

# Sogecap Investor Presentation

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September 2024

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# SOGECAP INVESTMENT HIGHLIGHTS

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- Sogecap is the wholly-owned insurance subsidiary of Societe Generale, fully integrated within the Group's strategy, offering savings and protection products in 8 countries <sup>(1)</sup> including France
- 5<sup>th</sup> largest life insurance player in the French market <sup>(2)</sup>
- Sogecap benefits from solid growth prospects both in savings and protection, relying on a dual distribution model based on integrated bancassurance and external partnerships
- A highly efficient and profitable company, with a C/I ratio of 21.1% and a RONE of 19%
- Sogecap has a robust investment portfolio, resilient in the current interest rates environment
- A best-in-class financial profile, with a 226% Solvency 2 ratio and high level of financial reserves at 7.2%
- Sogecap's long-term credit rating attributed by S&P has been upgraded from "BBB+" to "A-" in November 2023, highlighting the company's financial strength

# 1. Company overview

# SOGECAP GROUP AT A GLANCE



## SOGECAP IS A HIGHLY PERFORMING LIFE AND NON-LIFE INSURANCE GROUP WITH TWO COMPLEMENTARY STRATEGIC PILLARS

Working in **synergy** with all the retail banking, private banking and financial services business lines of Societe Generale Group, Sogecap is at the heart of its **integrated bancassurance model**

Sogecap is also expanding its distribution reach beyond Societe Generale Group's networks, through the development of **external partnerships**

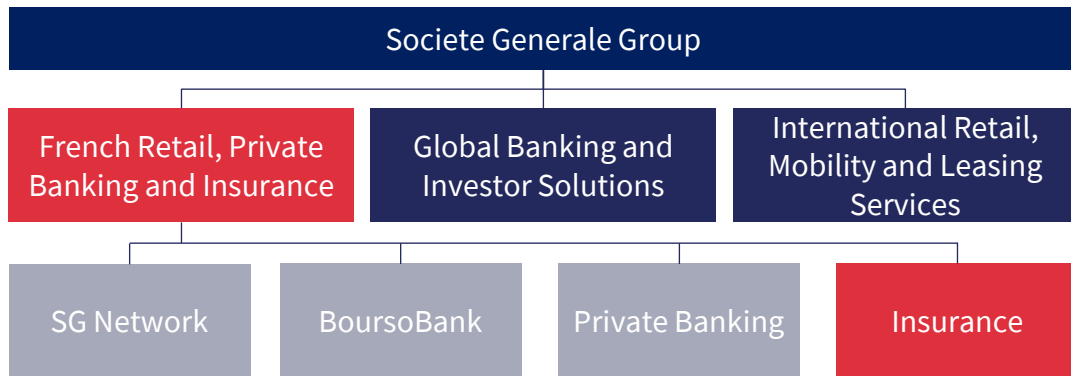
**SOGECAP MANAGES A COMPREHENSIVE RANGE OF PRODUCTS AND SERVICES** to meet the needs of personal, business and corporate clients in **Life Insurance Savings, Retirement Savings and Protection**

**SOGECAP ACTS AS A TRUSTED PARTNER FOR ITS 15M CLIENTS**, combining **financial strength, innovation DNA and sustainable growth strategy**, and relying on the expertise and commitment of its c. 3,300 employees

# SOGECAP IS A KEY COMPONENT OF SOCIETE GENERALE GROUP'S DIVERSIFIED AND INTEGRATED MODEL

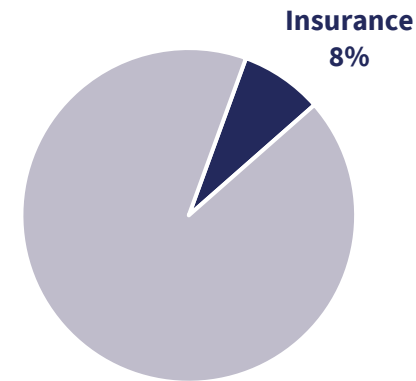
*Societe Generale aims at fostering higher cooperation between bank and insurance through stronger integration*

## SG GROUP ORGANIZATIONAL CHART



SOGECAP is fully embedded in Societe Generale Group's **synergetic business model**, within the newly created "French Retail, Private Banking and Insurance" pillar

## CONTRIBUTION TO SG GROUP NET INCOME <sup>(1)</sup>

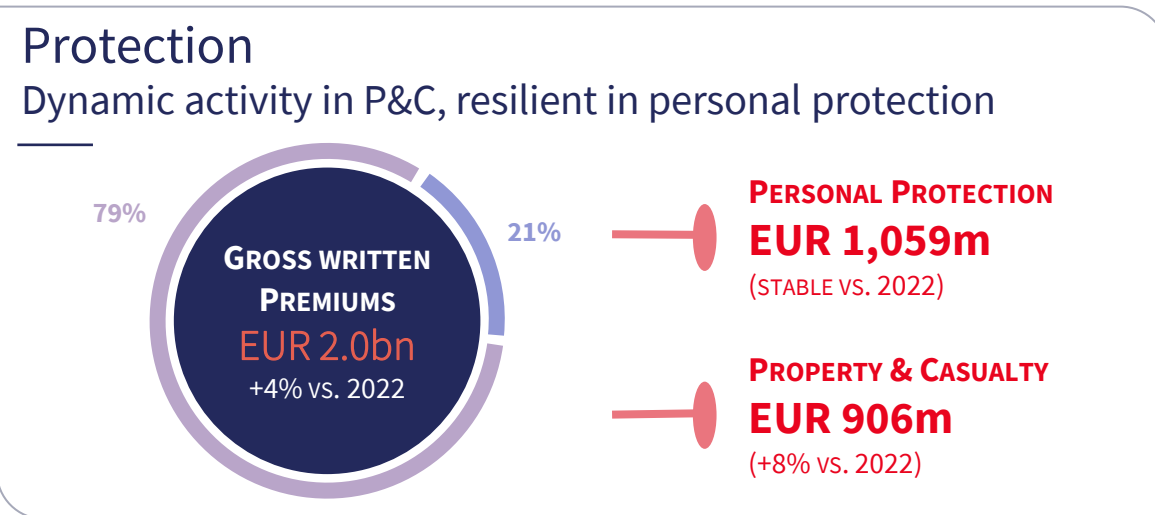
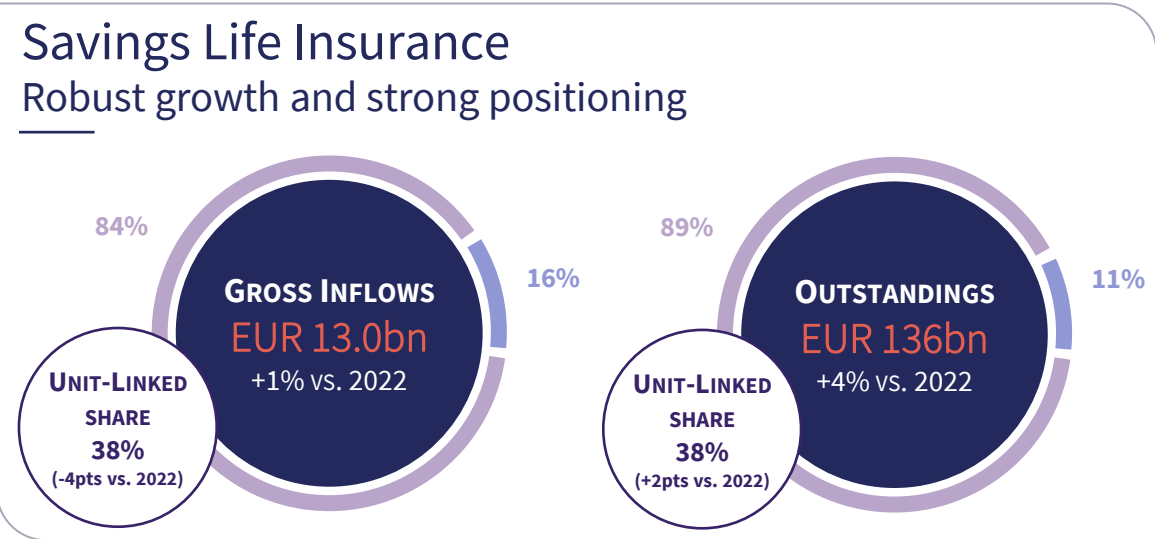


