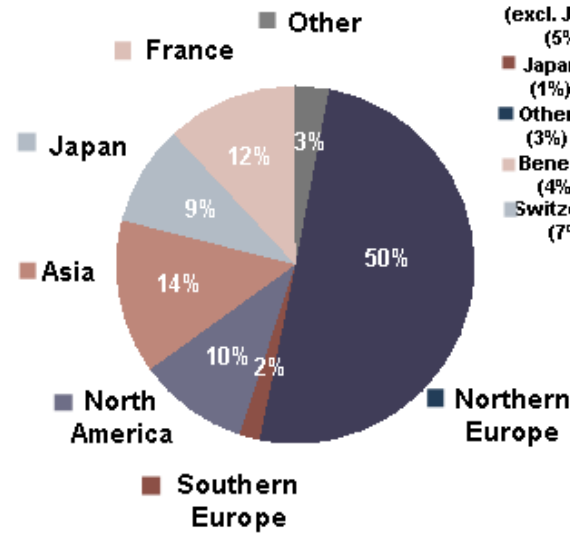
# BROAD DIVERSIFICATION OF LONG-TERM FUNDING BASE

## Investor breakdown based on 2010 Issuances as of December 31<sup>th</sup> 2010

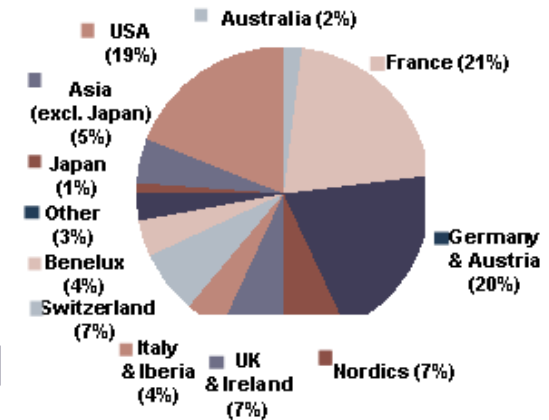
*By Investor Type*  
*All type of issues*



*By Geographical Zone*  
*All type of issues*

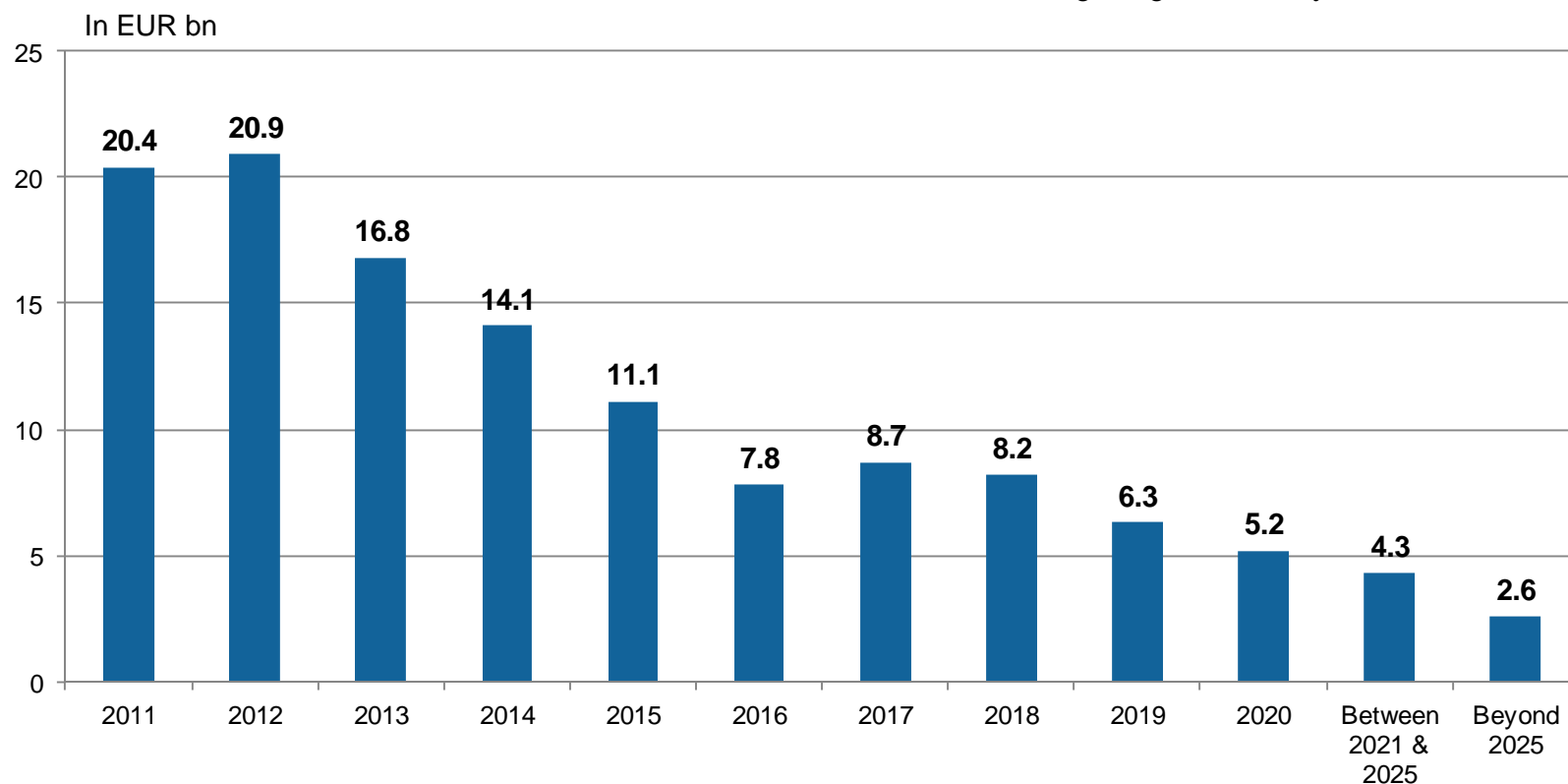


SG Unsecured Vanilla and SG SCF issues



# REPAYMENT SCHEDULE

**A REGULAR REPAYMENT SCHEDULE**  
with more than 50%  
of the outstanding longer than 3 years



Repayment schedule as of 31 December 2010  
Calendar defined based on contractual maturities, including subordinated debt



## CURRENT SG GROUP RATINGS

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	<b>Moody's</b>	<b>Standars &amp; Poor's</b>	<b>Fitch</b>
<b>Latest rating release state</b>	<b>03/17/2010</b>	<b>02/10/2011</b>	<b>10/20/2010</b>
<b>Senior Long-term debt</b>	<b>Aa2</b>	<b>A+</b>	<b>A+</b>
Lower Tier 2	Aa3	A	A
Hybrid Tier 1	Baa2	BBB+	A-
Outlook	Negative	Stable	Stable
<b>Senior Short-term debt</b>	<b>Prime-1</b>	<b>A-1</b>	<b>F1+</b>

