

SOCIETE GENERALE HONG KONG BRANCH
(A public limited company incorporated in France)

Financial Information Disclosure Statements
For the six months ended 30 June 2024

*The English version shall prevail in case of any discrepancy or inconsistency between the English version and its Chinese translation.

FINANCIAL INFORMATION DISCLOSURE STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

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SECTION A - HONG KONG BRANCH INFORMATION

PROFIT AND LOSS INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2024

	<u>For the six months ended</u>	
	<u>30.06.2024</u>	<u>30.06.2023</u>
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Interest income	2,448,955	2,365,137
Interest expense	(2,501,447)	(2,175,079)
Net interest income	(52,492)	190,058
Other operating income	1,248,393	1,247,542
Operating expenses	1,195,901	1,437,600
	(921,299)	(949,423)
Operating income before impairment allowance and loss from disposal of property and equipment	274,602	488,177
Reversal/ (Provision) of impairment allowances on loans and receivables	33,965	(5,633)
Provision of impairment allowances on other assets	-	-
Net loss from disposal of property and equipment	-	-
Profit before taxation	308,567	482,544
Income tax charge	(70,417)	(65,343)
Net profit	238,150	417,201

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 ("the Ordinance") as a full licensed bank. During the six months ended 30 June 2024, 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 six months ended 30 June 2024.

ADDITIONAL PROFIT AND LOSS INFORMATION

(i) Other operating income

	<u>For the six months ended</u>	
	<u>30.06.2024</u>	<u>30.06.2023</u>
	HK\$'000	HK\$'000
Fees and commission income	145,683	160,240
Less: Fees and commission expenses	<u>(5,089)</u>	<u>(12,216)</u>
Net fees and commission income	140,594	148,024
Gains less losses arising from trading in foreign currencies	396,292	392,246
Gains less losses on securities and loans and borrowings measured at fair value through profit or loss	14,008	65,618
Gains less losses from other trading activities	223,205	40,651
Other income from intercompany management fee, sales credit and other activities	<u>474,294</u>	<u>601,003</u>
	<u><u>1,248,393</u></u>	<u><u>1,247,542</u></u>

(ii) Operating expenses

	<u>For the six months ended</u>	
	<u>30.06.2024</u>	<u>30.06.2023</u>
	HK\$'000	HK\$'000
Staff expenses	674,466	644,054
Rental expenses	57,168	69,894
Other operating expenses	<u>189,665</u>	<u>235,475</u>
	<u><u>921,299</u></u>	<u><u>949,423</u></u>

SECTION A - HONG KONG BRANCH INFORMATION - continued

BALANCE SHEET INFORMATION
AS AT 30 JUNE 2024

	<u>30.06.2024</u>	<u>31.12.2023</u>
	HK\$'000	HK\$'000
ASSETS		
Balances with banks	79,900	49,227
Placements with banks maturing between one and twelve months	-	-
Balances with the Monetary Authority	36,409	27,821
Amount due from overseas offices of the Bank	48,010,951	56,641,911
Trade bills	1,393,834	2,165,021
Securities held for trading purposes	4,587,826	4,276,899
Investment securities	1,134,988	1,370,233
Loans and receivables	32,446,059	33,360,202
Property and equipment	166,442	156,998
Other investments	29,399	29,399
Total assets	<u>87,885,808</u>	<u>98,077,711</u>
EQUITY AND LIABILITIES		
Deposits and balances from banks	13,276,170	16,175,426
Deposits and balances from central banks and the Monetary Authority	14,752,849	21,133,137
Deposits from customers	22,469,484	21,740,168
Amount due to overseas offices of the Bank	23,817,920	24,467,572
Certificates of deposit issued	8,674,932	9,106,388
Other liabilities	4,931,989	5,197,933
Total liabilities	<u>87,923,344</u>	<u>97,820,624</u>
Reserves	(37,536)	257,087
Total equity and liabilities	<u>87,885,808</u>	<u>98,077,711</u>