Insurance is a **growth and profitability engine** for Societe Generale Group's financial results

# SOGECAP HAS A STRONG FOOTPRINT WITH LEADERSHIP POSITIONS, LEVERAGING ON A DIVERSIFIED BUSINESS MIX



Disposal process ongoing



France International

Notes: FY2023 figures

# ESG IS AT THE HEART OF SOGECAP'S DEVELOPMENT STRATEGY WITH CONCRETE AND AMBITIOUS COMMITMENTS

## Responsible insurer

**1 300+**

responsible funds

**EUR 22.9bn**

responsible unit-linked outstandings

- **Responsible and solidarity-based** life insurance savings and protection offers
- Committed to **labelling initiatives**: LuxFlag Sustainable Insurance Product label obtained by Sogelife (Sogecap's Luxembourg subsidiary)



## Responsible investor

**EUR 6.2bn**

of green investments in outstandings

- Member of NZAO (Apr-21)
- Towards a complete exit from coal by 2030 in OECD and EU countries, and a gradual reduction of exposure to oil and gas extraction sector
- Member of "Finance for Biodiversity Foundation" and signature of



## Responsible employer

**c. 3 300**

employees

**97 %**

trained in ESG

- Support for hybrid work
- Development of skills and expertise
- Action geared towards youth employment
- Launch of a mentoring program for women



**94 pts / 100**  
GENDER EQUALITY  
INDEX (2023)



**90+%**  
EMPLOYEES IN  
REMOTE WORK



**28 %**  
OF FULLTIME RECRUITS  
UNDER 25YO (2023)

## Ambitious climate targets and concrete achievements for Sogecap



**Oil and gas: -80% in 2030** (vs. 2020)

**-40%**

End of 2023



**Exposure to thermal coal: 0% in 2030**

**1%**

End of 2023



**Carbon footprint of equity and corporate bond portfolios: -30% in 2025** (vs. 2018)

**-66%**

End of 2023



**Green outstandings: x2 in 2025** (vs. 2020)

**x2.3**

End of 2023



## 2. Business model and strategy

# SOGECAP HAS A CLEAR ROADMAP TO FURTHER ACCELERATE



# 2023: STRONG DEVELOPMENT MOMENTUM, PAVING THE WAY TO FURTHER GROWTH

## Savings Life Insurance

Strong commercial performance of the integrated bancassurance model across all client segments, with **positive net inflows**

Dynamic development of external partnerships

 **ORADEAVIE**  
GROUPE SOCIÉTÉ GÉNÉRALE  
Outstandings  
**EUR 8.3bn**  
(+7% vs 2022)  
**58% in UL**


 **SOGELIFE**  
Outstandings  
**EUR 12bn**  
**52% in UL**

Innovation DNA confirmed with successful product launch

 **TIKEHAU CAPITAL** **SG Tikehau dette privée**  
New unit-linked solution to finance low-carbon strategy SMEs and mid-caps

A successful range of **retirement savings products** leveraging on **personalized digital services**

 **SG**  
 **Boursobank** **~90k**  
Individual retirement savings contracts

 **+90k**  
Clients onboarded on "Mon Compagnon Retraite", an award-winning single portal for retirement planning

Enhanced proactivity and proximity with clients

**200k+ SMS**  
Instant transaction confirmation sent since October 2023

« **Parcours sans couture** »  
Fully digitalized bank advisor path enabling seamless operations from advice to subscription through APIs

## Protection

Strong performance of Sogecap's omnichannel setup, particularly in property and casualty insurance

**13%**  
Full-digital sales in P&C insurance (+2pts vs. 2022)  


**28%**  
Sales through Customer Relations Centres in P&C insurance (+5pts vs. 2022)

 **alabri**  
por Boursobank  
**35k+**  
Number of contracts for Boursobank home insurance

**~690k SMS**  
Prevention SMS sent to clients related to climate events

Enhanced client relationship through digitalization of client journeys and increased utilization of IA

**20%**  
Home insurance claims reported online

**100%**  
Electronic signature deployed on the full P&C product range

**50**  
AI use cases (automation of documents treatments, phone calls identification and orientation, climate risks prevention...)

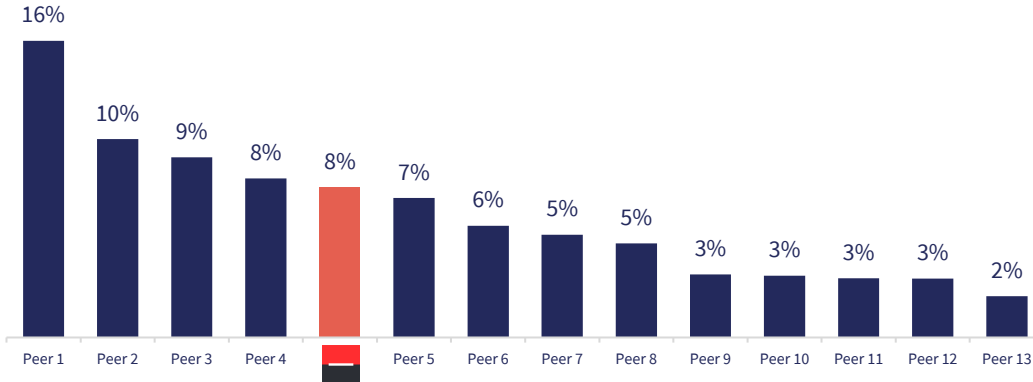
External partnerships confirmed as a growth relay, particularly in fleet insurance