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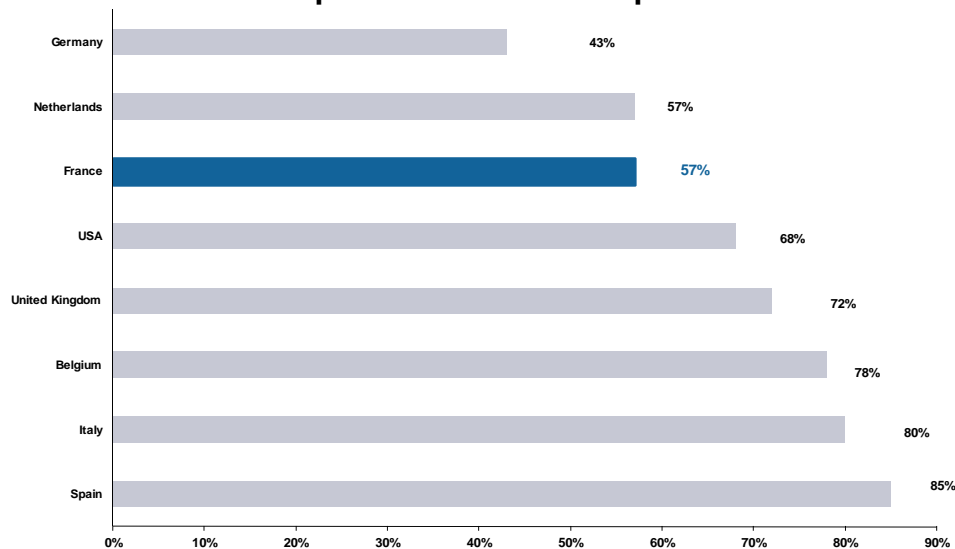
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# OVERVIEW OF THE FRENCH HOME LOAN MARKET (1/3)

## FRENCH HOME LOAN MARKET CONTEXT

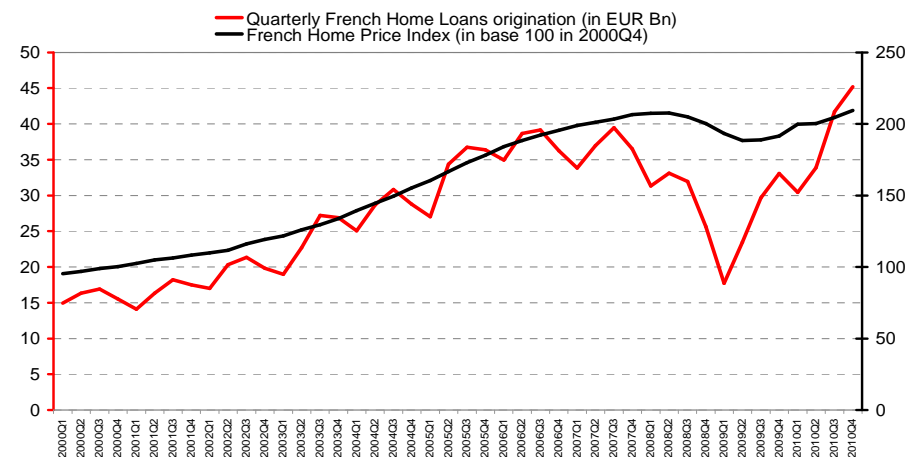
- 57% ownership rate (second lowest in EU)
- 30.5% of French households bearing residential loans
- An activity back to pre-crisis level
- Home prices resilient, impacted by the financial crisis to a limited extent
- Maturity at origination on a decreasing trend

### European home ownership %



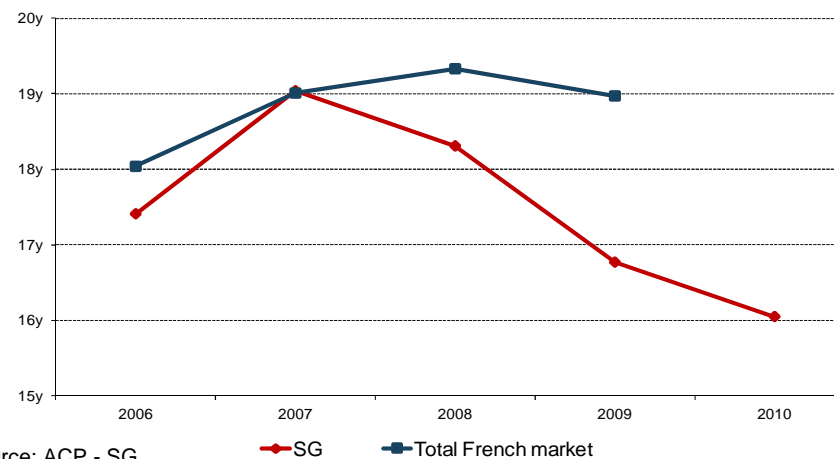
Source : European Mortgage Federation, UK Office for national statistics, November 2009

## French home loan market



Source : Banque de France / Insee-Notaries

## Maturity of home loans at origination



Source: ACP - SG

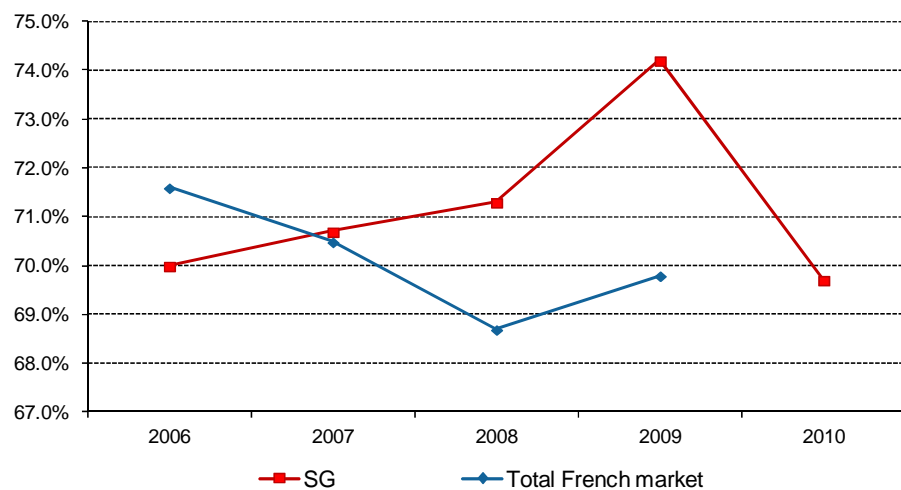
—◆— SG —■— Total French market

# OVERVIEW OF THE FRENCH HOME LOAN MARKET (2/3)

## FRENCH HOME LOANS MAIN CHARACTERISTICS:

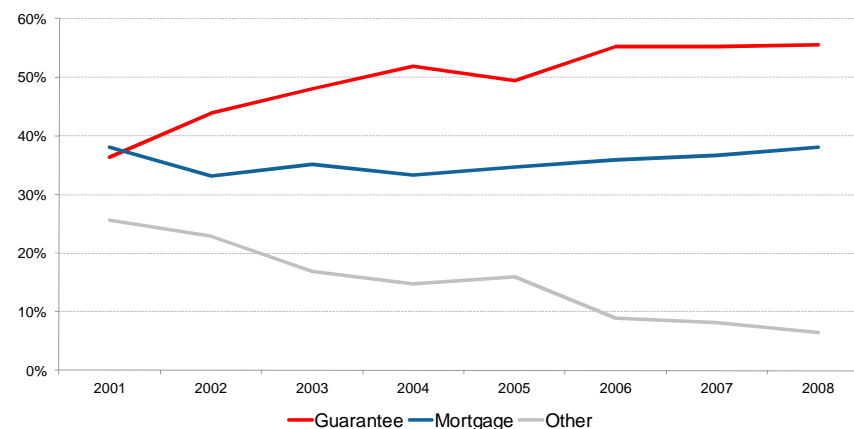
- Guaranteed rather than mortgage loans
- Fixed rate loans
- Amounts lent are based on the borrower's capacity to repay rather than on the leverage ratio
- No home equity loan market

