SOCIETE GENERALE

A French corporation with share capital of 1,066,714,367.50 euros
Registered office: 29 boulevard Haussmann - 75009 PARIS
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SECOND AMENDMENT

TO UNIVERSAL REGISTRATION DOCUMENT

2021

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This first amendment to the Universal Registration Document has been filed on 4 August 2021 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.
The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This document is a translation into English of the Annual Financial Report/Universal Registration Document of the Company issued in French and its available on the website of the Issuer.

SUMMARY

1. KEY FIGURES AND PROFILE OF SOCIETE GENERALE

Recent developments and outlook

Update of the pages 14 and 15 of the 2021 Universal Registration Document

One year and half on from the outbreak of the Covid19 pandemic, the global economic environment continues to be shaped by an unprecedented modern-day crisis. The level of uncertainty remains high despite the progress made in accelerating the pace of vaccination campaigns and confirming the level of efficacy of these vaccines. Moreover, the virus is still circulating, and the emergence of new variants continues to raise concerns. A possible fourth wave could jeopardize the expected recovery, even if the economy seems to be finding more ways to adapt than in the previous waves. The vaccine rollout, nevertheless, offers some hope of being able to keep opened the economies in the second part of 2021, and this, coupled with large scale policy stimulus (notably in the US), and reinjection of pent up savings, offers the prospect of a fast restart.

The first half of 2021 saw a sharp increase on long term bond yields in the US as markets discounted reflation at a faster than expected pace. Recovery in commodity prices, frictions due to supply-chain dislocations coupled with a demand restart and various base effects are expected to translate into punctual price spikes, not least in the US. However, the surge in inflation is likely to be temporary with still significant excess capacity in labour markets keeping any self-sustained demand-driven inflationary process at bay. With central banks set to be more tolerant of near-term inflation overshoot, market risk premia on inflation could track higher leading to volatility spikes.

While we see potential for the restart to be fast, the recovery is likely to be slow due to scarring effects. The Group's central scenario calls for the global economy to rebound by 5.7 percent in 2021, following a contraction of -3.2 percent in 2020. The strength of the recovery is set to vary significantly across countries, with the restart expected to be fastest in the US. The Covid pandemic19 remains the main factor determining the near-term global economic outlook, and a slower exit from restrictions in the event of a prolonged health crisis would delay the recovery.

After the rebound in 2021, global growth is expected to gradually slow. Beyond the economic rebound expected in 2021, the Covid19 crisis will most likely leave behind permanent damage to the world economy via loss of human capital and large public and corporate debt, which absent more determined structural reform are set to weigh on long-term trend potential. Low profitability in sectors damaged by the pandemic also weakens growth potential. Against this backdrop, there is a risk of a vicious circle arising between high indebtedness, lower growth potential, and firm bankruptcies, which could seriously weaken economic dynamics in the medium term. Beyond monetary support, government policies regarding upgrading existing infrastructure and the reskilling of labour will be crucial in order to sustain the recovery post-Covid19. Accelerating green and digital transitions will also be critical.

International cooperation will remain key to the post-crisis phase. The health crisis, if prolonged, could exacerbate already existing divergences between countries on trade, technology policies, and the level of priority given to combating climate change. Multilateral development banks have committed to emergency financing, the IMF has relaxed the rules governing its financing, and several bilateral creditors have agreed to freeze the debt maturities of the countries in most difficulty. In addition, the approval of a new Special Drawing Rights (SDR) allocation of $650 billion should allow countries which have low room for maneuver to benefit from a liquidity injection in foreign currency in the fourth quarter of 2021. For their part, the EU authorities have made an unprecedented contribution, with the ECB setting up the Pandemic Emergency Purchase Programme (PEPP) and the Next Generation EU (NGEU) agreement, with respective amounts of 1850 billion euros (PEPP initial amount increased twice in 2020) and more than 800 billion euros (NGEU). By stimulating investments in connection with the two main European priorities, namely energy and digital transitions, these programs aim to support the recovery of Member States beyond their heterogeneous national capacities.

In terms of regulatory changes, 2020 was dominated by the introduction of support measures with the aim of shaping the regulatory framework to the context of economic crisis and of enabling banks to fully underpin initiatives to buoy the economies in which they operate. In Europe, eurozone member states set up aid packages to support the financing of businesses to mitigate the impact of weaker activity on their financial equilibrium. In France, these support measures were reflected in the introduction of government-backed loans with nearly EUR 138 billion in loans granted as of June 2021.

Regulatory changes introduced applied to capital and liquidity as well as anticipatory hedges to manage credit risk, and consisted of:
- an easing of the restrictions related to building counter-cyclical capital buffers with the option of implementing them subject to the application of automatic remedial measures provided for in prudential regulations (MDA mechanism and presentation of a capital conservation plan);
- temporary tolerance of non-compliance with minimum liquidity ratios;
- greater flexibility in applying the criteria for reclassifying the established moratoria and a recommendation to regulate the pro-cyclical impacts of the application of IFRS 9;
- more specifically in France, where softer lending standards for real estate loans benefited first-time home buyers in particular.
The European Commission (EC), the European Central Bank in its capacity as prudential supervisor (ECB), the European Banking Authority (EBA) and the High Council for Financial Stability (HCSF) have thus used the full extent of the flexibility offered by the existing prudential regulations to act on the liquidity and solvency of banks, and guarantee their ability to fund ongoing economic activities and reboot the economy. The ECB also agreed to reduce the volume of on-site tasks and to extend the period of remedial action. Regarding dividend distributions, the ECB has decided not to extend beyond September 30, 2021 its recommendation to limit their amounts for all banks placed under its direct supervision. From that date, dividend distribution policies will be subject to review by the ECB on a case-by-case basis, in accordance with the terms in force before the pandemic.

In addition to changes related to managing the health and economic crisis, further actions are being deepened in 2021, namely:
- finalisation of the transposition of Basel III (CRR3 legislative proposal) approved by the Basel Committee on Banking Supervision, with special focus on the specific characteristics of the European banking sector and the impacts of the current crisis on banks;
- continuation of sustainable finance initiatives in line with regulations adopted in 2020 on the taxonomy of sustainable activities, sustainable investment reporting, and the integration of sustainability risks in banks' investment decisions and strategy;
- digital transition, in particular with discussions on crypto assets and on the introduction of a "central bank digital currency" (CBDC), the European Payment Initiative (EPI) and the European Cloud (Gaia-X) but also operational resilience (cybersecurity and outsourced services);
- tangible progress towards a genuine Capital Markets Union (CMU) through a European action plan published in 2020;
- more work on the Brexit chapter, particularly concerning the equivalence issue to avoid any regulatory divergence, thus ensuring the fairest possible conditions of competition.

2. GROUP MANAGEMENT REPORT

2.1 Pending acquisitions and major contracts

Update of the page 59 of the 2021 Universal Registration Document

2.1.1 Press release dated 11 June, 2021 - Signature of the master agreement for the acquisition of Lyxor by Amundi - Finalisation expected at end-2021

Amundi and Société Générale announce the signature, earlier than the considered schedule, of the master agreement for Amundi's acquisition of Lyxor[1]; as a reminder, the entry into exclusive negotiations had been announced on 7 April[2].
The finalisation of this transaction is expected at the end of 2021[3], subject to the prior approval of the competent regulatory and competition authorities.

[1]Certain activities from Lyxor are excluded from the scope of the transaction and retained by Societe Generale: (i) structured asset management solutions intended for Societe Generale's global markets clients and (ii) asset management activities dedicated to savings solutions and carried out for Societe Generale (Branch networks and Private Banking) such as structuring of savings solutions, funds selection and the supervision of the Group's asset management companies.
[2]See press release and presentation of 7 April 2021, available on the website https://legroupe.amundi.com/Sites/Amundi-Corporate/Pages/Actualites/2021/Acquisition-de-Lyxor
[3] No later than February 2022

2.2 Press release dated 3 August, 2021: second quarter and first half 2021 results

Update of the pages 30 to 46 of the 2021 Universal Registration Document

Press release
Paris, August 3rd 2021

EXCELLENT PERFORMANCE IN ALL THE BUSINESSES IN Q2 21 AND H1 21

In Q2 21, revenues up +18.2% vs. Q2 20 (+20.5%*), with a strong quarter in Global Banking & Investor Solutions, substantial growth in Financial Services and a rebound in Retail Banking

Strong positive jaws effect in all the businesses

Underlying gross operating income of EUR 2 billion(1), up 55%(1) vs. Q2 20

Low cost of risk at 11 basis points in Q2 21; continued prudent approach in terms of provisioning

Underlying Group net income of EUR 1.35 billion(1), reported Group net income (including IFRIC 21 charges and exceptional items) of EUR 1.44 billion in Q2 21

Profitability (ROTE) at 10.4%(1) and 11.2% in Q2 21

In H1 21, underlying gross operating income of EUR 4.2 billion(1), up +83.4%(1) vs. H1 20

Revenues strongly up +19.5% (22.8%*) and costs contained up 1.7%(1) (3.6%(1)*)

Underlying Group net income of EUR 2.65 billion(1), up +13.5%(1) vs. H1 19, reported Group net income of EUR 2.25 billion

Profitability (ROTE) at 10.2%(1) and 8.6% in H1 21

IMPROVEMENT IN THE OUTLOOK FOR 2021

Expected increase in revenues in all the businesses

Increase of the positive jaws effect with continued disciplined management of costs

Downward revision, **between 20 and 25 basis points,** in the full-year forecast for the **net cost of risk**

(1) Underlying data (see methodology note No. 5 for the transition from accounting data to underlying data)

STRONG CAPITAL POSITION

Solid CET 1 level at 13.4%[(2)] at end-June 2021, well above the target, due to **strong organic capital generation of 44 basis points** in H1 21 after dividend provision

Attractive shareholder return

- **Confirmation of the launch, in Q4, of a share buyback programme,** for an amount of around EUR 470m[(3)]
- **H1 21 dividend per share provision of EUR 1.2**, consistent with a payout ratio of 50% of underlying Group net income[(4)]

Frédéric Oudéa, the Group's Chief Executive Officer, commented:

"Once again, Societe Generale enjoyed an excellent quarter, with a solid commercial and financial performance by all its businesses. Q2 was marked by the strong revenue momentum, continued cost discipline and a very low cost of risk resulting from very few loan defaults. The results for H1 2021 are the best for 5 years, illustrating the strength of the business model and the Group's capacity to rebound. On these bases, the Group is raising its full-year forecasts for 2021. These results are the fruit of extensive work undertaken for several years to enhance the intrinsic quality of the franchises by effectively anticipating the needs of customers, improve the operational efficiency of the Group and maintain the excellent robustness of the loan portfolio and risk management. Thanks to the exceptional commitment of its teams and a very solid balance sheet, the Societe Generale Group will continue the far-reaching transformation of its businesses related to ESG issues and the growing use of the new digital technologies, in a constant effort to support its customers and provide them with added value."

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(2) Phased-in ratio; fully-loaded ratio of 13.2%
(3) It should be noted that, pursuant to Regulation (EU) 2019/876 (CRR2), share buyback is subject to the ECB approval
(4) After deducting interest on deeply subordinated notes and undated subordinated notes
*The footnote * in this document corresponds to data adjusted for changes in Group Structure and at constant exchange rates*

1. GROUP CONSOLIDATED RESULTS

In EURm	Q2 21	Q2 20	Change		H1 21	H1 20	Change	
Net banking income	6,261	5,296	+18.2%	+20.5%*	12,506	10,466	+19.5%	+22.8%*
Operating expenses	(4,107)	(3,860)	+6.4%	+7.9%*	(8,855)	(8,538)	+3.7%	+5.6%*
Underlying operating expenses(1)	*(4,225)*	*(3,984)*	*+6.1%*	*+7.5%**	*(8,322)*	*(8,185)*	*+1.7%*	*+3.6%**
Gross operating income	2,154	1,436	+50.0%	+55.2%*	3,651	1,928	+89.4%	x 2.0*
Underlying gross operating income(1)	*2,036*	*1,312*	*+55.1%*	*+61.0%**	*4,184*	*2,281*	*+83.4%*	*+94.8%**
Net cost of risk	(142)	(1,279)	-88.9%	-88.6%*	(418)	(2,099)	-80.1%	-79.4%*
Operating income	2,012	157	x 12.8	x 13.6*	3,233	(171)	n/s	n/s
Underlying operating income(1)	*1,894*	*33*	*x 57.2*	*x 80.4**	*3,766*	*182*	*x 20.7*	*x 31.0**
Net profits or losses from other assets	5	4	+25.0%	+26.4%*	11	84	-86.9%	-86.9%*
Impairment losses on goodwill	0	(684)	n/s	n/s	0	(684)	n/s	n/s
Income tax	(404)	(658)	-38.6%	-38.3%*	(687)	(612)	+12.3%	+15.4%*
Net income	1,615	(1,180)	n/s	n/s	2,562	(1,378)	n/s	n/s
O.w. non-controlling interests	(176)	(84)	x 2.1	x 2.1*	(309)	(212)	+45.8%	+45.6%*
Reported Group net income	1,439	(1,264)	n/s	n/s	2,253	(1,590)	n/s	n/s
Underlying Group net income(1)	*1,349*	*8*	*x 163.1*	*n/s*	*2,647*	*0*	*n/s*	*n/s*
ROE	9.8%	-10.9%			7.5%	-7.2%		
ROTE	11.2%	-6.5%			8.6%	-5.3%		
Underlying ROTE(1)	*10.4%*	*-1.3%*			*10.2%*	*-1.3%*		

(1) *Adjusted for exceptional items and linearisation of IFRIC 21*

Societe Generale's Board of Directors, which met on August 2nd, 2021 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q2 and H1 2021.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

Net banking income

The rebound in the Group's activity continued in Q2 21, with net banking income increasing by +18.2% (+20.5%*) vs. Q2 20 and all the businesses contributing to this strong momentum.

French Retail Banking experienced a significant improvement in Q2 21, with net banking income (excluding PEL/CEL provision) increasing by +8.0% vs. Q2 20 driven by the recovery in net interest income and commissions, which were considerably affected by lockdown measures in Q2 20.

International Retail Banking & Financial Services enjoyed strong revenue growth of +17%* vs. Q2 20, underpinned by the excellent momentum of Financial Services (+49%* vs. Q2 20) and Insurance (+13%* vs. Q2 20). International Retail Banking saw a rebound in activity of +7.9%* vs. Q2 20.

Global Banking & Investor Solutions also turned in an excellent performance, with revenues up +28%* vs. Q2 20, driven by Global Markets and Financing & Advisory.

In H1, the Group posted strong growth of +19.5% (+22.8%*) vs. H1 20, with a positive contribution from all the businesses, and returned to a revenue level close to that of H1 19 (EUR 12.5 billion).

In 2021, the Group is aiming for positive revenue growth in all the businesses.

Operating expenses

In Q2 21, operating expenses totalled EUR 4,107 million on a reported basis and EUR 4,225 million on an underlying basis (restated for the linearisation of IFRIC 21 and transformation costs), representing an increase of +6.1% vs. Q2 20.

The Group therefore generated a very positive jaws effect in all its businesses, resulting in an increase in underlying gross operating income of +55% to EUR 2,036 million and an improvement in the underlying cost to income ratio of nearly 8 points (67% vs. 75% in Q2 20).

In H1, costs amounted to EUR 8,855 million on a reported basis and EUR 8,322 million on an underlying basis, up +1.7% vs. H1 20. This limited growth can be explained primarily by the rise in variable costs linked to the growth in revenues and the increase in the IFRIC 21 charge (EUR +44 million).

Thanks to this good performance in H1, the **Group plans to increase its positive jaws effect** in 2021 while maintaining disciplined cost management.

Cost of risk

In Q2 21, the commercial cost of risk stood at a low level of 11 basis points (EUR 142 million), lower than in Q1 21 (21 basis points) and Q2 20 (97 basis points). It breaks down into a provision on non-performing loans of EUR 164 million, a decline compared to recent quarters, and a provision write-back on performing loans of EUR 22 million.

The Group's provisions on performing loans currently amount to EUR 3,548 million.

As part of the support provided to its customers during the crisis, the Group granted repayment moratoriums and State Guaranteed Loans. At June 30th 2021, the residual amount of repayment moratoriums still in force represented around EUR 0.5 billion and State Guaranteed Loans, around EUR 18 billion. In France, the total amount of State Guaranteed Loans ("PGE") is around EUR 16 billion and net exposure amounts to around EUR 2 billion.

The gross doubtful outstandings ratio amounted to 3.1%[(2)] at June 30th 2021, an improvement vs. end-March 2021 (3.3%[(2)]). The Group's gross coverage ratio for doubtful outstandings stood at 52%[(3)] at June 30th 2021 (51% at March 31st 2021).

With a commercial cost of risk of 16 basis points in H1, **the Group has revised its full-year forecast downwards** and therefore anticipates a cost of risk of between 20 and 25 basis points in 2021 (vs. 30 to 35 basis points initially).

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(2) NPL ratio calculated according to the EBA methodology published on July 16th, 2019

(3) Ratio between the amount of provisions on doubtful outstandings and the amount of these same outstandings

Group net income

In EURm	Q2 21	Q2 20	H1 21	H1 20
Reported Group net income	1,439	(1,264)	2,253	(1,590)
Underlying Group net income(1)	1,349	8	2,647	0

In %	Q2 21	Q2 20	H1 21	H1 20
Reported ROTE	11.2%	-6.5%	8.6%	-5.3%
Underlying ROTE(1)	10.4%	-1.3%	10.2%	-1.3%

Earnings per share amounts to EUR 2.29 in H1 21 (EUR -2.25 in H1 20). Underlying earnings per share amounts to EUR 2.40[2] over the same period (EUR -0.59[2] in H1 20).

(1) *Adjusted for exceptional items and linearisation of IFRIC 21*

(2) *Underlying EPS calculated based on an underlying Group net income excluding IFRIC 21 linearisation. EUR 2.75 including IFRIC 21 linearisation in H1 21 and EUR -0.38 in H1 20.*

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 63.1 billion at June 30th, 2021 (EUR 61.7 billion at December 31st, 2020). Net asset value per share was EUR 63.6 and tangible net asset value per share was EUR 56.0.

The **consolidated balance sheet** totalled EUR 1,493 billion at June 30th, 2021 (EUR 1,462 billion at December 31st, 2020). The net amount of customer loan outstandings at June 30th, 2021, including lease financing, was EUR 455 billion (EUR 440 billion at December 31st, 2020) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 470 billion, vs. EUR 451 billion at December 31st, 2020 (excluding assets and securities sold under repurchase agreements).

At July 16th, 2021, the parent company had issued EUR 26.1 billion of medium/long-term debt, having an average maturity of 5.5 years and an average spread of 42 basis points (vs. the 6-month midswap, excluding subordinated debt). The subsidiaries had issued EUR 1.4 billion. In total, the Group had issued EUR 27.5 billion of medium/long-term debt. Excluding structured issuances, the parent company had completed its annual financing programme.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 133% at end-June 2021, vs. 149% at end-December 2020, and at 136% on average in Q2 2021, vs. 153% on average in Q4 2020. At the same time, the NSFR (Net Stable Funding Ratio) was over 100% at end-June 2021.

The Group's **risk-weighted assets** (RWA) amounted to EUR 361.5 billion at June 30th, 2021 (vs. EUR 351.9 billion at end-December 2020) according to CRR2/CRD5 rules. Risk-weighted assets in respect of credit risk represent 82.5% of the total, at EUR 298.2 billion, up 3.8% vs. December 31st, 2020.

At June 30th, 2021, the Group's **Common Equity Tier 1** ratio stood at 13.4%, or around 430 basis points above the regulatory requirement. The CET1 ratio at June 30th, 2021 includes an effect of +20 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 13.2%. The Tier 1 ratio stood at 15.8% at end-June 2021 (16.0% at end-December 2020) and the total capital ratio amounted to 19.2% (19.2% at end-December 2020).

The **leverage ratio** stood at 4.6% at June 30th, 2021 (4.8% at end-December 2020).

With a level of 30.5% of RWA and 8.9% of leveraged exposure at end-June 2021, the Group's TLAC ratio is above the FSB's requirements for 2021. At June 30th, 2021, the Group was also above its 2022 MREL requirements of 25.2% of RWA and 5.91% of leveraged exposure.

The Group is rated by four rating agencies: (i) Fitch Ratings - long-term rating "A-", stable rating, senior preferred debt rating "A", short-term rating "F1" (ii) Moody's - long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1" (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", stable outlook, short-term rating "A-1".

3. FRENCH RETAIL BANKING

In EURm	Q2 21	Q2 20	Change	H1 21	H1 20	Change
Net banking income	1,906	1,754	+8.7%	3,753	3,634	+3.3%
Net banking income excl. PEL/CEL	*1,889*	*1,749*	*+8.0%*	*3,748*	*3,654*	*+2.6%*
Operating expenses	(1,297)	(1,233)	+5.2%	(2,750)	(2,683)	+2.5%
Gross operating income	609	521	+16.9%	1,003	951	+5.5%
Gross operating income excl. PEL/CEL	*592*	*516*	*+14.7%*	*998*	*971*	*+2.8%*
Net cost of risk	(6)	(442)	-98.6%	(129)	(691)	-81.3%
Operating income	603	79	x 7.6	874	260	x 3,4
Reported Group net income	438	60	x 7.3	641	279	x 2,3
Underlying Group net income (1)	*398*	*40*	*x 9.9*	*693*	*339*	*x 2*
RONE	15.6%	2.1%		11.4%	4.9%	
Underlying RONE(1)	*14.2%*	*1.4%*		*12.3%*	*6.0%*	

(1) Adjusted for the linearisation of IFRIC 21 and PEL/CEL provision

Societe Generale and Crédit du Nord networks:

Average loan outstandings rose +1% vs. Q2 20 to EUR 208 billion. Average medium/long-term outstanding loans to corporate and professional customers climbed 8%, bolstered by the 20% growth in loan production excluding State Guaranteed Loans vs. Q2 20. Home loan production was up +34% vs. Q2 20.

Average outstanding balance sheet deposits[2] increased by +9% vs. Q2 20 to EUR 234 billion, still driven by sight deposits, whose rate of growth decelerated.

As a result, the average loan/deposit ratio stood at 89% in Q2 21 vs. 96% in Q2 20.

Insurance assets under management totalled EUR 92 billion at end-June 2021. Gross life insurance inflow amounted to EUR 2.2 billion in Q2 21, with the unit-linked share accounting for 38%.

Private Banking's assets under management totalled EUR 75 billion at end-June 2021. Net inflow remained buoyant at EUR 1.3 billion in Q2 21.

The number of protection policies was up +4%, while property and casualty premiums were 3% higher than in Q2 20.

Boursorama:

The bank consolidated its position as the leading online bank in France, with more than 2.9 million clients at end-June 2021, thanks to the onboarding of 168,000 new clients in Q2 21 (+40% vs. Q2 20).

This quarter, the bank distinguished itself by being classified No. 1 in France in the "World's best Banks 2021" rankings established by Forbes & Statista. Boursorama was also classified No. 1 bank in France in terms of customer recognition by Isoskèle in 2021. The bank was classified No. 1 in the rankings for best banking application in France (Selectra 2021). Finally, Boursorama was classified No. 1 in the 2021 rankings of cheapest banks according to the Capital-Panorabanques study.

Outstanding loans rose +24% vs. Q2 20 to EUR 12 billion. Home loan and consumer loan production reached a record level of EUR 1.4 billion. Home loan outstandings were up +26% vs. Q2 20.

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[2] *Including BMTN (negotiable medium-term notes)*

Outstanding savings including deposits and financial savings were 30% higher than in Q2 20 at EUR 33 billion, while outstanding deposits were up +29% vs. Q2 20. The number of stock market orders increased by +7% vs. H1 20 and x3.3 vs. H1 19.

Net banking income excluding PEL/CEL

Q2 21: revenues (excluding PEL/CEL) totalled EUR 1,889 million, up +8% vs. Q2 20. Net interest income (excluding PEL/CEL) was up +1.6% vs. Q2 20, still impacted by the increase in deposits in a low interest rate environment. Commissions were 9.7% higher than in Q2 20 owing particularly to an increase in financial commissions against the backdrop of an exit from the lockdown.

H1 21: revenues (excluding PEL/CEL) totalled EUR 3,748 million, up +2.6% vs. H1 20. Net interest income (excluding PEL/CEL) was down -2.1% vs. H1 20. Commissions were 5.1% higher than in H1 20, benefiting from the strong increase in financial commissions.

Operating expenses

Q2 21: operating expenses totalled EUR 1,297 million (+5.2% vs. Q2 20). The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 70.7%, an improvement of 1.2 points vs. Q2 20.

H1 21: operating expenses totalled EUR 2,750 million (+2.5% vs. H1 20). The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 71.3%, an improvement of 0.3 points vs. H1 20.

Cost of risk

Q2 21: the commercial cost of risk amounted to EUR 6 million or 1 basis point, substantially lower than in Q2 20 (85 basis points), impacted by the crisis, and Q1 21 (23 basis points).

H1 21: the commercial cost of risk amounted to EUR 129 million or 12 basis points, a substantial decline compared to H1 20 (68 basis points).

Contribution to Group net income

Q2 21: the contribution to Group net income was EUR 438 million vs. EUR 60 million in Q2 20. RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 14.2% in Q2 21 (1.4% in Q2 20) and 15.1% excluding Boursorama.

H1 21: the contribution to Group net income was EUR 641 million (x2.3 vs. H1 20). RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 12.3% in H1 21 (6.0% in H1 20).

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q2 21	Q2 20	Change		H1 21	H1 20	Change	
Net banking income	1,989	1,750	+13.7%	*+17.0%**	3,851	3,714	+3.7%	*+8.2%**
Operating expenses	(1,011)	(979)	*+3.3%*	*+6.0%**	(2,100)	(2,125)	*-1.2%*	*+2.8%**
Gross operating income	978	771	*+26.8%*	*+30.9%**	1,751	1,589	*+10.2%*	*+15.4%**
Net cost of risk	(121)	(418)	*-71.1%*	*-69.6%**	(263)	(647)	*-59.4%*	*-57.1%**
Operating income	857	353	*x 2.4*	*x 2.5**	1,488	942	*+58.0%*	*+64.6%**
Reported Group net income	522	226	*x 2.3*	*x 2.4**	914	591	*+54.7%*	*+63.4%**
Underlying Group net income (1)	*508*	*213*	*x 2.4*	*x 2.4**	*942*	*619*	*+52.1%*	*+60.3%**
RONE	20.6%	8.4%			18.2%	11.0%		
Underlying RONE(1)	*20.0%*	*7.9%*			*18.7%*	*11.6%*		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's outstanding loans totalled EUR 89.3 billion. They rose +3.8%* vs. end-June 2020 when adjusted for changes in Group structure and at constant exchange rates, illustrating the healthy commercial momentum in all the regions. Outstanding deposits were 8.6%* higher than in June 2020, at EUR 87.5 billion.

For the Europe scope, outstanding loans were up +4.3%* vs. June 2020 at EUR 57.1 billion, driven by all the regions: +3.5%* in Western Europe, +4.0%* in the Czech Republic and +8.6%* in Romania. Outstanding deposits were substantially higher (+10.8%*), with a healthy momentum in the Czech Republic (+10.7%*) and Romania (+11.0%*).

In Russia, outstanding loans rose +2.7%* at constant exchange rates, with a robust performance in car and home loans, up +11%* and +19%* respectively vs. Q2 20. Outstanding deposits increased by +1.6%*.