 **UGAP** **~40k vehicles**  
Partnership renewal

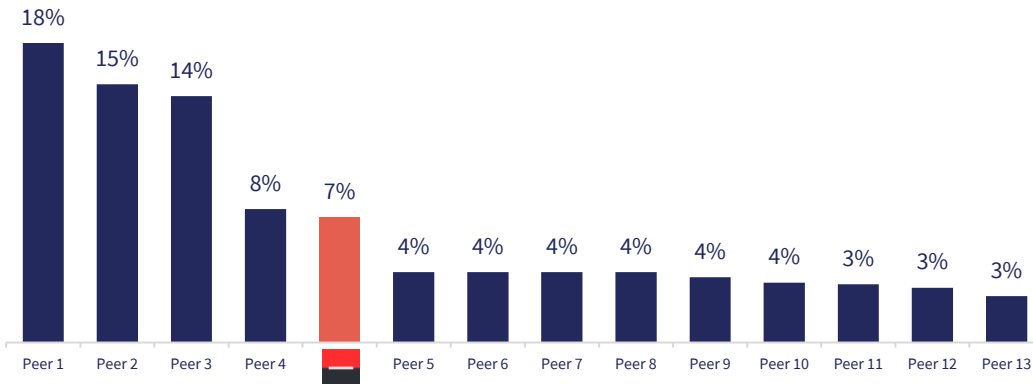
 **HOWDEN** **~60k vehicles**  
Insured vehicles

# SAVINGS LIFE INSURANCE IS SOGECAP'S HISTORICAL CORE ENGINE, WITH A SOLID MARKET POSITIONNING

## SAVINGS LIFE INSURANCE - MARKET SHARE IN FRANCE (1)



## CORPORATE RETIREMENT SAVINGS - MARKET SHARE IN FRANCE (2)



## A MAJOR PLAYER IN THE SAVINGS LIFE INSURANCE MARKET, WITH FURTHER GROWTH POTENTIAL

Market share gains across the years thanks to a recognized and competitive offer

Support to Societe Generale Group's ambitions to expand in private banking and towards affluent clients' segments

Strong development with external partners, particularly in the IFA market



**5th**  
LIFE INSURER IN FRANCE

## STRONG AMBITIONS IN RETIREMENT SAVINGS

Corporate pensions and employee savings markets identified as a key growth relay for long term savings

Sogecap manages c. €26bn of outstandings in retirement savings (individual and collective) and employee savings

Full range of award-winning products, leveraging on digital, personalized services and tailor-made support to meet the needs of individuals and corporates

Successful launch of an innovative personal pension fund with BoursoBank, a fully digital product benefiting from a 100% ISR ETF offering



PER MATLA CONTRACTS, A PERSONAL PENSION PLAN LAUNCHED IN 2021 WITH



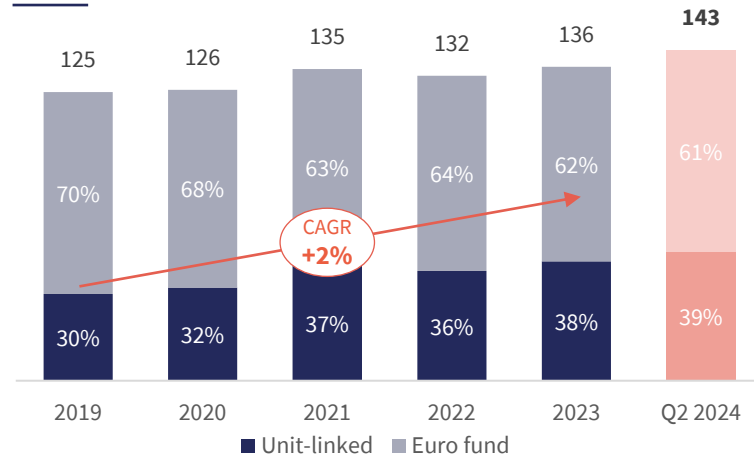
**40k**  
CORPORATE CLIENTS



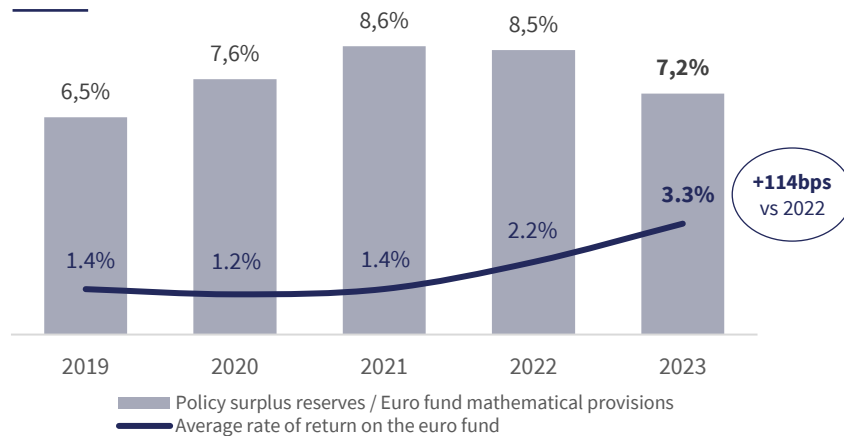
Source: (1) France Assureurs, « Données clés 2022 », market share based on premiums. Peers: Abeille Assurances, Allianz, Agricola, Assurances du Crédit Mutuel, AXA, AG2R La Mondiale, BNP Paribas Cardif, CNP, Crédit Agricole Assurances, Generali, Groupama Gan Vie, Malakoff Humanis, SMABTP, Suravenir, Swiss Life. (2) Source: France Assureurs, « L'assurance retraite – année 2022 », market share based on premiums. Peers: Aéma, AG2R La Mondiale, Allianz, AXA, BNP Paribas Cardif, BPCE, CNP, Covéa, Crédit Agricole Assurances, Crédit Mutuel, Generali, Groupama Gan, Swiss Life.

# SAVINGS LIFE INSURANCE: AN ATTRACTIVE AND INNOVATIVE OFFER

## OUTSTANDINGS – BY CONTRACTS (EUR BN)



## EURO FUND PERFORMANCE AND FINANCIAL RESERVES<sup>(1)</sup>



## A COMPREHENSIVE AND ATTRACTIVE SAVINGS LIFE INSURANCE OFFER

Ambition to capture the full potential of an integrated Savings value chain, in light of Sogecap's past trajectory (total outstandings x2 between 2010 and 2023)

Robust Euro-denominated fund whose performance served to its clients ranks **among the best players in the French market**

Strong focus on capital-light unit-linked contracts (**38% of total outstandings** at the end of 2023)