Portion of loans with DTI ratio < 35% in home loans origination



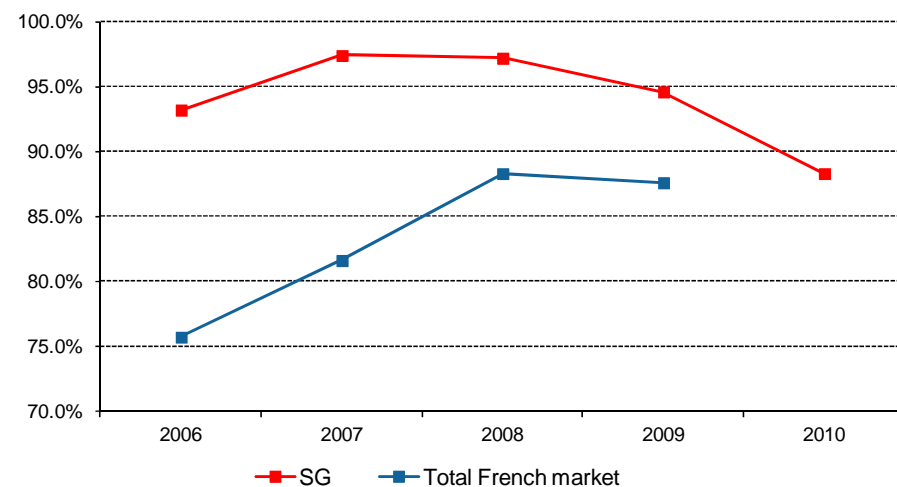
Source: ACP - SG

Type of security of French Home Loans



Sources : OFI/CSA

Portion of fixed rate loans in home loans origination

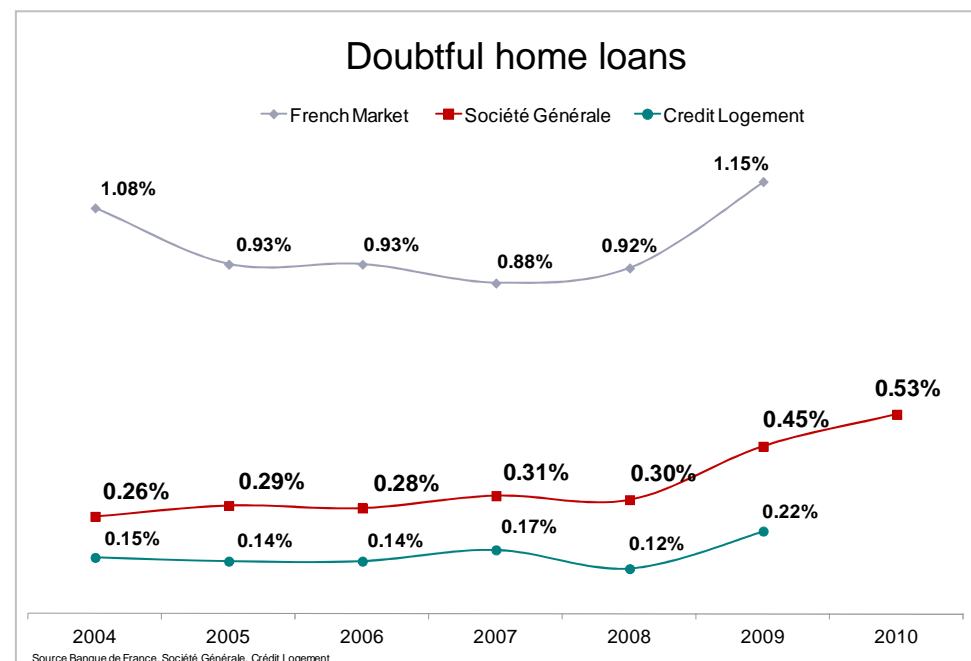
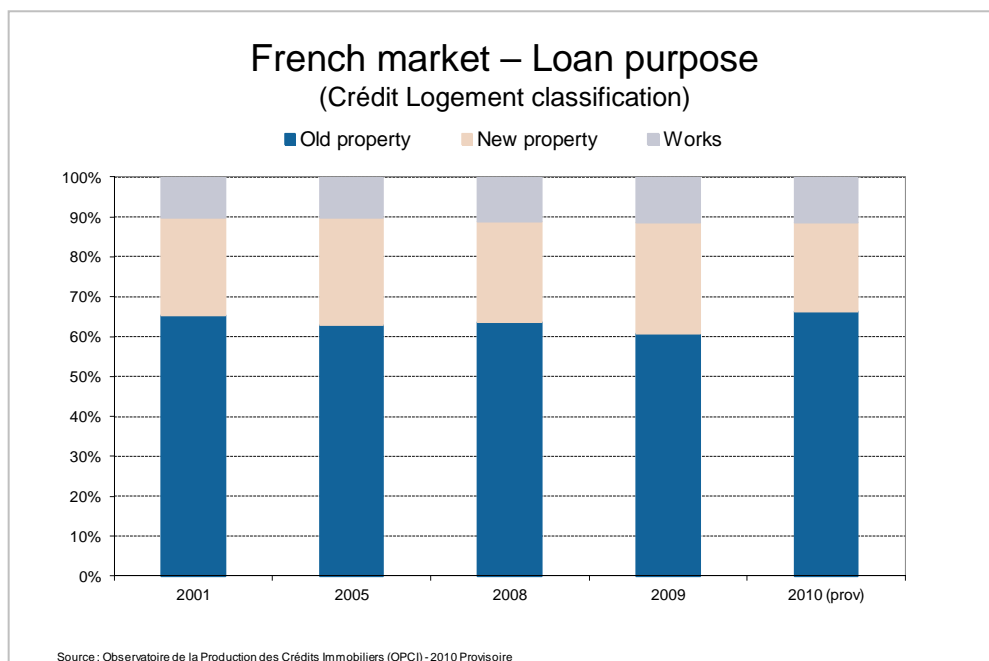


Source: ACP - SG

# OVERVIEW OF THE FRENCH HOME LOAN MARKET (3/3)

## FRENCH MARKET BASED ON:

- The French home loan market is a prime loan market
  - \_ Mainly on existing properties (+/- 60 %)
- Default rates remain at low level
  - \_ At national level
  - \_ At Société Générale level
  - \_ Especially when guaranteed by Crédit Logement



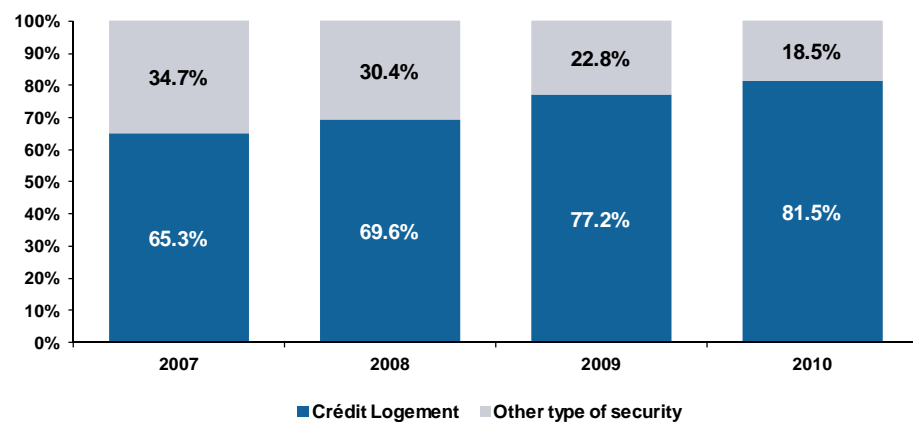
# SG FRENCH HOME LOAN BUSINESS CHARACTERISTICS