In Africa, Mediterranean Basin and French Overseas Territories, activity was buoyant, both in the individual and corporate customers segments. Outstanding loans were 2.8%* higher than in June 2020. Outstanding deposits, up +7.4%*, also enjoyed a healthy momentum.

In the Insurance business, the life insurance savings business posted a very good performance, with outstandings increasing +7%* vs. June 2020. The share of unit-linked products in outstandings was 35% at end-June 2021, an increase of 5 points vs. June 2020. Protection insurance rose +8%* vs. Q2 20, with an increase in property/casualty premiums (+11%*) and personal protection premiums (+7%*).

Financial Services to Corporates enjoyed a healthy momentum. Operational Vehicle Leasing and Fleet Management's vehicle fleet was stable vs. end-June 2020, with 1.8 million vehicles. Equipment Finance's new leasing business was up +24% vs. Q2 20, while outstanding loans were stable* vs. end-June 2020, at EUR 14.3 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 1,989 million in Q2 21, up +17.0%* vs. Q2 20. Revenues amounted to EUR 3,851 million in H1 21, up +8.2%* vs. H1 20.

International Retail Banking's net banking income totalled EUR 1,231 million, an increase of +7.9%* vs. Q2 20. Net banking income totalled EUR 2,418 million in H1 21, an increase of +1.9%* vs. H1 20.

Thanks to a healthy commercial momentum and an increase in commissions (+15%* vs. Q2 20), revenues in Europe were 3.3%* higher, despite net interest income pressure in an environment of lower interest rates than in Q2 20 (the effects of recent rate increases in the Czech Republic and Russia not yet being fully reflected in the revenues). Specialised consumer finance benefited from a strong momentum (+5.0%* vs. Q2 20). Revenues were also higher (+4.0%*) for the SG Russia[(1)] scope, benefiting from robust activity in the individual customers segment (car and home loans). The Africa, Mediterranean Basin and French Overseas Territories scope posted revenues up +16.5%* vs. Q2 20, benefiting from a healthy commercial momentum in all regions and a rebound in the Mediterranean Basin. When restated for the impact of repayment moratoriums in Tunisia, revenue growth for the Africa, Mediterranean Basin and French Overseas Territories scope was 8.2%*.

[(1)] SG Russia encompasses the entities Rosbank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive and their consolidated subsidiaries

The **Insurance** business posted net banking income of EUR 238 million, up +12.8%* vs. Q2 20. Net banking income was 8.0%* higher in H1 21 than in H1 20 at EUR 474 million.

Financial Services to Corporates' net banking income was higher (+49.1%*) and amounted to EUR 520 million, driven in particular by ALD which posted an increase in leasing margins (+17%*[(2)] vs. Q2 20) and the used car sale result (EUR 740 per unit in H1). Financial Services to Corporates' net banking income was EUR 959 million in H1 21, up +28.5%*.

Operating expenses

Operating expenses totalled EUR 1,011 million, an increase of +6.0%* on a reported basis and +6.1%* on an underlying basis vs. Q2 20, in conjunction with the recovery in activity. As a result, the quarter generated a significant positive jaws effect. The cost to income ratio stood at 50.8% in Q2 21. H1 reflected the good cost discipline. At EUR 2,100 million, costs were 2.8%* higher than in H1 20.

In **International Retail Banking**, operating expenses were up +4.0%* vs. Q2 20 and up +1.4%* vs. H1 20.

In the **Insurance** business, operating expenses were in line with the commercial expansion ambitions and rose +6.5%* vs. Q2 20 and +4.2%* vs. H1 20.

In **Financial Services to Corporates**, operating expenses increased by +7.7%* vs. Q2 20 and increased by +5.1%* vs. H1 20.

Cost of risk

Q2 21: the cost of risk amounted to 37 basis points vs. 125 basis points in Q2 20.
H1 21: the cost of risk amounted to 40 basis points vs. 96 basis points in H1 20.

Contribution to Group net income

The contribution to Group net income totalled EUR 522 million (x2.4* vs. Q2 20), and EUR 914 million in H1 21 (+63.4%* vs. H1 20).

Underlying RONE stood at 20.0% in Q2 21, vs. 7.9% in Q2 20, and 18.7% in H1 21 vs. 11.6% in H1 20.

In International Retail Banking and in Insurance and Financial Services to Corporates, underlying RONE stood at 16.8% and 24.1% respectively in Q2 21.

[(2)] *Based on ALD local data*

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q2 21	Q2 20	Change		H1 21	H1 20	Change	
Net banking income	2,340	1,880	+24.5%	+27.7%*	4,849	3,507	+38.3%	+42.8%*
Operating expenses	(1,648)	(1,570)	+5.0%	+6.9%*	(3,699)	(3,547)	+4.3%	+6.3%*
Gross operating income	692	310	x 2.2	x 2.4*	1,150	(40)	n/s	n/s
Net cost of risk	(17)	(419)	-95.9%	-95.8%*	(26)	(761)	-96.6%	-96.4%*
Operating income	675	(109)	n/s	n/s	1,124	(801)	n/s	n/s
Group net income	522	(67)	n/s	n/s	878	(604)	n/s	n/s
Underlying Group net income (1)	*424*	*(120)*	*n/s*	*n/s*	*1,070*	*(433)*	*n/s*	*n/s*
RONE	14.4%	-1.9%			12.2%	-8.6%		
Underlying RONE(1)	*11.7%*	*-3.3%*			*14.9%*	*-6.2%*		

(1) Adjusted for the linearisation of IFRIC 21

Net banking income

In Q2 21, **Global Banking & Investor Solutions** posted a very good performance, with revenues of EUR 2,340 million, substantially higher (+24.5%) than in Q2 20 (+27.7%* when adjusted for changes in Group structure and at constant exchange rates), with a strong momentum in the Equity businesses and in Financing & Advisory activities.

In H1 21, revenues rose +38.3% vs. H1 20 (EUR 4,849 million vs. EUR 3,507 million, +42.8%*), to a higher level than in H1 19.

In **Global Markets & Investor Services,** net banking income totalled EUR 1,388 million, +40.1% vs. a Q2 20 impacted by the health crisis (+44.3%*). It amounted to EUR 3,039 million in H1 21, +72.8% vs. H1 20 (+80.7%*).

Market conditions in the Equity businesses remain favourable, in an environment in a normalisation phase versus Q1 21. Accordingly, the business posted revenues of EUR 758 million in Q2 21, up +21% vs. the average level in 2019. This good performance is reflected in each of the regions. Commercial activity was very buoyant, especially in Investment Solutions products (and more particularly in listed products) and in the retail and large corporates segments. Structured products also performed well.
Revenues were higher at EUR 1,609 million in H1 21.

Fixed Income & Currency activities posted a performance down -33% vs. a strong Q2 20, driven by very dynamic fixed income markets. At EUR 470 million, these Q2 revenues were 6% lower than the average level in 2019. Commercial activity was buoyant in Rate activities and average in Credit and Currency activities.
Revenues were 16% lower in H1 21 than in H1 20 and 10% higher than the average level in 2019.

Securities Services' revenues were also substantially higher (+7.4% vs. Q2 20), at EUR 160 million. They were up +12.0% in H1 21 vs. H1 20, at EUR 335 million.
Securities Services' assets under custody amounted to EUR 4,446 billion at end-June 2021, an increase of +2.4% vs. end-March 2021. Over the same period, assets under administration were up +3.4% at EUR 661 billion.

Financing & Advisory revenues totalled EUR 720 million in Q2 21, up +12.9%* vs. Q2 20 (+9.6% at current structure and exchange rates). They amounted to EUR 1,353 million in H1 21, significantly higher (+7.9%*) than in H1 20.

Asset and Natural Resources and Infrastructure Financing activities enjoyed a good quarter, benefiting from a healthy commercial momentum. The expansion of the Asset-Backed Products platform continued in Q2, with in particular an acceleration in Asia.

Investment Banking revenues were lower compared to the very high level in Q2 20 due to a record level of issues last year. While debt capital markets are returning to normal, equity capital markets and Leveraged Buyout markets are more active.

Global Transaction and Payment Services continued to deliver strong growth, up +25%* vs. Q2 20.

Asset and Wealth Management's net banking income totalled EUR 232 million in Q2 21, stable* vs. Q2 20. It was down -0.9%* (-1.1% at current change and perimeter) in H1 21.

Private Banking posted a performance down -8.8%* vs. Q2 20 (at EUR 171 million) and up +8%* when Q2 20 is restated for an exceptional impact of EUR +29 million related to an insurance payout. The business benefited from strong commercial activity combined with net inflow amounting to EUR +2.1 billion. Assets under management were up +4.2% vs. end-March 2021, at EUR 126 billion.
Private Banking posted net inflow of EUR 4.5 billion in H1 21, positive in all the regions. Net banking income amounted to EUR 344 million, down -5.1%* vs. H1 20.

Lyxor's net banking income amounted to EUR 57 million, an increase of EUR 17 million vs. Q2 20. Lyxor's assets under management were higher (+7.1%) than at end-March 2021, at EUR 165 billion. Net inflow was EUR +5.3 billion in Q2 21.
Revenues were up +16.1%* in H1 21 vs. H1 20, with net inflow of EUR +11.5 billion.

Operating expenses

Q2 21: operating expenses totalled EUR 1,648 million and EUR 1,777 million on an underlying basis. Higher underlying costs (+10.5%* vs. Q2 20) can be explained by the rise in variable costs related to the increase in revenues and the IFRIC 21 charge, generating a very positive jaws effect. There was an improvement in the cost to income ratio of 13 points (70.4% vs. 83.5% in Q2 20).
H1 21: operating expenses were up +6.3%* on a reported basis and +5.7%* on an underlying basis.

Net cost of risk

Q2 21: the commercial cost of risk amounted to 4 basis points (or EUR 17 million), well below the level of 95 basis points in Q2 20, which was adversely affected by the health crisis.
H1 21: it was at a low level of 3 basis points.

Contribution to Group net income

The contribution to Group net income was EUR 522 million on a reported basis and EUR 424 million on an underlying basis (after linearisation of IFRIC 21) in Q2 21 and EUR 878 million and EUR 1,070 million respectively in H1 21.

Global Banking & Investor Solutions posted a significant underlying RONE of 11.7% in Q2 21 and 14.9% in H1 21.

6. CORPORATE CENTRE

In EURm	Q2 21	Q2 20	H1 21	H1 20
Net banking income	26	(88)	53	(389)
Operating expenses	(151)	(78)	(306)	(183)
Underlying operating expenses (1)	*(78)*	*(90)*	*(149)*	*(158)*
Gross operating income	(125)	(166)	(253)	(572)
Underlying gross operating income (1)	*(52)*	*(178)*	*(96)*	*(547)*
Net cost of risk	2	-	-	-
Impairment losses on goodwill	-	(684)	-	(684)
Income tax	124	(598)	160	(450)
Reported Group net income	(43)	(1,483)	(180)	(1,856)
Underlying Group net income (1)	*7*	*(129)*	*(62)*	*(510)*

(1) Adjusted for the linearisation of IFRIC 21

The Corporate Centre includes:

- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to cross-functional projects as well as certain costs incurred by the Group and not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR +26 million in Q2 21 vs. EUR -88 million in Q2 20 and EUR +53 million in H1 21 vs. EUR -389 million in H1 20.

Operating expenses totalled EUR 151 million in Q2 21 vs. EUR 78 million in Q2 20. They include the Group's transformation costs for a total amount of EUR 85 million relating to the activities of French Retail Banking (EUR 38 million), Global Banking & Investor Solutions (EUR 26 million) and the Corporate Centre (EUR 21 million). Underlying costs came to EUR 78 million in Q2 21 compared to EUR 90 million in Q2 20.
Operating expenses totalled EUR 306 million in H1 21 vs. EUR 183 million in H1 20. Transformation costs totalled EUR 135 million (EUR 60 million related to the activities of French Retail Banking, EUR 43 million related to Global Banking & Investor Solutions and EUR 32 million related to the Corporate Centre). Underlying costs came to EUR 149 million in H1 21 compared to EUR 158 million in H1 20.

Gross operating income totalled EUR -125 million in Q2 21 vs. EUR -166 million in Q2 20 and EUR -253 million in H1 21 vs. EUR -572 million in H1 20. Underlying gross operating income came to EUR 96 million in H1 21.

In Q2 20, the review of the financial trajectory of Global Markets & Investor Services led to the impairment of the associated goodwill for EUR -684 million and deferred tax assets for EUR -650 million.

The Corporate Centre's contribution to Group net income was EUR -43 million in Q2 21 vs. EUR -1,483 million in Q2 20 and EUR -180 million in H1 21 vs. EUR -1,856 million in H1 20.

7. CONCLUSION

The Group enjoyed an excellent H1 2021, combining a very good performance by all the businesses with a significant improvement in their cost to income ratio, while maintaining disciplined management of its costs, risk policy and capital position.
On the strength of H1, the Group has improved its full-year targets, now anticipating an increase in revenues in all its businesses and a cost of risk revised downwards in a still uncertain environment but with an improving economic outlook.
The Group also remains fully committed to the execution of its strategic initiatives, the integration of the CSR dimension in all its regions and businesses and the expansion of its growth drivers.

8. 2021 FINANCIAL CALENDAR

2021 Financial communication calendar

November 4th, 2021	Third quarter and nine-month 2021 results
February 10th, 2022	Fourth quarter and FY 2021 results
May 5th, 2022	First quarter 2022 results
August 3rd, 2022	Second quarter and first half 2022 results
November 4th, 2022	Third quarter and nine-month 2022 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, (commercial) cost of risk in basis points, ROE, ROTE, RONE, net assets, tangible net assets, and the amounts serving as a basis for the different restatements carried out (in particular the transition from published data to underlying data) are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.
These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:
- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the section "Risk Factors" in our Universal Registration Document filed with the French *Autorité des Marchés Financiers* (which is available on https://investors.societegenerale.com/en).

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

9. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q2 21	Q2 20	Change	H1 21	H1 20	Change
French Retail Banking	438	60	x 7.3	641	279	x 2.3
International Retail Banking and Financial Services	522	226	x 2.3	914	591	54.7%
Global Banking and Investor Solutions	522	(67)	n/s	878	(604)	n/s
Core Businesses	1,482	219	x 6.8	2,433	266	x 9.1
Corporate Centre	(43)	(1,483)	n/s	(180)	(1,856)	n/s
Group	1,439	(1,264)	n/s	2,253	(1,590)	n/s

CONSOLIDATED BALANCE SHEET

	30.06.2021	**31.12.2020**
Cash, due from central banks	160,801	168,179
Financial assets at fair value through profit or loss	440,774	429,458
Hedging derivatives	15,306	20,667
Financial assets measured at fair value through other comprehensive income	49,068	52,060
Securities at amortised cost	18,922	15,635
Due from banks at amortised cost	61,733	53,380
Customer loans at amortised cost	464,622	448,761
Revaluation differences on portfolios hedged against interest rate risk	222	378
Investment of insurance activities	172,016	166,854
Tax assets	4,601	5,001
Other assets	69,473	67,341
Non-current assets held for sale	368	6
Investments accounted for using the equity method	96	100
Tangible and intangible assets	30,786	30,088
Goodwill	3,821	4,044
Total	**1,492,609**	**1,461,952**

	30.06.2021	31.12.2020
Central banks	5,515	1,489
Financial liabilities at fair value through profit or loss	376,762	390,247
Hedging derivatives	10,170	12,461
Debt securities issued	137,938	138,957
Due to banks	147,938	135,571
Customer deposits	478,774	456,059
Revaluation differences on portfolios hedged against interest rate risk	5,214	7,696
Tax liabilities	1,365	1,223
Other liabilities	87,805	84,937
Non-current liabilities held for sale	104	-
Liabilities related to insurance activities contracts	151,119	146,126
Provisions	4,595	4,775
Subordinated debts	16,673	15,432
Total liabilities	**1,423,972**	**1,394,973**
SHAREHOLDERS' EQUITY		
Shareholders' equity, Group share		
Issued common stocks and capital reserves	22,354	22,333
Other equity instruments	8,930	9,295
Retained earnings	30,962	32,076
Net income	2,253	(258)
Sub-total	**64,499**	**63,446**
Unrealised or deferred capital gains and losses	(1,363)	(1,762)
Sub-total equity, Group share	**63,136**	**61,684**
Non-controlling interests	5,501	5,295
Total equity	**68,637**	**66,979**
Total	**1,492,609**	**1,461,952**

10. APPENDIX 2: METHODOLOGY

1 – The financial information presented in respect of Q2 and H1 2021 was examined by the Board of Directors on August 2nd, 2021 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. The limited review procedures carried out by the Statutory Auditors are in progress on the condensed interim consolidated financial statements as at June 30th, 2021.

2 – Net banking income

The pillars' net banking income is defined on page 41 of Societe Generale's 2021 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 – Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2020 (pages 466 et seq. of Societe Generale's 2021 Universal Registration Document). The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 41 of Societe Generale's 2021 Universal Registration Document.

4 - IFRIC 21 adjustment

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

5 – Exceptional items – Transition from accounting data to underlying data

It may be necessary for the Group to present underlying indicators in order to facilitate the understanding of its actual performance. The transition from published data to underlying data is obtained by restating published data for exceptional items and the IFRIC 21 adjustment.

Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

The reconciliation enabling the transition from published accounting data to underlying data is set out in the table below:

Q2 21 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(4,107)	5	0	(404)	1,439	
(+) IFRIC 21 linearisation	*(203)*			*49*	*(151)*	
*(+) Transformation charges**	*85*			*(24)*	*61*	*Corporate Center(1)*
Underlying	(4,225)	5	0	(379)	1,349	

Q2 20 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(3,860)	4	(684)	(658)	(1,264)	
(+) IFRIC 21 linearisation	*(124)*			*58*	*(62)*	
*(-) Goodwill impairment**			*(684)*		*(684)*	*Corporate center*
*(-) DTA impairment **				*(650)*	*(650)*	*Corporate center*
Underlying	(3,984)	4	0	50	8	

(1) Transformation and/or restructuring charges in Q2 21 related to RBDF (EUR 38m), GBIS (EUR 26m) and Corporate Center (EUR 21m)
**exceptionals items*

H1 21 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(8,855)	11	0	(687)	2,253	
(+) IFRIC 21 linearisation	*398*			*(92)*	*297*	
*(+) Transformation charges**	*135*			*(38)*	*97*	*Corporate Center[(2)]*
Underlying	(8,322)	11	0	(817)	2,647	

H1 20 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(8,538)	84	(684)	(612)	(1,590)	
(+) IFRIC 21 linearisation	*353*			*(166)*	*179*	
(-) Group refocusing plan		*(77)*		*0*	*(77)*	*Corporate center*
*(-) Goodwill impairment**			*(684)*		*(684)*	*Corporate center*
*(-) DTA impairment **				*(650)*	*(650)*	*Corporate center*
Underlying	(8,185)	161	0	(128)	0	

(2) Transformation and/or restructuring charges in H1 21 related to RBDF (EUR 60m), GBIS (EUR 43m) and Corporate Center (EUR 32m)
**exceptionals items*

6 - Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk or commercial cost of risk is defined on pages 43 and 635 of Societe Generale’s 2021 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

	(In EUR m)	Q2 21	Q2 20	H1 21	H1 20
French Retail Banking	Net Cost Of Risk	6	442	129	691
	Gross loans Outstanding	217,710	207,517	217,658	204,328
	Cost of Risk in bp	1	85	12	68
International Retail Banking and Financial Services	Net Cost Of Risk	121	418	263	647
	Gross loans Outstanding	131,344	133,475	130,770	134,941
	Cost of Risk in bp	37	125	40	96
Global Banking and Investor Solutions	Net Cost Of Risk	17	419	26	761
	Gross loans Outstanding	162,235	175,673	158,443	166,868
	Cost of Risk in bp	4	95	3	91
Corporate Centre	Net Cost Of Risk	(2)	0	0	0
	Gross loans Outstanding	13,561	10,292	13,262	10,001
	Cost of Risk in bp	(4)	3	0	3
Societe Generale Group	Net Cost Of Risk	142	1,279	418	2,099
	Gross loans Outstanding	524,849	526,958	520,133	516,138
	Cost of Risk in bp	11	97	16	81

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default (“doubtful”).

7 - ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 43 and 44 of Societe Generale's 2021 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.
RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 44 of Societe Generale's 2021 Universal Registration Document.
Group net income used for the ratio numerator is book Group net income adjusted for "interest net of tax payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves" (see methodology note No. 9). For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to book equity in order to calculate ROE and ROTE for the period are given in the table below:

ROTE calculation: calculation methodology

End of period	Q2 21	Q2 20	H1 21	H1 20
Shareholders' equity Group share	63,136	60,659	63,136	60,659
Deeply subordinated notes	(8,905)	(8,159)	(8,905)	(8,159)
Undated subordinated notes	(62)	(283)	(62)	(283)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(1)	20	(1)	20
OCI excluding conversion reserves	(699)	(834)	(699)	(834)
Dividend provision	(1,021)		(1,021)	
ROE equity end-of-period	52,448	51,403	52,448	51,403
Average ROE equity	52,161	52,388	51,849	52,830
Average Goodwill	(3,927)	(4,270)	(3,928)	(4,416)
Average Intangible Assets	(2,542)	(2,417)	(2,524)	(2,393)
Average ROTE equity	45,692	45,701	45,397	46,021
Group net Income (a)	1,439	(1,264)	2,253	(1,590)
Underlying Group net income (b)	1,349	8	2,647	
Interest on deeply subordinated notes and undated subordinated notes (c)	(165)	(161)	(309)	(321)
Cancellation of goodwill impairment (d)		684		684
Ajusted Group net Income (e) = (a)+ (c)+(d)	1,274	(741)	1,944	(1,227)
Ajusted Underlying Group net Income (f)=(b)+(c)	1,184	(153)	2,338	(321)
Average ROTE equity (g)	45,692	45,701	45,397	46,021
ROTE [quarter: (4*e/g), 6M: (2*e/g)]	11.2%	-6.5%	8.6%	-5.3%
Underlying ROTE	45,602	46,973	45,791	47,611
Underlying ROTE [quarter: (4*f/h), 6M: (2*f/h)]	10.4%	-1.3%	10.2%	-1.3%

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EURm	Q2 21	Q2 20	Change	H1 21	H1 20	Change
French Retail Banking	11,237	11,460	-1.9%	11,289	11,321	-0.3%
International Retail Banking and Financial Services	10,158	10,820	-6.1%	10,058	10,708	-6.1%
Global Banking and Investor Solutions	14,462	14,453	0.1%	14,366	14,024	2.4%
Core Businesses	35,857	36,733	-2.4%	35,713	36,053	-0.9%
Corporate Center	16,304	15,655	4.1%	16,136	16,777	-3.8%
Group	52,161	52,388	-0.4%	51,849	52,830	-1.9%

8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 46 of the Group's 2021 Universal Registration Document. The items used to calculate them are presented below:

End of period	H1 21	Q1 21	2020
Shareholders' equity Group share	63,136	62,920	61,684
Deeply subordinated notes	(8,905)	(9,179)	(8,830)
Undated subordinated notes	(62)	(273)	(264)
Interest, net of tax, payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(1)	(51)	19
Bookvalue of own shares in trading portfolio	(46)	(25)	301
Net Asset Value	54,122	53,391	52,910
Goodwill	(3,927)	(3,927)	(3,928)
Intangible Assets	(2,556)	(2,527)	(2,484)
Net Tangible Asset Value	47,639	46,937	46,498
Number of shares used to calculate NAPS**	850,429	850,427	848,859
Net Asset Value per Share	63.6	62.8	62.3
Net Tangible Asset Value per Share	56.0	55.2	54.8

*** The number of shares considered is the number of ordinary shares outstanding as at June 30th, 2021, excluding treasury shares and buybacks, but including the trading shares held by the Group.*
In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction.

9 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 45 of Societe Generale's 2021 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. As specified on page 45 of Societe Generale's 2021 Universal Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5 (underlying EPS).

The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	H1 21	Q1 21	2020
Existing shares	853,371	853,371	853,371
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	3,466	3,728	2,987
Other own shares and treasury shares			
Number of shares used to calculate EPS**	849,905	849,643	850,385
Group net Income	2,253	814	(258)
Interest on deeply subordinated notes and undated subordinated notes	(309)	(144)	(611)
Adjusted Group net income	1,944	670	(869)
EPS (in EUR)	2.29	0.79	(1.02)
Underlying EPS* (in EUR)	2.40	0.83	0.97

(*) Calculated on the basis of underlying Group net income excluding linearisation of IFRIC 21. Or EUR 2.75 taking into account the linearisation of IFRIC 21 in H1 21.
(**) The number of shares considered is the number of ordinary shares outstanding as at June 30th, 2021, excluding treasury shares and buybacks, but including the trading shares held by the Group.

10 – The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR2/CRD5 rules. The fully-loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is also calculated according to applicable CRR2/CRD5 rules including the phased-in follows the same rationale as solvency ratios.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

2.3 Press release dated 30 July, 2021: The European Banking Authority publishes the results of the 2021 European stress testing exercise

The European Banking Authority published on 30th July 2021 the results of the 2021 Europe-wide stress-testing exercise covering 50 banks in the European Union.
The detailed results of the stress testing for Societe Generale are available on the Group's Corporate website under "Pillar 3 and other prudential information" at:
https://investors.societegenerale.com/en/publications-documents?search=&theme=finance&category=&year=&op=Filtrer

The complete results and information regarding the methodology used for the set of European banks reviewed are available on the European Banking Authority website: www.eba.europa.eu.

2.4 Societe Generale main activities

Simplified ownership structure at 30 June 2021

	Societe Generale Group		Groupe Société Générale	
	Corporate Centre	**International Retail Banking and Financial Services (IBFS)**	**French Retail Banking (RBDF)**	**Global Banking and Investor Solutions (GBIS)**
FRANCE	► Société Générale* ► Généfinance 100% ► SG Financial SH 100% ► Sogéparticipations 100% ► Société Générale SFH 100% ► Société Générale SCF 100% ► Sogefim Holding 100% ► Galybet 100% ► Genevalmy 100% ► Valminvest 100% ► Sogemarché 100% ► Sogecampus 100%	► Sogessur 100% ► Sogecap 100% ► CGL 99.9% ► Banque Française Commerciale Ocean Indien 50% ► SGEF SA 100% ► ALD 80%	► Société Générale* ► Crédit du Nord 100% ► Boursorama 100% ► Franfinance 100% ► Sogefinancement 100% ► Sogelease France 100% ► Sogeprom 100% ► Société Générale Capital Partenaires 100%	► Société Générale* ► Lyxor Asset Management 100% ► CALIF 100%
EUROPE		► Hanseatic Bank *Germany* 75% ► Komercni Banka A.S *Czech Republic* 60.7% ► BRD-Groupe SG *Romania* 60.2% ► PJSC Rosbank *Russia* 100% ► Fiditalia S.P.A, *Italia* 100%		► Société Générale Luxembourg *Luxemburg* 100% ► SG Kleinwort Hambros Limited *United Kingdom* 100% ► SG Investments (U.K.) Ltd *United Kingdom* 100% ► Société Générale International Ltd London *United Kingdom* 100% ► Société Générale Effekten, *Germany* 100% ► SG Issuer, *Luxemburg* 100% ► SGSS Spa *Italy* 100% ► SG Private Banking *Switzerland* 100% ► SG Private Banking *Monaco* 100% ► Société Générale* succursales de : London *United Kingdom* Milan *Italy* Francfort Germany Madrid Spain
AFRICA - MEDITERRANEAN		► SG Marocaine de Banques, *Morocco* 57.6% ► Société Générale Algérie 100% ► Société Générale Côte d'Ivoire 73.2% ► Union Internationale de Banques 52.3%		
AMERICAS				► Banco SG Brazil SA, *Brazil* 100% ► SG Americas, Inc. *United States* 100% ► SG Americas Securities Holdings, LLC *United States* 100% ► Société Générale* succursales de : New York United States Montréal *Canada*
ASIA - AUSTRALIA				► Société Générale (China) Ltd *China* 100% ► SG Securities Asia International Holdings Ltd *Hong Kong* 100% ► SG Securities Korea Co, Ltd *South Korea* 100% ► SG Securities Japan Limited *Japan* 100% ► Société Générale* succursales de : Séoul South Korea Taipei *Taiwan* Singapore Mumbaï Sydney

* Parent company
Notes:
- the percentages given indicate the percentage of capital held by the Group in the subsidiary
- the groups are listed under the geographic region where they carry out their principal activities

2.5 Significant new products or services

2.5.1 Societe Generale launches a new generation of savings products for all that reconciles responsibility and performance

- Société Générale is the first French banking player to offer a new generation of 100% responsible savings products in an open architecture that are accessible to all.
- As of February 9th, Societe Generale was revolutionizing responsible savings thanks to new innovative agreements with six renowned management companies, which will allow individual clients of the Société Générale network to access the best expertise in France and abroad.
- In line with Societe Generale's raison d'être, the advisory offer and the new investment solutions proposed will systematically integrate social and environmental issues allowing clients to give more meaning to their savings.