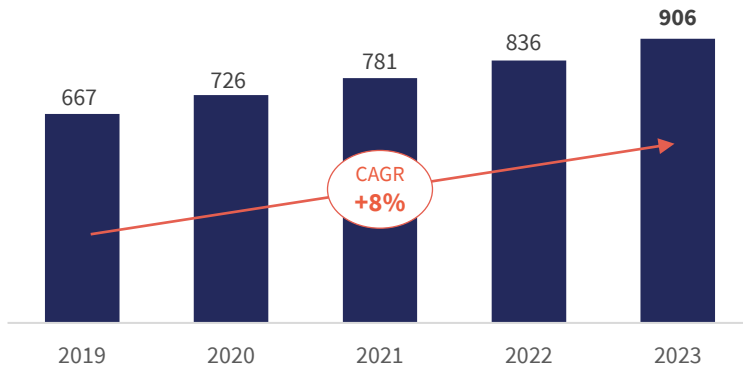
Robust financial reserves standing at **7.2% of total outstandings**, one of the highest levels among French players

Comprehensive product range leveraging **innovation, open architecture** (partnerships with a large number of asset managers), **digitalization** (fully API'ed distribution) as well as **expertise in real assets**

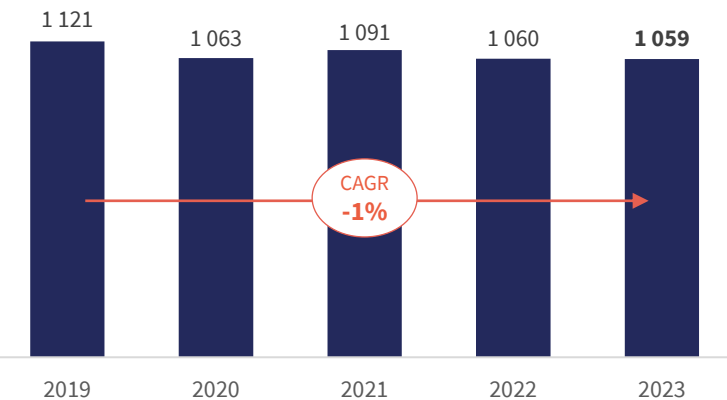
Value proposition targeting a wide range of clients, with a strong and growing focus on **affluent clients** and **external partnerships distribution**

# PROTECTION: A COMPREHENSIVE AND DIGITAL OFFER, WITH A STRONG GROWTH PROFILE

## PROPERTY & CASUALTY PREMIUMS (EUR M)



## PERSONAL PROTECTION PREMIUMS (EUR M)



SOGECAP'S AMBITION IS TO PROGRESSIVELY FILL THE GAP WITH THE MARKET LEADERS BY LEVERAGING THE STRENGTHS OF ITS OFFER AND OMNICHANNEL MODEL

### Dynamic Property & Casualty and Health insurance

- Premiums increased by 35.8% since 2019
- Extensive range of solutions covering individuals and professionals (motor, home, health insurance)
- Strong position in fleet insurance, with 480k insured vehicles as of end of 2023 and major internal and external partnerships

ayvens



24h assistance

HOWDEN

### Resilient Credit Life insurance

- Offers and products designed to fill clients' expectations
- Partnerships acting as a dynamic growth relay
- Competitive pricing proposals with no tariffs increases despite the rising rates environment
- Direct and fully digital distribution model for individual credit life insurance

SG

BANQUE FRANÇAISE MUTUALISTE  
LA BANQUE DE CRÉDIT AGRIQUE DU SECTEUR PUBLIC

BoursoBank

LA BANQUE POSTALE  
CONSUMER FINANCE

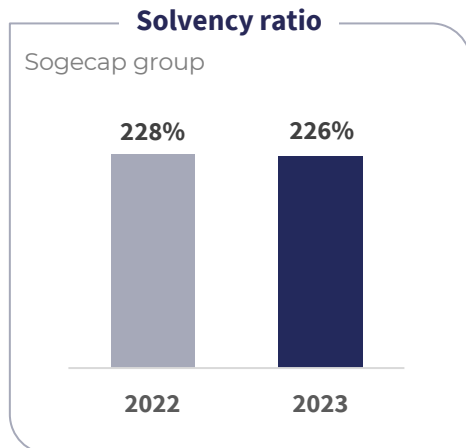
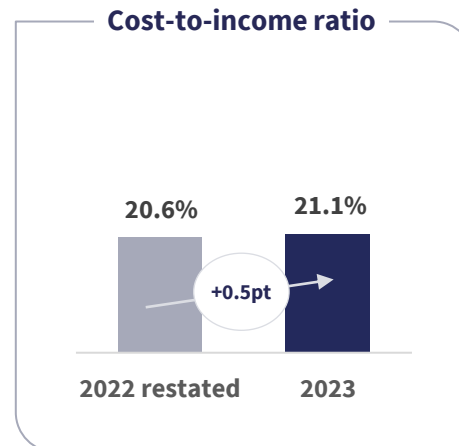
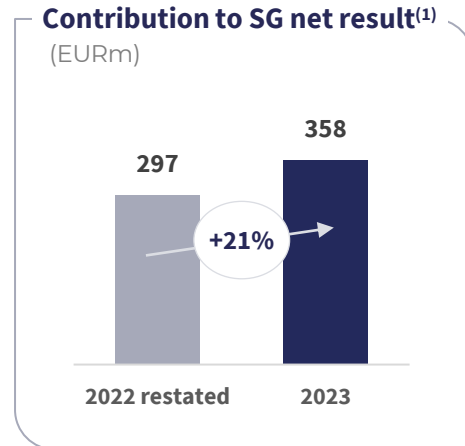
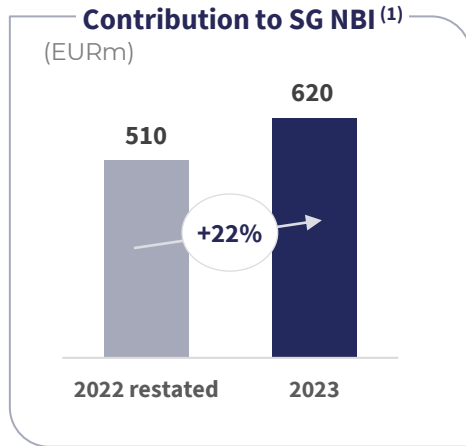
IRIADE  
emprunteur

### Digital and omnichannel model

- Digital offers and simplified customer paths competing with market's highest standards
- Home insurance with BoursoBank, a quick and easy 100% online application process with bespoke and transparent pricing, leveraging on APIs

alabri  
par BoursoBank

# 2023: ROBUST FINANCIAL PERFORMANCE AND SOLIDITY CONFIRMED



**Long-term credit rating upgraded by S&P (Nov. 2023)**

**A-**  
UPGRADE FROM  
BBB+

*“We view Sogecap as a core entity to Societe Generale group, reflecting its 100% ownership and role as the group’s exclusive insurance provider (...)*

*In France, where Sogecap generates about 90% of its revenue, the group ranks in the top six in the life segment and top 15 in non-life, resulting from the success of its integrated bancassurance business model (...)*

*The stable outlook reflects our expectation that Sogecap’s credit profile will be broadly unchanged in the coming two years, maintaining its strong market position and solid capital adequacy.”*