## SOCIETE GENERALE FRENCH HOME LOAN BUSINESS

- Focused on
  - \_ Crédit Logement guarantee
  - \_ Owner occupied home
- Most of the time borrowers are already known clients before granting of the home loan
- For any acquisition channel, acceptance comes within the competence of the branch

### Société Générale production's structure

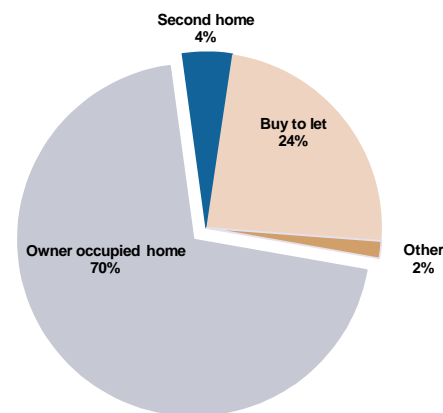
Annual SG Habitat Retail origination – Breakdown by type of security



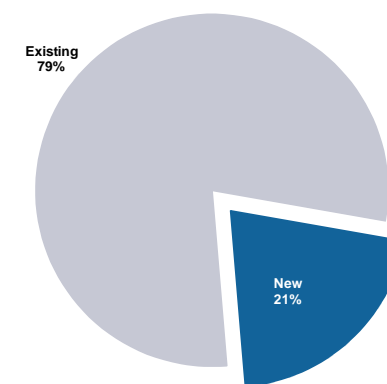
## Société Générale French Home Loan Business

Performing outstanding breakdown as of end of 2010

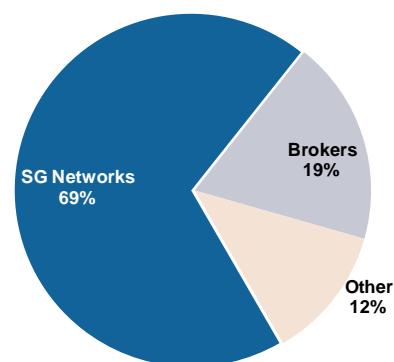
### Type of loan purpose



### Type of clients



### Type of acquisition channel



## CREDIT LOGEMENT BUSINESS MODEL

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- 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 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 222 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 mortgage registration,
- 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

## CREDIT LOGEMENT PERFORMANCE ON ITS MARKET

- **“Guarantee” market share in home loan market:** in 2009, guaranteed loans represented 53.2% of the overall residential loans granted in France, vs 40.8% with respect to the mortgage loans (usual mortgage) (\*)
- **Home loan guarantee market:** in 2010, Crédit Logement was the national leader of the home loan guarantee market, with a market share above 50%.
- Main figures:

<b>CREDIT LOGEMENT HOME LOAN Guarantee 2010 origination</b>	<b>EUR 56.3bn</b> , representing <b>36%</b> of the total French Home Loan production
<b>CREDIT LOGEMENT Total Guarantees Outstanding</b>	<b>EUR 201.9bn</b> at the end of 2010
<b>MUTUAL GUARANTEE FUND (MGF) Outstanding</b>	<b>EUR 3.2bn at the end of 2010</b> <i>Vs. EUR 2.9bn at the end of 2009</i>

- Disbursements on guarantee calls and full partner bank compensations are paid from the 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 181m in 2010 (EUR 226m in 2009, boosted by a EUR 63m exceptional capital gain).

(\*) Source: OFL - CSA



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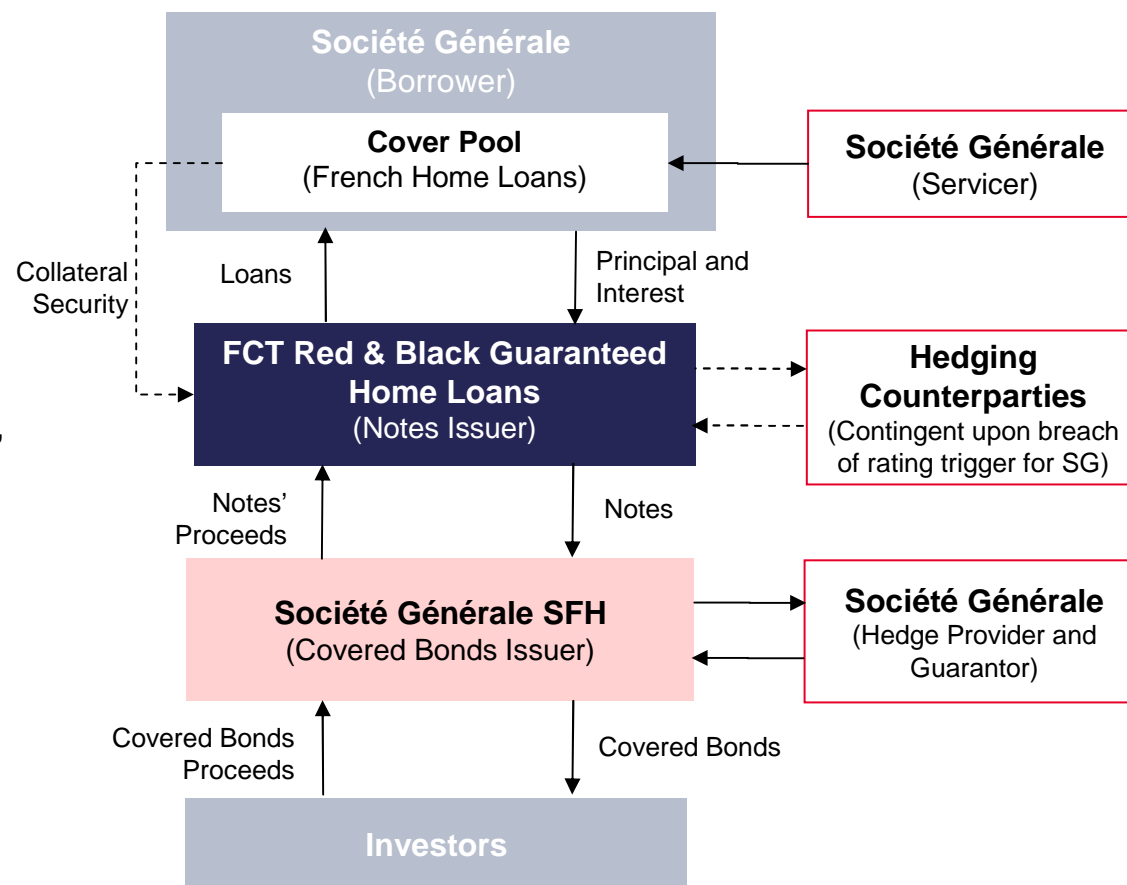
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## SFH - “SOCIETES DE FINANCEMENT DE L’HABITAT”