A responsible investment offer, in an open architecture accessible to all, this is a first in France.

In line with its tradition of innovation, Societe Generale is ushering in a new era for responsible savings in France. This desire is reflected in the provision, from €50, of the widest offer* on the French market thanks to partnerships forged with national and international asset managers. Alongside Amundi, new partnerships have therefore been concluded with BlackRock, DNCA, La Financière de l'Échiquier, Lyxor, Mirova and Primonial REIM. They will make it possible to offer a wide range of savings solutions, while guaranteeing a responsible investment.

Societe Generale is convinced that responsible savings must be open to all, while accessing high-quality management. So now every client will be able to save money by taking advantage of the expertise of one of the most recognized asset managers. Beforehand, the bank will ensure that the savings solution chosen is the most adapted to each financial and budgetary situation, the investment objectives and horizons as well as the financial skills of each of its clients. Societe Generale is the only French banking player to offer such an offer to all its customers. This range is accessible through all formats (Life Insurance, Securities, Equity Savings Plan).

Sustainable investment: a strong expectation from the French people

62% of French people say they give an important place to environmental and social impacts in their investment decisions**. With 100% responsible funds in its new generation of savings, Societe Generale therefore offers its clients funds that comply with rigorous specifications, thus taking into consideration csr issues. Each client will now have the choice to invest in companies that comply with environmental, social and governance criteria in their management. As part of its new offer, Société Générale is the first retail bank to offer a fully responsible core range of products (SRI labeled or environment/climate oriented). This new generation of savings products will then allow each customer to access an offer without compromising between responsibility and performance. It also reflects the bank's vision and raison d'être: "Build together, with our customers, a better and sustainable future by providing responsible and innovative financial solutions."

Notes to editors:

Societe Generale has chosen to select as partners French and international management companies, leaders in their fields, whose products are regularly rewarded and whose combination of expertise has made it possible to build a complete and innovative range of products, creating value for the bank's customers:

- AMUNDI is the leading European asset manager and has a full range of active and passive asset management investment solutions, in traditional or real assets. Amundi manages 1,662 billion euros at the end of September 2020. It is the historical and leading partner of the Société Générale Group. www.amundi.fr
- BLACKROCK is the global leader in asset management, with expertise covering all asset classes and management strategies. With a presence in more than 30 countries and a presence in France since 2006, BlackRock's mission is to help more and more individuals to invest in their financial future, manages nearly $8,677 billion in assets as of December 31st, 2020, and is committed to making sustainability its investment standard. www.blackrock.com/fr
- DNCA Finance, is a renowned French asset management company affiliated with Natixis Investment Managers. It is recognized in particular for the quality of its expertise in European and international equities and for its wealth management approach. DNCA Finance created a development cluster on SRI management in 2018 and managed 24 billion euros of assets at the end of September 2020. www.dnca-investments.com
- LA FINANCIERE DE L'ECHIQUIER is one of the leading independent asset management companies in France, recognized in particular for the quality of its expertise on equities, including small and mid-caps, as well as for its

commitment to SRI. La Financière de l'Echiquier managed more than €12 billion in assets at the end of December 2020. www.lfde.com

- LYXOR is an asset management specialist, Europe's number 3 in ETF. From ETFs to specialized active management, with nearly 160 billion euros at the end of December 2020 in management and advisory, the Lyxor Group creates innovative investment solutions with sustainable investment and the fight against climate change as strategic development axes. www.lyxor.com
- MIROVA is an asset management company specialized in SRI and an affiliate of Natixis Investment Managers. Pioneer and leader in France in this investment strategy, Mirova managed 19.6 billion euros at end of December 2020. Mirova is a company with a social purpose, labelled B Corp. www.mirova.com
- PRIMONIAL REIM is an asset management company that creates, structures and manages collective real estate investments. A major player in real estate savings in France and the investment market in Europe, Primonial REIM managed more than 23 billion euros of assets under management at the end of 2020. www.primonialreim.com

* The bank is the only one in France to offer an SRI range of products and an environmental offer in an open architecture, accessible to all and covering all asset classes.
** Ifop survey for FRI (Forum for Responsible Investment) and Vigeo Eiris, carried out among a sample of 1000 people, representative of the French population aged 18 and over (quota method), by self-administered online questionnaire, from 24 to 31/08/2020.

2.5.2 Societe Generale issues the first structured product on public blockchain

On April 15th 2021, Societe Generale issued the first structured product* as a Security Token directly registered on the Tezos public blockchain. The securities were fully subscribed by Societe Generale Assurances.

This operation follows in the footsteps of a first covered bond Security Token issuance worth EUR 100m on the Ethereum blockchain, settled in euros in April 2019, and of a second covered bond Security Token issuance worth EUR 40m this time settled in Central Bank Digital Currency (CBDC) issued by Banque de France, in May 2020.

This transaction completes a new step in the development of Societe Generale – Forge, a regulated subsidiary of Societe Generale Group, aiming at offering by 2022 crypto assets structuring, issuing, exchange and custody services to the Group's professional clients.

This new experimentation, performed in accordance with best market practices, demonstrates the legal, regulatory and operational feasibility of issuing more complex financial instruments (structured products) on public blockchain. It leverages on this disruptive technology which enables increased efficiency and fluidity of financial transactions: unprecedented capacity of product structuration, shortened time-to-market, automated corporate actions, increased transparency and speed in transactions and settlements, as well as reduced cost and number of intermediaries.

Societe Generale – Forge innovative operating model enables Security Tokens to be directly integrated to conventional banking systems interfaced with SWIFT format.

Innovation is key to Societe Generale Group's digital transformation. The Group has been involved for several years in numerous initiatives based on blockchain and distributed ledger technologies, using the most innovative technologies and creating disruptive business models, with the aim of better serving its clients.

*Autocall, Euro Medium Term Notes (EMTN), EUR 5m

2.5.3 Societe Generale and Kyriba join forces to create a cloud treasury management solution

Societe Generale's clients will have access to a complete treasury management solution (monitoring, payments and fraud management) based on Kyriba's global cloud platform.

London - 11th June 2021 – Societe Generale (the Bank), one of the leading European financial services groups (most notably in the field of transaction banking), and Kyriba, a global leader of cloud-based finance and IT solutions, have today announced a strategic partnership to launch a new treasury management solution. This solution will include payment automation and fraud management functionalities, and will be dedicated to the Bank's corporate clients and their subsidiaries. Fully hosted in the cloud, this solution will be based on Kyriba's global platform and distributed by Societe Generale.

With the objective of making daily treasury management easier for corporate clients, Kyriba and Societe Generale have pooled their expertise to offer the following functionalities:

- Real-time monitoring of treasury positions and provisional management of liquidity flows;

- Payment automation (remittances) ;
- Banking delegation and mandate management;
- Enhanced fraud management;
- Multi-bank connectivity and ERP, payment validation workflow management.

Since it is fully hosted in the cloud, this solution will offer easier implementation and seamless updates. It will be available on SG Markets, the Bank's digital client portal for corporates. Based on Kyriba's global cloud platform, the functionalities of this solution will offer the same level of quality as those offered to the world's largest companies, in terms of data management, cyber-security, business processes and innovation.

It will be launched during the fourth quarter of 2021 starting with the French market.

Alexandre Maymat, Head of Global Transaction and Payment Services at Societe Generale comments: "Treasury management is a key area of focus for companies and we believe it is essential to make this easier through simple, efficient and secure tools. This is even more important as we exit the current crisis and, depending on their size, some companies are poorly equipped in this area. With our open architecture model allowing us to offer our clients the best solutions on the market, it seemed natural to partner with Kyriba, whose solutions are known for their robustness and adaptability. This partnership also inaugurates other collaborations that we will be keen to develop with Kyriba to ensure we can always better anticipate and meet the needs of our clients."

"We are very proud to join this strategic partnership with Societe Generale. The recent crisis has underlined the need for companies to manage liquidity as closely as possible and to control and secure their payments. We believe this joint solution will improve the way they leverage their cash and liquidity and become more resilient, more scalable and more competitive. The technological advance of Kyriba's Active Liquidity Management Platform in terms of Artificial Intelligence and real-time will help those businesses to better withstand and take advantage of every opportunity offered by the market. It is also an important step in Kyriba's development, which will contribute to our growth in this market," adds Edi Poloniato, co-Head Banking Solutions for Kyriba.

Societe Generale regularly introduces new products and services for its customers. More information is available on the Group's websites, including in the press releases available at www.societegenerale.com.

2.6 Analysis of the consolidated balance sheet

2.4.1 Consolidated balance sheet

ASSETS

(in billions of euros)	**30.06.2021**	**31.12.2020**
Cash, due from central banks	160.8	168.1
Financial assets at fair value through profit or loss	440.8	429.5
Hedging derivatives	15.3	20.7
Financial assets at fair value through other comprehensive income	49.1	52.1
Securities at amortised cost	18.9	15.6
Due from banks at amortised cost	61.7	53.4
Customer loans at amortised cost	464.6	448.8
Revaluation differences on portfolios hedged against interest rate risk	0.2	0.4
Investments of insurance companies	172.0	166.9
Tax assets	4.6	5.0
Other assets	69.5	67.3
Non-current assets held for sale	0.4	0.0
Investments accounted for using the equity method	0.1	0.1
Tangible and intangible fixed assets *	30.8	30.1
Goodwill	3.8	4.0
Total	**1,492.6**	**1,462.0**

LIABILITIES

(in billions of euros)	30.06.2021	31.12.2020
Due to central banks	5.5	1.5
Financial liabilities at fair value through profit or loss	376.8	390.2
Hedging derivatives	10.2	12.5
Debt securities issued	137.9	139.0
Due to banks	147.9	135.6
Customer deposits	478.8	456.1
Revaluation differences on portfolios hedged against interest rate risk	5.2	7.7
Tax liabilities	1.4	1.2
Other liabilities *	87.8	84.9
Non-current liabilities held for sale	0.1	0.0
Insurance contracts related liabilities	151.1	146.1
Provisions	4.6	4.8
Subordinated debt	16.7	15.4
Sub-total equity, Group share	63.1	61.7
Non-controlling interests	5.5	5.3
Total	**1,492.6**	**1,462.0**

As at 30 June 2021, the Group's consolidated balance sheet totalled EUR 1,492.6 billion, i.e. an increase of EUR 30.6 billion (+2.1%) compared to 31 December 2020 (EUR 1,462.0 billion).

2.4.2 Main changes in the scope of consolidation

There have been no significant changes to the consolidation scope as at 30 June 2021 compared with the scope applicable at the closing date of 31 December 2020.

2.4.3 Changes in major consolidated balance sheet items

Cash, due from central banks decreased by EUR 7.3 billion (-4.3%) compared to 31 December 2020, mainly resulting from the business recovery.

Due to central banks increased by EUR 4.0 billion (+266.7%) compared to 31 December 2020, mainly as a result of the growth in overnight deposits and borrowings.

Financial assets at fair value through profit or loss increased by EUR 11.3 billion (+2.6%) compared to 31 December 2020. This increase primarily results from a EUR 37.8 billion increase in shares and other equity securities and a EUR 6.7 billion growth in bonds and other debt securities, offset by a EUR 20.7 billion decrease in trading derivatives, a EUR 7.6 billion decrease in loans and receivables and securities purchased under resale agreements and a EUR 4.8 billion decrease in other trading assets.

Financial liabilities as fair value through profit or loss decreased by EUR 13.4 billion (-3.4%) compared to 31 December 2020. This decrease primarily results from a EUR 25.4 billion decrease in trading derivatives and a EUR 2.3 billion decrease in financial instruments at fair value through profit or loss using the fair value option, partially offset by a EUR 9.8 billion increase in amounts payable on borrowed securities and a EUR 3.8 billion increase in borrowings and securities sold under repurchase agreements.

Due from banks at amortised cost increased by EUR 8.3 billion (+15.5%) compared to 31 December 2020 as a result of a EUR 5.6 billion increase in securities purchased under resale agreements, a EUR 1.3 billion increase in current accounts and a EUR 1.4 billion increase in deposits and loans.

Customer loans at amortised cost increased by EUR 15.8 billion (+3.5%) compared to 31 December 2020. This is mainly explained by a EUR 10.1 billion increase in other customer loans (including EUR 3.4 billion in housing loans and EUR 2.7 billion in cash facilities) and a EUR 4.6 billion increase in overdrafts.

Due to banks increased by EUR 12.3 billion (+9.1%) compared to 31 December 2020 mainly as a result of a EUR 11.2 billion increase in term deposits.

Customer deposits increased by EUR 22.7 billion (+5.0%) compared to 31 December 2020 mainly due to a EUR 20.9 billion growth in other demand deposits, a EUR 6.1 billion increase in regulated savings accounts and a EUR 2.8 billion increase in securities sold to customers under repurchase agreements, partially offset by a EUR 7.4 billion decrease in other term deposits.

Investments of insurance companies increased by EUR 5.1 billion (+3.1%) compared to 31 December 2020 due to a EUR 5.3 billion growth in shares evaluated at fair value through profit or loss.

Insurance contracts related liabilities increased by EUR 5.0 billion (+3.4%) compared to 31 December 2020 as a result of underwriting reserves of insurance companies due to markets conditions.

The Group shareholders' equity amounted to EUR 63.1 billion as at 30 June 2021 versus EUR 61.7 billion as at 31 December 2020. This variation was attributable primarily to the following factors:

- Net income group share for the first half of 2021: EUR 2.3 billion;
- Issuance and redemption of equity instruments in dollars: EUR 0.6 billion;
- Redemption of equity instruments in euros: EUR -1.0 billion;
- Remuneration of equity instruments: EUR -0.3 billion;
- Distribution of dividends: EUR -0,5 billion;
- Unrealised or deferred capital gains and losses: EUR 0,4 billion.

After taking into account the non-controlling interest (EUR 5.5 billion), the Group shareholders' equity totalled EUR 68.6 billion as at 30 June 2021.

2.5 Property and equipment

The gross book value of the Societe Generale group's tangible operating fixed assets amounted to EUR 44.1 billion as at 30 June 2021. The figure comprises land and buildings (EUR 5.5 billion), right of use (EUR 3.0 billion), assets leased by specialised financing companies (EUR 29.6 billion) and other tangible assets (EUR 6.0 billion).

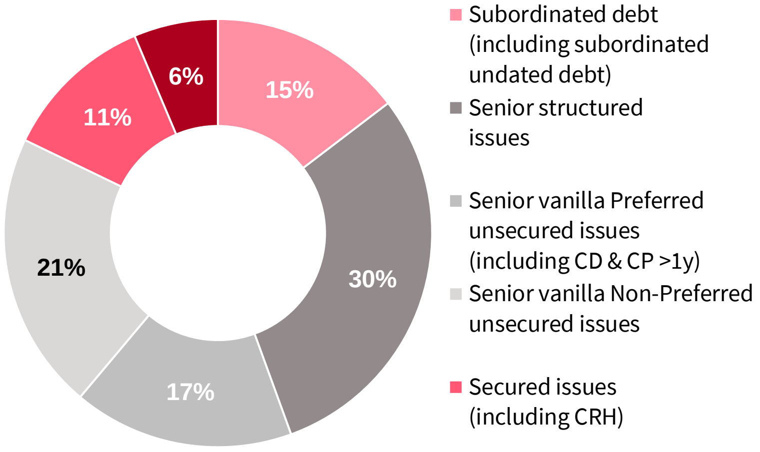
The net book value of tangible operating assets and investment property amounted to EUR 28.2 billion, representing only 1.9 % of the consolidated balance sheet as at 30 June 2021.

Due to the nature of Societe Generale's activities, property and equipment are not material at the Group level.

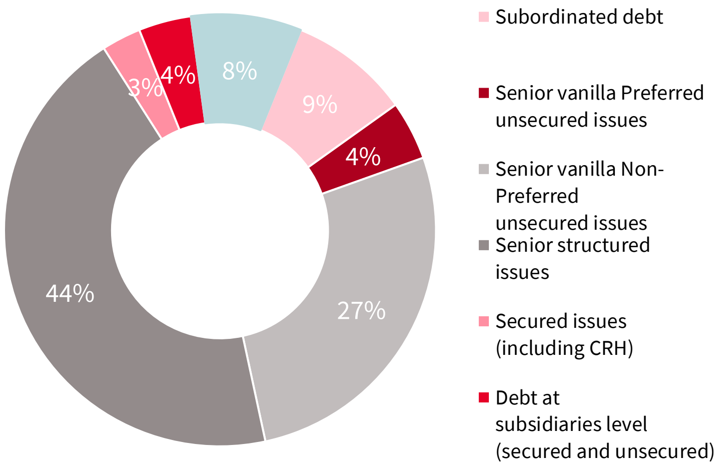
2.6 Financial policy

Group debt policy – Update of pages 56-57 of the 2020 Universal Registration Document

GROUP LONG-TERM SECURITIES DEBT AT 30.06.2021: EUR 170bn



COMPLETION OF THE FINANCING PROGRAMME AT END-JUNE 2021: EUR 24.3bn



2.7 Major investments and disposals

Business division	Description of investments
2021	
International Retail Banking and Financial Services	Acquisition of Bansabadell Renting, a subsidiary of Banco Sabadell, in Spain.
2020	
International Retail Banking and Financial Services	Acquisition of Reezocar, a French platform specialised in the online sale of used cars to individuals.
French Retail Banking	Acquisition of Shine, neobank specialising in the professional and SME segments.
International Retail Banking and Financial Services	Acquisition of Socalfi, entity specialized consumer finance in New-Caledonia.
French Retail Banking	Acquisition of ITL through its subsidiary Franfinance, specialised in the environmental, manufacturing and healthcare sectors.
2019	
International Retail Banking and Financial Services	Acquisition of Sternlease by ALD (fleet leasing in Netherlands)
Global Banking and Investor Solutions	Acquisition of Equity Capital Markets and Commodities activities from Commerzbank
French Retail Banking	Acquisition of Treezor, pioneering Bank-As-A-Service platform in France

Business division	Description of disposals
2020	
International Retail Banking and Financial Services	Disposal of SG Finans AS, an equipment finance and factoring company in Norway, Sweden and Denmark
International Retail Banking and Financial Services	Disposal of Societe Generale Banque aux Antilles
International Retail Banking and Financial Services	Disposal through ALD of its entire participation in ALD fortune (50%), in China
Global Banking and Investor Solutions	Disposal of Societe Generale's custody, depository and clearing activities in South Africa
2019	
International Retail Banking and Financial Services	Disposal of SKB Banka in Slovenia
International Retail Banking and Financial Services	Disposal of Pema GmbH, a truck and trailer rental company in Germany
International Retail Banking and Financial Services	Disposal of its majority stake in Ohridska Banka SG in Macedonia
International Retail Banking and Financial Services	Disposal of SG Srbija in Serbia
International Retail Banking and Financial Services	Disposal of SG Montenegro
International Retail Banking and Financial Services	Disposal of Mobiasbanka in Moldova
International Retail Banking and Financial Services	Disposal of Inora Life en Ireland
International Retail Banking and Financial Services	Disposal of Eurobank in Poland
Global Banking and Investor Solutions	Disposal of SG Private Banking Belgium
French Retail Banking	Disposal of SelfTrade Bank S.A.U. in Spain
French Retail Banking	Disposal of the entire stake in La Banque Postale Financement (35%)
International Retail Banking and Financial Services	Disposal of Express Bank in Bulgaria
International Retail Banking and Financial Services	Disposal of SG Albania

2.8 Pending acquisitions and major contracts

Financing of the main ongoing investments
The investments currently underway will be financed using the Group's usual sources of funding.

Pending acquisitions
No significant acquisition is pending.

Ongoing disposals
On 11 June 2021, Amundi and Société Générale announce the signature of the master agreement for Amundi's acquisition of Lyxor.

2.9 Post-closing events

Since the end of the last financial period, other than those described in the amendment to the universal registration document filed with the AMF on May 7th, 2021 under n° D-21-0138-A01 and other than described in the amendment to the universal registration document filed with the AMF on August 4th, 2021 under n° D-21-0138-A02, no significant change in the financial performance of the group occurred.

3. RISKS AND CAPITAL ADEQUACY

3.1 Risk factors

Update of the pages 152 to 162 of the 2021 Universal Registration Document

This section identifies the main risk factors that the Group estimates could have a significant effect on its business, profitability, solvency or access to financing.

The risks inherent to the Group's business are presented below under six main categories, in accordance with Article 16 of the Regulation (EU) 2017/1129, also known as "Prospectus 3" regulation of 14 June 2017, whose provisions relating to risk factors came into force on 21 July 2019:

- risks related to the macroeconomic, market and regulatory environments;
- credit and counterparty risks;
- market and structural risks;
- operational risks (including risk of inappropriate conduct) and model risks;
- liquidity and funding risks;
- risks related to insurance activities.

Risk factors are presented on the basis of an evaluation of their materiality, with the most material risks indicated first within each category. The risk exposure or measurement figures included in the risk factors provide information on the Group's exposure level but are not necessarily representative of future evolution.

3.1.1 Risks related to the macroeconomic, market and regulatory environments

3.1.1.1 The coronavirus pandemic (Covid19) and its economic consequences could adversely affect the Group's business and financial position

In December 2019, a new strain of coronavirus (Covid-19) emerged in China. The virus has since spread to numerous countries around the world and the World Health Organization declared the outbreak of a pandemic in March 2020.

The propagation of the virus and the health measures taken in response to it (border closures, lockdown measures, restrictions on certain economic activities, etc.) have and may continue to have a significant impact, both direct and indirect, on the global economic situation and financial markets. The persistence of the Covid-19 pandemic and the emergence of new variants (such as the Delta variant) have led to new restrictive measures on mobility (introduction of new lockdown measures and local or national curfews), notably the implementation of a third lockdown in France in the spring of 2021. Despite the good performance of industry and global trade, uncertainty remains high, and the pandemic continues to affect the most exposed service sectors. An ever-active virus could lead to the extension or repetition of restrictive measures for several months, and thus adversely affect the Group's business, financial position and results. The deployment of vaccination programmes is encouraging, but risks regarding the overall effectiveness of these programmes persist. Logistical difficulties, delays in vaccine production, or doubts over their effectiveness (notably with regard to new variants) could prolong uncertainties and negatively affect economic activity and financial markets. The impact of the crisis related to the Covid-19 will have lasting consequences that remain difficult to be fully assessed, notably through the loss of human capital (loss of skills due to long periods of inactivity, lower quality of training, etc.) and increasing public and corporate debts.

The different restrictive measures also led to a decline in the Group's commercial activity and results due to the reduced opening of its retail network and lower demand from its customers, despite a rapid adaptation. New phases of lockdown measures or curfews in the countries where the Group operates may have an even greater impact on the Group's financial results.

In many jurisdictions in which the Group operates, national governments and central banks have taken or announced exceptional measures to support the economy and its actors (government-guaranteed loan facilities programmes, tax deferrals, facilitated recourses to part-time working, compensation, etc.) or to improve liquidity in financial markets (asset purchases, etc.). In the United States, the USD 1,900 billion support plan adopted in March 2021 is expected to be followed by a new program to improve the national infrastructures and energy efficiency to achieve net zero emissions by 2050. The support plan proposed by the Biden administration exceeds USD 3,000 billion, but this will certainly be reduced by the time Congress votes on it. The European Union has approved a EUR 750 billion recovery package to encourage a more demand-driven recovery, partly financed by joint loans. The European Commission carried out its first debt issue in June 2021 to start financing the recovery plan. National recovery plans submitted to the Commission in April 2021 are beginning to be validated and the first disbursements may be made starting from July. In France, after the EUR 471 billion in emergency measures injected in 2020, the government has implemented a "*France Relance*" plan of EUR 100 billion, backed by the state budget for 2021 and 2022 and partially financed by European funds. The plan is intended to be structural by nature and is built around three pillars: "ecology and energy transition", "business competitiveness" and "territorial cohesion". Although the initial support measures adequately addressed the immediate effects of the crisis, the measures that are currently being implemented may not be sufficient to support the recovery. As these plans unfold, the ECB's ability to conduct its quantitative easing policy will remain crucial for ensuring financial stability in the Eurozone.

As part of the French government-guaranteed loan (*Prêts Garantis par l'Etat*) programme for a maximum amount of EUR 300 billion, the Group has adapted its loan approval processes to handle the massive flow of applications. The Group has taken exceptional measures to financially support its customers and help them address the effects of the Covid-19 pandemic on their activities and income. The Group also supports its clients abroad within the framework of public or private moratoria or government-guaranteed loans. These measures require the Group to reallocate resources and to adapt its granting and management processes. In the event that these support measures for both businesses and individuals were to be further strengthened (extension of moratoria, additional financing, strengthening of equity capital, etc.), the Group's business and results may continue to be affected.

The restrictive measures taken in several of the main countries where the Group operates (with Western Europe representing 69% of the Group's EAD (Exposure at Default) as of 31 December 2020, of which 47% was in France) have significantly reduced economic activity and have led to an unprecedented global economic recession. The risk of new restrictive measures (especially in the event of new pandemic waves) as well as a too slow recovery of demand could increase the economic difficulties resulting from the health crisis. This, combined with a high level of public and corporate indebtedness, could constitute a brake on the recovery and lead to significant adverse repercussions on the credit quality of the Group's counterparties and the level of non-performing loans for both businesses and individuals.

Within the Corporate portfolio, as of 31 December 2020, the most impacted sectors have been the automotive sector (0.9% of the Group's total exposure), hotels, catering and leisure (0.6% of the Group's total exposure), non-food retail distribution (the entirety of the retail distribution sector represents 1.6% of the Group's total exposure), air transport (less than 0.5% of the Group's total exposure) and maritime transport (less than 1% of the Group's total exposure). The oil and gas sector (1.9% of the Group's total exposure) has been strongly impacted by the drop in demand due to the Covid-19 pandemic and by the initially uncoordinated actions on supply from several producing countries, including OPEC countries and Russia, resulting in a sharp drop in the price per barrel in 2020. The price per barrel of petrol has nevertheless risen sharply since the beginning of 2021 and returned to pre-pandemic levels. However, the context still remains uncertain with regard to the recovery of global demand and this market will continue to face uncertainties.

