

SOCIETE GENERALE HONG KONG BRANCH

Financial Information Disclosure Statements
For the year ended 31 December 2021

SOCIETE GENERALE HONG KONG BRANCH

FINANCIAL INFORMATION DISCLOSURE STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION

PROFIT AND LOSS INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

	For the year ended	
	31.12.2021	31.12.2020
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Interest income	1,093,886	1,641,613
Interest expense	(696,414)	(1,453,924)
Net interest income	397,472	187,689
Other operating income	1,632,672	2,478,616
Operating expenses	2,030,144	2,666,305
	(1,865,176)	(1,817,132)
Operating income before impairment allowance and loss from disposal of property and equipment	164,968	849,173
Reversal/(provision) of impairment allowances on loans and receivables	31,912	(254,623)
Reversal of impairment allowances on other assets	759	40
Net loss from disposal of property and equipment	(24)	(1,568)
Profit before taxation	197,615	593,022
Income tax charge	(26,629)	(63,930)
Net profit	170,986	529,092

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 ("the 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 2021.

Details of profit and loss items

The details of key profit and loss items for the years ended 31 December 2021 and 2020 are as follows:

(i) Interest income and expense

	<u>For the year ended</u>	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Interest income was derived from:		
Swaps	250	2,407
Loans and advances to customers	841,816	1,198,791
Loans and advances to banks and other financial institutions	251,692	438,719
Financial instruments	128	1,696
	<u>1,093,886</u>	<u>1,641,613</u>
Interest expense was derived from:		
Swaps	100	1,415
Certificates of deposit	7,367	6,157
Deposits from customers	24,612	45,948
Deposits from banks and other financial institutions	662,763	1,398,027
Others	1,572	2,377
	<u>696,414</u>	<u>1,453,924</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>31.12.2021</u>	<u>31.12.2020</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Fees and commission income	403,846	327,947
Less: Fees and commission expenses	(41,487)	(57,876)
Net fees and commission income	<u>362,359</u>	<u>270,071</u>
Gains less losses arising from trading in foreign currencies	506,202	687,838
Gains less losses on securities and loans and borrowings measured at fair value through profit or loss	(51,579)	261,556
Gains less losses from other trading activities	120,295	138,549
Other income from intercompany management fee, sales credit and other activities	<u>695,395</u>	<u>1,120,602</u>
	<u>1,632,672</u>	<u>2,478,616</u>

(iii) Operating expenses

	<u>For the year ended</u>	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Salaries and other costs	1,264,330	1,240,605
Premises and equipment:		
Rental of office premises and staff quarters	117,965	133,492
Others	35,200	32,798
Depreciation charge	35,789	42,229
Auditors' remuneration	1,918	1,683
Share in Head Office Expenses	84,653	86,234
Other operating expenses	<u>325,321</u>	<u>280,091</u>
	<u>1,865,176</u>	<u>1,817,132</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

BALANCE SHEET INFORMATION
AT 31 DECEMBER 2021

	<u>31.12.2021</u> HK\$'000	<u>31.12.2020</u> HK\$'000
ASSETS		
Balances with banks	45,206	50,719
Placements with banks maturing between one and twelve months	-	-
Balances with the Monetary Authority	23,960	63,992
Amount due from overseas offices of the Bank	57,047,709	70,574,801
Trade bills	4,042,347	3,543,637
Securities measured at fair value through profit and loss	7,003,949	10,002,318
Loans and receivables	50,724,459	51,121,522
Property and equipment	97,973	58,142
Other investments	30,304	28,902
Total assets	<u>119,015,907</u>	<u>135,444,033</u>
EQUITY AND LIABILITIES		
Deposits and balances from banks	18,990,228	10,945,536
Deposits and balances from central banks and the Monetary Authority	8,896,500	15,351,079
Deposits from customers	7,844,641	8,202,297
Amount due to overseas offices of the Bank	74,678,964	95,163,956
Certificates of deposit issued	2,338,950	50,000
Other liabilities	6,367,020	5,480,537
Total liabilities	<u>119,116,303</u>	<u>135,193,405</u>
Reserves	(100,396)	250,628
Total equity and liabilities	<u>119,015,907</u>	<u>135,444,033</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

ADDITIONAL BALANCE SHEET INFORMATION

(i) Loans and receivables		
	<u>31.12.2021</u>	<u>31.12.2020</u>
	HK\$'000	HK\$'000
Loans and advances to customers	49,133,687	49,503,559
Collective impairment allowances	(37,372)	(87,136)
Individual impairment allowances for impaired assets against advances and commitments to customers	<u>(305,160)</u>	<u>(286,567)</u>
	48,791,155	49,129,856
Accrued interest and other accounts	<u>1,933,304</u>	<u>1,991,666</u>
	<u>50,724,459</u>	<u>51,121,522</u>