<p><b>Legal Framework</b></p>	<ul style="list-style-type: none"> <li>• Specific law voted by French Parliament in October 2010 reinforcing the legal framework of “<i>Sociétés de Crédit Foncier</i>” and establishing <i>Sociétés de Financement de l’Habitat</i> (Home Financing Companies).</li> <li>• Issuer is a specialized credit institution regulated by the French banking regulator (<i>Autorité de Contrôle Prudentiel</i>).</li> <li>• Compliant with provision 22(4) of the EU’s UCITS Directive.</li> </ul>
<p><b>Assets</b></p>	<ul style="list-style-type: none"> <li>• Limited by law to residential mortgages, guaranteed home loans and senior tranches of RMBS.</li> <li>• Originated from France, European Economic Area or countries with a minimum rating of AA-.</li> <li>• OFH can fund a maximum of 80% of the value of the property (maximum LTV of 80%).</li> <li>• Transfer can take the form of:             <ul style="list-style-type: none"> <li>- Collateralized loan (non ECB eligible),</li> <li>- <i>Billet à l’Habitat</i> (non ECB eligible),</li> <li>- Senior tranches of RMBS (ECB eligible).</li> </ul> </li> <li>• Eligible substitution assets for a maximum of 15%.</li> <li>• Requirements to disclose details on the cover pool on a quarterly basis.</li> <li>• Minimum nominal over-collateralisation rate of 2%.</li> </ul>
<p><b>Obligations de Financement de l’Habitat</b></p>	<ul style="list-style-type: none"> <li>• Benefit from a legal privilege organized and protected by law that supersedes the French bankruptcy law.</li> <li>• Fully remote from a bankruptcy of the sponsor bank that would not be extended to the SFH. In such event, no acceleration of the cover bonds would take place.</li> <li>• Dual recourse on the cover pool and the sponsor bank (in the unlikely event of the cover pool not being sufficient to service all the covered bonds).</li> </ul>
<p><b>Other Features</b></p>	<ul style="list-style-type: none"> <li>• Asset monitoring by law, carried out by the “Specific Controller”, an independent trustee reporting to the “<i>Autorité de Contrôle Prudentiel</i>” and charged with charged protecting the interest of OFH holders.</li> <li>• Requirements to cover liquidity gaps over the next 180 days with substitute assets, liquidity lines granted by eligible counterparts and/or Central Bank facilities.</li> </ul>

## SG SFH: STRUCTURE OVERVIEW

- Assets are comprised of AAA/Aaa rated Floating Rate Notes issued by an existing French securitisation vehicle (FCT). Notes are backed by a direct security over the Cover Pool (L.211-38 from French Code Monétaire et Financier “remise en pleine propriété à titre de garantie”).
- Dual recourse on Société Générale and the Cover Pool.
- Assets, i.e. FCT Notes, are eligible to ECB refinancing operations allowing SG SFH to manage its liquidity on a stand alone basis, without the support of its mother company. In addition, a first demand guarantee granted by SG will contribute to cover liquidity needs on a 1 year period.
- Over-collateralization will be maintained at adequate levels to support AAA/Aaa ratings on the Covered Bonds, with a minimum of 2% legally enforced at all time.
- Strict hedging policy in line with latest rating agencies methodologies, including asymmetrical collateral postings and hedge replacements upon breach of rating trigger by counterparts.



## FCT RED & BLACK HOME LOANS GUARANTEED (1/2)

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<b>LOAN TYPE</b>	100% prime French residential loans guaranteed by CREDIT LOGEMENT (AA/Aa2)
<b>POOL SIZE</b>	EUR 25.7bn
<b>NUMBER OF LOANS</b>	364,006 (average EUR 70,657 balance remaining per loan)
<b>CURRENT WA LTV</b>	58.7%
<b>WA SEASONING</b>	46.9 months
<b>INTEREST RATE TYPE</b>	90.3% fixed, 9.7% capped/floored variable
<b>GEOGRAPHIC DISTRIBUTION</b>	Ile-de-France 40.8%, Provence Alpes Côte d'Azur 8.9%, Rhône-Alpes 7.8%, Aquitaine 4.5%, Nord-Pas-de-Calais 4.2%, Haute-Normandie 3.5%, Pays de la Loire 3.5%, Midi-Pyrénées 3.4%, Languedoc-Roussillon 3.4%, Bretagne 3.0%, Picardie 2.7%, Centre 2.7%, Other 11.6%
<b>LIABILITIES</b>	EUR 21.0bn FRN (Aaa/AAA) for a nominal OC of 22.5%

\* Figures as of end of April 2011

## FCT RED & BLACK HOME LOANS GUARANTEED (2/2)

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- Main eligibility criteria
  - \_ Loans granted in Euros
  - \_ Loans governed by French law
  - \_ The financed property is a residential property, located in France
  - \_ Loans are secured by a guarantee granted by Crédit Logement
  - \_ At the date on which the loan is selected to enter into the pool:
    - \_ principal outstanding can not exceed EUR 480,000 if the property value exceeds EUR 600,000
    - \_ residual maturity can not exceed 30 years
    - \_ at least one instalment has been paid
    - \_ no unpaid instalment
  - \_ Borrowers are individuals
  - \_ Borrowers are not SG Group employees
  - \_ No contractual set off right granted to the borrower
  - \_ No amount drawn under the loan and already repaid can be redrawn by the borrower
- The Cover Pool is replenished on a monthly basis, eligibility criteria being applied at each replenishment

# SG SFH ISSUANCE PROGRAMME

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- Funding strategy
  - \_ 2011: 2 benchmark transactions are contemplated
  - \_ From 2012: about EUR 4bn per year
- Issuing strategy
  - \_ Range of maturities: from 3 to 15 years
  - \_ Creation of liquid benchmarks diversifying investor base
- Issuances under R144A format are contemplated from 2012

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## SG SCF COVERED BOND PROGRAMME

<b>PROGRAMME TERM</b>	<ul style="list-style-type: none"><li>_ Société Générale SCF (<i>Société de Crédit Foncier</i>) established in October 2007. Inaugural issuance in May 2008</li><li>_ EUR 15 bn EMTN program</li><li>_ Rated AAA (S&amp;P) / Aaa (Moody's) / AAA (Fitch)</li><li>_ Listing: Euronext Paris</li></ul>
<b>ASSETS</b>	<ul style="list-style-type: none"><li>_ Specialized in refinancing exposures to / or guaranteed by eligible public entities</li><li>_ Transfer by way of security using L211-38 from French <i>Code Monétaire et Financier</i> (<i>remise en pleine propriété à titre de garantie</i>)</li><li>_ Cover pool size: EUR 10.8bn<ul style="list-style-type: none"><li>- 1,314 loans originated by Société Générale to French (94.8% of the cover pool), Spanish (2.4%), US (1.6%) and Belgian (1.2%) public entities</li><li>- Nominal over-collateralisation: 7.7%</li><li>- Exposures geared towards highly rated regions of France (Ile de France, Rhône-Alpes)</li><li>- Well balanced between municipalities, departments, regions, hospitals</li><li>- No delinquencies</li><li>- Weighted average life of 8.4 years</li></ul></li><li>_ 93.3% of the cover pool is eligible to ECB refinancing transactions</li></ul>
<b>OBLIGATIONS FONCIERES</b>	<ul style="list-style-type: none"><li>_ Compliant with provision 22(4) of EU UCITS Directive and with Capital Requirement Directive</li><li>_ 32 outstanding series for a total of EUR 10.0bn</li><li>_ Weighted average life of 7.4 years</li><li>_ Benchmark transactions as well as private placements available</li></ul>

\* Figures as of end of March 2011



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## AMBITION SG 2015: A UNIVERSAL BANK...