2020 was characterized by a significant increase in the cost of risk, mainly due to the prudence provisioning for Stages 1 and 2 in anticipation of future defaults. In the first half of 2021, the net cost of risk was low in the absence of default, while the Group continued to maintain a prudent provisioning policy for Stages 1 and 2 in the event that defaults begin to materialize. The Group's cost of risk could be affected by its participation in the French government-guaranteed loan programmes (in respect of the unguaranteed residual exposure). The Group anticipates a 2021 net cost of risk between 20 to 25 basis points.

Due to the Covid-19 pandemic, the Group's results and financial position were affected by unfavourable developments in global financial markets due to the Covid-19 crisis, especially in March and April 2020 (extreme volatility and dislocation of term structure, alternate sharp declines and rapid rebounds in the equity markets, widening of credit spreads, unprecedented declines in, or cancellation of, dividend distributions, etc.). These exceptional conditions have particularly affected the management of structured equity linked products. These activities have since been and continue to be adapted in order to improve their risk profiles.

Developments since the end of the first quarter of 2021 offer hope that the health crisis will be overcome. However, the recovery will take shape at different rates depending on the deployment of vaccination programmes, the appearance of new variants of the virus, the timing of lifting of social distancing measures and support from public authorities. The confirmation and extension in 2021 of the economic policies implemented in Europe and the United States in 2020 have been reassuring with respect to the consequences of a premature withdrawal of support measures on corporate and household balance sheets and on the financial markets.

The first half of 2021 was also marked by the emergence of inflationary fears, mostly related to the rise in input costs (raw materials, transport, electronic components, etc.). This has led to a steepening of yield curves. The various statements by central banks affirming greater tolerance for inflation or emphasizing its transitory nature aim at moderating the upward pressure on long-term rates.

The measures taken during the Covid-19 pandemic helped to preserve the liquidity of financial markets, at the risk of making these markets vulnerable (for example by the potential formation of financial bubbles). The strength of the recovery is subject to these uncertainties, and a deterioration in the credit quality of borrowers who have been significantly affected cannot be ruled out, which could weigh on risk appetite. Given the magnitude of external financing needs, several emerging countries are facing difficulties that could be exacerbated in the event of a rise in U.S. rates and the related tightening of their financial conditions. In addition, despite the progressive deployment of vaccine programmes, the still-active circulation of the virus and the related uncertainties may result in a further adverse impact on the Group's capital markets activities, including a decline in activity, higher hedging costs, trading losses, increase in market risk reserves, reduction in liquidity on certain markets and operational losses related to capital markets activities, among others.

For information purposes, risk-weighted assets (RWA) related to market risks were thus up 6% at the end of 2020 compared to the situation at the end of December 2019, to EUR 15.3 billion. The Global Markets and Investor Services sector, which mainly concentrates the Group's market risks, represented a net banking income of EUR 4.2 billion, or 19% of the Group's total revenues in 2020.

Restrictive measures have led the Group to massively implement remote working arrangements, particularly for a significant part of its market activities. This organisation, which was deployed in immediate response to the crisis, increases the risk of operational incidents and the risk of cyber-attacks. In addition, all employees remain subject to health risks at the individual level. Prolonged remote working also increases psychosocial risk, with potential impacts in terms of organisation and business continuity in the event of prolonged absence of such individuals.

The unprecedented environment resulting from the Covid-19 crisis could alter the performance of the models used within the Group (particularly in terms of asset valuation and assessment of own funds requirements for credit risk), due in particular to calibration carried out over periods that are not comparable to the current crisis or to assumptions that are no longer valid, taking the models beyond their area of validity. The temporary decline in performance and the recalibration of these models could have an adverse impact on the Group's results.

In a press release dated 23 July 2021, the ECB confirmed that the recommendation to restrict dividend distribution and share buybacks for all banks placed under its direct supervision will expire on 30 September 2021. As of this date, dividend policies will be reviewed by the ECB on a case-by-case basis, in accordance with the terms in force before the pandemic. Where applicable, the Group's dividend policy should take into account any recommendations that may be issued by the ECB following this review.

Uncertainty as to the duration and impact of the Covid-19 pandemic makes it difficult to predict its impact on the global economy. Consequences for the Group will depend on the duration of the pandemic, the measures taken by national governments and central banks and developments in the health, economic, financial and social context.

3.1.1.2 The global economic and financial context, as well as the context of the markets in which the Group operates, may adversely affect the Group's activities, financial position and results of operations.

As a global financial institution, the Group's activities are sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The Group generates 44% of its business in France (in terms of 2020 net banking income), 35% in Europe, 7% in the Americas and 14% in the rest of the world. The Group could face a significant deterioration in market and economic conditions resulting from, in particular, crises affecting capital or credit markets, liquidity constraints, regional or global recessions, sharp fluctuations in commodity prices (notably oil), currency exchange rates or interest rates, inflation or deflation, rating downgrades, restructuring or defaults of sovereign or private debt, or adverse geopolitical events (including acts of terrorism and military conflicts). Such events, which can develop quickly and thus potentially may not be anticipated and hedged, could affect the Group's operating environment for short or extended periods and have a material adverse effect on its financial position, cost of risk and results of operations.

The situation related to the Covid-19 crisis is an aggravating factor in these risks and remains the main source of uncertainty. It is detailed in the risk factor 3.1.1.1 "*The coronavirus (Covid-19) pandemic and its economic consequences could adversely affect the Group's business and financial performance*".

In recent years, the financial markets have thus experienced significant disruptions resulting notably from concern over the trajectory of the sovereign debt of several Eurozone countries, Brexit, the persistence of commercial and political tensions (especially between the United States and China) or fears of a major slowdown growth in China. Geopolitical risks also remain high and the accumulation of different risks is an additional source of instability, which could also weigh on economic activity and demand for credit, while increasing the volatility of financial markets. In the context of Brexit, the topic of non-equivalence of clearing houses (central counterparties, or CCPs) remains a point of vigilance, with possible impacts on financial stability, notably in Europe, and on the Group's business.

The long period of low interest rates in the Eurozone and the United States, driven by accommodating monetary policies, has affected, and could continue to affect, the Group's net interest margin (which stood at EUR 1.9 billion in H1 21 for Retail Banking in France). The growth in the volume of loans made to non-financial companies, already high before the pandemic, significantly increased in 2020 with the implementation of government-guaranteed loan programmes (such as the *Prêt Garanti par l'Etat* programme in France). In 2021, this growth has slowed with the repayment of a part of the credit lines drawn in 2020. If the economic recovery is too slow, it may provoke a rise in the volume of non-performing loans and create a weak investment dynamic in a context where companies' balance sheets are already fragile. The environment of low interest rates tends to lead to an increased risk appetite of some participants in the banking and financial system, lower risk premiums compared to their historical average and high valuation levels of certain assets. These favourable market conditions could change rapidly in the event of a gradual phase-out of highly expansionary central-bank policies.

Furthermore, the environment of abundant liquidity that has been at the origin of the upturn in credit growth in the Eurozone and particularly in France, amplified by the implementation of the French government-guaranteed loan programme, could lead in the future to additional regulatory measures by supervisory authorities in order to limit the extension of credit or to further protect banks against a financial cycle downturn. In addition, the ongoing presence of geopolitical or political risks is another source of uncertainty which, if tensions are escalated, could impact global economic activity and credit demand, while increasing the volatility of financial markets.

The Group's results are significantly exposed to economic, financial and political conditions in the principal markets in which it operates.

At 30 June 2021, Group's exposures at default (EAD) to credit and counterparty risks were concentrated in Europe and the United States (together accounting for 90%), with a predominant exposure to France (46% of EAD). The other exposures concern Western Europe excluding France (accounting for 21%), North America (accounting for 14%), Eastern European members of the European Union (accounting for 7%) and Eastern Europe excluding the European Union (accounting for 2%).

In France, the Group's principal market, the good growth performance during the 2016-2019 period and low interest rates have fostered an upturn in the housing market. A reversal of activity in this area could have a material adverse effect on the Group's asset value and business, by decreasing demand for loans and resulting in higher rates of non-performing loans.

The Group also operates in emerging markets, such as Russia (2% of the Group's exposure to credit and counterparty risk at 31 December 2020) and Africa and the Middle East (4% of the Group's credit exposure). A significant adverse change in the macroeconomic, health, political or financial environment in these markets could have a material adverse effect on the Group's business, results and financial position. These markets may be adversely affected by uncertainty factors and specific risks, such as a new decline in oil prices, which would weigh on the financial position of producing countries as well as their growth and exchange rates. The correction of macroeconomic or budgetary imbalances that would result could be imposed by the markets with an impact on growth and on exchange rates. Another source of uncertainty comes from the enforcement of international sanctions against certain countries such as Russia. In the longer term, the energy transition to a "low-carbon economy" could adversely affect fossil energy producers, energy-intensive sectors of activity and the countries that depend on them. In addition, capital markets (including foreign exchange activity) and securities trading activities in emerging markets may be more volatile than those in developed markets and may also be vulnerable to certain specific risks, such as political instability and currency volatility. These elements could negatively impact the Group's activity and results of operations.

3.1.1.3 The Group's failure to achieve its strategic plan and financial objectives disclosed to the market could have an adverse effect on its business, results of operation and value of its financial instruments.

At the time of the publication of its annual results on 11 February 2021, the Group communicated new guidance on operating expenses, cost of risk and the solvency of the Group.

The Group aims by 2023 to reduce its underlying costs compared to 2020. The Group has launched several initiatives expected to produce results starting from 2022, with a cost reduction target of approximately EUR 450 million in market activities as early as 2022-2023, a cost reduction target of approximately EUR 450 million in retail banking in France in 2025 compared to 2019 (of which approximatively 80% is expected by 2024) and other cost reductions through the finalisation of remediation actions and by standardising and digitalising certain processes. The Group expects a 2021 cost of risk between 20 to 25 basis points. The Group is targeting a CET1 ratio of 200 basis points higher than regulatory requirements, defined as the Maximum Distributable Amount (MDA), including after entry into force of the Basel III reform.

These expectations are based on a number of assumptions related to the health and macroeconomic context. The non-occurrence of these assumptions (including in the event of the occurrence of one or more of the risks described in this section) or the occurrence of unanticipated events could compromise the achievement of Group's strategic and financial objectives and negatively affect its activity, results and financial situation.

More precisely, the Group's "*Vision 2025*" project anticipates the merger between the Retail Banking network of Société Générale in France and Crédit du Nord. Although this project has been designed to enable a controlled deployment, the merger could have a short-term material adverse effect on the Group's business, financial position and costs. System reconciliations could face delays, delaying part of the expected merger benefits. The project could lead to the departure of a number of employees, requiring replacements and efforts related to new employee training, thus potentially generating additional costs. The merger could also lead to the departure of a portion of the Group's customers, resulting in loss of revenue. The legal and regulatory aspects of the transaction could result in delays or additional costs. In addition, the Lyxor transaction is expected to be finalised by the end of 2021, subject to obtaining the required approvals of the relevant regulatory and competition authorities.

Furthermore, the Group is committed to becoming a leading bank in the field of responsible finance through, among others:

- a new commitment to raise EUR 120 billion for energy transition between 2019 and 2023 (including EUR 100 billion in sustainable bond issues and EUR 20 billion earmarked for the renewable energy sector in the form of advisory and financing);
- a planned total exit from thermal coal;
- the signing as co-founder of the Principles for a Responsible Banking Sector, through which the Group undertakes to strategically align its business with the Sustainable Development Objectives set by the United Nations and the Paris Agreement on Climate Change;
- the adhesion to the Net-Zero Banking Alliance initiative, with a commitment to align its portfolios on trajectories aimed at global carbon neutrality by 2050 in order to reach the objective of limiting global warming to 1.5°C.

These measures (and additional measures that may be taken in the future) could in some cases affect decrease the Group's results in the sectors concerned.

3.1.1.4 The Group is subject to regulatory frameworks in each of the countries in which it operates and changes to these regulatory frameworks could have a negative effect on the Group's businesses, financial position, costs, as well as on the financial and economic environment in which it operates.

The Group applies the regulations of the jurisdictions in which it operates. French, European and U.S. regulations as well as other local regulations are concerned, given among other things the cross-border activities of the Group. The application of existing regulations and the implementation of future regulations requires significant resources that could affect the Group's performance. In addition, possible non-compliance with regulations could lead to fines, damage to the Group's reputation, forced suspension of its operations or the withdrawal of operating licences. By way of illustration, exposures to credit and counterparty risks (EAD) in France, the 27-member European Union (including France) and the United States represented 47%, 67% and 12%, respectively as of 31 December 2020.

Among the regulations that could have a significant influence on the Group:

- In the next two years, certain regulatory changes are still likely to degrade the environment for market activities: (i) the possible strengthening of transparency constraints and investor protection measures (review of MiFID II / MiFIR, IDD), (ii) the implementation of the fundamental review of the trading book, or FRTB, which may significantly increase requirements applicable to European banks and (iii) a potential mandatory relocation, due to the loss of equivalence recognition in the European Union of CCPs located in the United Kingdom, of clearing activities related to euro-denominated rate derivatives, which could affect the competitiveness of European actors;
- in the United States, the implementation of the Dodd-Frank Act has been almost finalised. The new Securities and Exchange Commission (SEC) regulations related to security-based swap dealers are applicable from 2021 and will require Société Générale's forthcoming registration as a Securities Based Swap Dealer and compliance with related regulations. Further, once the SEC has issued a final order on substituted compliance for France, a portion of the SEC's rules could be satisfied by demonstrating compliance with home country laws;
- new European measures aimed at restoring banks' balance sheets, especially through active management of non-performing loans ("NPLs"), which are leading to a rise of prudential requirements and an adaptation of the Group's strategy for managing NPLs. More generally, additional measures to define a framework of good practices for granting (e.g., loan origination orientations published by the European Banking Authority) and monitoring loans could also impact the Group;

- the strengthening of data quality and protection requirements and a potential strengthening of cyber-resilience requirements in relation to the publication on 24 September 2020 of the proposed European regulation on digital operational resilience for the financial sector;

- the implementation of the European sustainable finance regulatory framework, with an increase in non-financial reporting obligations, enhanced inclusion of environmental, social and governance issues in risk management activities and the potential inclusion of such risks in the supervisory review and assessment process (Supervisory Review and Evaluation Process, or SREP);

- the strengthening of the crisis prevention and resolution regime set out in the Bank Recovery and Resolution Directive of 15 May 2014 ("BRRD"), as revised, gives the Single Resolution Board ("SRB") the power to initiate a resolution procedure when the point of non-viability is reached. In this context, the SRB could, in order to limit the cost to the taxpayer, force some creditors and the shareholders of the Group to incur losses in priority. Should the resolution mechanism be triggered, the Group could, in particular, be forced to sell certain of its activities, modify the terms and conditions of the remuneration of its debt instruments, issue new debt instruments, or be subjected to the depreciation of its debt instruments or their conversion into equity securities. Furthermore, the Group's contribution to the annual financing of the Single Resolution Fund ("SRF") is significant and will grow steadily until 2023, with 2024 being the year of the full endowment of the fund. The contribution to the banking resolution mechanisms is described in Note 7.3.2 Other provisions for risks and expenses of the 2021 Universal Registration Document.

New legal and regulatory obligations could also be imposed on the Group in the future, such as:

- the ongoing implementation in France of consumer- and social-oriented measures affecting retail banking (limitation of banks' fees for individuals and extension of such measures to small and medium-sized businesses, and protection measures for vulnerable customers);

- the potential requirement at the European level to open more access to banking data (savings books, investments) to third-party service providers and/or to pool customer data;

- new obligations arising from a package of proposed measures announced by the European Commission on 20 July 2021 aiming to strengthen the European supervisory framework around the fight against money laundering and terrorist financing, as well as the creation of a new European agency to fight money laundering;

- new measures arising from changes to bankruptcy laws relating to the management of the health crisis caused by the Covid-19 pandemic, including those facilitating recourse to accelerated safeguard and accelerated financial safeguard procedures.

The Group is also subject to complex tax rules in the countries where it operates. Changes in applicable tax rules, uncertainty regarding the interpretation of such changes or their impact may have a negative impact on the Group's business, financial position and costs.

Moreover, as an international bank that handles transactions with US persons, denominated in US dollars, or involving US financial institutions, the Group is subject to US laws and regulations relating in particular to compliance with economic sanctions, the fight against corruption and market abuse. More generally, in the context of agreements with US and French authorities, the Group has undertaken to implement, through a dedicated programme and organisation, corrective actions to address identified deficiencies and strengthen its compliance programme. In the event of a failure to comply with relevant US laws and regulations, or a breach of the Group's commitments under these agreements, the Group could be exposed to the risk of (i) administrative sanctions, including fines, suspension of access to US markets, and even withdrawals of banking licences, (ii) criminal proceedings, and (iii) damage to its reputation.

3.1.1.5 The Group could be subject to a resolution procedure, which could have an adverse effect on its business and the value of its financial instruments

The BRRD and Regulation (EU) No. 806/2014 of the European Parliament and of the Council of the European Union of 15 July 2014 (the Single Resolution Mechanism, or "SRM") define an European Union-wide framework for the recovery and resolution of credit institutions and investment firms. The BRRD provides the authorities with a set of tools to intervene early and quickly enough in an institution considered to be failing so as to ensure the continuity of the institution's essential financial and economic functions while reducing the impact of the failure of an institution on the economy and the financial system (including the exposure of taxpayers to the consequences of the failure). Under the SRM Regulation, a centralized resolution authority is established and entrusted to the SRB and national resolution authorities.

The powers granted to the resolution authority under the BRRD and the SRM Regulations include write-down/conversion powers to ensure that capital instruments and eligible liabilities absorb the Group's losses and recapitalize it in accordance with an established order of priority (the " Bail-in Tool"). Subject to certain exceptions, losses are borne first by the shareholders and then by the holders of additional Tier 1 and Tier 2 capital instruments, then by the non-preferred senior debt holders and finally by the senior preferred debt holders, all in the order of their claims in a normal insolvency proceeding.

The conditions for resolution provided by the French Monetary and Financial Code implementing the BRRD are deemed to be met if: (i) the resolution authority or the competent supervisory authority determines that the institution is failing or likely to fail; (ii) there is no reasonable perspective that any measure other than a resolution measure could prevent the failure within a reasonable timeframe; and (iii) a resolution measure is necessary to achieve the resolutions' objectives (in particular, ensuring the continuity of critical functions, avoiding a significant negative effect on the financial system, protecting public funds by minimizing the recourse to extraordinary public financial support, and protecting customers' funds and assets) and the winding up of the institution under normal insolvency proceedings would not meet these objectives to the same extent.

The resolution authority could also, independently of a resolution measure or in combination with a resolution measure, proceed with the write-down or conversion of all or part of the Group's capital instruments (including subordinated debt instruments) into equity if it determines that the Group will no longer be viable unless it exercises this write-down or conversion power or if the Group requires extraordinary public financial support (except where the extraordinary public financial support is provided in the form defined in Article L. 613-48 III, 3° of the French Monetary and Financial Code).

The Bail-in Tool could result in the write-down or conversion of capital instruments in whole or in part into ordinary shares or other ownership instruments.

In addition to the Bail-in Tool, the BRRD provides the resolution authority with broader powers to implement other resolution measures with respect to institutions that meet the resolution requirements, which may include (without limitation) the sale of the institution's business segments, the establishment of a bridge institution, the split of assets, the replacement or substitution of the institution as debtor of debt securities, changing the terms of the debt securities (including changing the maturity and/or amount of interest payable and/or the imposition of a temporary suspension of payments), the dismissal of management, the appointment of a provisional administrator and the suspension of the listing and admission to trading of financial instruments.

Before taking any resolution action, including the implementation of the Bail-in Tool, or exercising the power to write down or convert relevant capital instruments, the resolution authority must ensure that a fair, prudent and realistic valuation of the institution's assets and liabilities is made by a third party independent of any public authority.

The application of any measure under the French implementing provisions of the BRRD or any suggestion of such application to the Group could have a material adverse effect on the Group's ability to meet its obligations under its financial instrument and, as a result, holders of these securities could lose their entire investment.

In addition, if the Group's financial condition deteriorates, the existence of the Bail-in Tool or the exercise of write-down or conversion powers or any other resolution tool by the resolution authority (independently of or in combination with a resolution) if it determines that Société Générale or the Group will no longer be viable could result in a more rapid decline in the value of the Group's financial instruments than in the absence of such powers.

3.1.1.6 Increased competition from banking and non-banking operators could have an adverse effect on the Group's business and results, both in its French domestic market and internationally.

Due to its international activity, the Group faces intense competition in the global and local markets in which it operates, whether from banking or non-banking actors. As such, the Group is exposed to the risk of not being able to maintain or develop its market share in its various activities. This competition may also lead to pressure on margins, which is detrimental to the profitability of the Group's activities.

Consolidation in the financial services industry could result in the competitors benefiting from greater capital, resources and an ability to offer a broader range of financial services. In France and in the other main markets where the Group operates, the presence of major domestic banking and financial actors, as well as new market participants (notably neo-banks and online financial services providers), has increased competition for virtually all products and services offered by the Group. New market participants such as "fintechs" and new services that are automated, scalable and based on new technologies (such as blockchain) are developing rapidly and are fundamentally changing the relationship between consumers and financial services providers, as well as the function of traditional retail bank networks. Competition with these new actors could be exacerbated by the emergence of substitutes for central bank currency (crypto-currencies, digital central bank currency, etc.).

Moreover, competition is also enhanced by the emergence of non-banking actors that, in some cases, may benefit from a regulatory framework that is more flexible and in particular less demanding in terms of equity capital requirements.

To address these challenges, the Group has implemented a strategy, in particular with regard to the development of digital technologies and the establishment of commercial or equity partnerships with these new actors (such as Lumo, the platform offering green investments, or Shine, the neobank for professionals). In this context, additional investments may be necessary for the Group to be able to offer new innovative services and to be competitive with these new actors. This intensification of competition could, however, adversely affect the Group's business and results, both on the French market and internationally.

3.1.1.7 Environmental, social and governance (ESG) risks, in particular related to climate change, could have an impact on the Group's activities, results and financial situation in the short-, medium- and long-term.

Environmental, social and governance (ESG) risks are defined as risks stemming from the current or prospective impacts of ESG factors on counterparties or invested assets of financial institutions. ESG risks are seen as aggravating factors to the traditional categories of risks (credit and counterparty risk, market and structural risk, operational risk, reputational risk, compliance risk, liquidity and funding risk, risks related to insurance activities) and are likely to impact the Group's activities, results and financial position in the short-, medium- and long-term.

The Group is thus exposed to environmental risks, and in particular climate change risks through its financing, investment and service activities. Concerning climate risks, a distinction is made between (i) physical risk, with a direct impact on entities, people and property stemming from climate change and the multiplication of extreme weather events; and (ii) transition risk, which results from the process of transitioning to a low-carbon economy, such as regulatory or technological disruptions or changes in consumer preferences.

The Group could be exposed to physical risk resulting from a deterioration in the credit quality of its counterparties whose activity could be negatively impacted by extreme climatic events or long-term gradual changes in climate, and through a decrease in the value of collateral received (particularly in the context of real estate financing). The Group's insurance activities could also be impacted with exposure in regions and countries that are particularly vulnerable to climate change.

The Group may also be exposed to transition risk through its credit portfolio in a limited number of sensitive sectors that are subject to more stringent regulations or technological disruptions, and through exposure to reputation risk in the event that the Group is unable to respect its commitments in favor of environmental transition or if these commitments are considered insufficient by its stakeholders.

Beyond the risks related to climate change, risks more generally related to environmental degradation (such as the risk of loss of biodiversity) are also aggravating factors and could expose the Group to credit risk on a portion of its portfolio, linked for example to lower profitability.

In addition, the Group is exposed to social risks, related for example to non-compliance by some of its counterparties with labor rights or workplace health and safety issues, which may trigger or aggravate non-compliance, reputational and credit risks for the Group.

Similarly, risks relating to governance of the Group's counterparties, such as an inadequate management of environmental and social issues or non-compliance with corporate governance codes related to, among others, anti-money laundering issues, could generate credit and reputational risks for the Group.

Beyond the risks related to its counterparties or invested assets, the Group could also be exposed to risks related to its own activities. For example, the Group's ability to maintain its services in geographies impacted by extreme events (such as floods) is exposed to physical climate risk.

The Group also remains exposed to specific social risks, relating for example to compliance with labor laws or the management of its human resources. The Group is also exposed to social risks related to certain of its stakeholders (such as suppliers and service providers) that could, for example, generate reputational risk for the Group.

Finally, the Group could be exposed to risks in connection with its own governance, relating to ethical issues, transparency, the composition (such as in terms of diversity) of its Board of Directors or staff.

All of these risks could have an impact on the Group's business and results in the short-, medium- and long-term.

3.1.2 Credit and counterparty credit risks

Weighted assets (RWA) subject to credit and counterparty risks amounted to EUR 298.2 billion at 30 June 2021.

3.1.2.1 The Group is exposed to credit, counterparty and concentration risks, which may have a material adverse effect on the Group's business, result of operations and financial position.

Due to its financing and market activities, the Group is exposed to credit and counterparty risk. The Group may therefore incur losses in the event of default by one or more counterparties, particularly if the Group encounters legal or other difficulties in enforcing its collateral or if the value of this collateral is not sufficient to fully recover the exposure in the event of default. Despite the Group's efforts to limit the concentration effects of its credit portfolio exposure, it is possible that counterparty defaults could be amplified within the same economic sector or region of the world due to the interdependence of these counterparties.

Consequently, the default of one or more significant counterparties of the Group could have a material adverse effect on the Group's cost of risk, results of operations and financial position.

For information, as of 31 December 2020, the Group's exposure at default (EAD, excluding counterparty risk) was EUR 877 billion, with the following breakdown by type of counterparty: 31% on sovereigns, 28% on corporates, 23% on retail customers and 7% on credit institutions and similar. Risk-weighted assets (RWA) for credit risk totalled EUR 261 billion.

Regarding counterparty risks resulting from market transactions (excluding CVA), at the end of December 2020, the exposure value (EAD) was EUR 126 billion, mainly to corporates (44%) and credit institutions and similar entities (34%) and to a lesser extent to sovereign entities (19%). Risk-weighted assets (RWA) for counterparty risk amounted to EUR 23 billion.

As of 30 June 2021, The main sectors to which the Group is exposed in its corporate portfolio included financial activities (accounting for 21.6% of exposure), commercial services (10.7%), real estate (10.4%), wholesale trade (7.3%), the transport, postal services and logistics sector (6.5%), collective services (6.5%) and the oil and gas sector (5.2%).

In addition, the sectors particularly impacted by the Covid-19 pandemic are described in the risk factor 3.1.1.1 "*The coronavirus pandemic (Covid-19) and its economic consequences could adversely affect the Group's business and financial performance*".

In terms of geographical concentration, the five main countries to which the Group is exposed as of 31 December 2020 were France (47% of the Group's total EAD, mainly related to retail customers and corporates), the United States (12% of EAD, mainly related to corporates and sovereigns), the Czech Republic (4% of the Group's total EAD, mainly related to retail clients, corporates and sovereigns), the United Kingdom (5% of EAD, mainly related to corporates and sovereigns) and Germany (4% of the Group's total EAD, mainly related to corporates and credit institutions).

For more details on credit and counterparty risk, see sections 4.5.6 "*Quantitative information*" and 4.6.3 "*Market risk main measures*" of the 2021 Universal Registration Document and its amendments.

3.1.2.2 The financial soundness and conduct of other financial institutions and market participants could adversely affect the Group.

