

SOCIETE GENERALE HONG KONG BRANCH

Financial Information Disclosure Statements
For the year ended 31 December 2020

SOCIETE GENERALE HONG KONG BRANCH

FINANCIAL INFORMATION DISCLOSURE STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

<u>CONTENTS</u>	<u>PAGE(S)</u>
PROFIT AND LOSS INFORMATION	1 - 3
BALANCE SHEET INFORMATION	4 - 8
SUPPLEMENTARY INFORMATION	9 - 19
STATEMENT OF COMPLIANCE	20

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION

PROFIT AND LOSS INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>For the year ended</u>	
	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
	<u>Unaudited</u>	<u>Unaudited</u>
Interest income	1,641,613	3,202,892
Interest expense	(1,453,924)	(3,116,709)
Net interest income	187,689	86,183
Other operating income	2,478,616	2,769,548
Operating expenses	2,666,305	2,855,731
	(1,817,132)	(1,999,511)
Operating income before impairment allowance and loss from disposal of property and equipment	849,173	856,220
Provision of impairment allowances on loans and receivables	(254,623)	(18,821)
(Provision)/reversal of impairment allowances on other assets	40	(801)
Net loss from disposal of property and equipment	(1,568)	(276)
Profit before taxation	593,022	836,322
Income tax charge	(63,930)	(125,226)
Net profit	529,092	711,096

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

Branch activities

Societe Generale Hong Kong Branch ("the Branch") is a branch of Societe Generale ("the Bank"), a bank incorporated in France, and accordingly has no separate legal status or existence. The Branch is registered under the Hong Kong Banking Ordinance as a full licensed bank. During the year, the Branch was principally involved in lending, deposit taking activities, derivative trading activities, foreign exchange spot and forward market activities. The Branch had a positive performance derived from the core operating activities for the year of 2020.

Details of profit and loss items

The details of key profit and loss items for the year ended 31 December 2020 and 2019 are as follows:

(i) Interest income and expense

	<u>For the year ended</u>	
	<u>31.12.2020</u>	<u>31.12.2019</u>
	HK\$'000	HK\$'000
Interest income was derived from:		
Swaps	2,407	2,393
Advances to customers	1,198,791	2,099,498
Loans and advances to banks and other financial institutions	438,719	1,101,001
Financial instruments	1,696	-
	<u>1,641,613</u>	<u>3,202,892</u>
Interest expense was derived from:		
Swaps	1,415	1,787
Certificates of deposit	6,157	27,101
Deposits from customers	45,948	159,193
Deposits from banks and other financial institutions	1,398,027	2,924,479
Others	2,377	4,149
	<u>1,453,924</u>	<u>3,116,709</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

Details of profit and loss items - continued

(ii) Other operating income

	<u>For the year ended</u>	
	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Fees and commission income	327,947	357,194
Less: Fees and commission expenses	(57,876)	(61,224)
Net fees and commission income	270,071	295,970
Gains less losses arising from trading in foreign currencies	687,838	1,033,445
Gains less losses on securities and loans and borrowings measured at fair value through profit or loss	261,556	169,753
Gains less losses from other trading activities	138,549	152,082
Other income from intercompany management fee, sales credit and other activities	1,120,602	1,118,298
	<u>2,478,616</u>	<u>2,769,548</u>

(iii) Operating expenses

	<u>For the year ended</u>	
	<u>31.12.2020</u>	<u>31.12.2019</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Salaries and other costs	1,240,605	1,358,605
Premises and equipment:		
Rental of office premises and staff quarters	133,492	133,762
Others	32,798	36,492
Depreciation charge	42,229	37,322
Auditors' remuneration	1,683	1,752
Share in Head Office Expenses	86,234	73,500
Other operating expenses	280,091	358,078
	<u>1,817,132</u>	<u>1,999,511</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

BALANCE SHEET INFORMATION
AT 31 DECEMBER 2020

	<u>31.12.2020</u> HK\$'000	<u>31.12.2019</u> HK\$'000
ASSETS		
Balances with banks	50,719	41,228
Placements with banks maturing between one and twelve months	-	-
Balances with the Monetary Authority	63,992	58,125
Amount due from overseas offices of the Bank	70,574,801	94,561,153
Trade bills	3,543,637	4,729,540
Securities measured at fair value through profit and loss	10,002,318	5,226,797
Loans and receivables	51,121,522	46,958,025
Property and equipment	58,142	68,685
Other investments	28,902	28,116
Total assets	<u>135,444,033</u>	<u>151,671,669</u>
EQUITY AND LIABILITIES		
Deposits and balances from banks	10,945,536	12,434,285
Deposits and balances from central banks and the Monetary Authority	15,351,079	14,758,660
Deposits from customers	8,202,297	9,943,404
Amount due to overseas offices of the Bank	95,163,956	109,100,572
Certificates of deposit issued	50,000	273,540
Other liabilities	5,480,537	4,724,374
Total liabilities	<u>135,193,405</u>	<u>151,234,835</u>
Reserves	250,628	436,834
Total equity and liabilities	<u>135,444,033</u>	<u>151,671,669</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