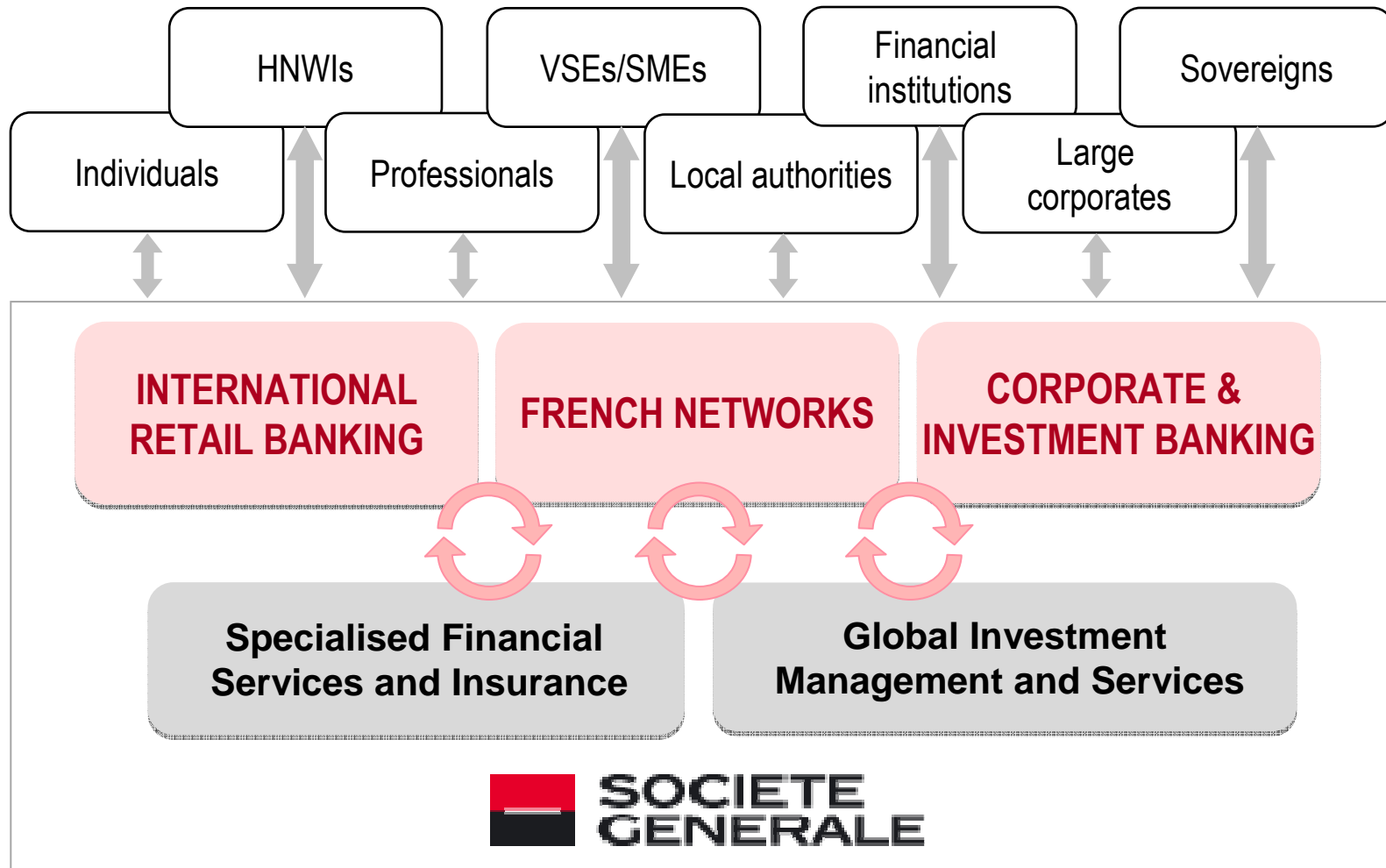
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**A CUSTOMER DRIVEN MODEL**  
serving clients over the long-term

**A DIVERSIFIED MODEL**  
multi-business & multi-customer

**A BALANCED MODEL**  
Combining financing solutions & asset gathering schemes

## REFOCUSED ON 3 PILLARS AND 2 BUSINESSES IN SYNERGY

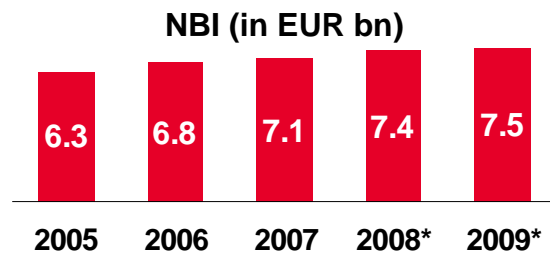


# GROWTH POTENTIAL DRIVEN BY A PORTFOLIO OF PROMISING BUSINESSES

## French Networks



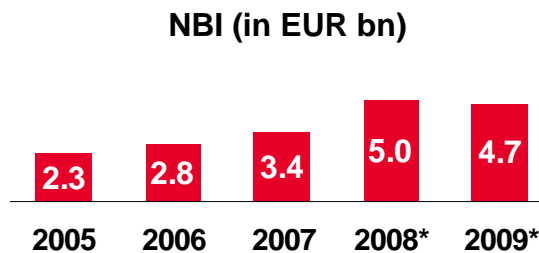
- 3<sup>rd</sup> largest network in France
- Three complementary brands
- Positioned in growth regions



## International Retail Banking



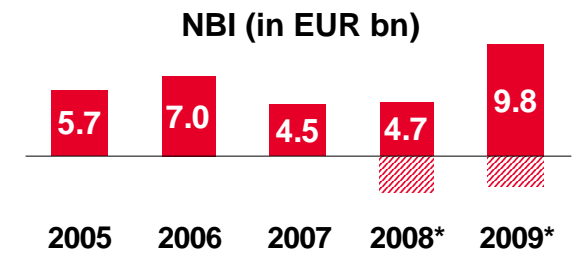
- Largest privately-owned banking group in Russia
- 4<sup>th</sup> largest banking group in CEE-Russia
- Present in countries with positive fundamentals
- Considerable competitive advantages



## Corporate & Investment Banking



- Leadership positions in growth businesses
- Solid customer base to better cross-sell
- Broad product range to satisfy sizeable financing needs



\* Calculated on the basis of an allocated capital of 7% RWA

Legacy assets

# AMBITION SG 2015: DELIVER GROWTH WITH LOWER RISK

<b>FRENCH NETWORKS</b>	<ul style="list-style-type: none"><li>_ Be the benchmark for customer satisfaction</li></ul>	<ul style="list-style-type: none"><li>_ Develop intra-Group synergies</li><li>_ Excellence in operational management</li><li>→ <b>pooling</b></li><li>→ <b>industrialisation</b></li><li>_ Strict risk management</li></ul>
<b>INTERNATIONAL RETAIL BANKING</b>	<ul style="list-style-type: none"><li>_ Top 3 in CEE &amp; Russia</li></ul>	
<b>CIB</b>	<ul style="list-style-type: none"><li>_ Top 5 position in Europe</li></ul>	
<b>SFS &amp; INSURANCE</b>	<ul style="list-style-type: none"><li>_ Consolidation leadership positions</li><li>_ Future development based on 4 criteria:<ul style="list-style-type: none"><li>• <b>Synergies with the Group's 3 core pillars</b></li><li>• <b>Consumption of scarce resources</b></li><li>• <b>Contribution to results</b></li><li>• <b>Competitive positioning</b></li></ul></li></ul>	
<b>GIMS</b>		