Financial institutions and other market players (commercial or investment banks, mutual funds, alternative funds, institutional clients, clearing houses, investment service providers, etc.) are important counterparties for the Group in capital or inter-bank markets. Financial services institutions and financial players are closely interrelated as a result of trading, clearing, counterparty and funding relationships. In addition, there is a growing involvement in the financial markets of players with little or no regulation (hedge funds, for example). As a result, defaults by one or several actors in the sector or a crisis of confidence affecting one or more actors could result in market-wide liquidity scarcity or chain defaults, which would have an adverse effect on the Group's activity.

The Group is exposed to clearing institutions and their members because of the increase in transactions traded through these institutions, induced in part by regulatory changes that require mandatory clearing for over-the-counter derivative instruments standardised by these clearing counterparties. The Group's exposure to clearing houses amounted to EUR 28 billion of EAD at 31 December 2020. The default of a clearing institution or one of its members could generate losses for the Group and have an adverse effect on its business and results of operations.

The Group is also exposed to assets held as collateral for credit or derivatives instruments, with the risk that in the event of failure of the counterparty, some of these assets may not be sold or that their disposal price may not cover the entire exposure in credit and counterparty risks. These assets are subject to periodic monitoring and a specific management framework.

At 31 December 2020, the Group's exposure (EAD) to credit and counterparty risks of financial institutions amounted to EUR 106 billion, representing 11% of the Group's EAD in respect of credit risk.

3.1.2.3 The Group's results of operations and financial position could be adversely affected by a late or insufficient provisioning of credit exposures.

The Group regularly records provisions for doubtful loans in connection with its lending activities in order to anticipate the occurrence of losses. The amount of provisions is based on the most accurate assessment at the time of the recoverability of the debts in question. This assessment relies on an analysis of the current and prospective situation of the borrower as well as an analysis of the value and recovery prospects of the debt, taking into account any security interests. In some cases (loans to individual customers), the provisioning method may call for the use of statistical models based on the analysis of historical loss and recovery data. Since 1 January 2018, the Group has also been recording provisions on performing loans under the IFRS9 accounting standard. This assessment is based on statistical models for assessing probabilities of default and potential losses in the event of default, which take into account a prospective analysis based on regularly updated macroeconomic scenarios.

IFRS 9 accounting standard principles and provisioning models could be pro-cyclical in the event of a sharp and sudden deterioration in the environment. A deterioration in the operating environment could lead to a significant and/or not-fully-anticipated variation in the cost of risk and therefore in the Group's results of operations.

At 30 June 2021, the stock of provisions relating to outstanding amounts (on- and off-balance sheet) amounted to EUR 3.5 billion on performing assets and EUR 9.1 billion on assets in default. Outstanding loans in default (stage 3 under IFRS 9) represented EUR 18.2 billion, including 48% in France, 22% in Africa and Middle East and 14% in Western Europe (excluding France). The gross ratio of doubtful loans on the balance sheet was 3.1% and the gross coverage ratio of these loans was approximately 52%. The cost of risk stood at 16 basis points in the first half of 2021, against a cost of risk of 64 basis points in 2020.

3.1.3 Market and structural risks

Market risk corresponds to the risk of impairment of financial instruments resulting from changes in market parameters, the volatility of these parameters and the correlations between these parameters. The concerned parameters include exchange rates, interest rates, as well as the prices of securities (shares, bonds) and commodities, derivatives and any other assets.

3.1.3.1 Changes and volatility in the financial markets may have a material adverse effect on the Group's business and the results of market activities.

In the course of its activities, the Group takes trading positions in the debt, currency, raw material and stock markets, as well as in unlisted shares, real estate assets and other types of assets including derivatives. The Group is thus exposed to "market risk". Volatility in the financial markets can have a material adverse effect on the Group's market activities. In particular:

- significant volatility over a long period of time could lead to corrections on risky financial assets (and especially on the riskiest assets) and generate losses for the Group;
- a sudden change in the levels of volatility and its structure, or alternative short-term sharp declines and fast rebounds in markets, could make it difficult or more costly to hedge certain structured products and thus increase the risk of loss for the Group.

Severe market disruptions and high market volatility have occurred in recent years and may occur again in the future (the Covid-19 pandemic being the latest example; see risk factor 3.1.1.1 "*The coronavirus (Covid-19) pandemic and its economic consequences could affect negatively affect the Group's business and financial performance*" for more information), which could result in significant losses for the Group's markets activities. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products.

In the event that a low-volatility environment emerges, reflecting a generally optimistic sentiment in the markets and/or the presence of systematic volatility sellers, increased risks of correction may also develop, particularly if the main market participants have similar positions on certain products. Such corrections could result in significant losses for the Group's market activities.

The volatility of the financial markets makes it difficult to predict trends and implement effective trading strategies; it also increases risk of losses from net long positions when prices decline and, conversely, from net short positions when prices rise. Such losses could have a material adverse effect on the Group's results of operations and financial position.

Similarly, the sudden decrease in, or even the cancellation of, dividends, as experienced during in the Covid-19 pandemic, and changes in the correlations of different assets of the same class, could affect the Group's performance, with many activities being sensitive to these risks. A prolonged slowdown in financial markets or reduced liquidity in financial markets could make asset disposals or position manoeuvrability more difficult, leading to significant losses. In many of the Group's activity segments, a prolonged decline in financial markets, particularly asset prices, could reduce the level of activity in these markets or their liquidity. These variations could lead to significant losses if the Group were unable to quickly unwind the positions concerned, adjust the coverage of its positions, or if the assets held in collateral could not be divested, or if their selling prices did not cover the Group's entire exposure on defaulting loans or derivatives.

The assessment and management of the Group's market risks are based on a set of risk indicators that make it possible to evaluate the potential losses incurred at various time horizons and given probability levels, by defining various scenarios for changes in market parameters impacting the Group's positions. These scenarios are based on historical observations or are theoretically defined. However, these risk management approaches are based on a set of assumptions and reasoning that could turn out to be inadequate in certain configurations or in the case of unexpected events, resulting in a potential underestimation of risks and a significant negative effect on the results of the Group's market activities.

Furthermore, in the event of a deterioration of the market situation, the Group could experience a decline in the volume of transactions carried out on behalf of its customers, leading to a decrease in the revenues generated from this activity and in particular in commissions received.

For information purposes, Global Markets & Investor Services activities, which account for most of the Group's market risks, represented EUR 3.0 billion of net banking income in the first half of 2021, or 24% of the Group's total revenues. At 30 June 2021, risk-weighted assets (RWA) subject to market risk represented EUR 14.1 billion (representing 4% of the Group's total RWA).

3.1.3.2 Changes in interest rates may adversely affect retail banking activities.

The Group generates a significant part of its income through net interest margin and as such remains highly exposed to interest rate fluctuations as well as to changes in the yield curve, particularly in its retail banking activities. The Group's results are influenced by changes in interest rates in Europe and in the other markets in which it operates. In Europe in particular, a protracted environment of low or even negative interest rates has affected and could continue to adversely affect the Group's retail banking income, notably in France. Net banking income (NBI) of French retail banking amounted to EUR 3.8 billion in the first half of 2021.

For more information on structural interest rate risks, see chapter 4.9 "*Structural interest rate and currency exchange rate risks*" and Note 8.1 *Segmented reporting* of the 2021 Universal Registration Document and its amendments.

3.1.3.3 Fluctuations in exchange rates could adversely affect the Group's results.

As a result of its international activities and its geographical presence in many countries, the Group's revenues and expenses as well as its assets and liabilities are recorded in different currencies, which exposes it to the risk of exchange-rate fluctuations.

Because the Group publishes its consolidated financial statements in euros, which is the currency of most of its liabilities, it is also subject to translation risk for items recorded in other currencies, in the preparation of its consolidated financial statements. Exchange rate fluctuations of these currencies against the euro may adversely affect the Group's consolidated results, financial position and cash flows. Exchange rate fluctuations may also negatively affect the value (denominated in euros) of the Group's investments in its subsidiaries outside the Eurozone.

For information, at 31 December 2020, out of a total of EUR 1,258 billion of assets on the balance sheet, 39% was recorded in euros, 37% in USD and 7% in JPY.

For more information of structural exchange rate risk, see chapter 4.7.5 *Market Risk Capital Requirements and Risk-Weighted Assets*, chapter 4.9.3 *Structural exchange rate risk* and Note 8.1 *Foreign exchange transactions* in chapter 6 of the 2021 Universal Registration Document and its amendments.

3.1.4 Operational risks (including risk of inappropriate conduct) and model risks

At 30 June 2021, risk-weighted assets subject to operational risk amounted to EUR 49.2 billion, or 14% of the Group's total RWA. These risk-weighted assets relate mainly to Global Markets & Investor Services (67% of total operational risk).

Between 2016 and 2020, the Group's operational risks were primarily concentrated in five risk categories, representing 93% of the Group's total operating losses observed over the period: fraud (mainly external frauds) and other criminal activities (34%), execution errors (23%), disputes with authorities (16%), errors in pricing or risk assessment, including model risk (12%) and commercial disputes (9%). The Group's other categories of operational risk (unauthorised activities in the markets, failure of information systems and loss of operating resources) remain minor, representing 7% of the Group's losses on average over the 2016 to 2020 period.

See chapter 4.7.3 "*Operational risk measure*" of the 2021 Universal Registration Document and its amendments for more information on the allocation of operating losses.

3.1.4.1 The Group is exposed to legal risks that could have a material adverse effect on its financial position or results of operations.

In the case of non-compliance with applicable laws and regulations, the Group and certain of its former and current representatives may be involved in various types of litigation, including civil, administrative, tax, criminal and arbitration proceedings. The large majority of such proceedings arise from transactions or events that occur in the Group's ordinary course of business. There has been an increase in client, depositor, creditor and investor litigation and regulatory proceedings against intermediaries such as banks and investment advisors in recent years, in part due to the challenging market environment. This has increased the risk for the Group of losses or reputational harm arising from litigation and other proceedings. Such proceedings or regulatory enforcement actions could also lead to civil, administrative, tax or criminal penalties that could adversely affect the Group's business, financial position and results of operations.

In preparing its financial statements, the Group makes estimates regarding the outcome of civil, administrative, tax, criminal and arbitration proceedings in which it is involved, and records a provision when losses with respect to such matters are probable and can be reasonably estimated. It is inherently difficult to predict the outcome of litigation and proceedings involving the Group's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, cases where claims for damages are of unspecified or indeterminate amounts, or cases involving unprecedented legal claims. Should such estimates prove inaccurate or should the provisions set aside by the Group to cover such risks prove inadequate, the Group's financial position or results of operations could be adversely affected.

The provision recorded in the Group's financial statements for public rights disputes amounted to EUR 334 million at 31 December 2020.

For a description of the most significant ongoing proceedings, see the section 4.11 "*Compliance and reputational risk, Litigations*", Note 8.3.2 "*Other provisions*" and Note 9 *Information on risks and litigation* of chapter 6 of the 2021 Universal Registration Document and its amendments.

3.1.4.2 Operational failure, termination or capacity constraints affecting institutions the Group does business with, or failure of information technology systems could have an adverse effect on the Group's business and result in losses and damages to its the reputation.

Any dysfunction, failure or interruption of service of the Group's communication and information systems or the systems of its external partners, even brief and temporary, could result in significant disruptions to the Group's business. Such incidents could result in significant costs related to information retrieval and verification, loss of revenue, loss of customers, litigation with counterparties or customers, difficulties in managing market operations and short-term refinancing, and ultimately damage to the Group's reputation.

The Group is exposed to the risk of operational failure or capacity constraints in its own systems and in the systems of third parties, including those of financial intermediaries that it uses to facilitate cash settlement or securities transactions (such as clearing agents and houses and stock exchanges), as well as those of clients and other market participants.

The interconnections between various financial institutions, clearing houses, stock exchanges and service providers, including external cloud services, increase the risk that the operational failure of any one of them could lead to an operational failure of the entire sector, which could have an adverse impact on the Group's ability to conduct its business and could therefore result in losses. This risk is likely to be increased by industry concentration, whether among market participants or financial intermediaries, as complex and disparate systems need to be integrated, often on an accelerated basis.

The Group is also subject to various regulatory reforms and major internal strategic projects that may lead to operational disruptions and have an impact on the Group's operations, the accounting of transactions and their tax or prudential treatment, and on the Group's results in the event of poor project management and understanding of operational risks. Examples include the IBOR interbank rate reform, which aims to ensure the continuity of contracts indexed on interbank rates, or the internal project to merge the Société Générale and Crédit du Nord retail networks, with the transfer of Crédit du Nord's information system to the Société Générale information system.

See "Information security risks" of section 4.8.1 "*Organisation of operational risk management - Quantitative data*", and "*quantitative data*" of section 4.8.3 "*Measurement of operational risk*" for a breakdown of operational risk losses, and section 4.8.4 "*Weighted assets and capital requirements*" of the 2021 Universal Registration Document and its amendments for a breakdown of risk-weighted exposure to operational risks by division.

The operational risks specific related to the Covid-19 pandemic are also described in the section 3.1.1.1 "*The coronavirus (Covid-19) pandemic and its economic consequences could negatively affect the Group's business and financial performance*".

3.1.4.3 The Group is exposed to fraud risk, which could result in losses and damage its reputation.

Fraud risk is defined as the intentional non-compliance with existing laws, regulations or procedures, which in most cases results in harm to the bank or its customers, and provides the fraudster or his or her relatives with a direct or indirect material or moral benefit.
This risk mainly involves external frauds related to credit activities, payment methods (checks and cards) at the Group customers' sites, as well as cybercrime through attempted fraudulent intrusion of information systems, with social engineering campaigns becoming increasingly complex in recent years.
Between 2016 and 2020, the risk of fraud represented 34% of the Group's total operating losses and has increased sharply over the last two years, mainly due to external credit fraud.

3.1.4.4 A breach of information systems, including in particular a cyber-attack, could have an adverse effect on the Group's business, results in losses and damage the Group's reputation.

The Group relies heavily on communication and information systems to conduct its business and this is reinforced by the widespread use of remote banking. Any breach of its systems or the systems of its external partners could materially disrupt the Group's business. Such incidents could result in significant costs related to the recovery and verification of information, loss of revenues, customer attrition, disputes with counterparties or customers, difficulties in managing market operations and short-term refinancing operations, and ultimately damage the Group's reputation. Difficulties experienced by the Group's counterparties could also indirectly generate a credit risks for the Group.

Each year, the Group is subject to several cyber-attacks on its systems or those of its customers, partners and suppliers. The Group could be subject to targeted and sophisticated attacks on its computer network, resulting in embezzlement, loss, theft or disclosure of confidential data or customer data (in particular in the event of violation of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR")). Such actions could result in operational losses and have an adverse effect on the Group's business, results and reputation with its customers.

3.1.4.5 Reputational damage could harm the Group's competitive position, its activity and financial condition.

The Group's reputation for financial strength and integrity is critical to its ability to foster loyalty and develop its relationships with customers and other counterparties in a highly competitive environment. Any reputational damage could result in loss of activity with its customers or a loss of confidence on the part of its investors, which could affect the Group's competitive position, its business and its financial condition.

As a result, negative comments regarding the Group, whether or not legitimate, and concerning events that may or may not be attributable to the Group, could deteriorate the Group's reputation and affect its competitive position.

The Group's reputation could also be adversely affected by a weakness in its internal control measures aimed at monitoring and preventing operational, compliance, credit and market risks, particularly with respect to monitoring inappropriate conduct of its employees (such as corruption, fraud, market abuse and tax evasion). This risk may arise from the conduct itself as well as from administrative or criminal sanctions penalising an insufficiently effective control environment, such as the sanctions issued by the US and French authorities in 2018.

Financing extended by the bank that does not comply with regulations or its commitments could affect the Group's reputation. Methods of distribution of products and services that do not provide sufficient information to customers, a lack of transparency in its communication (particularly financial communication) or internal management rules (including human resources management or relations with suppliers and service providers) that do not comply with regulatory obligations or the bank's commitments could affect the Group's reputation. In addition, a corporate social responsibility strategy (in particular with regard to environmental issues) deemed insufficiently ambitious in relation to the expectations of external stakeholders or difficulties in implementing this strategy could also impact the Group's reputation.

The consequences of these events, which could potentially result in legal proceedings, may vary according to the extent of media coverage and the overall context and remain difficult to estimate.

For more information about reputation risk please see section 4.11 “*Non-compliance risks, Litigations*” and section 5.2.*1 Satisfying clients by ensuring their protection* of Chapter 5 Corporate Social Responsibility of the 2021 Universal Registration Document and its amendments.

3.1.4.6 The Group’s inability to attract and retain qualified employees may adversely affect its performance.

The Group employs 133,000 people in more than 60 countries. The Group’s human resources are key assets of the Group, its business model and value proposition. Inadequate career or skills management (integration, career prospects and training, or in terms of compensation levels in line with market practice, etc.) could affect the performance of the Group's banking and financial activities.

The Group’s inability to attract and retain employees, a high rate of turnover or the departure of strategic employees could expose the Group to a loss in its know-how as well as a deterioration in the quality of service, at the expense of client satisfaction.

Furthermore, the increased oversight of compensation policies to which the banking sector is subject, including rules on certain types of compensation (fixed, variable, performance conditions, deferred payments, etc.), may limit the Group’s ability to attract and retain talent. Examples of this oversight include the CRD IV and the CRD V directives, which have applied since 2014 and January 2021, respectively, to banks in the European Economic Area (EEA) and therefore to the Group. These directives include a cap on the variable component of compensation compared to its fixed component for the relevant personnel, which could reduce the Group's ability to attract and retain employees, in particular against competitors located out of the EEA.

Furthermore, the Covid-19 crisis has reinforced the aspirations of a part of the Group’s employees to access new ways of working, starting with remote working. While the Group has initiated a partial return to the workplace, its inability to maintain a high level of employee satisfaction could affect its performance.

For more information, see section 5.3.3.3 "*To ensure the health and safety of persons in workplace and in the exercise of work and continuously improve working conditions*” on page 287 of the Universal Registration Document.

3.1.4.7 The models, in particular the Group’s internal models, used in strategic decision-making and in risk management systems could fail, face delays in deployment or prove to be inadequate and result in financial losses for the Group.

Internal models used within the Group could prove to be deficient in terms of their conception, calibration, use or monitoring of performance over time in relation to operational risk and therefore could produce erroneous results, with financial consequences, among others. The faulty use of so-called artificial intelligence techniques in the conception of these models could also lead to the production of erroneous results.

In particular:

- the valuation of certain financial instruments that are not traded on regulated markets or other trading platforms, such as OTC derivative contracts between banks, uses internal models that incorporate unobservable parameters. The unobservable nature of these parameters results in an additional degree of uncertainty as to the adequacy of the valuation of the positions. In the event that the relevant internal models prove unsuitable for changing market conditions, some of the instruments held by the Group could be misvalued and could generate losses for the Group. For illustrative purposes, financial assets and liabilities measured at fair value on the balance sheet categorised within level 3 (for which the valuation is not based on observed data) represented EUR 14.0 billion and EUR 42.1 billion, respectively, as of 30 June 2021 (see Note 3.4.1 and Note 3.4.2 of Chapter 6 of the consolidated financial statements included in the second amendment to the 2020 Universal Registration Document on financial assets and liabilities measured at fair value);

- the assessment of customer solvency and the Bank’s exposure to credit and counterparty risk is generally based on historical assumptions and observations that may prove to be inappropriate in light of new economic conditions. It is based on economic scenarios and projections that may not adequately anticipate unfavourable economic conditions or the occurrence of unprecedented events. This miscalculation could, among other things, result in an under-provisioning of risks and an incorrect assessment of capital requirements;

- hedging strategies used in market activities rely on models that include assumptions about the evolution of market parameters and their correlation, partly inferred from historical data. These models could be inappropriate in certain market environments (in the event of strong movements in volatility resulting, for example, from a new wave of the Covid-19 pandemic, from the evolution of the trade war between the United States and China, or from Brexit), leading to an ineffective hedging strategy, thus causing unanticipated losses that could have a material adverse effect on the Group’s results and financial position;

- management of the interest rate risk of the investment portfolio and of the liquidity risk of all balance sheet and off-balance sheet items uses behavioural models that depend on market conditions. These models, based in particular on historical observations, could have an impact on the hedging of these risks when unprecedented events occur.

In addition, the Group has initiated an evolution of its system of internal credit risk models (project "Haussmann"). This evolution could have a significant impact on the calculation of its RWA credit and counterparty risk in the event of delay in the schedule for submitting its models to the supervisor or in the event of late validation by the supervisor.

3.1.4.8 The Group may incur losses as a result of unforeseen or catastrophic events, including health crises, terrorist attacks or natural disasters.

The Group remains dependent on its natural and social environment. The occurrence of a new epidemic or pandemic crisis (such as the Covid-19 pandemic) or a crisis related to the pollution of the natural environment could have a significant impact on the Group's activities. Also, terrorist attacks, natural disasters (including earthquakes, such as in Romania, and floods, such as the exceptional flooding of the Seine in Paris), extreme weather conditions (such as heatwaves), or major social unrest (such as the "gilets jaunes" movement in France) could affect the Group's activities.

Such events could create economic and financial disruptions or lead to operational difficulties (including travel limitations or relocation of affected employees) for the Group.

These events could impair the Group's ability to manage its businesses and also expose its insurance activities to significant losses and increased costs (such as higher re-insurance premiums). Upon the occurrence of such events, the Group could incur losses.

3.1.5 Liquidity and funding risks

3.1.5.1 The Group's access to financing and the cost of this financing could be negatively affected in the event of a resurgence of financial crises or deteriorating economic conditions.

In past crises (such as the 2008 financial crisis, the Eurozone sovereign debt crisis or more recently the tensions on the financial markets linked to the Covid-19 pandemic before the intervention of the central banks), access to financing from European banks was intermittently restricted or subject to less favourable conditions.

If unfavourable debt market conditions were to reappear following a new systemic or Group-specific crisis, the effect on the liquidity of the European financial sector in general and on the Group in particular could be very significantly unfavourable and could have an adverse impact on the Group's operating results as well as its financial position.

For several years, central banks have taken measures to facilitate financial institutions' access to liquidity, in particular by lowering interest rates to historical lows and by setting up TLTRO (Targeted Longer-Term Refinancing Operations) type facilities and by implementing asset purchase policies to keep long-term interest rates at very low levels. In the event that central banks put an end to these extraordinary measures, for example in a context of persistently higher inflation, the Group could face an unfavourable evolution of its financing cost and of its access to liquidity.

In addition, if the Group were unable to maintain a satisfactory level of deposits from its customers, it could be forced to resort to more expensive financing, which would reduce its net interest margin as well as its results.

The Group's regulatory short-term liquidity coverage ratio (LCR) stood at 133% at 30 June 2021 and liquidity reserves amounted to EUR 227 billion at 30 June 2021.

3.1.5.2 A downgrade to the Group's external rating or to the sovereign rating of the French state could have an adverse effect on the Group's cost of financing and its access to liquidity.

For the proper conduct of its activities, the Group depends on access to financing and other sources of liquidity. In the event of difficulties in accessing the secured or unsecured debt markets on terms it considers acceptable, due to market conditions or factors specific to the Group, or if it experiences unforeseen outflows of cash or collateral, including material decreases in customer deposits, its liquidity could be impaired. In addition, if the Group is unable to maintain a satisfactory level of customer deposits collection, it may be forced to turn to more expensive funding sources, which would reduce the Group's net interest margin and results.

The Group is exposed to the risk of an increase in credit spreads. The Group's medium- and long-term financing cost is directly linked to the level of credit spreads which can fluctuate depending on general market conditions. These spreads can also be affected by an adverse change in France's sovereign debt rating or the Group's external ratings by rating agencies.

The Group is currently monitored by four financial rating agencies: Fitch Ratings, Moody's, R&I and Standard & Poor's. The downgrading of the Group's credit ratings, by these or other agencies, could have a significant impact on the Group's access to funding or increase its costs and reduce its ability to carry out certain types of transactions or activities with customers. This could also require the Group to provide additional collateral to certain counterparties, which could have an adverse effect on its business, financial position and results of operations.

The deterioration of the economic environment following the health crisis and its impact on the Group, particularly in terms of profitability and cost of risk, could increase the risk of external rating downgrades. The Group's ratings could be placed under negative watch or be subject to a downgrade. In addition, France's sovereign ratings could also be downgraded due to an increase in its debt and deficits (further increased by the Covid-19 pandemic and the response measures taken by the French government). These elements could have a negative impact on the Group's financing costs and its access to liquidity. The Group's ratings by Fitch Ratings, Moody's, R&I and Standard & Poor's are available on the Group's website (*https://investors.societegenerale.com/en/financial-and-non-financial-information/ratings/credit-ratings*).

Access to financing and liquidity constraints could have a material adverse effect on the Group's business, financial position, results of operations and ability to meet its obligations to its counterparties.

For 2021, the Group has planned a funding programme of approximately EUR 14.5 billion in vanilla long-term debt, in senior preferred and secured debt as well as in senior non-preferred debt and subordinated debt.

At 30 June 2021, the Group had raised a total of EUR 27.5 billion of long-term funding (EUR 26.1 billion for the parent company and EUR 1.4 billion for its subsidiaries) which relates, at the parent company level, to senior structured issues (EUR 11.9 billion), subordinated issues (EUR 4.4 billion), senior vanilla non-preferred issues (EUR 6.9 billion), unsecured senior vanilla preferred issues (EUR 2.1 billion) and secured issues (EUR 0.8 billion).

3.1.6 Risks related to insurance activities

3.1.6.1 A deterioration in market conditions, and in particular a significant increase or decrease in interest rates, could have a material adverse effect on the life insurance activities of the Group's insurance business.

In the first half of 2021, the Group's insurance activities represented net banking income of EUR 0.5 billion, or 4% of the Group's consolidated net banking income. The Group's Insurance division is mainly focused on life insurance. At 30 June 2021, life insurance contracts registered outstandings of EUR 131 billion, divided between euro-denominated contracts (65%) and unit-linked contracts (35%).

The Group's Insurance business is highly exposed to structural interest-rate risk due to the high proportion of bonds in the euro-denominated funds in its life insurance contracts. The level of and changes in interest rates may, in certain configurations, have a material adverse effect on the results and financial position of this business line.

With its impact on the yield of euro-denominated contracts, a prolonged outlook of low interest rates reduces the attractiveness of these products for investors, which can negatively affect fundraising and income from this segment of the life insurance business.

A sharp rise in interest rates could also degrade the competitiveness of the life insurance offerings in euros (compared with bank savings products, for example) and trigger significant repurchases and arbitrage operations by customers, in an unfavourable context of unrealised losses on bond holdings. This configuration could affect the revenues and profitability of the life insurance activity.

More generally, a pronounced widening of spreads and a decline in equity markets could also have a significant negative effect on the results of the Group's life insurance business.

In the event of a deterioration in market parameters, the Group could be required to strengthen the own funds of its insurance subsidiaries to enable them to continue meeting their regulatory capital requirements.

3.2 Risk management organisation

Reform of Interest Rate Benchmarks

The reform of interbank interest rate benchmarks (IBOR : *InterBank Offered Rates*), initiated by the Financial Stability Board in 2014, aims at replacing these benchmarks by alternative rates, in particular the Risk-Free Rates (RFR). This reform was accelerated on 5 March 2021, when the Financial Conduct Authority, which is in charge of supervising LIBOR, announced its end dates:

- USD LIBOR: The publication of the main settings should cease by the end of June 2023[3];
- GBP, CHF, JPY and EUR LIBOR: The publication of these benchmarks should cease at the end of 2021[4].