## Main highlights

### Strong financial performance in 2023 :

- Strong momentum in revenues, with a 22% increase, from EUR 510m in 2022 to EUR 620m in 2023
- Growth of 21% in the contribution of the insurance business to the net profit of Societe Generale group, to EUR 358m
- High operational efficiency, with a best-in-class C/I ratio of 21.1%
- Solvency ratio at 226%, in the first quartile among French players

**Upgrade by one notch of Sogecap’s long-term credit rating in late 2023, from BBB+ to A-, illustrating the company’s financial strength and solid market positioning**

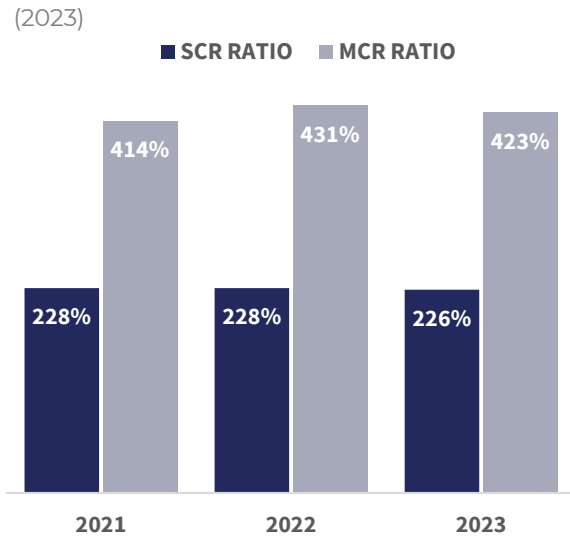
# 3. Solvency and risk management

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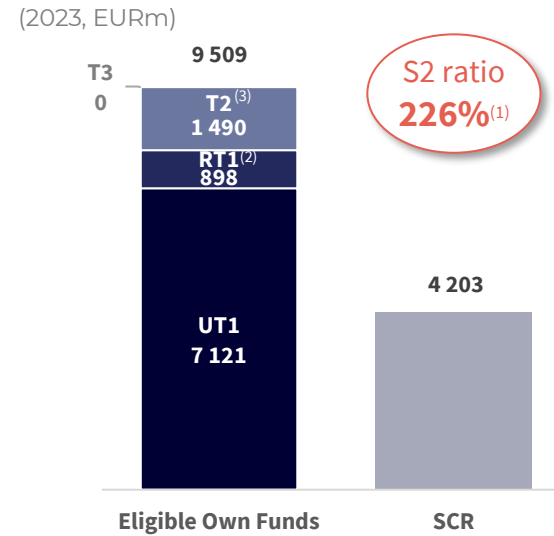


# BEST-IN-CLASS SOLVENCY POSITION, WITH FURTHER HEADROOM FOR ADDITIONAL LEVERAGE

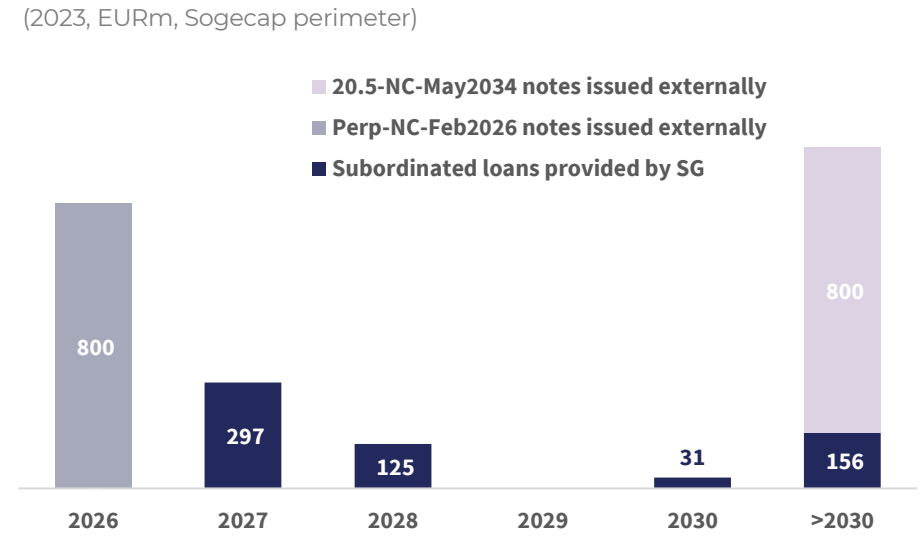
## SCR AND MCR RATIOS



## CAPITAL STRUCTURE



## SUBORDINATED DEBT – MATURITY PROFILE<sup>(5)</sup>



- Capital position well above minimum requirement

- Inclusion of the eligible policyholders' participation reserve in surplus funds (EUR 2.9bn<sup>(4)</sup>)
- Unrestricted and restricted T1 cover 191% of SCR; T2 and T3 cover 35% of SCR

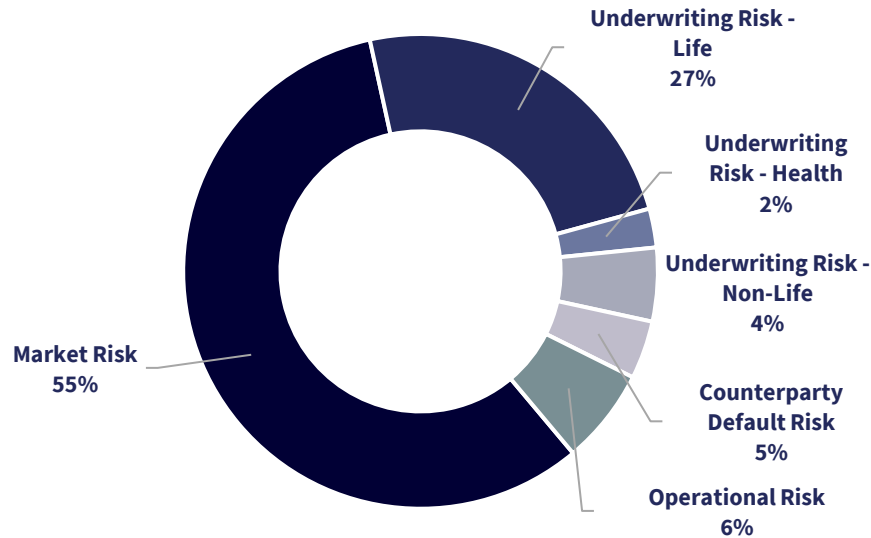
## SUBORDINATED DEBT – ISSUING CAPACITIES

(2023, EURm)

Tiering	Maximum headroom	Total capacities	Remaining capacities
RT1	20%*(RT1+UT1)	1,780	882
T2+T3	50%*SCR	2,102	612
T3	15%*SCR	630	630