ADDITIONAL BALANCE SHEET INFORMATION

(i) Loans and receivables		
	<u>31.12.2020</u>	<u>31.12.2019</u>
	HK\$'000	HK\$'000
Loans and advances to customers	49,503,559	45,127,416
Collective impairment allowances	(87,136)	(44,897)
Individual impairment allowances for impaired assets against advances and commitments to customers	<u>(286,567)</u>	<u>(131,440)</u>
	49,129,856	44,951,079
Accrued interest and other accounts	<u>1,991,666</u>	<u>2,006,946</u>
	<u>51,121,522</u>	<u>46,958,025</u>

- (ii) Collective impairment allowances of HK\$87,136,000 as at 31 December 2020 (31 December 2019: HK\$44,897,000) to cover possible loan losses that are not separately identified are maintained in the Branch's accounts. Such impairment allowances are being made in the accounts of the Bank.

Where there is a risk that borrowers may not be able to honour a part or all of their liabilities or commitments, impairment allowances for specifically identified impaired assets are charged against income.

(iii) (a) Impaired loans and advances to customers:		
	<u>31.12.2020</u>	<u>31.12.2019</u>
	HK\$'000	HK\$'000
Impaired advances to customers	1,017,562	805,080
As percentage of total advances to customers	2.06%	1.78%
Individual impairment allowances	<u>(278,996)</u>	<u>(124,824)</u>

Impaired advances to customers are those advances where objective evidence exists that full repayment of principal or interest is considered unlikely.

The individual impairment allowances are made after taking into account the value of collateral in respect of such advances. The value of collateral in respect of such advances is HK\$ Nil as at 31 December 2020 (31 December 2019: HK\$ Nil).

- (b) Individual impairment allowances by geographical area:

The analysis of individual impairment allowances by geographical area, which is significant according to the location of the counterparties (constitutes 10% or more of the total individual impairment allowances), is as follows:

	<u>31.12.2020</u>	<u>31.12.2019</u>
	HK\$'000	HK\$'000
- Panama	41,772	45,077
- China	-	22,710
- Hong Kong	203,845	57,037
- Australia	<u>33,379</u>	<u>-</u>
	<u>278,996</u>	<u>124,824</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

ADDITIONAL BALANCE SHEET INFORMATION - continued

(iv) Impaired loans and advances to banks and other financial institutions

There were no impaired loans and advances to banks and other financial institutions as at 31 December 2020 and 31 December 2019.

(v) Overdue and rescheduled loans and advances

(a) There were loans and advances to customers and banks which were overdue for more than three months as at 31 December 2020 and 31 December 2019.

	<u>31.12.2020</u>		<u>31.12.2019</u>	
	Overdue loans and advances to customers HK\$'000	Percentage of total loans and advances to customers %	Overdue loans and advances to customers HK\$'000	Percentage of total loans and advances to customers %
Loans and advances to customers which have been overdue for				
- more than 3 months but not more than 6 months	-	-	-	-
- more than 6 months but not more than one year	288,548	0.58	-	-
- more than one year	41,772	0.08	101,898	0.23

Individual impairment has been provided for the loans and advances to customers which have been overdue for more than 6 months. The collateral held in respect of the overdue loans and advances to customers is HK\$ Nil as at 31 December 2020 (31 December 2019: HK\$ Nil).

	<u>31.12.2020</u> HK\$'000	<u>31.12.2019</u> HK\$'000
Covered portion of total overdue loans and advances	-	-
Uncovered portion of total overdue loans and advances	330,320	101,898

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

ADDITIONAL BALANCE SHEET INFORMATION - continued

(v) Overdue and rescheduled loans and advances - continued

(b) Overdue loans and advances by geographical area:

The analysis of overdue loans and advances by geographical area, which is significant according to the location of the counterparties (constitutes 10% or more of the total overdue loans and advances), is as follows:

	<u>31.12.2020</u> HK\$'000	<u>31.12.2019</u> HK\$'000
- Hong Kong	288,548	26,228
- China	-	30,593
- Panama	41,772	45,077
	<u>330,320</u>	<u>101,898</u>

(c) There were no loans and advances to banks which were overdue for more than one month as at 31 December 2020 and 31 December 2019.

