

# SOCIÉTÉ GÉNÉRALE BANKS MEMORY KNOCK-OUT REDUCING AUTOCALL

APRIL 2023 FACTSHEET



**Stock Note Risk Profile:** There is a higher risk of large or total capital losses when Underlyings are individual Company Stocks rather than Stock Market Indices. Retail investors should seek suitable financial advice before investing.

**TARGET RETURN:** USD = 15.72% p.a.

## INVESTMENT DESCRIPTION

A 4 year investment linked to the performance of four International Banks.

If on any quarterly observation date (including the Final Observation date), starting at 6 months, any of the Underlyings are at or above the Knock-Out Trigger, the Underlying will 'Knock-Out'. Once all Underlyings have been Knocked-Out the investment will autocall. Initial capital plus the coupon for each quarterly period which has elapsed is paid and the investment will end.

If the investment does not autocall then at the Final Observation date, if all Underlyings are at or above the Capital Protection Barrier, full capital is returned.

If any Underlying is below the Capital Protection Barrier on the Final Observation date, capital return will be reduced on a 1-for-1 basis. For example, if the worst performing Underlying has fallen to 40% of its original level, 40% of the capital will be returned.

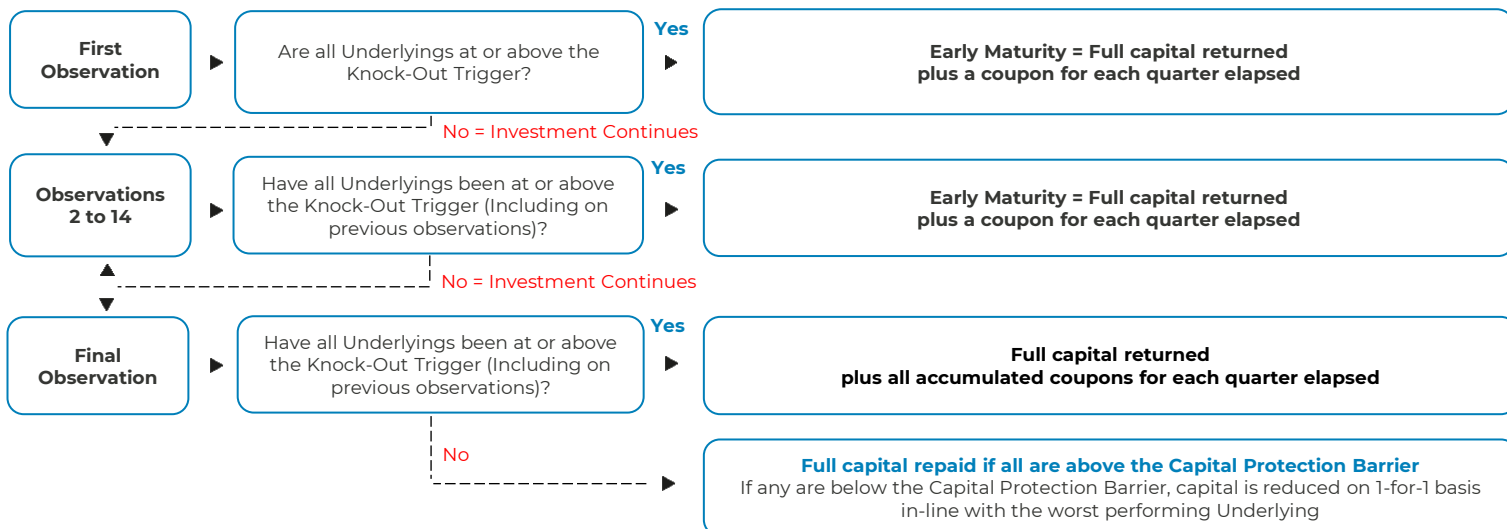
## BENEFITS

- Snowballing coupon.
- Even slightly negative market performance can deliver enhanced returns.
- Knock-Out feature means all Underlyings don't have to be above the trigger on the same observation date.
- Autocall feature potentially shortens the investment term.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Daily pricing.