# CAPITAL REQUIREMENTS MAINLY ON MARKET AND LIFE UNDERWRITING RISKS, MANAGED THROUGH SCR SENSITIVITIES

## BREAKDOWN OF NET SCR<sup>(1)</sup>

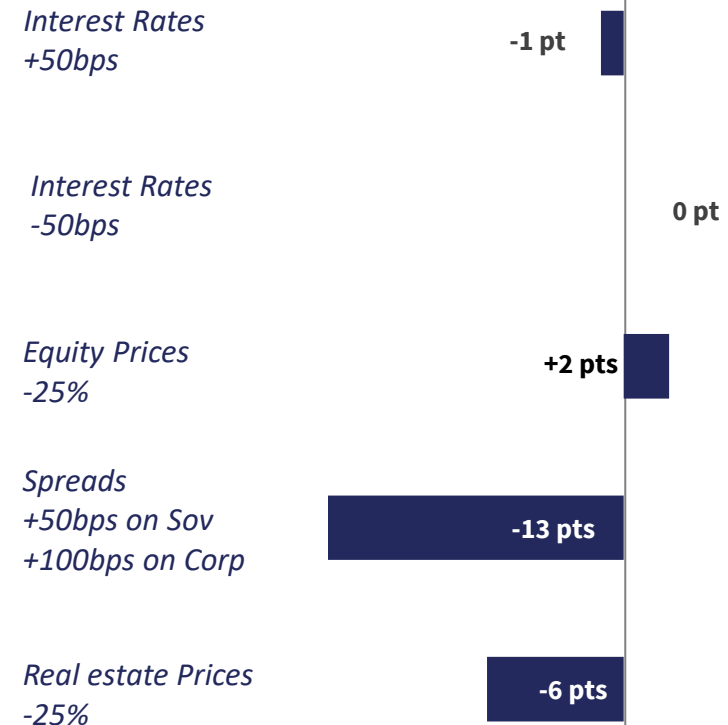


SCR before diversification: EUR 6.9bn<sup>(1)</sup>

SCR after diversification and DTA: EUR 4.2bn

- Use of standard formula
- No transitional measures applied

## MARKET SENSITIVITIES (IN % PTS OF SCR RATIO IMPACT)



# RISK MANAGEMENT: SEVERAL BUFFERS TO COPE WITH FINANCIAL MARKETS VOLATILITY

Sogecap can rely of several buffers to limit the impact of market risk volatility on its balance sheet (figures as of end of 2023):

- Low contractually guaranteed rates (0.30% on average)
- Good level of financial reserves regarding savings activity constituted of:
  - Policyholder surplus reserves: EUR 4.4bn
  - Capitalization reserve<sup>(1)</sup>: EUR 0.4bn

MAIN RISKS	MITIGANTS
<b>Increase in interest rates</b>	<ul style="list-style-type: none"> <li>• Forecasted duration of liabilities longer than the one of assets</li> <li>• More than 50% of the portfolio is reactive to increase of interest rates (through caps, floating rates and inflation linked bonds)</li> <li>• If necessary, Sogecap can use the capitalization reserve to absorb realized losses on bonds</li> </ul>
<b>Decrease in interest rates</b>	<ul style="list-style-type: none"> <li>• Low contractually guaranteed rates (0.30% on average of total outstandings)</li> <li>• Portfolio partially hedged with swaps and swaptions</li> </ul>
<b>Fall in equity and real estate markets</b>	<ul style="list-style-type: none"> <li>• The policyholder surplus reserves (EUR 4.4 bn) can absorb significant realized losses and impairments on equity assets</li> </ul>
<b>Counterparty risk</b>	<ul style="list-style-type: none"> <li>• The policyholder surplus reserves (EUR 4.4 bn) can absorb significant realized losses and losses on counterparty risk</li> <li>• 49% of bond portfolio rated AAA and AA</li> <li>• Regular review of sensitive bond issuers</li> </ul>