(d) There were no rescheduled loans and advances to customers as at 31 December 2020 (31 December 2019: HK\$30,593,000).

(e) There were no rescheduled loans and advances to banks as at 31 December 2020 and 31 December 2019.

(vi) Other assets overdue

There were no other assets overdue for more than three months as at 31 December 2020 and 31 December 2019.

(vii) No repossessed assets were held as of 31 December 2020 and 31 December 2019.

(viii) Deposits from customers

	<u>31.12.2020</u> HK\$'000	<u>31.12.2019</u> HK\$'000
Demand deposits and current accounts	2,318,984	3,327,789
Saving deposits	1,013,492	1,036,079
Time, call and notice deposits	4,869,821	5,579,536
	<u>8,202,297</u>	<u>9,943,404</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

OFF-BALANCE-SHEET EXPOSURES

The following is a summary of the contractual or notional amounts of each significant class of off-balance-sheet exposure:

(i) Contingent liabilities and commitments	<u>31.12.2020</u> HK\$'000	<u>31.12.2019</u> HK\$'000
Direct credit substitutes	7,430,013	5,064,880
Trade-related contingencies	6,412,000	7,299,641
Other commitments	13,266,477	12,728,787
Forward forward deposits placed	4,121,063	3,268,614
	<u>31,229,553</u>	<u>28,361,922</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

SUPPLEMENTARY TO DERIVATIVE TRANSACTIONS

(i) Derivatives	<u>31.12.2020</u> HK\$'000	<u>31.12.2019</u> HK\$'000
Exchange rate contracts	91,718,702	73,448,141
Interest rate contracts		
- Swaps	16,917,590	50,000
- Forward forward deposits accepted	27,998,956	21,516,889
	<u>44,916,546</u>	<u>21,566,889</u>
Equity option contracts	<u>55,200</u>	<u>50,611</u>
Total off-balance sheet exposure	<u>167,920,001</u>	<u>123,427,563</u>

The contractual or notional amounts of the above instruments indicate the volume of transactions outstanding as of the balance sheet date. They do not represent amounts at risk.

The fair values of the above off-balance sheet exposures after taking into account the effect of the valid bilateral netting agreement are as follows:

	<u>31.12.2020</u> HK\$'000	<u>31.12.2019</u> HK\$'000
Exchange rate contracts	5,131	11,482
Interest rate contracts		
- Swaps	(235)	1,946
Equity option contracts	<u>(18,079)</u>	<u>(7,879)</u>
	<u>(13,183)</u>	<u>5,549</u>

The amount of fair value which has taken into account the effect of the valid bilateral netting agreement is HK\$178,774,007 liabilities (31 December 2019: HK\$45,815,071 liabilities) for Forwards.

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

SEGMENTAL INFORMATION

(i) Loans and advances to customers by industry sectors

	<u>31.12.2020</u>		<u>31.12.2019</u>	
	Loans and advances to customers HK\$'000	Percentage of loans and advances secured by collateral %	Loans and advances to customers HK\$'000	Percentage of loans and advances secured by collateral %
Loans and advances for use in Hong Kong				
Industrial, commercial, and financial sectors				
- Manufacturing	237,011	-	389,330	-
- Electricity and gas	762,281	-	-	-
- Recreational activities	-	-	-	-
- Information technology	-	-	-	-
- Wholesale and retail trade	92,140	-	62	-
- Transport and transport equipment	116,277	-	120,565	-
- Financial concerns	801,694	-	787,058	-
- Others	418,597	-	-	-
	<u>2,428,000</u>	-	<u>1,297,015</u>	-
Trade finance	9,157,720	12	2,165,585	36
Loans and advances for use outside Hong Kong	<u>37,917,839</u>	21	<u>41,664,816</u>	19
Loan and advances to customers	<u>49,503,559</u>	18	<u>45,127,416</u>	19

The above analysis of loans and advances to customers by industry sectors is based on categories and definitions used by the Hong Kong Monetary Authority.