## RISKS

- The return is limited to the pre-defined investment terms.
- The coupon payment is conditional upon the Underlying performance.
- **There is a higher risk of large or total capital losses when Underlyings are individual Company Stocks rather than Stock Market Indices.**
- Investors will be exposed to the credit risk of the Issuer. If the Issuer becomes insolvent or cannot make the payments on the Product for any other reason, investors could lose some or all of their investment. A decline in the Issuers credit quality is likely to reduce the market value of the Product and therefore the price an investor may receive for the Product if they were to sell them in the market.
- There is a risk to capital should one of the Underlyings breach the Capital Protection Barrier on its Final Observation date.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

## HOW THE INVESTMENT WORKS



## PRODUCT FACTS & FEATURES

|                                    |   |
|------------------------------------|---|
| <b>Issuer:</b>                     | SG Issuer   |
| <b>Guarantor:</b>                  | Société Générale  |
| <b>Credit Ratings:</b>             | Fitch A, Moody's A1, S&P A                                    |
| <b>Source:</b>                     | Bloomberg: 16.03.2023   |
| <b>Maximum Term:</b>               | 4 years   |
| <b>Investment Structure:</b>       | Memory Knock-Out Reducing Autocall                            |
| <b>Autocall Opportunities:</b>     | Quarterly (First Observation at 6 months)                     |
| <b>Knock-Out Trigger:</b>          | 95% of initial level Reducing 2.50% per quarter capped at 70% |
| <b>Coupon Rate:</b>                | USD: 3.93% Quarterly (15.72% p.a.)                            |
| <b>Capital Risk:</b>               | Not capital protected   |
| <b>Capital Protection Barrier:</b> | 50% Final level (European style)                              |

|                          |                       |
|--------------------------|-----------------------|
| <b>Underlying Basket</b> | <b>Bloomberg Code</b> |
| UniCredit SPA            | UCG IM Equity         |
| Barclays PLC             | BARC LN Equity        |
| HSBC Holdings PLC        | HSBA LN Equity        |
| Commerzbank AG           | CBK GY Equity         |

## KEY INFORMATION

|                                  |  |
|----------------------------------|--|
| <b>Subscription Period:</b>      | 16 Mar 2023 – 11 Apr 2023 (4.30pm UK Time) |
| <b>Issue Price:</b>              | 100%                                       |
| <b>Strike Date:</b>              | 12 April 2023                              |
| <b>Issue Date:</b>               | 19 April 2023                              |
| <b>1st Autocall Observation:</b> | 12 October 2023                            |
| <b>Final Observation:</b>        | 12 April 2027                              |
| <b>Maturity Date:</b>            | 19 April 2027                              |
| <b>Denominations:</b>            | 1,000 then lots of 1,000                   |
| <b>ISIN:</b>                     | USD = XS2593211589                         |

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**OBSERVATION DATES** (some dates may vary if a bank holiday or non-business day occurs)

|                   | Observation Date | Payment Date    | Knock-Out Trigger       |
|-------------------|------------------|-----------------|-------------------------|
| Observation 1     | 12 October 2023  | 19 October 2023 | 95%                     |
| Observation 2     | 12 January 2024  | 22 January 2024 | 92.50%                  |
| Observation 3     | 12 April 2024    | 19 April 2024   | 90%                     |
| Observation 4     | 12 July 2024     | 19 July 2024    | 87.50%                  |
| Observation 5     | 14 October 2024  | 21 October 2024 | 85%                     |
| Observation 6     | 13 January 2025  | 21 January 2025 | 82.50%                  |
| Observation 7     | 14 April 2025    | 21 April 2025   | 80%                     |
| Observation 8     | 14 July 2025     | 21 July 2025    | 77.50%                  |
| Observation 9     | 13 October 2025  | 20 October 2025 | 75%                     |
| Observation 10    | 12 January 2026  | 20 January 2026 | 72.50%                  |
| Observation 11    | 13 April 2026    | 20 April 2026   | 70%                     |
| Observation 12    | 13 July 2026     | 20 July 2026    | 70%                     |
| Observation 13    | 12 October 2026  | 19 October 2026 | 70%                     |
| Observation 14    | 12 January 2027  | 20 January 2027 | 70%                     |
| Final Observation | 12 April 2027    | 19 April 2027   | 70%                     |
| Final Observation | 12 April 2027    | 19 April 2027   | 50% Final Level Barrier |

IDAD was established in 2002 and our approach from the outset, is what we call the "IDAD Difference". The selection of the investments we offer is not decided in terms of profitability alone and when developing investment products, we favour evidence over dogma. We are happy to work with advisers and product providers alike to deliver a range of investment options to suit differing client wealth strategies. We're proud of our approach to business as well as the investments delivered as a result of the "IDAD Difference". We are committed to building upon our reputation for bringing benefits to all involved in the investment process, but most importantly to the clients.