- (ii) Collective impairment allowances of HK\$37,372,000 as at 31 December 2021 (31 December 2020: HK\$87,136,000) 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>31.12.2021</u>	<u>31.12.2020</u>
	HK\$'000	HK\$'000
Impaired advances to customers	874,410	1,017,562
As percentage of total advances to customers	1.78%	2.06%
Individual impairment allowances	<u>(302,652)</u>	<u>(278,996)</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\$124,675,000 as at 31 December 2021 (31 December 2020: 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:

As at 31 December 2021	HK\$'000
- Panama	41,605
- Hong Kong	235,257
As at 31 December 2020	HK\$'000
- Panama	41,772
- Hong Kong	203,845
- Australia	33,379

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 2021 and 31 December 2020.

(v) Overdue and rescheduled loans and advances

(a) There were loans and advances to customers which were overdue for more than one year as at 31 December 2021 and overdue for more than six months as at 31 December 2020.

	<u>31.12.2021</u>		<u>31.12.2020</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	335,383	0.68	41,772	0.08

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 31 December 2021 (31 December 2020: HK\$ Nil).

	<u>31.12.2021</u> HK\$'000	<u>31.12.2020</u> HK\$'000
Covered portion of total overdue loans and advances	-	-
Uncovered portion of total overdue loans and advances	335,383	330,320

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>31.12.2021</u> HK\$'000	<u>31.12.2020</u> HK\$'000
- Hong Kong	293,778	288,548
- Panama	41,605	41,772
	<u>335,383</u>	<u>330,320</u>

(c) There were no loans and advances to banks which were overdue for more than one month as at 31 December 2021 and 31 December 2020.

(d) There were no rescheduled loans and advances to customers as at 31 December 2021 and 31 December 2020.

(e) There were no rescheduled loans and advances to banks as at 31 December 2021 and 31 December 2020.

(vi) Other assets overdue

There were no other assets overdue for more than three months as at 31 December 2021 and 31 December 2020.

(vii) No repossessed assets were held as at 31 December 2021 and 31 December 2020.

(viii) Deposits from customers

	<u>31.12.2021</u> HK\$'000	<u>31.12.2020</u> HK\$'000
Demand deposits and current accounts	3,610,876	2,318,984
Saving deposits	909,570	1,013,492
Time, call and notice deposits	3,324,195	4,869,821
	<u>7,844,641</u>	<u>8,202,297</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>31.12.2021</u> HK\$'000	<u>31.12.2020</u> HK\$'000
Direct credit substitutes	8,004,096	7,430,013
Trade-related contingencies	12,280,676	6,412,000
Other commitments	16,645,335	13,266,477
Forward forward deposits placed	522,338	4,121,063
	<u>37,452,445</u>	<u>31,229,553</u>

SOCIETE GENERALE HONG KONG BRANCH

SECTION A - HONG KONG BRANCH INFORMATION - continued

SUPPLEMENTARY TO DERIVATIVE TRANSACTIONS

(i) Derivatives	<u>31.12.2021</u> HK\$'000	<u>31.12.2020</u> HK\$'000
Exchange rate contracts	53,302,549	91,718,702
Interest rate contracts		
- Swaps	8,132,311	16,917,590
- Forward forward deposits accepted	10,218,129	27,998,956
	<u>18,350,440</u>	<u>44,916,546</u>
Equity option contracts	<u>47,358</u>	<u>55,200</u>
Total off-balance sheet exposure	<u>109,152,792</u>	<u>167,920,001</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>31.12.2021</u> HK\$'000	<u>31.12.2020</u> HK\$'000
Exchange rate contracts	8,292	5,131
Interest rate contracts		
- Swaps	(3,600)	(235)
Equity option contracts	<u>6,830</u>	<u>(18,079)</u>
	<u>11,522</u>	<u>(13,183)</u>

The amount of fair value which has taken into account the effect of the valid bilateral netting agreement is HK\$144,596,000 liabilities (31 December 2020: HK\$178,774,000 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>31.12.2021</u>		<u>31.12.2020</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	1,670	-	237,011	-
- Electricity and gas	1,169,475	-	762,281	-
- Recreational activities	-	-	-	-
- Information technology	-	-	-	-
- Wholesale and retail trade	-	-	92,140	-
- Transport and transport equipment	-	-	116,277	-
- Financial concerns	559,161	-	801,694	-
- Others	427,321	-	418,597	-
	<u>2,157,627</u>	-	<u>2,428,000</u>	-
Trade finance	5,564,142	19	9,157,720	12
Loans and advances for use outside Hong Kong	<u>41,411,918</u>	20	<u>37,917,839</u>	21
Loan and advances to customers	<u><u>49,133,687</u></u>	19	<u><u>49,503,559</u></u>	18

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:

As at 31 December 2021	HK\$'000
- Australia	5,609,590
- Cayman Islands	7,589,355
- Hong Kong	6,544,575
As at 31 December 2020	HK\$'000
- Australia	8,436,911
- Hong Kong	12,239,493

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 2021 and 31 December 2020 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 2021			
Central government, central government owned entities and their subsidiaries and joint ventures	9,743	6,214	15,957
Local governments, local government- owned entities and their subsidiaries and joint ventures	1,098	2,151	3,249
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	10,349	3,827	14,176
Other entities of central governments	814	1,116	1,930
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>22,004</u>	<u>13,308</u>	<u>35,312</u>
Total assets after provision	119,016		
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 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%		

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>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 31 December 2021						
1. Developed countries	58,729	-	3,772	11,076	-	73,577
of which France	58,699	-	-	23	-	58,722
2. Developing Asia and Pacific	3,249	1	1,071	10,188	-	14,509
3. Offshore centres	-	-	5,653	15,328	-	20,981
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

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 2021

	<u>CNY</u>	<u>EUR</u>	<u>GBP</u>	<u>USD</u>	<u>Total</u>
Spot assets	201	10,606	181	88,912	99,900
Spot liabilities	(248)	(9,669)	(198)	(90,745)	(100,860)
Forward purchases	14,802	3,492	169	24,359	42,822
Forward sales	(14,766)	(4,441)	(169)	(22,449)	(41,825)
Net long/(short) position	<u>(11)</u>	<u>(12)</u>	<u>(17)</u>	<u>77</u>	<u>37</u>

As at 31 December 2020

	<u>AUD</u>	<u>EUR</u>	<u>USD</u>	<u>Total</u>
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>

LIQUIDITY

	<u>2021</u> Unaudited	<u>2020</u> Unaudited
Average liquidity maintenance ratio - Fourth quarter	<u>52.93%</u>	<u>60.91%</u>
Average core funding ratio - Fourth quarter	<u>155.58%</u>	<u>135.73%</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 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.

Funding diversification

SGHK Treasury raises liquidity in the short-term markets with various short-term investors (e.g. central banks, supnationals, interbank counterparts, corporate clients, etc) to preserve a diversification of resources. In order to ensure activities are adequately funded, Treasury is framed at Group level with diversification indicators such as maturity bucketing, type of investors outstanding, single name concentration, etc. In doing so, the desk manages a safe liability profile, according to the Group's risk appetite and regulatory requirements.

SOCIETE GENERALE HONG KONG BRANCH

LIQUIDITY - continued

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

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.

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>31.12.2021</u> As % of total liabilities	<u>31.12.2020</u> As % of total liabilities
Funding raised from banks ¹	67.60%	71.52%
Deposits from other non-bank customers	25.23%	24.29%
Capital and debt instruments issued and outstanding	1.97%	0.04%

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 2021

	<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	114,982	151,431	19,899	8,241	752
Total off-balance sheet claims	103,838	9,937	398	405	93,097
Total on-balance sheet liabilities ³	(114,639)	(150,299)	(18,584)	(10,864)	(165)
Total off-balance sheet obligations	(53,848)	(42,387)	(926)	(444)	(10,091)
Contractual maturity mismatch	N.A.	(31,318)	787	(2,663)	N.A
Cumulative contractual maturity mismatch	N.A.	(31,318)	(30,531)	(33,194)	N.A

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

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.

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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 2021 and 31 December 2020.

PRUDENTIAL CAPITAL RATIO

	<u>31.12.2021</u>	<u>31.12.2020</u>
	%	%
Core Tier 1 ratio	13.7	13.4
Tier 1 ratio	15.9	16.0
Total capital ratio	<u>18.9</u>	<u>19.2</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>31.12.2021</u>		<u>31.12.2020</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>604</u>	<u>68</u>	<u>644</u>

OTHER FINANCIAL INFORMATION

	<u>31.12.2021</u>		<u>31.12.2020</u>	
	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>
			<u>(Restated)</u>	<u>(Restated)</u>
Total assets	1,464	12,918	1,444	13,763
Total liabilities	1,394	12,293	1,377	13,124
Total advances to customers	497	4,385	449	4,276
Total customer deposits	<u>509</u>	<u>4,491</u>	<u>456</u>	<u>4,346</u>

	<u>31.12.2021</u>		<u>31.12.2020</u>	
	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>	<u>EUR' billion</u>	<u>HK\$' billion equivalent</u>
Pre-tax profit	<u>8.04</u>	<u>71</u>	<u>1.40</u>	<u>13</u>

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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/2022-04/2021-compensation-policies-and-practices-report.pdf>

The Policy is updated annually.

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STATEMENT OF COMPLIANCE

This is to confirm that the information in these disclosure statements for the year ended 31 December 2021 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.



Stephanie Clement De Givry
CHIEF EXECUTIVE

22 April 2022