(ii) Loans and advances to customers by geographical area

The analysis of loans and advances to customers by geographical area, which is significant according to the location of the counterparties (constitutes 10% or more of the total advances to customers), is as follows:

	<u>31.12.2020</u> HK\$'000	<u>31.12.2019</u> HK\$'000
- Australia	8,436,911	11,745,093
- Hong Kong	12,239,493	4,915,779
- Others	28,827,155	28,466,544
	<u>49,503,559</u>	<u>45,127,416</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

SEGMENTAL INFORMATION - continued

(iii) Non-bank Mainland exposures

The analysis of Mainland exposures to non-bank counterparties (being exposures which are material) as at 31 December 2020 and 31 December 2019 are as follows:

<u>In millions of HK\$</u>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
As at 31 December 2020			
Central government, central government owned entities and their subsidiaries and joint ventures	13,440	9,403	22,843
Local governments, local government- owned entities and their subsidiaries and joint ventures	1,360	2,659	4,019
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	9,101	2,456	11,557
Other entities of central governments	272	351	623
Other entities of local governments	-	-	-
Entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
Other counterparties where the exposures are considered by the branch to be non- bank Mainland China exposures	-	-	-
Total	<u>24,173</u>	<u>14,869</u>	<u>39,042</u>
Total assets after provision	135,444		
On balance sheet exposures as percentage of total assets	18%		

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

SEGMENTAL INFORMATION - continued

(iii) Non-bank Mainland exposures - continued

<u>In millions of HK\$</u>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
As at 31 December 2019			
Central government, central government owned entities and their subsidiaries and joint ventures	4,970	5,943	10,913
Local governments, local government- owned entities and their subsidiaries and joint ventures	1,012	1,953	2,965
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	8,053	2,559	10,612
Other entities of central governments	27	799	826
Other entities of local governments	-	-	-
Entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
Other counterparties where the exposures are considered by the branch to be non- bank Mainland China exposures	-	-	-
Total	<u>14,062</u>	<u>11,254</u>	<u>25,316</u>
Total assets after provision	151,672		
On balance sheet exposures as percentage of total assets	9%		

The analysis of non-bank mainland exposures is based on the categories of non-bank counterparties and the type of direct exposures with reference to the HKMA return 'Return of Mainland Activities', which includes mainland exposures extended by the Branch.

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

SEGMENTAL INFORMATION - continued

(iv) International claims

The following illustrates the major country or geographical segment breakdown of international claims (constitutes 10% or more of the total international claims after taking into account any recognized risk transfer) by types of counterparties:

In millions of HK\$

	<u>Banks</u>	<u>Official sector</u>	<u>Non-bank private sector</u>		<u>Others</u>	<u>Total</u>
			<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>		
As at 31 December 2020						
1. Developed countries	72,601	-	3,424	13,496	-	89,521
of which France	72,324	-	-	72	-	72,396
2. Developing Asia and Pacific	2,576	1	113	10,374	-	13,064
3. Offshore centres	-	-	4,305	17,099	-	21,404
As at 31 December 2019						
1. Developed countries	96,133	-	3,023	15,585	-	114,741
of which France	95,923	-	-	28	-	95,951
2. Developing Asia and Pacific	4,078	2	24	13,223	-	17,327

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

CURRENCY RISK

The Branch does not have any discloseable currency risk exposure arising from option and structural positions. The currency risk arising from the Branch's operations for those individual currencies which each constitute more than 10% of the total net position in all foreign currencies is as follows:

Equivalent in millions of HK\$

As at 31 December 2020

	AUD	EUR	USD	Total
Spot assets	10,810	18,214	89,524	118,548
Spot liabilities	(12,221)	(17,577)	(89,925)	(119,723)
Forward purchases	2,886	5,935	40,506	49,327
Forward sales	(1,435)	(6,639)	(40,028)	(48,102)
Net long/(short) position	<u>40</u>	<u>(67)</u>	<u>77</u>	<u>50</u>

As at 31 December 2019

	AUD	EUR	USD	Total
Spot assets	11,611	44,038	80,032	135,681
Spot liabilities	(13,524)	(36,942)	(78,862)	(129,328)
Forward purchases	2,279	5,071	29,374	36,724
Forward sales	(355)	(12,234)	(30,558)	(43,147)
Net long/(short) position	<u>11</u>	<u>(67)</u>	<u>(14)</u>	<u>(70)</u>

LIQUIDITY

	<u>2020</u> Unaudited	<u>2019</u> Unaudited
Average liquidity maintenance ratio - Fourth quarter	<u>60.91%</u>	<u>54.74%</u>
Average core funding ratio - Fourth quarter	<u>135.73%</u>	<u>131.73%</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

LIQUIDITY - continued

The current year ended liquidity maintenance ratio reflects the average position of each quarter, other than the twelve months' average as required in the prior year, and is calculated as the arithmetic mean of each calendar month's average value as reported in the Return of Liquidity Position submitted by the Branch to the Hong Kong Monetary Authority pursuant to section 63 of the Ordinance.