SECTION A - HONG KONG BRANCH INFORMATION - continued

ADDITIONAL BALANCE SHEET INFORMATION

(i) Loans and receivables	<u>30.06.2024</u> HK\$'000	<u>31.12.2023</u> HK\$'000
Loans and advances to customers	29,338,972	30,622,098
Accrued interest and other accounts	3,145,536	2,811,100
Collective impairment allowances	(20,498)	(24,573)
Individual impairment allowances	(17,951)	(48,423)
	<u>32,446,059</u>	<u>33,360,202</u>

- (ii) Collective impairment allowances of HK\$20,498,000 as at 30 June 2024 (31 December 2023: HK\$24,573,000) to cover possible loan losses that are not separately identified are maintained in the Branch's accounts.

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>30.06.2024</u> HK\$'000	<u>31.12.2023</u> HK\$'000
Impaired loans and advances to customers	213,278	210,037
As percentage of total loans and advances to customers	0.73%	0.69%
Individual impairment allowances	(10,668)	(38,466)

Impaired loans and advances to customers are those loans and 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 loans and advances. The value of collateral in respect of such loans and advances is HK\$97,486,000 as at 30 June 2024 (31 December 2023: HK\$108,655,000).

SECTION A - HONG KONG BRANCH INFORMATION - continued

ADDITIONAL BALANCE SHEET INFORMATION - continued

(iii) (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:

As at 30 June 2024	HK\$'000
- Taiwan	6,512
- Vietnam	4,156
As at 31 December 2023	HK\$'000
- Taiwan	4,343
- Vietnam	4,688

(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 30 June 2024 and 31 December 2023.

(v) Overdue and rescheduled loans and advances

(a) The amount of loans and advances to customers which were overdue for more than one year as at 30 June 2024 was HK\$ Nil (31 December 2023: HK\$ 29,435,000).

	<u>30.06.2024</u>		<u>31.12.2023</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	-	-	-	-
- more than one year	-	-	29,435	0.10

Individual impairment has been provided for the loans and advances to customers which have been overdue for more than one year. The collateral held in respect of the overdue loans and advances to customers is HK\$ Nil as at 30 June 2024 (31 December 2023: HK\$ Nil).

	<u>30.06.2024</u> HK\$'000	<u>31.12.2023</u> HK\$'000
Covered portion of total overdue loans and advances	-	-
Uncovered portion of total overdue loans and advances	-	29,435

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>30.06.2024</u> HK\$'000	<u>31.12.2023</u> HK\$'000
- Hong Kong	-	29,435
	-	29,435
	<u> </u>	<u> </u>

(c) There were no overdue loans and advances to banks as at 30 June 2024 and 31 December 2023.

(d) There were no rescheduled loans and advances to customers as at 30 June 2024 and 31 December 2023.

(e) There were no rescheduled loans and advances to banks as at 30 June 2024 and 31 December 2023.

(vi) Other assets overdue

	<u>30.06.2024</u> HK\$'000	<u>31.12.2023</u> HK\$'000
Trade bills 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	-	-
- more than one year	12,576	12,582
	<u>12,576</u>	<u>12,582</u>
	<u> </u>	<u> </u>

There were no overdue debt securities as at 30 June 2024 and 31 December 2023.

(vii) No repossessed assets were held as at 30 June 2024 and 31 December 2023.

(viii) Deposits from customers

	<u>30.06.2024</u> HK\$'000	<u>31.12.2023</u> HK\$'000
Demand deposits and current accounts	2,799,675	2,178,332
Saving deposits	2,615,750	7,193,697
Time, call and notice deposits	17,054,059	12,368,139
	<u>22,469,484</u>	<u>21,740,168</u>
	<u> </u>	<u> </u>