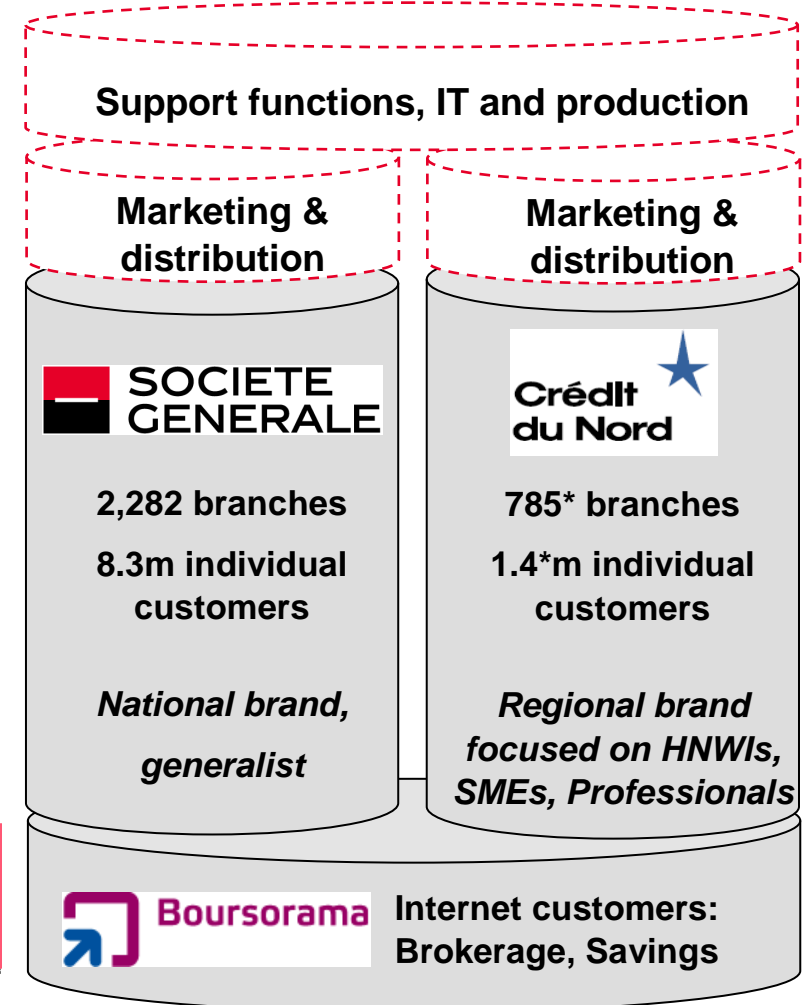


**SOLID FOUNDATIONS FOR LONG-TERM PROFITABLE GROWTH**

# BE THE BENCHMARK FOR CONSUMER SATISFACTION

- 3<sup>rd</sup> largest network in France with 3 complementary brands
- Maximise customer satisfaction for each brand
- Attract 2 million additional individual customers
- Gain 1% market share with business customers
- Improve operating efficiency, particularly through synergies between the 3 brands

## FRENCH NETWORKS



↪ **NBI GROWTH 2009-2012 ≈ +3% PER YEAR**

↪ **2012 NET EARNINGS TARGET = EUR 1.4 – 1.6bn**

\* Excluding the acquisition of Société Marseillaise de Crédit

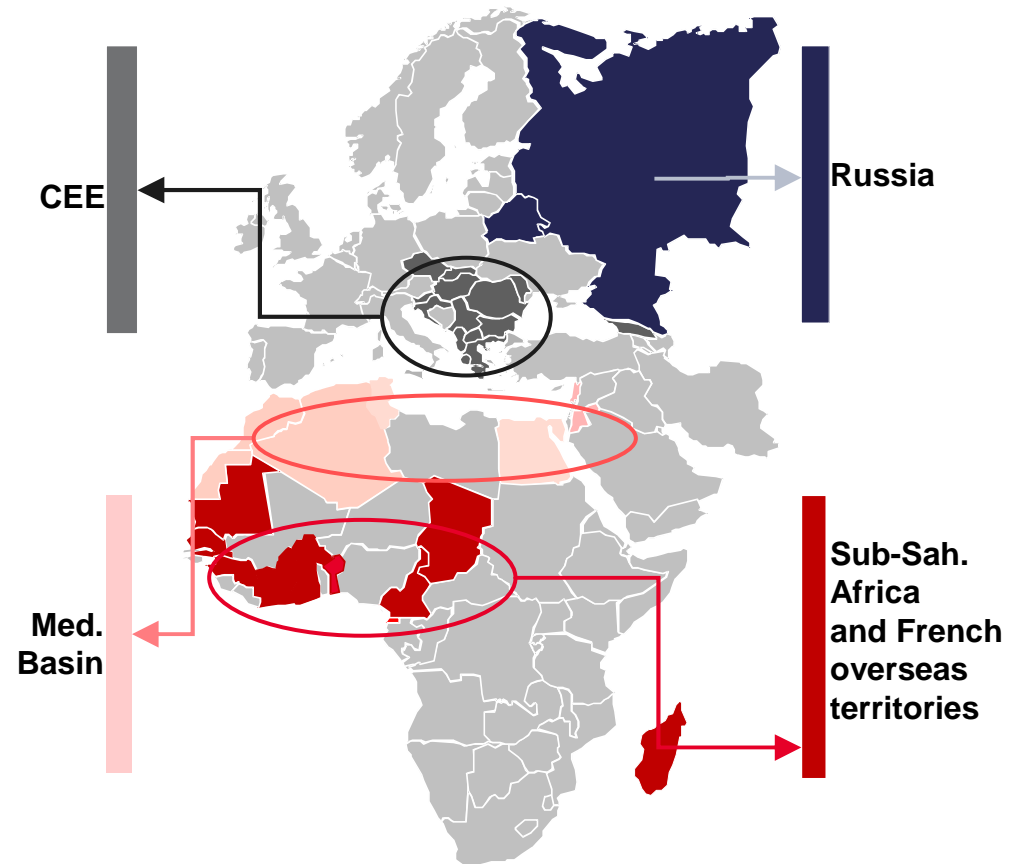
## TOP 3 IN CEE & RUSSIA

- 20 million customers in 2015
- Create a leading player in Russia
- Intensify customer relationships in the most mature entities
- Accelerate growth in areas with potential for higher banking penetration, and seize external growth opportunities
- Deliver growth through innovation
- Improve operational efficiency