At the same time, regarding the major benchmarks of the euro area:

- EURIBOR: The EMMI (European Money Markets Institute), which administers the interest rates benchmark, does not contemplate discontinuing its publication. The EURIBOR will thus continue to be used in the coming years;

- EONIA: Since 1 October 2019, the EONIA is calculated using a methodology based on the €STR plus an adjustment spread of 0.085%. Its administrator, the EMMI, intends to cease its publication at the end of 2021. The replacement rate recommended by the working group on euro risk-free rates established by the European Central Bank is the €STR.

Other benchmark rates are being reformed, such as the benchmark rates reflecting the average mid-market swap rate based on LIBOR (ICE Swap Rate) or Asian interest rates benchmarks pegged to the USD LIBOR.

The Societe Generale group supports these reforms and takes an active part in the working groups set up by the central banks of the currencies concerned, and is actively preparing for these changes, through a specific transition programme put in place in Summer 2018 and supervised by General Management.

For this purpose, the Group has undertaken active awareness and communication campaigns for its customers, supplemented by a monthly newsletter and a question and answer kit on the IBOR transition publicly available on the Societe Generale website

In preparation for the announced LIBOR end dates, the financial authorities and working groups set up by central banks have issued recommendations to the market participants. The aim of these recommendations is:

- On the one hand, for the production of new transactions referencing LIBOR and EONIA to cease (at the latest on 31 December 2021), and
- On the other hand, for the legacy transactions referencing these benchmarks to switch to alternative reference rates by 31 December 2021 at the latest (except USD LIBOR: 30 June 2023 at the latest).

In order to be able to deal in RFR based products and, thereby, ensure its post-LIBOR and post-EONIA business continuity, the Societe Generale group has initiated an upgrade of its tools and processes which is already well advanced.

The Group has gradually ceased production of LIBOR referencing products in Spring 2021 and has been providing its clients with alternate solutions since 2020. In parallel, the Group has introduced robust fallback clauses, aligned on market standards, in the new agreements referencing an IBOR.

In 2021, the Group will focus its work on transitioning its agreements referencing GBP, CHF, JPY and EUR LIBOR, as well as EONIA. This will mainly be an issue for the clients of Capital Market, Financing and Advisory activities, and to a lesser extent for some clients of the French and international retail networks. Depending on the products, the switch will mainly occur in three major ways:

- Loans and revolving credit facilities will be renegotiated individually, together with the related hedge instruments (in order to uphold the hedge relationship).
- Most derivative products will either switch by application of their fallback provisions (ISDA protocol to which the Societe Generale group adhered in October 2020) or at the instigation of the CCPs (similar terms and conditions than the ISDA fallbacks). However, some transactions will be renegotiated bilaterally.
- Finally, for certain products (typically current accounts or similar), the migration will be done via a contract update.

At the same time, the Group is ensuring that transitional solutions will be provided for all of its LIBOR referencing bond debt.

The Societe Generale group provided guidelines to its business units with the purpose of helping them conduct the transition renegotiation in line with the standards developed by market authorities or regulators, and thus offer fair and homogeneous renegotiation terms to clients.

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(1) The publication of the 1 week and 2-month settings of the USD LIBOR will cease as early as 31 December 2021.

(2) The 1, 3 and 6 months GBP and JPY LIBOR rates might continue to exist after that date according to a reformed methodology based on a RFR (synthetic LIBOR) for a limited period of time in order to facilitate the transition of products which cannot be renegotiated.

In June 2021, market participants were able to observe the gearing up of the preparation of the legacy LIBOR (excluding USD) and EONIA contracts to the transition to alternative reference rates. The preparation of this switch was initiated by the Societe Generale group in the first half of 2021, but most of the results of these renegotiations, as well as the transitions performed by the clearing houses) are expected only in the second half of the year. Furthermore, the fallback clauses will only be activated on the last day of the year, concomitantly with the disappearance of the LIBOR and EONIA rates. Therefore, the Group expects a significant shift of its LIBOR and EONIA referencing stock in the second half of 2021. The Group nonetheless strives to avoid a concentration of transactions in the last days of 2021.

The main risks associated with the reform of interest rate benchmarks are handled via various workstream of the Group Program and monitored within the framework of the governance dedicated to the IBOR transition. They have been identified as follows:

- Governance and programme execution risk, that could lead to delays and lost opportunities, is monitored as part of the regular Committee and arbitration bodies;
- Risk of legal documentation that could lead to post-transition litigation is managed by the introduction of fallback clauses in contracts depending on the availability of market standards;
- Market risk with the creation of a basis risk between the rate curves associated with the different indices, which is the subject of close monitoring and supervision;
- Operational risks in the execution of transaction migrations, depending on the willingness and preparedness of our customers, the volume of transactions to be migrated and their spread over time;
- Risk of "misconduct" in connection with the end of LIBORs, managed in particular through:
  - Specific lines of conduct broken down by business unit;
  - Team training;
  - Communication to clients (conferences, events, bilateral points, especially with less well-informed clients) are organised on the risks associated with the transition, the alternative solutions that can be deployed, and on how they could be affected.

3.3 Regulatory ratios

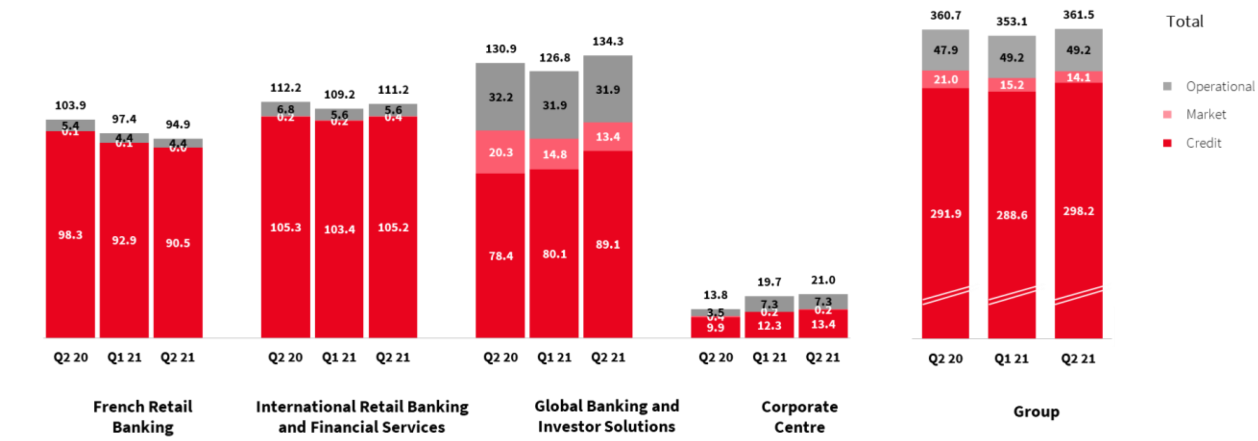
3.3.1 Prudential ratio management – Update of pages 184-185 of the 2021 Universal Registration Document

During the first half of 2021, Societe Generale issued an equivalent of EUR 1,895 M of subordinated Tier 2 bonds and USD 1,000 M (equivalent to EUR 841 M) of Additional Tier 1 bonds.
In addition, during this period, the Group redeemed, at first call date, EUR 1,000 M Additional Tier 1 bonds, implemented in April 2014, as well as three Tier 2 bonds (SGD 425 M, implemented in May 2016; JPY 27,700 M, implemented in June 2016 and an issue with a residual amount of USD 247.8 M, implemented in November 1986).
The Group also announced the early redemption of a Tier 2 issue with a residual amount of EUR 61.9 M, implemented in June 1985.

3.3.2 Extract from the presentation dated June 30, 2021: Second quarter 2021 results (and supplements)

RISK-WEIGHTED ASSETS* (CRR2/CRD 5, in EUR bn)

Update of the page 187 of the 2021 Registration Document



* Phased-in Risk-Weighted Asset including IFRS 9 phasing since Q3 20. Includes the entities reported under IFRS 5 until disposal

Fully Loaded Common Equity Tier 1, Tier 1 and Total Capital

Update of the page 186 of the 2021 Registration Document

In EURbn	30.06.2021	31.12.2020
Shareholder equity Group share	63.1	61.7
Deeply subordinated notes*	(8.9)	(8.8)
Undated subordinated notes*	(0.1)	(0.3)
Dividend to be paid & interest on subordinated notes (1)	(1.1)	(0.6)
Goodwill and intangible	(5.3)	(5.4)
Non-controlling interests	5.1	4.4
Deductions and regulatory adjustments	(4.6)	(3.8)
Common Equity Tier 1 Capital	48.3	47.3
Additional Tier 1 Capital	8.9	8.9
Tier 1 Capital	57.3	56.2
Tier 2 capital	12.1	11.4
Total capital (Tier 1 + Tier 2)	69.3	67.6
Risk-Weighted Assets	361	352
Common Equity Tier 1 Ratio	13.4%	13.4%
Tier 1 Ratio	15.8%	16.0%
Total Capital Ratio	19.2%	19.2%

Ratios based on the CRR2/CDR5 rules as published on June 2019, including Danish compromise for insurance (see Methodology) Ratio fully loaded at 13.2% and IFRS 9 phasing at +20bp.
(1) The dividend to be paid is calculated based on a pay-out ratio of 50% of the underlying Group net income, excluding IFRIC 21, after deduction of deeply subordinated notes and on undated subordinated notes
* Excluding issue premia on deeply subordinated notes and on undated subordinated notes

CRR leverage RATIO[1]

Update of the page 189 of the 2021 Registration Document

In EURbn	30.06.2021	31.12.2020
Tier 1 Capital	57.3	56.2
Total prudential balance sheet (2)	1,335	1,309
Adjustement related to derivative exposures	(76)	(119)
Adjustement related to securities financing transactions*	18	6
Off-balance sheet (loan and guarantee commitments)	111	104
Technical and prudential adjustments (Tier 1 capital prudential deductions)	(145)	(122)
Leverage exposure	1,243	1,179
CRR leverage ratio	4.6%	4.8%

(1) Based on CRR2 rules adopted by the European Commission in June 2019. Fully loaded leverage ratio at 4.5% (see Methodology)
(2) The prudential balance sheet corresponds to the IFRS balance sheet less entities accounted for through the equity method (mainly insurance subsidiaries)
* Securities financing transactions: repos, reverse repos, securities lending and borrowing and other similar transactions

3.3.3 Reconciliation of the consolidated balance sheet and the accounting balance sheet within the prudential scope - Update of the 2021 Universal Registration document page 181

ASSETS at 30.06.2021 *(in EURm)*	**Balance sheet as in published financial statements**	**Prudential restatements linked to insurance (1)**	**Prudential restatements linked to consolidation methods**	**Balance sheet under regulatory scope of consolidation**
Cash, due from banks	160,801	(0)	0	160,801
Financial assets at fair value through profit or loss	440,774	11,441	(0)	452,215
Hedging derivatives	15,306	16	-	15,322
Financial assets at fair value through other comprehensive income	49,068	(0)	-	49,068
Securities at amortised cost	18,922	(0)	-	18,922
Due from banks at amortised cost	61,733	0	146	61,879
of which subordinated loans to credit institutions	*97*	*0*	-	*97*
Customer loans at amortised cost	464,622	1,536	(7)	466,151
Revaluation differences on portfilios hedged against interest rate risk	222	-	-	222
Investment of insurance activities	172,016	(172,016)	-	-
Tax assets	4,601	(157)	0	4,444
of which deferred tax assets that rely on future profitability excluding those arising from temporary differences	*1,685*	-	*(558)*	*1,127*
of which deferred tax assets arising from temporary differences	*2,315*	-	*333*	*2,648*
Other assets	69,473	(2,629)	63	66,907
of which defined-benefit pension fund assets	*58*	-	-	*58*
Non-current assets held for sale	368	(0)	-	368
Investments accounted for using the equity method	96	4,556	(74)	4,578
Tangible and intangible assets	30,786	(163)	0	30,623
of which intangible assets exclusive of leasing rights	*2,554*	-	*(138)*	*2,416*
TOTAL ASSETS	**1,492,609**	**(157,741)**	**128**	**1,334,996**

(1) Restatement of entities excluded from the prudential scope and reconsolidation of intra-group transactions relating to these entities.

LIABILITIES at 30.06.2021 *(in EURm)*	**Balance sheet as in published financial statements**	**Prudential restatements linked to insurance (1)**	**Prudential restatements linked to consolidation methods**	**Balance sheet under regulatory scope of consolidation**
Due to central banks	5,515	-	-	5,515
Financial liabilities at fair value through profit or loss	376,762	1,940	-	378,702
Hedging derivatives	10,170	9	-	10,179
Debt securities issued	137,938	632	-	138,570
Due to banks	147,938	(2,162)	(19)	145,757
Customer deposits	478,774	1,605	(37)	480,342
Revaluation differences on portfolios hedged against interest rate risk	5,214	-	-	5,214

Tax liabilities	1,365	(209)	1	1,157
Other Liabilities	87,805	(7,391)	183	80,597
Non-current liabilities held for sale	104	-	-	104
Liabilities related to insurance activities contracts	151,119	(151,119)	-	-
Provisions	4,595	(22)	0	4,573
Subordinated debts	16,673	39	-	16,712
of which redeemable subordinated notes including revaluation differences on hedging items	*16,266*	*42*	-	*16,308*
Total debts	**1,423,972**	**(156,678)**	**128**	**1,267,422**
Sub-Total Equity, Group share	63,136	(202)	(0)	62,934
Issued common stocks, equity instruments and capital reserves	*31,285*	*1*	-	*31,286*
Retained earnings	*30,961*	*(203)*	*(0)*	*30,758*
Net income	*2,253*	*(0)*	-	*2,253*
Unrealised or deferred capital gains and losses	*(1,363)*	*(0)*	*(0)*	*(1,363)*
Minority interests	5,501	(861)	-	4,640
Total equity	**68,637**	**(1,063)**	**(0)**	**67,574**
TOTAL LIABILITIES	**1,492,609**	**(157,741)**	**128**	**1,334,996**

(1) Restatement of entities excluded from the prudential scope and reconsolidation of intra-group transactions relating to these entities.

3.3.4 Entities outside the prudential reporting scope – Update of the Universal Registration Document – Table page 183

Company	Activity	Country
Antarius	Insurance	France
ALD RE Designated Activity Company	Insurance	Ireland
Catalyst RE International LTD	Insurance	Bermuda
Société Générale Strakhovanie Zhizni LLC	Insurance	Russia
Sogelife	Insurance	Luxembourg
SG Strakhovanie LLC	Insurance	Russia
Sogecap	Insurance	France
Komercni Pojstovna A.S.	Insurance	Czech Republic
La Marocaine Vie	Insurance	Morocco
Oradea Vie	Insurance	France
Société Générale RE SA	Insurance	Luxembourg
Sogessur	Insurance	France
Banque Pouyanne	Bank	France

3.4 Provisioning of doubtful loans

Update of the page 215 of the 2021 Universal Registration Document

<u>Gross non-performing loans ratio</u>

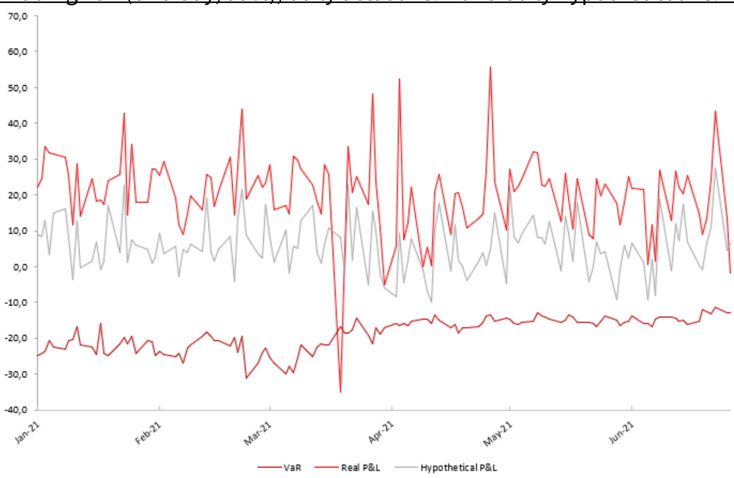
In EUR bn	30/06/2021	31/03/2021	30/06/2020
Performing loans	519.3	512.5	507.8
inc. Stage 1 book outstandings (1)	*454.8*	*442.2*	*451.1*
inc. Stage 2 book outstandings	*42.0*	*47.6*	*33.9*
Non-performing loans	16.7	17.4	17.7
inc. Stage 3 book outstandings	*16.7*	*17.4*	*17.7*
Total Gross book outstandings*	536.5	529.84	525.49
Group Gross non performing loans ratio	3.1%	3.3%	3.4%
Provisions on performing loans	-3.0	-3.1	-2.7
Inc. Stage 1 provisions	-1.1	-1.1	-1.2
Inc. Stage 2 provisions	-1.9	-2.0	-1.5
Provisions on non-performing loans	-8.6	-8.9	-9.6
Inc. Stage 3 provisions	-8.6	-8.9	-9.6
Total provisions	-11.6	-11.9	-12.2
Group gross non-performing loans ratio (provisions on non-performing loans/ non-performing loans)	-52%	-51%	-54%

*Figures calculated on on-balance sheet customer loans and advances, deposits at banks and loans due from banks, finance leases, excluding loans and advances classified as held for sale, cash balances at central banks and other demand deposits, in accordance with the EBA/ITS/2019/02 Implementing Technical Standards amending Commission Implementing Regulation (EU) No 680/2014 with regard to the reporting of financial information (FINREP). The NPL rate calculation was modified in order to exclude from the gross exposure in the denominator the net accounting value of the tangible assets for operating lease. Performing and non-performing loans include loans at fair value through profit or loss which are not eligible to IFRS 9 provisioning and so not split by stage. Historical data restated
(1)Data restated excluding loans at fair value through profit or loss which are not eligible to IFRS 9 provisioning

3.5 Change in trading VaR

Update of the pages 229 to 234 of the 2021 Universal Registration Document

Trading VaR (one-day, 99%), daily actual P&L[5] and daily hypothetical P&L[6] of the trading portfolio (2020, in EURm)



The VaR was less risky in the first half of 2021 than in 2020 (€19 million compared to €33 million in 2020 on average). The gradual risk decrease observed since June 2020, has continued in S1 2021, coming from many activities, as reflected by the decrease of the risk factors standalone VaR (credit, rate, equity). Moreover, the volatility of the VaR remained contained at a low level over the period.

[5] *Daily profit or loss used for the VaR backtesting against actual P&L, as defined in the "99% Value-at-Risk (VaR)"*
[6] *Daily profit or loss used for the VaR backtesting against hypothetical P&L, as defined in the "99% Value-at-Risk (VaR)"*

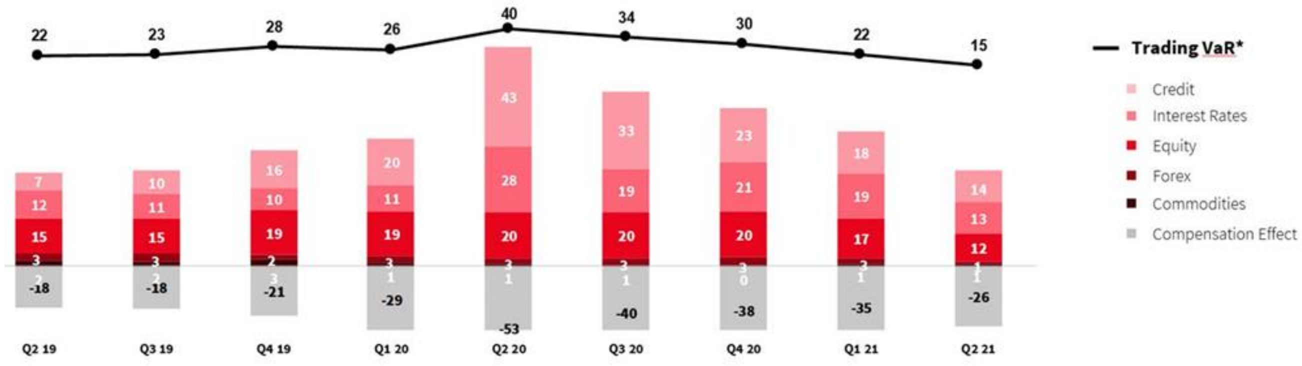
Market risk capital requirements and RWA by risk factor (in EURm)

	Risk weighted assets			Capital requirement		
(in EUR m)	30.06.2021	31.12.2020	*Variation*	30.06.2021	31.12.2020	*Variation*
VaR	2,222	4,117	*(1,895)*	178	329	*(152)*
Stressed VaR	7,145	6,671	*474*	572	534	*38*
Incremental Risk Charge (IRC)	1,755	1,758	*(3)*	140	141	*(0)*
Correlation portfolio (CRM)	1,271	1,066	*205*	102	85	*16*
Market risks assessed by internal model	**12,393**	**13,612**	***(1,219)***	**991**	**1,089**	*(98)*
Specific risk related to securisation positions	376	534	*(158)*	30	43	*(13)*
Market risk assessed for currency positions	325	219	*106*	26	17	*8*
General risk and specific risk related to interest rates (excluding securisation)	990	975	*15*	79	78	*1*
Market risk assessed using the standard approach for ownership interests		-	-			-
Market risk assessed using the standard approach for commodities	0	0	*0*	0	0	*(0)*
Market risks assessed by standard approach	**1,691**	**1,728**	***(38)***	**135**	**138**	*(3)*
Total	**14,084**	**15,340**	***(1,257)***	**1,127**	**1,227**	*(101)*

The market risk RWA decreased during the first half of 2021 (EUR -1.3 bn) stemming from markets being in a positive momentum with a contained variability. This decrease of the market risk RWA is mainly explained by:

- A decrease in VaR (see comment above – impact of EUR -1.9 bn on RWA) only partially offset by a progressive increase of SVaR and CRM over Q1 and Q2.
- A slight decrease in the standard approach contribution resulting from the lower impact of securitization following the reduction of positions on RMBS (Residential Mortgage Backed Security) and CMBS (Commercial mortgage-backed security).

Change in trading VaR* and stressed VaR**



Stressed VAR** (1 day, 99%, in EUR m)	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
Minimum	49	28	25	28	23
Maximum	89	58	47	43	48
Average	66	41	36	35	35

* Trading VaR: measurement over one year (i.e. 260 scenarios) of the greatest risk obtained after elimination of 1% of the most unfavourable occurrences
** Stressed VaR : Identical approach to VaR (historical simulation with 1-day shocks and a 99% confidence interval), but over a fixed one-year historical window corresponding to a period of significant financial tension instead of a one-year rolling period

3.6 Structural interest rate risk – update of the page 245 of the 2021 Universal Registration Document

Group's value at an interest rate variation of +10bps

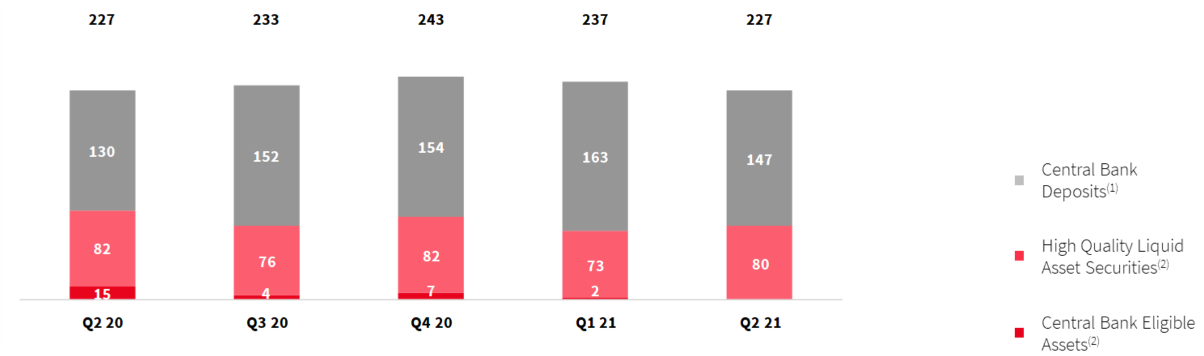
(In EUR m)	TOTAL
Amount of sensitivity (30.06.2021)	384
Amount of sensitivity (31.12.2020)	345

Group's net interest margin

(In EUR m)	30.06.2021	31.12.2020
Parallel increase in interest rates of 10 bp	-	-
Year 1	19	62
Year 2	75	107
Year 3	145	184
Parallel decrease in interest rates of 10 bp	-	-
Year 1	(28)	(74)
Year 2	(91)	(124)
Year 3	(186)	(201)

3.7 Liquidity risk

3.7.1 Liquidity asset buffer - update of the page 249 of the 2021 Universal Registration Document



Liquidity Coverage Ratio amounts to 136% on average for Q2 21.

3.7.2 Balance sheet schedule - update of the page 250 to 253 of the 2021 Universal Registration Document

The main lines comprising the Group's financial liabilities are presented in Note 3.13 to the consolidated financial statements, under the following template:

FINANCIAL LIABILITIES

(In EUR m)	Note to the consolidated financial statements	30th June 2021 0-3 M	3M-1YR	1-5 YRS	> 5 YRS	Total
Due to central banks		5,515	0	0	0	5,515
Financial liabilities at fair value through profit or loss, excluding derivatives		172,705	18,436	21,581	30,304	243,026
Due to banks	Note 3.6	62,618	9,974	74,017	1,329	147,938
Customer deposits	Note 3.6	443,354	15,210	13,992	6,218	478,774
Securitised debt payables	Note 3.6	36,396	34,066	44,667	22,809	137,938
Subordinated debt	Note 3.9	8	2	6,514	10,149	16,673

Note: The scheduling assumptions for these liabilities are presented in Note 3.13 to the consolidated financial statements. Particularly, the data are shown without provisional interest and excluding derivatives.

Symmetrically, the main lines comprising the corresponding financial assets are presented below.

FINANCIAL ASSETS

(In EUR m)	Note to the consolidated financial statements	30th June 2021 0-3 M	3M-1YR	1-5 YRS	> 5 YRS	Total
Cash, due from central banks		157,017	1,012	1,753	1,019	160,801
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	300,155	9,803	0	0	309,958
Financial assets at fair value through other comprehensive income	Note 3.4	48,291	507	0	270	49,068
Securities at amortised cost	Note 3.5	15,185	288	2,405	1,044	18,922
Due from banks at amortised cost	Note 3.5	52,436	2,159	5,876	1,262	61,733
Customer loans at amortised cost	Note 3.5	81,658	65,057	174,308	114,226	435,249
Lease financing and similar agreements	Note 3.5	2,668	6,149	16,160	4,396	29,373

It should be noted that due to the nature of its activities, Société Générale holds derivative products and securities whose residual contractual maturities are not representative of its activities or risks.

By convention, the following residual maturities were used for the classification of financial assets:

1. Assets measured at fair value through profit or loss, excluding derivatives (customer-related trading assets)
   - Positions measured using prices quoted on active markets (L1 accounting classification): maturity of less than 3 months.
   - Positions measured using observable data other than quoted prices (L2 accounting classification): maturity of less than 3 months.
   - Positions measured mainly using unobservable market data (L3): maturity of 3 months to 1 year.
2. Financial assets at fair value through other comprehensive income
   - Available-for-sale assets measured using prices quoted on active markets: maturity of less than 3 months.
   - Bonds measured using observable data other than quoted prices (L2): maturity of 3 months to 1 year.
   - Finally, other securities (shares held long-term in particular): maturity of more than five years.