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>30.06.2024</u>	<u>31.12.2023</u>
	HK\$'000	HK\$'000
Direct credit substitutes	9,416,024	14,347,767
Transaction-related contingencies	1,798,257	-
Trade-related contingencies	9,202,566	12,167,537
Other commitments	12,807,341	12,019,517
Forward forward deposits placed	923,729	538,289
	<u>34,147,917</u>	<u>39,073,110</u>
(ii) Derivatives	<u>30.06.2024</u>	<u>31.12.2023</u>
	HK\$'000	HK\$'000
Exchange rate contracts	95,197,875	77,349,297
Interest rate contracts		
- Swaps	21,994,482	29,476,168
- Forward forward deposits accepted	3,049,293	335,401
	<u>120,241,650</u>	<u>107,160,866</u>
Equity option contracts	117,037	64,964
	<u>120,358,687</u>	<u>107,225,830</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.

SECTION A - HONG KONG BRANCH INFORMATION - continued

OFF-BALANCE-SHEET EXPOSURES - continued

(ii) Derivatives - continued

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>30.06.2024</u> HK\$'000	<u>31.12.2023</u> HK\$'000
Exchange rate contracts	(3,437)	39,186
Interest rate contracts - Swaps	(37,687)	(9,420)
Equity option contracts	(4,329)	(2,553)
	<u>(45,453)</u>	<u>27,213</u>

The amount of fair value which has taken into account the effect of the valid bilateral netting agreement is HK\$243,457,000 assets (31 December 2023: HK\$185,661,000 assets) for Forwards.

SECTION A - HONG KONG BRANCH INFORMATION – continued

SUPPLEMENTARY INFORMATION

SEGMENTAL INFORMATION

(i) Loans and advances to customers by industry sectors

	<u>30.06.2024</u>		<u>31.12.2023</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	2,170,852	-	2,562,034	-
- Property development	-	-	-	-
- Property investment	-	-	-	-
- Recreational activities	-	-	-	-
- Information technology	-	-	-	-
- Wholesale and retail trade	60,522	-	64,576	-
- Transport and transport equipment	-	-	-	-
- Financial concerns	811,310	-	1,320,574	-
- Stockbrokers	-	-	-	-
- Others	3,612,677	-	1,227,707	-
	<u>6,655,361</u>	-	<u>5,174,891</u>	-
Individuals				
- Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	-	-	-	-
- Loans for the purchase of other residential properties	-	-	-	-
- Credit card advances	-	-	-	-
- Others	-	-	-	-
Trade financing	5,530,894	5	4,205,750	12
Loans and advances for use outside Hong Kong	<u>17,152,717</u>	26	<u>21,241,457</u>	26
Loan and advances to customers	<u><u>29,338,972</u></u>	16	<u><u>30,622,098</u></u>	20

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.

SECTION A - HONG KONG BRANCH INFORMATION - continued

SUPPLEMENTARY INFORMATION - continued

SEGMENTAL INFORMATION – continued

(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:

As at 30 June 2024	HK\$'000
- Hong Kong	8,328,388
- Cayman Islands	3,328,665
As at 31 December 2023	HK\$'000
- Hong Kong	6,975,036
- Cayman Islands	4,678,084

SECTION A - HONG KONG BRANCH INFORMATION - continued

SUPPLEMENTARY 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 30 June 2024 and 31 December 2023 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 30 June 2024			
Central government, central government owned entities and their subsidiaries and joint ventures	10,635	12,301	22,936
Local governments, local government- owned entities and their subsidiaries and joint ventures	255	912	1,167
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	4,185	3,964	8,149
Other entities of central governments	391	-	391
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>15,466</u>	<u>17,177</u>	<u>32,643</u>
Total assets after provision	87,886		
On balance sheet exposures as percentage of total assets	18%		

SECTION A - HONG KONG BRANCH INFORMATION - continued

SUPPLEMENTARY 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 2023			
Central government, central government owned entities and their subsidiaries and joint ventures	8,350	11,561	19,911
Local governments, local government- owned entities and their subsidiaries and joint ventures	486	2,360	2,846
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	4,535	4,100	8,635
Other entities of central governments	614	529	1,143
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>13,985</u>	<u>18,550</u>	<u>32,535</u>
Total assets after provision	98,078		
On balance sheet exposures as percentage of total assets	14%		

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.