↪ NBI GROWTH 2009-2012  $\approx$  +8% PER YEAR

↪ 2012 NET EARNINGS TARGET = EUR 0.9 – 1.1bn

## INTERNATIONAL RETAIL BANKING

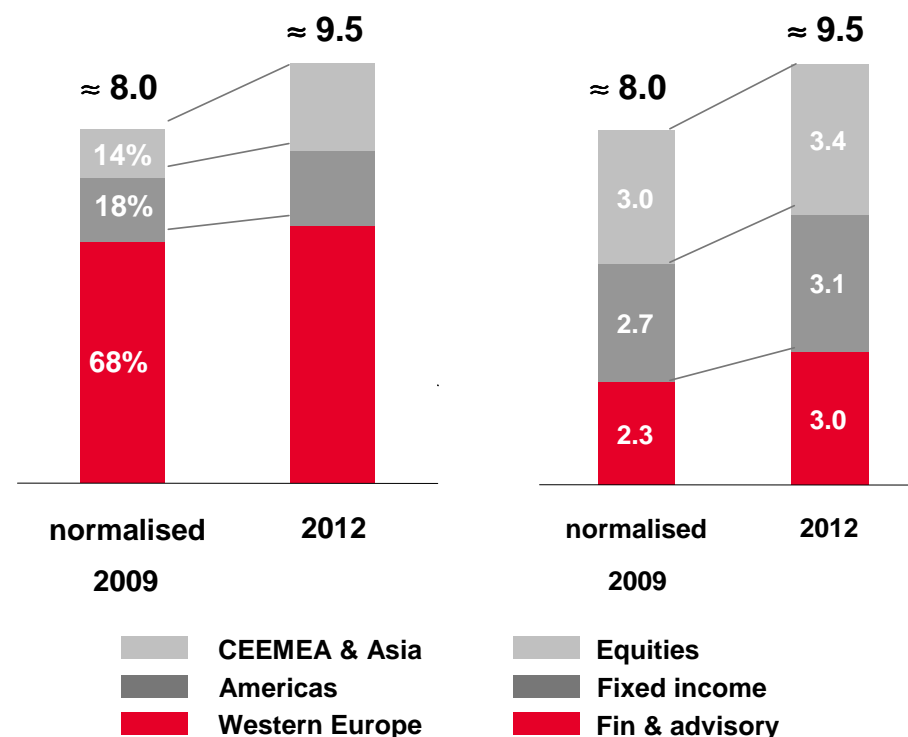


# TOP 5 POSITION IN EUROPE

- Expand the worldwide leadership position in equity derivatives and cross-asset structured products
- Develop structured financing by capitalising on high growth segments
- Leverage the solid European client franchise to further develop Fixed Income and Investment Banking
- Develop CIB activities in CEE & Russia, leveraging the Group's presence in those regions

## CORPORATE & INVESTMENT BANKING

SGCIB NBI 2009-2012



↪ 2012 NBI ≈ EUR 9.5bn

↪ 2012 NET EARNINGS TARGET = EUR 2.3 – 2.8bn



## TRANSFORM THE OPERATIONAL MODEL & MAINTAIN STRICT RISK MANAGEMENT

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### INCREASE OPERATING EFFICIENCY

#### **Retail Information System: Industrialisation and Pooling**

- ▶ France: one single information system by 2013
- ▶ International entities: convergence with the French systems for the largest entities. For smaller entities, regional hub in Africa and CEE

#### **CIB: implementation of Resolution**

### MAINTAIN STRICT RISK MANAGEMENT

#### **Continue reduction in risk profile**

**Legacy assets: external credit analysis (BlackRock Solutions) confirms mark to market levels are overall appropriate**

## 2012 FINANCIAL TARGETS

### AVERAGE GDP GROWTH 2009-2012

<b>FRANCE:</b>	<b>1.6%</b>
<b>EURO ZONE:</b>	<b>1.5%</b>
<b>RUSSIA:</b>	<b>3.8%</b>
<b>CEE:</b>	<b>2.5%</b>
<b>USA:</b>	<b>2.6%</b>

### SG TARGETS

**REVENUE CAGR 2009-2012** **≈ +4%\***

**C/I ratio 2012** **<60%\***

**GROUP NET EARNINGS 2012** **≈ EUR**  
**6bn**

**AFTER TAX RoE 2012** **≈ 14-15bn**

**CORE TIER ONE RATION 2012** **≥ 8%\*\***

\* At constant exchange rates, excluding legacy assets, Asset Management (except TCW), MtM CDS and SG spread

\*\* Basel II, proforma CRD 3

## 2010: YEAR OF REBOUND

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### "Ambition SG 2015": first steps completed

- **Development of commercial franchises**
- **Strengthened strategic focus on customer satisfaction**
- **New operating model launched**
- **Adaptation of the business portfolio**

### Commitments met

- **Dynamic contribution to the financing of the economy**
- **Well-managed risk profile**
- **Strong rebound in financial results**

↳ **GROUP NET INCOME of EUR 3.9bn TIER 1 RATIO of 10.6%\* (CORE TIER 1 of 8.5%)**

↳ **PROPOSED DIVIDEND EUR 1.75 PER SHARE WITH SCRIP OPTION**

\* Excluding floor effects (additional floor capital requirements)

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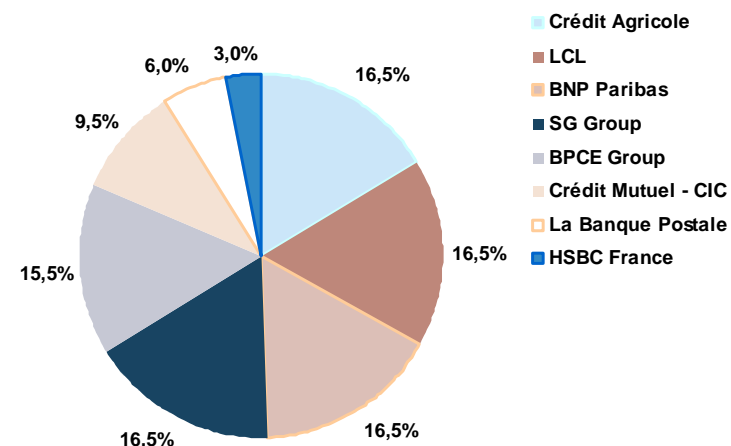
## CREDIT LOGEMENT PROCESSES

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- When receiving a guarantee request, in 97% cases (2010 data) 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, which has approved about 58% of all transactions received in 2010,
  - \_ 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,
  - \_ Margin on the property or on all of the borrower's possessions.
- DIAG results are provided in detail to analysts to help them building their decision: 13.8% of files received were rejected in 2010.
- 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

## CREDIT LOGEMENT STRENGTHS

- Crédit Logement is strongly backed by top quality shareholders:
  - Long term rated between A+ and AA
  - 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*) is rated AA and Aa2 respectively by S&P and Moody's.
- Despite the 2008/2009 financial crisis, Crédit Logement risk remains low and totally under control.
- The MGF covers 3.6 times all doubtful debts, whereas expected losses on these doubtful debts are below 30% according to Crédit Logement LGD on these files.



### Doubtful outstanding, doubtful debts and write off for the 5 last financial years

in EUR mln	2006	2007	2008	2009	2010
Balance Sheet - Doubtful debt	98,1	119,8	171,1	274,7	379,6
Off-balance sheet - Doubtful outstanding	74,6	117,3	193,9	366,1	513,4
<b>Total Doubtful</b>	<b>172,7</b>	<b>237,1</b>	<b>365,0</b>	<b>640,8</b>	<b>893,0</b>
% of the outstandings	0,15%	0,17%	0,23%	0,38%	0,44%
Write off during the year	1,8	3,2	2,4	6,0	5,0

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BUILDING TOGETHER

TEAM SPIRIT  SOCIETE  
GENERALE