# A PRUDENT AND DIVERSIFIED INVESTMENT POLICY

Focus on SOGECAP Group France asset allocation, excluding unit-linked

74%



OF ASSETS UNDER MANAGEMENT invested in bonds

EUR 94bn

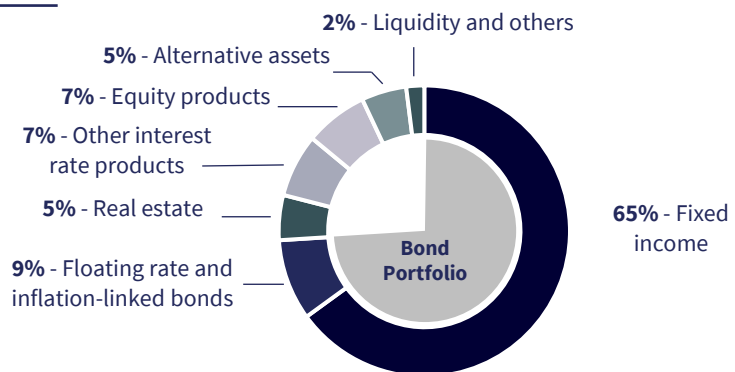
OF ASSETS UNDER MANAGEMENT

49%

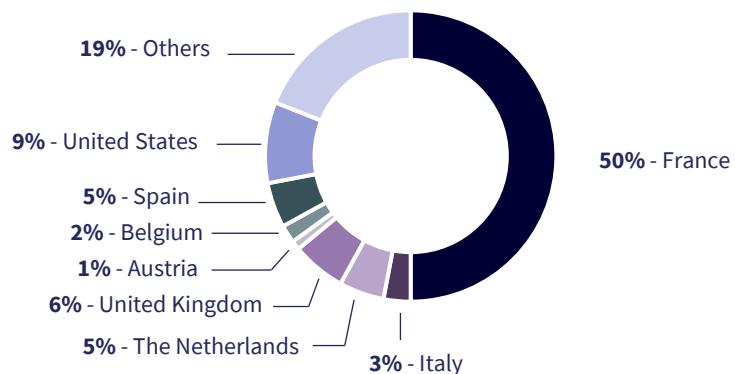


OF BOND PORTFOLIO rated at least AA

## PORTFOLIO BY ASSET TYPE



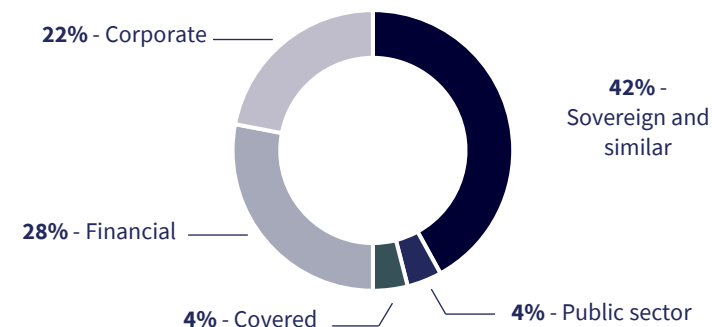
## BOND PORTFOLIO BY GEOGRAPHY



## BOND PORTFOLIO BY ISSUER RATING



## BOND PORTFOLIO BY COUNTERPARTY



# 4. Appendix

# H1 2024 FINANCIAL RESULTS CONTINUING A POSITIVE MOMENTUM



**EUR 339m**

**NET BANKING INCOME**  
(+3.3%<sup>(1)</sup> vs. H1 2023)



**EUR 191m**

**GROUP NET INCOME**  
(-1.9%<sup>(1)</sup> vs. H1 2023)



**EUR 143bn**

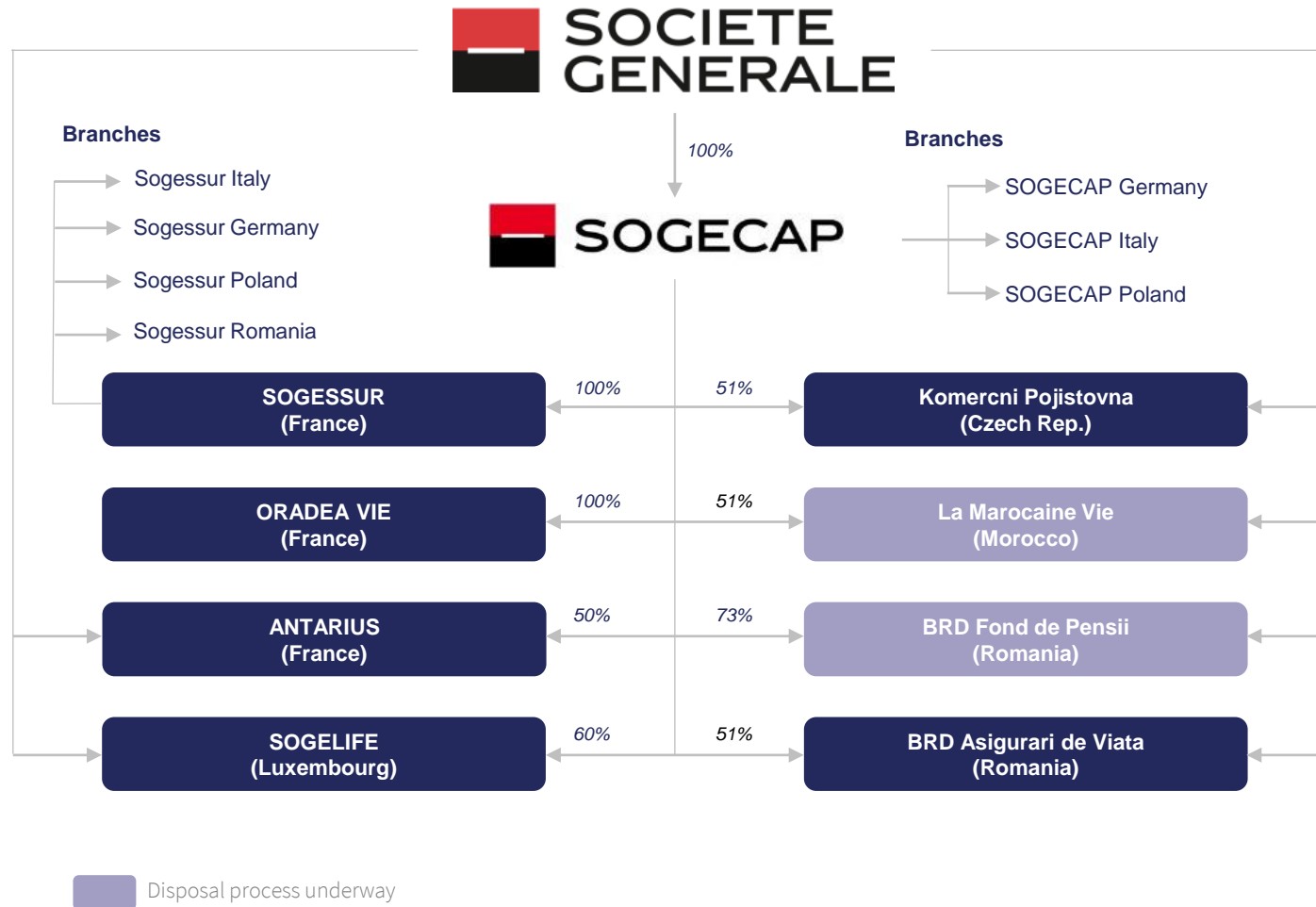
**OUTSTANDINGS**  
(+7% vs. H1 2023)



**24.3%**  
**COST/INCOME**  
**RATIO**

*Notes: normative IFRS contribution to SG Group as of end of June 2024.*

# SOGECAP GROUP SHAREHOLDING STRUCTURE



# SOGECAP CONSOLIDATED FINANCIALS (FRENCH GAAP)

## P&L

In EURm	FY2023	FY2022	FY2021
Gross earned premiums	14,952	14,711	15,696
Net investment result	6,326	(3,333)	7,196
Other operating income	362	342	311
Claims and benefits, net of reinsurance	(19,218)	(9,085)	(20,676)
Expenses	(1,869)	(1,831)	(1,733)
<b>Net operating income</b>	<b>554</b>	<b>804</b>	<b>795</b>
Amortization	(29)	(28)	(28)
Extraordinary items & other	15	1	5
Income tax	(127)	(187)	(214)
<b>Consolidated Net income</b>	<b>413</b>	<b>590</b>	<b>557</b>
Minority interests	(48)	(62)	(55)
<b>Net income, Group share</b>	<b>365</b>	<b>528</b>	<b>502</b>

## BALANCE SHEET

In EURm	FY2023	FY2022	FY2021
Intangible assets	227	250	285
Investments	110,014	111,440	113,356
Unit-linked investments	52,280	46,731	49,001
Other assets	4,915	5,514	4,604
<b>Total assets</b>	<b>167,436</b>	<b>163,935</b>	<b>167,247</b>
Shareholders' equity	3,281	3,471	3,753
Subordinated debts	2,312	2,312	2,313
Technical reserves	93,916	95,731	97,142
Technical reserves, UL	52,734	47,199	49,412
Other liabilities	15,192	15,221	14,627
<b>Total liabilities</b>	<b>167,436</b>	<b>163,935</b>	<b>167,247</b>

Source: SOGECAP French GAAP consolidated financial statements.