The core funding ratio reflects the average position of each quarter and is calculated as the arithmetic mean of each calendar month's average value as reported in the Return of Stable Funding Position submitted by the Branch to the Hong Kong Monetary Authority pursuant to section 63 of the Ordinance.

Liquidity risk management

Liquidity risk is the risk that the Branch cannot meet its current contractual and contingent obligations. To manage liquidity risk, the Branch has established a liquidity risk management framework which is in line with the Group's framework and approved by the Branch's management. Such framework is documented in the Branch's liquidity risk management policy which is reviewed at least annually, and is consistent with the SG group's liquidity management.

Liquidity Risk Management Governance in SG HK Branch ("SG HK")

ALCO

SG HK holds an Asset & Liability Management Committee ("ALCO") on a quarterly basis and liquidity topics are monitored via this ALCO. General objective of the ALCO is to monitor the structure and growth of balance sheet, review the structural risks and liquidity risk. SG HK ALCO also monitors the liquidity risk tolerance and liquidity targets. The ALCO is chaired by the Chief Executive of SG HK with representatives from Treasury, Business Lines, Finance and Risk functions.

Treasury

Treasury function is responsible for operational management of SG HK's liquidity position, both in business as usual conditions and in crisis situation. The goals and objectives of the function are to provide funding to various business lines while optimizing the cost of liquidity, maintain adequate liquidity in both normal and stress periods, ensure compliance of regulatory ratios and internal limits. Its activity is governed by Group Treasurer and dedicated mandate accompanied by limits set by Risk function and in the respect of the local liquidity framework set by the ALCO.

Liquidity Risk Monitoring in SG HK Branch ("SG HK")

Oversight

SG HK has implemented adequate governance and management information systems to ensure compliance with regulatory ratios and internal limits on liquidity metrics. Management oversight has been put in place.

Internal stress testing

The objective of internal stress testing is to ensure sufficient liquidity for the Branch under an adverse scenario combining market and idiosyncratic stresses over the survival horizon established for SG HK. SG HK has used the SG Group's assumptions and methodology for stress testing. The results of stress testing are reported to the ALCO.

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

LIQUIDITY - continued

Liquidity Risk Monitoring in SG HK Branch ("SG HK") - continued

Contingency Funding Plan ("CFP")

SG HK has its own CFP, which is reviewed annually, is approved by the ALCO and is communicated to the Group Treasurer.

SG HK's CFP establishes a comprehensive remediation framework for identifying and governing contingency actions in case of liquidity crisis, in accordance with the liquidity crisis framework of the SG group. The CFP designs an appropriate escalation procedure based on Early Warning Indicators, defines criteria to trigger the CFP and the management of liquidity crisis with proper governance for alternative funding source. In particular, the trigger of SG HK's CFP is immediately communicated to the Group Treasurer.

Liquidity Risk Profile in SG HK Branch ("SG HK")

Funding structure

SG HK develops its own sources of funding and benefits from the parent for funding, in particular with long-term maturities.

The funding sources of SG HK are composed of the following:

	<u>31.12.2020</u> As % of total liabilities	<u>31.12.2019</u> As % of total liabilities
Funding raised from banks ¹	71.52%	72.39%
Deposits from other non-bank customers	24.29%	24.21%
Capital and debt instruments issued and outstanding	0.04%	0.18%

¹ Funding was mainly raised from the head office.

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

LIQUIDITY - continued

Liquidity Risk Profile in SG HK Branch ("SG HK") - continued

Maturity Profile of Balance Sheet²

The analysis of on and off-balance sheet items by remaining maturity and the resultant liquidity gaps is shown in the table below.

In millions of HK\$

As at 31 December 2020

	<u>Total amount</u> ³	<u>Contractual maturity of cash flows and securities flows arising from the items</u>			<u>Balancing Amount</u>
		<u><=1 year</u>	<u>1-5 years</u>	<u>>5 years</u>	
Total on-balance sheet assets ³	132,561	179,119	20,412	9,192	673
Total off-balance sheet claims	126,511	30,740	837	543	94,391
Total on-balance sheet liabilities ³	(132,188)	(176,417)	(20,066)	(12,498)	(157)
Total off-balance sheet obligations	(61,460)	(59,684)	(1,234)	(543)	-
Contractual maturity mismatch	N.A.	(26,241)	(51)	(3,306)	N.A.
Cumulative contractual maturity mismatch	N.A.	(26,241)	(26,292)	(29,598)	N.A.