**Societe Generale SA** attracts deposits and offers commercial, retail, investment, and private banking services. The Bank offers consumer credit, vehicle lease financing, information technology equipment leasing, life and non life insurance, custodian services, trade and project financing, currency exchange, treasury services, and financial and commodities futures brokerage services.

Source: Bloomberg 16.03.2023

## RATIONALE

Structured products are becoming increasingly popular for investors due to the wide variety of payoffs and levels of protection that can be achieved by the different types of structures that are available.

Unlike a classic autocall, this product includes a memory 'Knock-Out' feature that means that the Underlyings don't have to be above the trigger on the same observation date to autocall.

The Underlyings used in this Product have been selected in order to support the anticipated delivery of the product strategy.

The autocall payoff can bring an early return of capital allowing the opportunity for a re-assessment of investment strategy. The value of this feature cannot be underestimated as it brings with it the opportunity to secure capital value, as well as the chance to take advantage of future market trends.

To manage the capital risk, a final level barrier set at 50% means an Underlying must fall by more than 50% over the full term before capital is at risk.

## SUITABILITY

This product may be suitable for investors who:

- Understand that there is a higher risk of large or total capital losses when Underlyings are individual Company Stocks rather than Stock Market Indices.
- Are seeking the opportunity for higher returns than current cash rates at the time this product was launched.
- Are seeking growth rather than income.
- Understand and accept there is a risk to capital and how the Capital Protection Barrier works.
- Understand the impact of global economic issues and how they will affect the product.
- Understand the criteria which will determine the coupon payments.
- Are looking to invest for the medium to long term, being happy to remain invested until maturity.
- Can afford to have their cash invested for the full term of the Product.
- Wish to use this investment as part of a well-diversified portfolio.
- Understand that the returns are pre-defined and that they will forgo any growth in the Underlyings which exceeds the fixed level available with this investment product.
- Understand the risk to capital in the event of a counterparty default.
- Should they need to sell their investment, accept that the trading price will likely mean they get back less than they invested.

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## THE UNDERLYINGS

### UniCredit SPA



UniCredit S.p.A. attracts deposits and offers commercial banking services. The Bank offers consumer credit, mortgages, life insurance, business loan, investment banking, asset management, and other services. UniCredit operates worldwide.

### Barclays PLC



Barclays PLC is a global financial services provider engaged in retail banking, credit cards, wholesale banking, investment banking, wealth management, and investment management services.

### HSBC Holdings PLC



HSBC Holdings plc is the holding company for the HSBC Group. The Company provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking, and insurance. HSBC Holdings operates worldwide.

### Commerzbank AG



Commerzbank Aktiengesellschaft attracts deposits and offers retail and commercial banking services. The Bank offers mortgage loans, securities brokerage and asset management services, private banking, foreign exchange, and treasury services worldwide.

**Past performance is not a reliable indicator of future performance and should not be used to assess the future returns or risks**

**Source:** Bloomberg 16.03.2023, Data period: 07.03.2018 to 07.03.2023 - Assumptions shown are net of any initial fees or costs and describe the potential historic return that a client would have received based on the terms of this Product.

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## PLACING TRADES

Trade orders should be sent to [orders@idad.com](mailto:orders@idad.com)

All trades will be settled direct with IDAD's Euroclear a/c 44382

## SECONDARY MARKET

The Issuing bank will endeavour to provide quotes under normal market conditions for trading purposes upon request, subject to a Bid-Offer spread of 1%. On the secondary market, traded prices will include any accrued interest ("dirty prices"). Sale trades will settle 2 days after the trade date.

Trading details as above.

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2 Rotherbrook Court, Bedford Road  
Petersfield, Hampshire, GU32 3QG.  
37 Lombard Street, London, EC3V 9BQ.  
[+44 \(0\)1730 776757](tel:+44201730776757)  
[enquiries@idad.com](mailto:enquiries@idad.com)  
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