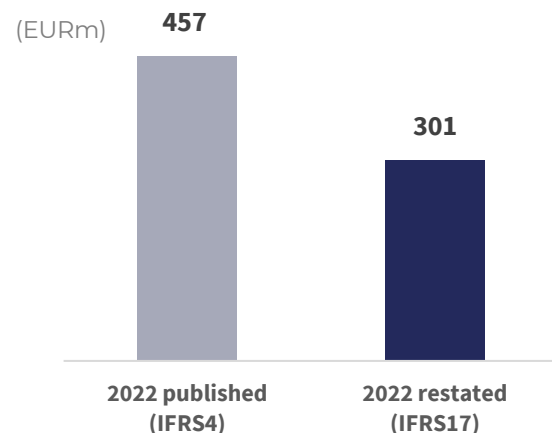
# RECONCILIATION FROM SOGECAP FRENCH GAAP P&L TO SG GROUP IFRS CONTRIBUTION

In EURm, FY2023	<b>SOGECAP Group, French GAAP</b>	Difference in consolidation scope	IFRS adjustments <sup>(1)</sup>	Normative adjustments <sup>(2)</sup>	<b>SG Group IFRS contribution<sup>(3)</sup></b>
Net banking income	<b>1,058</b>	-63	21	-397	<b>620</b>
Operating expenses	<b>-518</b>	13	419	-45	<b>-131</b>
Operating income	<b>540</b>	-49	441	-442	<b>489</b>
Net income	<b>365</b>	-45	481	-432	<b>358</b>

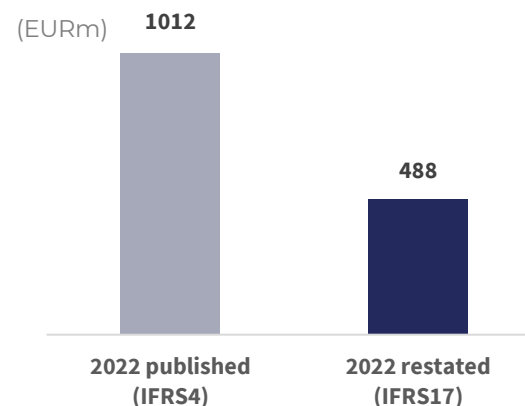
Notes: (1) Impact of adjustment of financial assets net of deferred provision for policyholder's surplus reserve; (2) Difference between returns on actual capital and normative allocated capital, accounting for a share of the head-office expenses, application of a normative tax rate;

# IMPACTS OF THE NEW IFRS 17 STANDARD

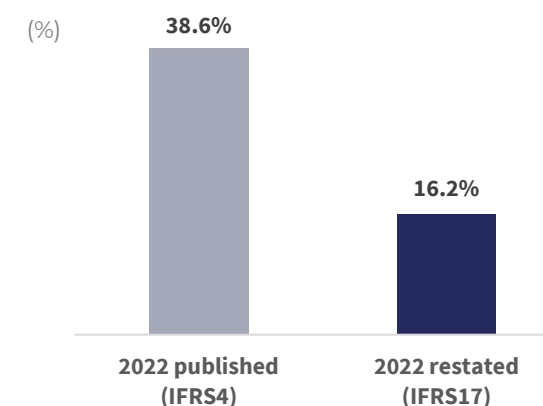
## CONTRIBUTION TO SG NET RESULT<sup>(1)</sup>



## CONTRIBUTION TO SG NBI<sup>(1)</sup>



## COST-TO-INCOME RATIO



The application of IFRS 17 and IFRS 9 **does not modify the profitability of insurance contracts over the duration of the life** of the contracts.

However, it impacts:

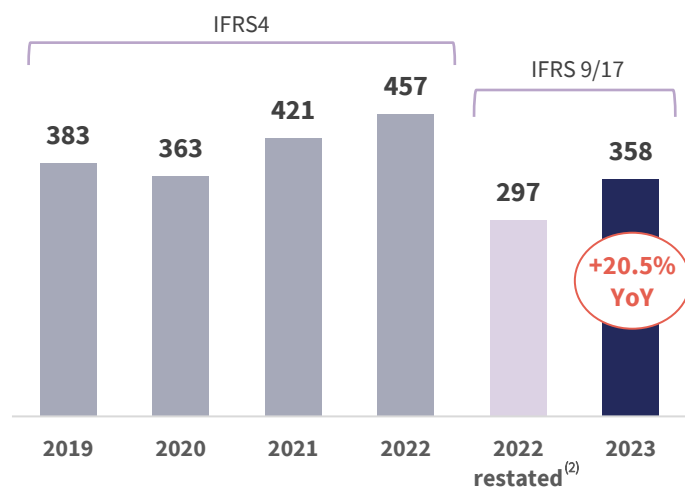
- **Net income**, mainly due to the change in the pace of P&L recognition
- **Net banking income and operating expenses aggregates**, due to the inclusion of operating expenses relating to the execution of insurance contracts in the net banking income
- **Consolidated shareholders' equity**, due to changes in valuation methodology for the relevant assets and liabilities under the new IFRS 17 standard, as well as for assets and liabilities subject to the IFRS 9 standard.

The first-time application of these standards on 1 January 2023 impacted the financial statements by a EUR 156 MEUR decrease in 2022 reported SG Group net income

# SOGECAP'S LONG TERM FINANCIAL PERFORMANCE

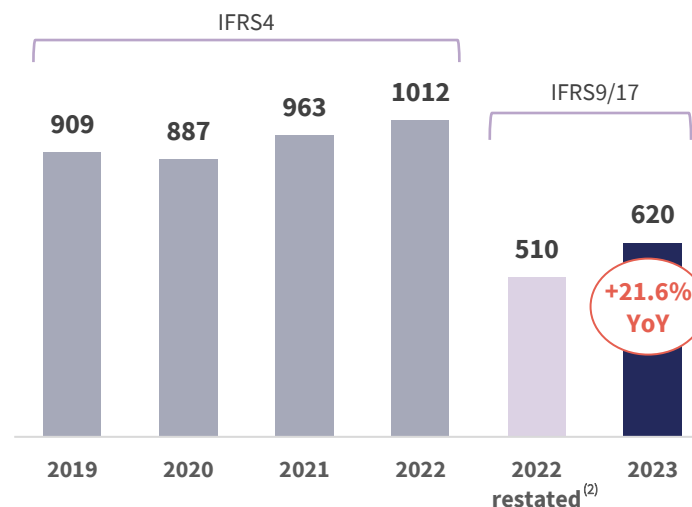
## CONTRIBUTION TO SG NET RESULT<sup>(1)</sup>

(EURm)



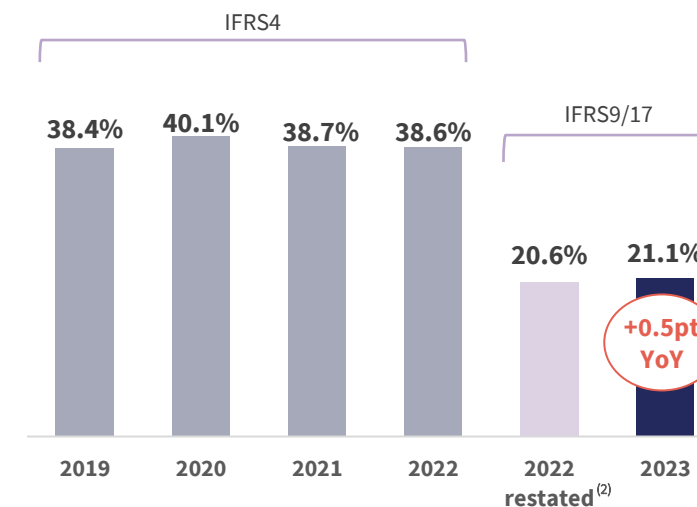
## CONTRIBUTION TO SG NBI<sup>(1)</sup>

(EURm)



## COST-TO-INCOME RATIO

(%)





**SOCIETE GENERALE**  
Assurances