As at 31 December 2019

	<u>Total amount</u> ³	<u>Contractual maturity of cash flows and securities flows arising from the items</u>			<u>Balancing Amount</u>
		<u><=1 year</u>	<u>1-5 years</u>	<u>>5 years</u>	
Total on-balance sheet assets ³	150,064	202,817	25,263	11,398	648
Total off-balance sheet claims	151,111	22,512	1,612	662	126,325
Total on-balance sheet liabilities ³	(149,890)	(199,852)	(25,407)	(14,644)	(127)
Total off-balance sheet obligations	(54,168)	(51,079)	(2,497)	(592)	-
Contractual maturity mismatch	N.A.	(25,603)	(1,031)	(3,176)	N.A.
Cumulative contractual maturity mismatch	N.A.	(25,603)	(26,634)	(29,810)	N.A.

The negative contractual maturity mismatch is attributable to off balance sheet obligations which are mainly comprised of loan commitments, guarantees and other contingent liabilities. They are reported in the shortest maturity buckets on a conservative approach given no specified drawdown date. In practice, short term cash inflows and outflows broadly match as not all of the loan commitments and the obligations would have been drawn at the same time.

² The disclosed figures are from the HKMA banking return of Liquidity Monitoring Tools MA(BS)23.

³ Total amount includes derivative contracts reported at replacement cost whereby the contractual cash flows of these contracts were allocated to the respective maturity buckets.

SOCIETE GENERALE HONG KONG BRANCH

SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)

The information set out below is based on the most recent consolidated accounts for the Bank as a whole as at 31 December 2020 and 31 December 2019.

PRUDENTIAL CAPITAL RATIO

	<u>31.12.2020</u>	<u>31.12.2019</u>
	%	%
Core Tier 1 ratio	13.4	12.7
Tier 1 ratio	16.0	15.0
Total capital ratio	<u>19.2</u>	<u>18.3</u>

The solvency ratio (Basel 2.5 solvency ratio) complies with the calculation methods established by the French Prudential Supervisory Authority. This ratio is based on the Bank's consolidated banking activities, thus eliminating the contributions of the insurance entities.

SHAREHOLDERS' FUND

	<u>31.12.2020</u>		<u>31.12.2019</u>	
	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>
Aggregate amount of shareholders' fund	<u>68</u>	<u>644</u>	<u>63</u>	<u>550</u>

OTHER FINANCIAL INFORMATION

	<u>31.12.2020</u>		<u>31.12.2019</u>	
	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>
Total assets	1,462	13,930	1,356	11,833
Total liabilities	1,395	13,292	1,288	11,240
Total advances to customers	449	4,276	450	3,927
Total customer deposits	<u>456</u>	<u>4,346</u>	<u>419</u>	<u>3,656</u>

	<u>31.12.2020</u>		<u>31.12.2019</u>	
	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>
Pre-tax profit	<u>1.40</u>	<u>13</u>	<u>5.20</u>	<u>45</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION C - REMUNERATION OF SENIOR MANAGEMENT

Remuneration policy

As an overseas branch of the Bank, the Branch follows the Remuneration Policy of the Bank.

This Remuneration Policy fulfills all the Qualitative Disclosure requirements under the Supervisory Policy Manual module CG-5 issued by the Monetary Authority and entitled "Guideline on a Sound Remuneration System" ("SPM CG-5").

The below link provides access to the latest Remuneration Policy of the Bank.

https://www.societegenerale.com/sites/default/files/documents/2021-04/Compensation-policies-and-practices-report-2020_0.pdf

The Policy is updated annually.

SOCIETE GENERALE HONG KONG BRANCH

STATEMENT OF COMPLIANCE

This is to confirm that the information in these disclosure statements for the year ended 31 December 2020 complies with the Banking (Disclosure) Rules and the additional guidance that aims to assist Authorised Institutions with their preparation of the financial disclosures in accordance with the requirements of the Rules and is not false or misleading in any material respect.

A handwritten signature in black ink, appearing to be 'S Swift', is written over a horizontal line. The signature is stylized and extends above and below the line.

Stephen Swift
ACTING CHIEF EXECUTIVE

26 April 2021