As regards the other lines comprising the balance sheet, other assets and liabilities and their associated conventions can be broken down as follows:

OTHER LIABILITIES

(In EUR m)	Note to the consolidated financial statements	30th June 2021 Not scheduled	0-3 M	3M-1YR	1-5 YRS	> 5 YRS	Total
Tax liabilities	Note 6.3	0	0	910	0	455	1,365
Revaluation difference on portfolios hedged against interest rate risk		5,214	0	0	0	0	5,214
Other liabilities	Note 4.4	0	78,718	2,293	4,703	2,091	87,805
Non-current liabilities held for sale	Note 2.5	0	0	104	0	0	104
Insurance contracts related liabilities	Note 4.3	0	15,966	9,766	39,545	85,842	151,119
Provisions	Note 8.3	4,595	0	0	0	0	4,595
Shareholders' equity		68,637	0	0	0	0	68,637

OTHER ASSETS

(In EUR m)	Note to the consolidated financial statements	30th June 2021 Not scheduled	0-3 M	3M-1YR	1-5 YRS	> 5 YRS	Total
Revaluation differences on portfolios hedged against interest rate risk		222	0	0	0	0	222
Other assets	Note 4.4	0	69,473	0	0	0	69,473
Tax assets	Note 6	4,601	0	0	0	0	4,601
Investments accounted for using the equity method		0	0	0	0	96	96
Tangible and intangible fixed assets	Note 8.4	0	0	0	0	30,786	30,786
Goodwill	Note 2.2	0	0	0	0	3,821	3,821
Non-current assets held for sale	Note 2.5	0	0	164	91	113	368
Investments of insurance companies		0	46,108	6,184	35,038	84,686	172,016

1. Revaluation differences on portfolios hedged against interest rate risk are not scheduled, as they comprise transactions backed by the portfolios in question. Similarly, the schedule of tax assets whose schedule would result in the early disclosure of income flows is not made public.
2. Other assets and Other liabilities (guarantee deposits and settlement accounts, miscellaneous receivables) are considered as current assets and liabilities.
3. The notional maturities of commitments in derivative instruments are presented in Note 3.13 to the consolidated financial statements.
4. Investments in subsidiaries and affiliates accounted for by the equity method and Tangible and intangible fixed assets have a maturity of more than 5 years.
5. Provisions and shareholders' equity are not scheduled.

3.8 Litigation

Update of the page 259 and 519 of the 2021 Universal Registration Document

Every quarter, the Group reviews in detail the disputes presenting a significant risk. These disputes may lead to the recording of a provision if it becomes probable or certain that the Group will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the Other provisions included in the Provisions item in the liabilities of the balance-sheet.
No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

- On 24 October 2012, the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay EUR 4.9 billion in damages to the bank. On 19 March 2014, the Supreme Court confirmed the criminal liability of J. Kerviel. This decision puts an end to the criminal proceedings. On the civil front, on 23 September 2016, the Versailles Court of Appeal rejected J. Kerviel's request for an expert determination of the damage suffered by Societe Generale, and therefore confirmed that the net accounting losses suffered by the Bank as a result of his criminal conduct amount to EUR 4.9 billion. It also declared J. Kerviel partially responsible for the damage caused to Societe Generale and sentenced him to pay to Societe Generale EUR 1 million. Societe Generale and J. Kerviel did not appeal before the Supreme Court. Societe Generale considers that this decision has no impact on its tax situation. However, as indicated by the Minister of the Economy and Finance in September 2016, the tax authorities have examined the tax consequences of this book loss and indicated that they intended to call into question the deductibility of the loss caused by the actions of J. Kerviel, amounting to EUR 4.9 billion. This proposed tax rectification has no immediate effect and will possibly have to be confirmed by an adjustment notice sent by the tax authorities when Societe Generale is in a position to deduct the tax loss carry forwards arising from the loss from its taxable income. Such a situation will not occur for several years according to the bank's forecasts. In view of the 2011 opinion of the French Supreme Administrative Court (Conseil d'Etat) and its established case law which was recently confirmed again in this regard, Societe Generale considers that there is no need to provision the corresponding deferred tax assets. In the event that the authorities decide, in due course, to confirm their current position, Societe Generale group will not fail to assert its rights before the competent courts. By a decision handed down on the 20 September 2018, the Investigation Committee of the reviewing and reassessment Criminal Court has furthermore declared inadmissible the request filed in May 2015 by J. Kerviel against his criminal sentence, confirming the absence of any new element or fact that could justify the reopening of the criminal file.

- Between 2003 and 2008, Societe Generale set up gold consignment lines with the Turkish group Goldas. In February 2008, Societe Generale was alerted to a risk of fraud and embezzlement of gold stocks held by Goldas. These suspicions were rapidly confirmed following the failure by Goldas to pay or refund gold worth EUR 466.4 million. Societe Generale brought civil proceedings against its insurers and various Goldas Group entities. Goldas launched various proceedings in Turkey and in the UK against Societe Generale. In the action brought by Societe Generale against Goldas in the UK, Goldas applied to have the action of SG struck-out and applied to the UK court for damages. On 3 April 2017, the UK court granted both applications and will, after an inquiry into damages, rule on the amount due to Goldas, if any. On 15 May 2018, the Court of Appeal discharged entirely the inquiry into damages granted by the High Court to Goldas but rejected Societe Generale's arguments relating to service of the claims issued against Goldas, which are therefore time-barred. On 18 December 2018, the Supreme Court refused permission to appeal to both Societe Generale and Goldas. On 16 February 2017, the Paris Commercial Court dismissed Societe Generale's claims against its insurers. Societe Generale filed an appeal against this decision.

- In the early 2000s, the French banking industry decided to transition to a new digital system in order to streamline cheque clearing. To support this reform (known as EIC – Echange d'Images Chèques), which has contributed to the improvement of cheque payments security and to the fight against fraud, the banks established several interbank fees (including the CEIC which was abolished in 2007). These fees were implemented under the aegis of the banking sector supervisory authorities, and to the knowledge of the public authorities.
  On 20 September 2010, after several years of investigation, the French competition authority ruled that the joint implementation and the setting of the amount of the CEIC and of two additional fees for related services were in breach of competition law. The authority fined all the participants to the agreement (including the Banque de France) a total of approximately EUR 385 million. Societe Generale was ordered to pay a fine of EUR 53.5 million and Crédit du Nord, its subsidiary, a fine of EUR 7 million. However, in its 23 February 2012 order, the French Court of Appeal, to which the matter was referred by all the banks involved except Banque de France, held that there was no competition

law infringement, allowing the banks to recoup the fines paid. On 14 April 2015, the Supreme Court quashed and annulled the Court of Appeal decision on the grounds that the latter did not examine the arguments of two third parties who voluntarily intervened in the proceedings. The case was heard again on 3 and 4 November 2016 by the Paris Court of Appeal before which the case was remanded. On 21 December 2017, the Court of Appeal confirmed the fines imposed on Societe Generale and Crédit du Nord by the French competition authority. On 22 January 2018, Societe Generale and Crédit du Nord filed an appeal before the Supreme court against this decision. On 29 January 2020, the Supreme Court partially quashed the order the Paris Court of Appeal decision of 21 December 2017 and ordered the remand of the case to this same court of appeal but differently composed. On 13 March 2020, Societe Generale and Crédit du Nord therefore filed a new appeal before the Paris Court of Appeal against the decision of the French competition authority. The court proceeding is still pending.

- In August 2009, Societe Generale Private Banking (Switzerland) ("SGPBS"), along with several other financial institutions, was named as a defendant in a putative class action that was ultimately transferred to the US District Court for the Northern District of Texas. The plaintiffs sought to represent a class of individuals who were customers of Stanford International Bank Ltd. (SIBL), with money on deposit at SIBL and/or holding Certificates of Deposit issued by SIBL as of 16 February 2009. The plaintiffs alleged that they suffered losses as a result of fraudulent activity at SIBL and the Stanford Financial Group or related entities, and that the defendants were responsible for those alleged losses. The plaintiffs further sought to recoup payments made through or to the defendants on behalf of SIBL or related entities on the basis that they were alleged to have been fraudulent transfers. The Official Stanford Investors Committee (OSIC) was permitted to intervene and filed a complaint against SGPBS and the other defendants seeking similar relief. Following motions to dismiss, the Court ultimately in April 2015 permitted the substantial majority of the claims to proceed.
  On 7 November 2017, the District Court denied the plaintiffs' motion for class certification. On 3 May 2019, several hundred individual plaintiffs filed motions to intervene in the pending OSIC action seeking recovery in their individual capacities for losses on their Stanford investments. By order of 18 September 2019 the court denied the motions to intervene. One group of plaintiffs appealed the denial, which was rejected by the court of appeal on 3 February 2021, and the remaining group of plaintiffs initiated a separate action in Texas state court in Houston in November 2019, now pending in the Southern District of Texas.

  On 12 February 2021, all parties in the litigation filed motions for summary judgment. SGPBS seeks dismissal of all pending claims, and OSIC, renewing a prior unsuccessful motion for summary judgement seeks return of a USD 95 million transfer to SGPBS in 2008. Discovery remains to be completed as to SGPBS.
- Notwithstanding the agreements reached with the US authorities regarding certain London Interbank Offered Rates and the Euro Interbank Offered Rate ("the IBOR matter"), the Bank continues to defend civil proceedings in the United States (as described below) and has responded to information requests received from other authorities, including the Attorneys General of various States of the United States and the New York Department of Financial Services.
  In the United States, Societe Generale, along with other financial institutions, has been named as a defendant in putative class actions involving the setting of US Dollar Libor, Japanese Yen Libor, and Euribor rates and trading in instruments indexed to those rates. Societe Generale has also been named in several individual (non-class) actions concerning the US Dollar Libor rate. All of these actions are pending in the US District Court in Manhattan (the "District Court").

  As to US Dollar Libor, all claims against Societe Generale have been dismissed by the District Court or voluntarily dismissed by the plaintiffs, except in two putative class actions and one individual action that are effectively stayed. Certain individual plaintiffs, whose claims were dismissed, filed motions for leave to amend their complaints to add or revive claims against Societe Generale, but those applications were denied by the District Court. The class plaintiffs and a number of individual plaintiffs have appealed the dismissal of their antitrust claims to the United States Court of Appeals for the Second Circuit. On 13 January 2020, Societe Generale entered into a settlement agreement with the putative class of plaintiffs who purchased financial products tied to US Dollar Libor on an exchange. As part of that settlement, Societe Generale has agreed to pay USD 5.125 million. This settlement was finally approved by the District Court on 17 September 2020.

  As to Japanese Yen Libor, the District Court dismissed the complaint brought by purchasers of Euroyen over-the-counter derivative products. On 1 April 2020, the Court of Appeals reversed the dismissal and reinstated the claims. Plaintiffs filed a second amended complaint on 24 August 2020, and defendants have again filed motions to dismiss. In the other action, brought by purchasers or sellers of Euroyen derivative contracts on the Chicago Mercantile Exchange on 27 September 2019, plaintiff filed a motion for class certification. On 25 September 2020, the District Court granted defendants' motion for judgment on the pleadings and dismissed plaintiffs' claims. Plaintiffs have appealed.

As to Euribor, the District Court dismissed all claims against Societe Generale in the putative class action and denied the plaintiffs' motion to file a proposed amended complaint. Plaintiffs have appealed those rulings to the United States Court of Appeals for the Second Circuit.

In Argentina, Societe Generale, along with other financial institutions, has been named as a defendant in litigation brought by a consumer association on behalf of Argentine consumers who held government bonds or other specified instruments that paid interest tied to US Dollar Libor. The allegations concern violations of Argentine consumer protection law in connection with alleged manipulation of the US Dollar Libor rate. Societe Generale has not yet been served with the complaint in this matter.

- Beginning on 15 January 2019, Societe Generale and SG Americas Securities, LLC, along with other financial institutions, have been named in three putative antitrust class actions in the US District Court in Manhattan, which have since been consolidated. Plaintiffs allege that the USD ICE Libor panel banks conspired to make artificially low submissions to that benchmark in order to profit on their trading in derivatives tied to USD ICE Libor. Plaintiffs seek to certify a class comprised of US residents (individuals and entities) that transacted with a defendant in floating rate debt instruments or interest rate swaps tied to USD ICE Libor and received a payment at any time between 1 February 2014 to the present, regardless of when the instrument was purchased. By order dated 26 March 2020, the District Court dismissed the action. Plaintiffs have appealed that ruling. On 6 April 2021, the Second Circuit permitted a new proposed class representative to intervene as a plaintiff in the appeal and denied defendants' motion which sought dismissal of the appeal because the original proposed class representatives withdraw from the action.

- Societe Generale, along with several other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with foreign exchange spot and derivatives trading. The action was brought by persons or entities that transacted in certain over-the-counter and exchange-traded foreign exchange instruments. Societe Generale reached a settlement of USD 18 million, which was approved by the Court on 6 August 2018. A separate putative class action on behalf of putative classes of indirect purchasers was also filed. SG reached a settlement of USD 975,000 to resolve that proceeding. The settlement was finally approved by the Court on 19 November 2020. On 7 November 2018, a group of individual entities that elected to opt out of the main class action settlement filed a lawsuit against SG, SG Americas Securities, LLC and several other financial institutions. SG Americas Securities, LLC was dismissed by order dated 28 May 2020. Discovery is proceeding as to SG and the other remaining defendants. On 11 November 2020, Societe Generale has been named, along with several other banks, in a UK action alleging collusion in the market for FX instruments. Societe Generale received the particulars of claim from plaintiffs and intends to defend the action.

- On 10 December 2012, the French Supreme Administrative Court (Conseil d'Etat) rendered two decisions confirming that the "précompte tax" which used to be levied on corporations in France does not comply with EU law and defined a methodology for the reimbursement of the amounts levied by the tax authorities. However, such methodology considerably reduces the amount to be reimbursed. Societe Generale purchased in 2005 the "précompte tax" claims of two companies (Rhodia and Suez, now ENGIE) with a limited recourse on the selling companies. One of the above decisions of the French Supreme Administrative Court relates to Rhodia. Societe Generale has brought proceedings before the French administrative courts. The latest court decision rendered is a rejection, on 1 February 2016 by the French Administrative Supreme Court, of an appeal lodged by ENGIE and Societe Generale.
  Several French companies applied to the European Commission, who considered that the decisions handed down by the French Supreme Administrative Court on 10 December 2012, which was supposed to implement the decision rendered by the Court of Justice of the European Union C-310/09 on 15 September 2011, infringed a number of principles of European law. The European Commission subsequently brought infringement proceedings against the French Republic in November 2014, and since then confirmed its position by publishing a reasoned opinion on 28 April 2016 and by referring the matter to the Court of Justice of the European Union on 8 December 2016. The Court of Justice of European Union rendered its judgement on 4 October 2018 and sentenced France for failure by the French Supreme Administrative Court to disregard the tax on EU sub-subsidiaries in order to secure the withholding tax paid in error as well as on the absence of any preliminary question.

  With regard to the practical implementation of the decision, Societe Generale has continued to assert its rights with the competent courts and the tax authorities, which it expects to be treated diligently and in accordance with the law. On 23 June 2020, the Administrative Court of Appeal of Versailles issued a ruling in favour of Societe Generale on our 2002 and 2003 Suez claims, followed by a mid-July enforcement in our favour. The judgment of Versailles held that the advance payment was not compatible with the Parent-Subsidiary Directive: the French Supreme Administrative Court, which had also received a request for a priority question of constitutionality, also pointed out that the advance payment was incompatible with Article 4 of the Parent-Subsidiary Directive but that a question should be referred to the ECJ for a preliminary ruling in order to ascertain this. It is therefore now appropriate to await the response of the Court of Luxembourg, which should not occur before the end of 2021.

- Societe Generale, along with other financial institutions, has been named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with its involvement in the London Gold Market Fixing. The action is brought on behalf of persons or entities that sold physical gold, sold gold futures contracts traded on the CME, sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. The action is pending in the US District Court in Manhattan. Motions to dismiss the action were denied by an order dated 4 October 2016, and fact discovery has now been completed. Societe Generale, along with other financial institutions, is also named as a defendant in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims.

- Since August 2015, various former and current employees of the Societe Generale group have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called "CumEx" patterns in connection with withholding tax on dividends on German shares. These investigations relate inter alia to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.
  SGSS GmbH was informed by the Bonn District Court on 19 June 2019 that criminal proceedings had been initiated against two individuals who were employed by a company having previously advised this fund, the latter being suspected by the German prosecutors to have been involved in potentially fraudulent CumEx transactions. On 19 August 2019, the Bonn District Court ordered SGSS GmbH to join these criminal proceedings as a "secondary party". By order of 16 March 2020, the Bonn District Court, with consent of the Cologne Prosecutors, released SGSS GmbH as a secondary party immediately. In addition to being subject to investigations or criminal proceedings, SG Group entities may be exposed to claims by third parties, including German tax offices, and become party to legal disputes.

- In May 2019, SGAS was named, along with other financial institutions, as a defendant in a putative class action in the US alleging anticompetitive behaviour in the pricing of "agency bonds" issued by US Government Sponsored Enterprises (GSEs), including Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae). SGAS, along with several other defendants, filed a motion to dismiss on 13 June 2019 which was granted on 29 August 2019 as against SGAS and several other bank defendants. Plaintiffs filed an amended complaint on 9 September 2019, and a motion to dismiss this amended complaint was filed on 17 September 2019. That motion was denied on 15 October 2019. On 16 December 2019, plaintiffs and twelve bank defendants, including SGAS, submitted for court approval a stipulation of settlement in the class action, for USD 250 million. Although SGAS's share of the settlement is not public, the amount was not material from a financial statement perspective. The class action settlement was finally approved by the court on 16 June 2020. SGAS was also named in four separate individual opt-out litigations by the following plaintiffs: the State of Louisiana (filed September 2019), the City of Baton Rouge/East Baton Rouge Parish and related entities (October 2019), Louisiana Asset Management Pool (April 2020), and the City of New Orleans and related entities (September 2020). These suits also asserted antitrust claims (and in some cases other related claims) against SGAS and multiple other bank defendants based on these plaintiffs' purchases of GSE bonds. As to the opt-out litigations, a settlement was reached involving all defendants, of which SGAS's share was immaterial, and these actions have been dismissed. SGAS also received a subpoena from the US Department of Justice (DOJ) in connection with its US agency bond business. SGAS responded to these requests and is cooperating with the DOJ investigation.

- Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the SG entities indirectly from BLMIS through so-called "feeder funds" that were invested in BLMIS and from which the SG entities received redemptions. The suit alleges that the amounts that the SG entities received are avoidable and recoverable under the US Bankruptcy Code and New York state law. The BLMIS Trustee seeks to recover, in the aggregate, approximately USD 150 million from the SG entities. The SG entities are defending the action. In decisions dated 22 November 2016 and 3 October 2018, the Court rejected most of the claims brought by the BLMIS Trustee. The Trustee appealed to the US Court of Appeals for the Second Circuit. By order dated 25 February 2019, the Second Circuit vacated the judgements and remanded for further proceedings. On 1 June 2020, the United States Supreme Court denied Defendant-Appellees' petition for a writ of certiorari. The case is now before the District Court for further proceedings.

- On 10 July 2019, Societe Generale was named as a defendant in a litigation filed in the US District Court in Miami by plaintiffs seeking compensation under the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 (known as the Helms-Burton Act) stemming from the expropriation by the Cuban government in 1960 of Banco Nunez in which they are alleged to have held an interest. Plaintiff claims damages from Societe Generale under the terms of this statute. Plaintiff filed an amended complaint on 24 September 2019 adding three other banks as defendants and adding several new factual allegations as to Societe Generale. Societe Generale filed a motion to dismiss, which was fully briefed as of 10 January 2020. While the motion to dismiss was pending, plaintiffs filed an unopposed motion on 29 January 2020, to transfer the case to federal court in Manhattan, which the court granted on 30 January 2020. Plaintiffs filed a second amended complaint on 11 September 2020, in which it dropped the three other banks as defendants, added a different bank as an additional defendant, and added as additional plaintiffs who purport to be heirs of the founders of Banco Nunez. A motion to dismiss has been filed.

- On 9 November 2020, Societe Generale was named as a defendant, together with another bank, in similar Helms-Burton litigation filed in the US District Court in Manhattan (Pujol I) by the purported heirs of former owners, and personal representatives of estates of heirs or former owners, of Banco Pujol, a Cuban bank alleged to have been confiscated by the Cuban government in 1960. On 27 January 2021, Societe Generale filed a motion to dismiss. In response, as permitted by the judge’s rules, plaintiffs chose to file an amended complaint and did so on 26 February 2021. Societe Generale filed a motion to dismiss to dismiss the amended complaint on 19 March 2021. On 16 March 2021, Societe Generale was named as a defendant, together with another bank, in a nearly identical Helms-Burton litigation filed in the US District Court in Manhattan (Pujol II) by the personal representative of one of the purported heirs to Banco Pujol who is also a plaintiff in Pujol I. The deadline for the defendants to respond to the complaint in Pujol II is stayed through and including the date of the court’s decision on the motion to dismiss in Pujol I.

- On 5 June 2020, a shareholder of Societe Generale filed a derivative action in New York State court against 39 current and former directors and officers of the Bank. The complaint alleges that a 2009 written agreement with US banking regulators required the Bank to implement and maintain an effective anti-money laundering compliance and transaction monitoring system. According to the complaint, the Bank failed to do so, leading to penalties and forfeitures imposed in November 2018 by a number of federal and New York state agencies and criminal authorities relating to US sanctions and anti-money laundering laws. The complaint makes claims for, among other things, breaches of duty related to these matters. This litigation is at an early procedural stage, and a motion to dismiss on a variety of grounds is expected.

- On 16 October 2020, Vestia brought proceedings against Societe Generale before the High Court of England regarding the conditions pursuant to which Vestia contracted derivative products with Societe Generale between 2008 and 2011. Vestia claims that these transactions were outside of its capacity and alleges they were induced by corruption. Vestia seeks to rescind the transactions and recover the amounts paid to Societe Generale pursuant to these transactions. On 8 January 2021, Societe Generale filed its Statement of Defence and Counterclaim.

- On 20 October 2020, Societe Generale Securities Australia Pty Ltd ("SGSAPL") was sentenced by the Local Court in Sydney on charges relating to breaches of client money obligations. SGSAPL was required to pay a total penalty of AUD 30,000 for facts which occurred over the period from December 2014 to February 2017 and which were self-declared to the Australian Securities and Investment Commission.

- On June 1, 2021, a shareholder of Société Générale initiated an action designated by him as a “derivative action” (‘action ut singuli’) before the Commercial Court of Paris against the CEO of the company (‘directeur general’), Mr. Frédéric Oudéa. The claimant alleges that Mr. Oudéa has committed so-called acts of mismanagement in connection with the business relationships established between 2007 and 2010 by Société Générale with Libyan financial institutions. Facts in connection with these business relationships have already led to the signing of (i) a convention judiciaire d’intérêt public on May 24, 2018 between Société Générale and the Financial Public Prosecutor (the "CJIP") and (ii) a Deferred Prosecution Agreement on June 5, 2018 between Société Générale and the United States Department of Justice (the "DPA").
  Plaintiff is seeking an order that Mr. Oudéa pay to Société Générale an amount equal to fines paid to the U.S. and French treasuries under the CJIP and the DPA. Société Générale voluntarily joined these proceedings at the first procedural hearing. The company intends to seek the dismissal of the claims made by the plaintiff on a variety of grounds.

4. CORPORATE GOVERNANCE

4.1 Annual general meeting dated 18 May 2021

Extract from press release dated 18 May 2021

The General Meeting of shareholders of Societe Generale was held on 18 May 2021 at Tours Société Générale - 17 Cours Valmy - La Défense 7, without shareholders or other authorized participants being physically present, given sanitary circumstances, and was chaired by Mr Lorenzo Bini Smaghi.
Quorum was established at 58.556% (vs 62.757% in 2020):

- 22 706 shareholders voted online;
- 1 892 shareholders voted by post;
- 9 922 shareholders, including 9 042 online, representing 0.82 % of the share capital, gave proxy to the Chairman;
- 24 175 shareholders were present or represented.

22 of the 23 resolutions proposed by the Board of Directors were adopted - Since the shareholders were invited to appoint a director representing the employee shareholders from among two candidates, the resolution rejected was that of the candidate having received the lowest number of favorable votes - :

- The 2020 annual and consolidated accounts;
- The dividend per share was set at EUR 0.55. It shall be detached on 25 May 2021 and paid from 27 May 2021;
- Three directors were renewed for 4 years: Mr William Connelly, Mrs Lubomira Rochet and Mrs Alexandra Schaapveld;
- The appointment of a director for 4 years: Mr Henri Poupart-Lafarge;
- The appointment of a director representing employee shareholders for 4 years: Mr Sébastien Wetter;
- The compensation policy for the Chairman, Chief Executive Officers and the directors;
- The components composing the total compensation and the benefits of any kind paid or awarded for the 2020 financial year to the Chairman and the Chief Executive Officers;
- A favorable opinion was issued on the compensation paid in 2020 to regulated persons;
- The authorization to buy back shares which had been granted to the Board of Directors were renewed for 18 months in the limit of 5% of the capital.

4.2 Board of directors

Extract from press release dated 18 May 2021

Following the renewals, appointments and elections of directors, the Board of Directors is now composed of 15 members, including (i) 2 directors elected by the employees in March 2021 and (ii) 1 director representing employee shareholders appointed by the General Meeting and whose term of office is 4 years.
In accordance with the by-laws, two employee directors have been elected and will assume their functions for a period of three years as from the General Meeting:

- Mrs France Houssaye; and
- Mr Johan Praud.

Finally, the Board of Directors, on the proposal of the Chairman and after consultation with the Nomination and Corporate Governance Committee, has decided to appoint Mr Jean-Bernard Lévy as non-voting Director ("censeur") of the Board of Directors as of 18 May 2021 for a two year period in accordance with III of article 7 of the by-laws of Societe Generale. His role will be to assist the Board of Directors in its mission regarding the energy transition.
Accordingly, the Board of Directors is composed as follows:
1. Directors

- Mr Lorenzo Bini Smaghi, Chairman;
- Mr Frédéric Oudéa, Chief Executive Officer;
- Mr William Connelly;
- Mr Jérôme Contamine;
- Mrs Diane Côté;
- Mrs Kyra Hazou;
- Mrs France Houssaye;

- Mrs Annette Messemer;
- Mr Gérard Mestrallet;
- Mr Juan Maria Nin Génova;
- Mr Henri Poupart-Lafarge;
- Mr Johan Praud;
- Mrs Lubomira Rochet;
- Mrs Alexandra Schaapveld;
- Mr Sébastien Wetter.

2. Non-voting Director (“censeur”)
   - Mr Jean-Bernard Lévy.

41% of the Board of Directors’ members appointed by the General Meeting are women. The rate of independent Directors is higher than 90% (11/12) if the three directors representing the employees are excluded from the calculations.
The Board of Directors held after the General Meeting also decided that the committees will be composed as follows from 18 May 2021:

- **Audit and Internal Control Committee:** Mrs Alexandra Schaapveld (chairwoman), Mr Jérôme Contamine, Mrs Diane Côté, Mrs Kyra Hazou et Mrs Annette Messemer;
- **Risk Committee:** Mr William Connelly (chairman), Mrs Kyra Hazou, Mrs Annette Messemer, Mr Juan Maria Nin Génova et Mrs Alexandra Schaapveld;
- **Compensation Committee:** Mr Jérôme Contamine (chairman), Mrs France Houssaye, Mr Gérard Mestrallet et Mr Juan Maria Nin Génova;
- **Nomination and Corporate Governance Committee:** Mr Gérard Mestrallet (chairman), Mr William Connelly, Mr Henri Poupart-Lafarge et Mrs Lubomira Rochet.