SECTION A - HONG KONG BRANCH INFORMATION - continued

SUPPLEMENTARY 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>Non-bank private sector</u>				
	<u>Banks</u>	<u>Official sector</u>	<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>	<u>Others</u>	<u>Total</u>	
As at 30 June 2024							
1. Developed countries	50,221	-	2,660	5,958	-	58,839	
<i>of which France</i>	50,193	-	-	7	-	50,200	
2. Offshore centres	149	-	3,348	8,727	-	12,224	
As at 31 December 2023							
1. Developed countries	59,064	-	3,673	5,789	-	68,526	
<i>of which France</i>	58,883	-	-	10	-	58,893	
2. Offshore centres	1	-	1,726	10,636	-	12,363	

SECTION A - HONG KONG BRANCH INFORMATION - continued

SUPPLEMENTARY 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 30 June 2024

	<u>CNY</u>	<u>USD</u>	<u>EUR</u>	<u>Total</u>
Spot assets	1,761	64,874	7,899	74,534
Spot liabilities	(3,731)	(52,716)	(1,750)	(58,197)
Forward purchases	32,959	35,632	4,268	72,859
Forward sales	(30,973)	(47,825)	(10,458)	(89,256)
Net short position	<u>16</u>	<u>(35)</u>	<u>(41)</u>	<u>(60)</u>

As at 31 December 2023

	<u>CNY</u>	<u>USD</u>	<u>EUR</u>	<u>Total</u>
Spot assets	1,805	70,197	14,087	86,089
Spot liabilities	(1,811)	(69,272)	(2,885)	(73,968)
Forward purchases	26,316	34,410	2,194	62,920
Forward sales	(26,314)	(35,437)	(13,624)	(75,375)
Net short position	<u>(4)</u>	<u>(102)</u>	<u>(228)</u>	<u>(334)</u>

LIQUIDITY

	<u>2024</u> Unaudited	<u>2023</u> Unaudited
Average liquidity maintenance ratio - Second quarter	55.95%	74.43%
Average core funding ratio - Second quarter	<u>231.54%</u>	<u>174.90%</u>

The current year ended liquidity maintenance 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 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.

The relevant disclosures pursuant to section 103 of the Banking (Disclosure) Rules can be found in our website <https://www.societegenerale.asia/en/disclosure-information/hong-kong/>.

SECTION B - BANK INFORMATION (CONSOLIDATED BASIS)

INFORMATION (CONSOLIDATED BASIS)

The information set out below is based on the most recent consolidated accounts for the Bank as a whole.

PRUDENTIAL CAPITAL RATIO

	<u>30.06.2024</u>	<u>31.12.2023</u>
	%	%
Core Tier 1 ratio	13.1	13.1
Tier 1 ratio	15.7	15.6
Total capital ratio	<u>18.5</u>	<u>18.2</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>30.06.2024</u>		<u>31.12.2023</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>72</u>	<u>601</u>	<u>71</u>	<u>614</u>

OTHER FINANCIAL INFORMATION

	<u>30.06.2024</u>		<u>31.12.2023</u>	
	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>
Total assets	1,592	13,292	1,554	13,445
Total liabilities	1,516	12,658	1,448	12,528
Total advances to customers	455	3,799	485	4,196
Total customer deposits	<u>540</u>	<u>4,509</u>	<u>542</u>	<u>4,689</u>

	<u>30.06.2024</u>		<u>30.06.2023</u>	
	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>
Pre-tax profit	<u>2.92</u>	<u>24</u>	<u>3.03</u>	<u>26</u>

STATEMENT OF COMPLIANCE

This is to confirm that the information in these disclosure statements for the six months ended 30 June 2024 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.



Denis Copin
CHIEF EXECUTIVE

25 September 2024