Biographies
Mr William Connelly, is a graduate of Georgetown University in Washington (US). From 1980 to 1990, he was a banker at Chase Manhattan Bank in the US, Spain and the United Kingdom. From 1990 to 1999, he worked at Barings and later at ING Barings as Head of Mergers and Acquisitions in Spain following which he was appointed Head of Corporate Finance for Western Europe. From 1999 to 2016, he was responsible for various positions in the Investment Banking Division at ING Bank N.V.(Netherlands). His last positions were Global Head of Corporate and Investment Banking and member of the Executive Committee, as well as Chief Executive Officer of ING Real Estate B.V. (an ING Bank subsidiary).

Mr Henri Poupart-Lafarge, Graduate of École polytechnique, the École nationale des ponts et chaussées and the Massachusetts Institute of Technology (MIT). He started his career in 1992 at the World Bank in Washington, D.C. before joining the French Ministry of Economy and Finance in 1994. Mr Henri Poupart-Lafarge joined Alstom in 1998 as Head of Investor Relations and head of management control. In 2000, he became Senior Vice-President of Finance of Alstom’s Transmission and Distribution division, which was sold in 2004. From 2004 to 2010, Mr Henri Poupart-Lafarge was Chief Financial Officer of the Alstom Group, President of Alstom’s Grid division from 2010 to 2011 and President of Alstom’s Transport division from 4 July 2011 until he was appointed as Alstom’s Chairman and Chief Executive Officer. Mr Henri Poupart-Lafarge has been the Chairman and Chief Executive Officer of Alstom since 1 February 2016.

Mrs Lubomira Rochet, is a graduate of the École normale supérieure and Sciences Po in France, and of the College of Europe in Bruges, Belgium. She became Head of Strategy at Sogeti (Capgemini) from 2003 to 2007. From 2008 to 2010, she was Head of Innovation and Start-ups in France for Microsoft. She joined Valtech in 2010 where she was appointed Chief Executive Officer in 2012. Since 2014, she has held the positions of Chief Digital Officer and member of the Executive Committee of L’Oréal.
Mrs Alexandra Schaapveld, holds a degree in Politics, Philosophy and Economics from the University of Oxford (UK) and has a Master in Development Economics from Erasmus University Rotterdam (Netherlands). She began her career with the ABN AMRO Group in the Netherlands, where she held various positions in the Investment Banking Division from 1984 to 2007 and, in particular, was Head of relations with the bank’s major corporate clients. In 2008, she was appointed Head of Investment Banking for Western Europe in the Royal Bank of Scotland Group.

Directors elected by employees in the election on 26 March 2021
Mrs France Houssaye, Head of External Business Opportunities, Regional Commercial Department, Rouen, employee since 1989.
Mr. Johan Praud, Telephone advisor, employee since 2005.
Director representing employee shareholders

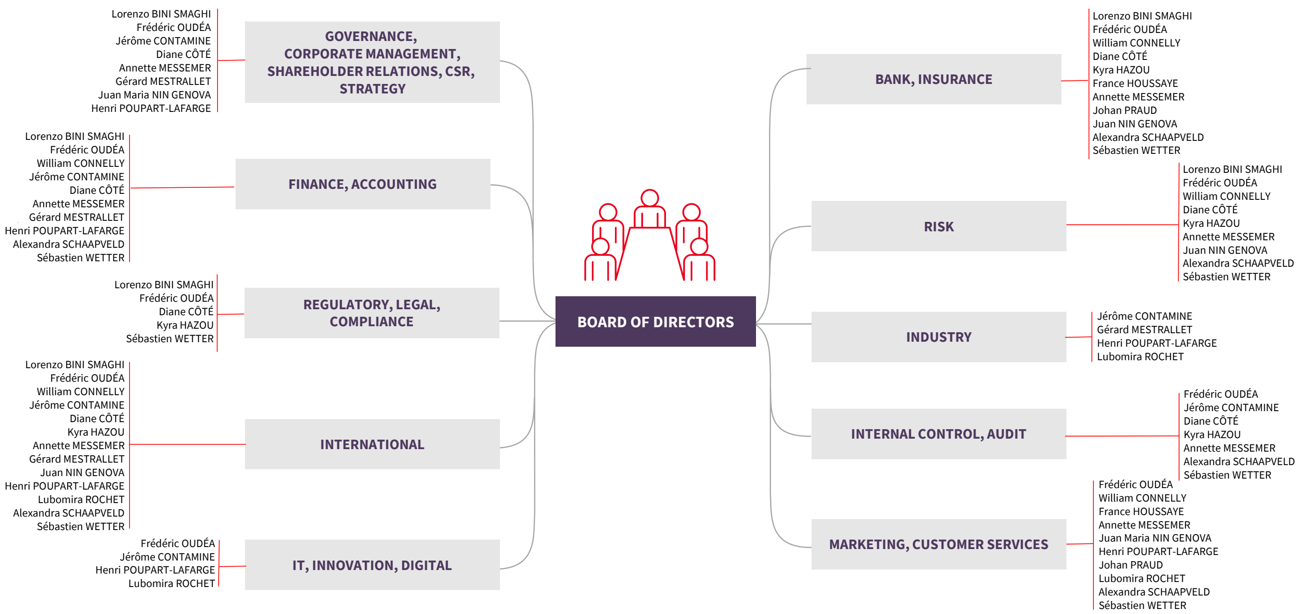
Mr. Sébastien Wetter, holds a Masters of Fundamental Physics and graduated from the Lyon Business School (EM Lyon). He began his career at Societe Generale in 1997 in the Strategy & Marketing division of Societe Generale's retail bank. From 2002 onwards, as part of the Group's Organisation Consulting department, he led various assignments within the Corporate & Investment Banking activities and contributed to the roll-out of the Group-wide participatory Innovation programme. At the end of 2005, he joined the commodities market department as Chief Operating Officer with a global remit, before becoming Head of business development in 2008. From 2010 until 2014, he was the Secretary-General of the Group's General Inspection and Audit. In 2014, he joined the Coverage Division of the Corporate & Investment Bank where he held a number of positions: Head of the Client Management Unit for major French and international clients, then in 2016, Global Chief Operating Officer for the Financial Institutions coverage teams. Since the beginning of 2020, he is a banker, managing Societe Generale's relationship with international financial institutions. His replacement is Mrs. Emmanuelle Petelle. Born on 31 December 1969, French nationality, she has worked for 14 years with Société Générale. Since 2020, she has been Deputy Head Trade Services.

Additional information regarding Henri Poupart-Lafarge, Johan Praud and Sébastien Wetter

Mr Henri Poupart-Lafarge, independent director, is Chairman and Chief Executive Officer of Alstom.
Mr Johan Praud does not hold other offices.
Mr Sébastien Wetter does not hold other offices.

<u>Update of page 142 of the Universal Registration Document</u>
Like all other Directors, Henri Poupart-Lafarge, Johan Praud and Sébastien Wetter have made the regulatory declarations on the absence of conflict of interest and the absence of conviction.

Update of the page 69 of the 2021 Universal Registration Document



5. FINANCIAL INFORMATION

5.1 Financial statements as of 30 June 2021

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1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET - ASSETS

(In EUR m)		30.06.2021	31.12.2020
Cash, due from central banks		160,801	168,179
Financial assets at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	440,774	429,458
Hedging derivatives	Notes 3.2 and 3.4	15,306	20,667
Financial assets at fair value through other comprehensive income	Notes 3.3 and 3.4	49,068	52,060
Securities at amortised cost	Notes 3.5, 3.8 and 3.9	18,922	15,635
Due from banks at amortised cost	Notes 3.5, 3.8 and 3.9	61,733	53,380
Customer loans at amortised cost	Notes 3.5, 3.8 and 3.9	464,622	448,761
Revaluation differences on portfolios hedged against interest rate risk		222	378
Investments of insurance companies	Note 4.3	172,016	166,854
Tax assets	Note 6	4,601	5,001
Other assets	Note 4.4	69,473	67,341
Non-current assets held for sale	Note 2.2	368	6
Investments accounted for using the equity method		96	100
Tangible and intangible fixed assets		30,786	30,088
Goodwill	Note 2.2	3,821	4,044
Total		**1,492,609**	**1,461,952**

CONSOLIDATED BALANCE SHEET - LIABILITIES

(In EUR m)		30.06.2021	31.12.2020
Due to central banks		5,515	1,489
Financial liabilities at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	376,762	390,247
Hedging derivatives	Notes 3.2 and 3.4	10,170	12,461
Debt securities issued	Notes 3.6 and 3.9	137,938	138,957
Due to banks	Notes 3.6 and 3.9	147,938	135,571
Customer deposits	Notes 3.6 and 3.9	478,774	456,059
Revaluation differences on portfolios hedged against interest rate risk		5,214	7,696
Tax liabilities	Note 6	1,365	1,223
Other liabilities	Note 4.4	87,805	84,937
Non-current liabilities held for sale	Note 2.2	104	-
Insurance contracts related liabilities	Note 4.3	151,119	146,126
Provisions	Note 8.3	4,595	4,775
Subordinated debts	Note 3.9	16,673	15,432
Total liabilities		**1,423,972**	**1,394,973**
Shareholders' equity			
Shareholders' equity, Group share			
Issued common stocks and capital reserves		22,354	22,333
Other equity instruments		8,931	9,295
Retained earnings		30,961	32,076
Net income		2,253	(258)
Sub-total		**64,499**	**63,446**
Unrealised or deferred capital gains and losses		(1,363)	(1,762)
Sub-total equity, Group share		**63,136**	**61,684**
Non-controlling interests		5,501	5,295
Total equity		**68,637**	**66,979**
Total		**1,492,609**	**1,461,952**

CONSOLIDATED INCOME STATEMENT

(In EUR m)		1st half of 2021	2020	1st half of 2020
Interest and similar income	Note 3.7	9,746	20,721	10,833
Interest and similar expense	Note 3.7	(4,745)	(10,248)	(5,366)
Fee income	Note 4.1	4,377	8,529	4,290
Fee expense	Note 4.1	(1,896)	(3,612)	(1,917)
Net gains and losses on financial transactions		3,017	2,851	779
o/w net gains and losses on financial instruments at fair value through profit or loss		*3,027*	*2,785*	*765*
o/w net gains and losses on financial instruments at fair value through other comprehensive income		*15*	69	25
o/w net gains and losses from the derecognition of financial instruments at amortised cost		*(25)*	(3)	(11)
Net income from insurance activities	Note 4.3	1,128	2,124	1,038
Income from other activities	Note 4.2	6,060	11,471	5,403
Expenses from other activities	Note 4.2	(5,181)	(9,723)	(4,594)
Net banking income		**12,506**	**22,113**	**10,466**
Personnel expenses	Note 5	(4,791)	(9,289)	(4,497)
Other operating expenses *	Note 8.2	(3,269)	(5,821)	(3,274)
Amortisation, depreciation and impairment of tangible and intangible fixed assets *		(795)	(1,604)	(767)
Gross operating income		**3,651**	**5,399**	**1,928**
Cost of risk	Note 3.8	(418)	(3,306)	(2,099)
Operating income		**3,233**	**2,093**	**(171)**
Net income from investments accounted for using the equity method		5	3	5
Net income / expense from other assets		11	(12)	84
Value adjustments on goodwill	Note 2.2	-	(684)	(684)
Earnings before tax		**3,249**	**1,400**	**(766)**
Income tax	Note 6	(687)	(1,204)	(612)
Consolidated net income		**2,562**	**196**	**(1,378)**
Non-controlling interests		309	454	212
Net income, Group share		**2,253**	**(258)**	**(1,590)**
Earnings per ordinary share	Note 7.2	**2.29**	**(1.02)**	**(2.25)**
Diluted earnings per ordinary share	Note 7.2	**2.29**	**(1.02)**	**(2.25)**

* *The amounts have been restated compared with the published financial statements for the period ended 30 June 2020 following the IFRS Interpretations Committee (IFRS IC) decisions on 26 November 2019 related to IFRS 16 (see Note 8.2).*

STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

(In EUR m)	1st half of 2021	2020	1st half of 2020
Consolidated net income	**2,562**	**196**	**(1,378)**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**356**	**(1,353)**	**(449)**
Translation differences	611	(1,776)	(708)
Revaluation of debt instruments at fair value through other comprehensive income	(114)	247	23
Revaluation differences for the period	*(100)*	*317*	*47*
Reclassified into income	*(14)*	*(70)*	*(24)*
Revaluation of available-for-sale financial assets	(193)	117	70
Revaluation differences for the period	*(182)*	*123*	*71*
Reclassified into income	*(11)*	*(6)*	*(1)*
Revaluation of hedging derivatives	(10)	154	216
Revaluation differences of the period	*11*	*138*	*206*
Reclassified into income	*(21)*	*16*	*10*
Related tax	62	(95)	(50)
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	**102**	**(79)**	**403**
Actuarial gains and losses on defined benefit plans	114	(53)	(48)
Revaluation of own credit risk of financial liabilities at fair value through profit or loss	13	(79)	570
Revaluation of equity instruments at fair value through other comprehensive income	9	16	16
Related tax	(34)	37	(135)
Total unrealised or deferred gains and losses	**458**	**(1,432)**	**(46)**
Net income and unrealised or deferred gains and losses	**3,020**	**(1,236)**	**(1,424)**
o/w Group share	*2,652*	*(1,640)*	*(1,532)*
o/w non-controlling interests	*368*	*404*	*108*

CHANGES IN SHAREHOLDERS' EQUITY

	Shareholders' equity, Group share							
(In EUR m)	**Issued common stocks and capital reserves**	**Other equity instruments**	**Retained earnings**	**Net income, Group share**	**Unrealised and deferred gains and losses**	**Total**	**Non-controlling interests**	**Total consolidated shareholder's equity**
At 1 January 2020	**21,975**	**9,133**	**32,787**	**-**	**(368)**	**63,527**	**5,043**	**68,570**
Increase in common stock and issuance / redemption and remuneration of equity instruments	-	(1,102)	(340)	-	-	(1,442)	(33)	(1,475)
Elimination of treasury stock	91	-	(59)	-	-	32	-	32
Equity component of share-based payment plans	18	-	-	-	-	18	-	18
1st half of 2020 dividends paid (see Note 7.2)	-	-	-	-	-	-	(79)	(79)
Effect of changes of the consolidation scope	-	-	91	-	-	91	(13)	78
Sub-total of changes linked to relations with shareholders	***109***	***(1,102)***	***(308)***	***-***	***-***	***(1,301)***	***(125)***	***(1,426)***
1st half of 2020 Net income	-	-	-	(1,590)	-	(1,590)	212	(1,378)
Change in unrealised or deferred gains and losses	-	-	-	-	45	45	(110)	(65)
Other changes	-	-	(22)	-	-	(22)	-	(22)
Sub-total	***-***	***-***	***(22)***	***(1,590)***	***45***	***(1,567)***	***102***	***(1,465)***
At 30 June 2020	**22,084**	**8,031**	**32,457**	**(1,590)**	**(323)**	**60,659**	**5,020**	**65,679**
Increase in common stock and issuance / redemption and remuneration of equity instruments	-	1,264	(288)	-	-	976	-	976
Elimination of treasury stock	225	-	2	-	-	227	-	227
Equity component of share-based payment plans	24	-	-	-	-	24	-	24
2nd half of 2020 dividends paid (see Note 7.2)	-	-	-	-	-	-	(12)	(12)
Effect of changes of the consolidation scope	-	-	(11)	-	-	(11)	(8)	(19)
Sub-total of changes linked to relations with shareholders	***249***	***1,264***	***(297)***	***-***	***-***	***1,216***	***(20)***	***1,196***
2nd half of 2020 Net income	-	-	-	1,332	-	1,332	242	1,574
Change in unrealised or deferred gains and losses	-	-	-	-	(1,439)	(1,439)	53	(1,386)
Other changes	-	-	(84)	-	-	(84)	-	(84)
Sub-total	***-***	***-***	***(84)***	***1,332***	***(1,439)***	***(191)***	***295***	***104***
At 31 December 2020	**22,333**	**9,295**	**32,076**	**(258)**	**(1,762)**	**61,684**	**5,295**	**66,979**
Allocation to retained earnings	-	-	(290)	258	32	-	-	-
At 1 January 2021	**22,333**	**9,295**	**31,786**	**-**	**(1,730)**	**61,684**	**5,295**	**66,979**
Increase in common stock and issuance / redemption and remuneration of equity instruments (see Note 7.1)	-	(364)	(317)	-	-	(681)	(33)	(714)
Elimination of treasury stock (see Note 7.1)	5	-	(39)	-	-	(34)	-	(34)
Equity component of share-based payment plans	16	-	-	-	-	16	-	16
1st half of 2021 dividends paid (see Note 7.2)	-	-	(468)	-	-	(468)	(109)	(577)
Effect of changes of the consolidation scope	-	-	11	-	-	11	(12)	(1)
Sub-total of changes linked to relations with shareholders	***21***	***(364)***	***(813)***	***-***	***-***	***(1,156)***	***(154)***	***(1,310)***
1st half of 2021 Net income	-	-	-	2,253	-	2,253	309	2,562
Change in unrealised or deferred gains and losses	-	-	-	-	367	367	51	418
Other changes	-	-	(12)	-	-	(12)	-	(12)
Sub-total	***-***	***-***	***(12)***	***2,253***	***367***	***2,608***	***360***	***2,968***
At 30 June 2021	**22,354**	**8,931**	**30,961**	**2,253**	**(1,363)**	**63,136**	**5,501**	**68,637**

CASH FLOW STATEMENT

(In EUR m)	1st half of 2021	2020	1st half of 2020
Consolidated net income (I)	**2,562**	**196**	**(1,378)**
Amortisation expense on tangible and intangible fixed assets (including operational leasing)	2,652	5,263	2,640
Depreciation and net allocation to provisions	241	1,937	2,979
Net income/loss from investments accounted for using the equity method	(5)	(3)	(6)
Change in deferred taxes	236	496	232
Net income from the sale of long-term assets and subsidiaries	(20)	(74)	(27)
Other changes	1,766	(757)	(377)
Non-cash items included in net income and other adjustments excluding income on financial instruments at fair value through profit or loss (II)	**4,870**	**6,862**	**5,441**
Income on financial instruments at fair value through profit or loss	2,922	6,077	5,468
Interbank transactions	5,044	42,149	21,847
Customers transactions	9,600	43,790	26,664
Transactions related to other financial assets and liabilities	(35,747)	(21,347)	(802)
Transactions related to other non-financial assets and liabilities	6,723	3,064	(2,296)
Net increase/decrease in cash related to operating assets and liabilities (III)	**(11,458)**	**73,733**	**50,881**
Net cash inflow (outflow) related to operating activities (A) = (I) + (II) + (III)	**(4,026)**	**80,791**	**54,944**
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long term investments	(2,940)	(1,275)	(2,607)
Net cash inflow (outflow) related to tangible and intangible fixed assets	(3,440)	(5,588)	(2,022)
Net cash inflow (outflow) related to investment activities (B)	**(6,380)**	**(6,863)**	**(4,629)**
Cash flow from/to shareholders	(1,719)	24	(1,580)
Other net cash flow arising from financing activities	2,068	2,109	1,249
Net cash inflow (outflow) related to financing activities (C)	**349**	**2,133**	**(331)**
Effect of changes in foreign exchange rates on cash and cash equivalents (D)	(93)	(2,596)	222
Net inflow (outflow) of cash and cash equivalents (A) + (B) + (C) + (D)	**(10,150)**	**73,465**	**50,206**
Cash, due from central banks (assets)	168,179	102,311	102,311
Due to central banks (liabilities)	(1,489)	(4,097)	(4,097)
Current accounts with banks (see Notes 3.5 and 4.3)	26,609	21,843	21,843
Demand deposits and current accounts with banks (see Note 3.6)	(11,354)	(11,577)	(11,577)
Cash and cash equivalents at the start of the year	**181,945**	**108,480**	**108,480**
Cash, due from central banks (assets)	160,801	168,179	144,417
Due to central banks (liabilities)	(5,515)	(1,489)	(2,980)
Current accounts with banks (see Notes 3.5 and 4.3)	28,147	26,609	27,266
Demand deposits and current accounts with banks (see Note 3.6)	(11,638)	(11,354)	(10,017)
Cash and cash equivalents at the end of the year	**171,795**	**181,945**	**158,686**
Net inflow (outflow) of cash and cash equivalents	**(10,150)**	**73,465**	**50,206**

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING PRINCIPLES

1. INTRODUCTION

ACCOUNTING STANDARDS

The half-yearly consolidated financial statements of the Societe Generale group ("the Group") regarding the intermediate situation as at 30 June 2021 have been prepared in accordance with International Accounting Standard 34 (IAS) "Interim Financial Report". The Group includes the parent company Societe Generale (including the Societe Generale foreign branches) and all of the entities in France and abroad that it controls either directly or indirectly (subsidiaries and joint arrangements) or on which it exercises significant influence (associates).

The notes annexed to the half-yearly consolidated financial statements should be read in conjunction with the audited consolidated statements of the financial year ending on 31 December 2020 as contained in the 2021 Universal Registration Document. Furthermore, as the Group's activities are neither seasonal nor cyclical in nature, its first half 2021 results were not affected by these factors.

FINANCIAL STATEMENTS PRESENTATION

As the IFRS (International Financial Reporting Standards) accounting framework does not specify a standard model, the format used for the 2021 half-year consolidated financial statements is consistent with the format of financial statements proposed by the French Accounting Standard Setter, the *Autorité des Normes Comptables* (ANC), under Recommendation No. 2017-02 of 2 June 2017.

The notes annexed to the half-yearly consolidated financial statements describe the events and transactions that are significant for understanding the changes in the Group situation and financial performance during the first half of 2021. These appendices focus on the information that is both relevant and material to the financial statements of the Societe Generale group, its activities and the circumstances in which it conducted its operations over the period.

PRESENTATION CURRENCY

The presentation currency of the consolidated financial statements is the euro.

The figures presented in the financial statements and notes are expressed in millions of euros, unless otherwise specified. The effect of rounding can generate discrepancies between the figures presented in the financial statements and those presented in the notes.

2. NEW ACCOUNTING STANDARDS APPLIED BY THE GROUP AS OF 1 JANUARY 2021

Amendments to IFRS 16, IFRS 4, IFRS 7, IFRS 9 and IAS 39 (Interest Rate Benchmark reform - Phase 2)

Amendments to IFRS 4 – Extension of the temporary exemption from applying IFRS 9

AMENDMENTS TO IFRS 9 "FINANCIAL INSTRUMENTS", IAS 39 "FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT", IFRS 7 "FINANCIAL INSTRUMENTS: DISCLOSURES", IFRS 4 "INSURANCE CONTRACTS", IFRS 16 "LEASES"

Applied early by the Group as at 31 December 2020.

In the context of the interest rate reform – or IBOR reform – currently being implemented (see Note 10), the accounting standards applicable have been amended by the IASB. The purpose of Phase 1 of these amendments, implemented by the Group since 31 December 2019, has been to enable the continued application of hedge accounting treatments despite uncertainties regarding the timetable and specifics regarding the transition from current interest rate benchmarks to new ones. These amendments will remain applicable until the uncertainties have been resolved.

Phase 2 of these amendments addresses the treatment of the changes to financial instruments in the context of the IBOR reform. Adopted by the European Union on 14 January 2021, they were early applied by the Group in its financial statements as at 31 December 2020. These supplementary amendments have provided for the application of the following treatments:

- the changes brought about by the IBOR reform in the determination of the contractual cash flows, when performed on an economically equivalent basis, should be booked as the revision of a variable interest rate when measuring financial assets and liabilities at amortised cost, financial assets at fair value through other comprehensive income and lease liabilities;
- continuation of the hedging relationship when changes are made, in the context of the IBOR reform, to the hedged item and/or the hedging instrument and lead to a re-documentation of the hedge.

In view of the provisions introduced by the IBOR – Phase 2 amendments, the changes to contractual cash flows expected in the context of this rate transition should not generate any significant impact on the Group's consolidated financial statements. Indeed, the Group, in line with the recommendations issued by the regulatory authorities and market working groups on the rate reform, has planned to migrate all IBOR-based contracts on an economically equivalent basis. This is most often done by replacing the historical reference rate with an alternative reference rate plus a fixed spread compensating for the difference between these two rates.

AMENDMENTS TO IFRS 4 – EXTENSION OF THE TEMPORARY EXEMPTION FROM APPLYING IFRS 9

The amendments to IFRS 17 and IFRS 4 published by the IASB on 25 June 2020 as well as Regulation (EU) 2020/2097 published by the European Commission on 15 December 2020 allow financial conglomerates as defined by Directive 2002/87/CE to defer, until 1 January 2023, the application of IFRS 9 by their legal entities in the insurance sector. Regarding its insurance subsidiaries, the Group has thus upheld the decision to differ the application of IFRS 9 and continue applying the processes specified under IAS 39 in the form adopted in the European Union.

DECISION OF THE IFRS INTERPRETATIONS COMMITTEE (IFRS IC) OF 20 APRIL 2021 ON IAS 19

At its meeting on 20 April 2021, the IFRS IC specified the method for determining the vesting period of a defined-benefit plan with the following characteristics: staff members are entitled to a lump-sum benefit payment, depending on their length of employee service, when they reach retirement age; and this length is capped at a specified number of consecutive years of service.

The IFRS IC specified that, pursuant to IAS 19, the vesting period should be the period of employee service immediately before the retirement age, capped to the number of consecutive years of service specified in the pension plan.

Therefore, it is not possible to use as the vesting period the total length of service when the latter is greater than the cap used to calculate the benefit. The consecutive decision not to place the issue on the IFRS IC agenda was validated by the IASB on 24 May 2021.
The possible consequences of this decision on the Group's financial statements is currently being analysed, and the work will continue during the second half of 2021. As at 30 June 2021, the terms and conditions chosen by the Group to determine the vesting period for a defined-benefit plan remain unchanged.

3. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT THE GROUP WILL APPLY IN THE FUTURE

Some of the standards and amendments published by the IASB have not yet been adopted by the European Union as at 30 June 2021. They will enter into mandatory application force for fiscal years beginning on 1 January 2022 at the earliest or from their adoption by the European Union. They have not been applied to the Group as at 30 June 2021.

The provisional timetable for application of these standards is as follows:

2021

- Amendments to IFRS 16 "Leases" - Covid-19 related rent concessions beyond 30 June 2021

2022

- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts — Cost of Fulfilling a Contract"
- Annual improvements to IFRS (2018-2020 cycle)

2023

- IFRS 17 "Insurance contracts"
- Amendments to IAS 1 "Disclosure of Accounting Policies "
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Income taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

AMENDMENTS TO IFRS 16 "LEASES" - COVID-19 RELATED RENT CONCESSIONS BEYOND 30 JUNE 2021

Published by the IASB on 31 March 2021.

These amendments extend by one year the application period of the Covid-19 related amendments to IFRS 16 “Leases” published by the IASB on 28 May 2020. These amendments are intended to optionally enable lessees who receive rent reliefs in the context of the Covid-19 pandemic not to analyse whether the granted concessions should be accounted for as changes to leases (which would imply a spreading into the income statement of the effects of the granted benefit over the term of the contract) but to account for these reliefs as negative variable leases (generating an immediate gain in the income statement).

Consequently, this simplification may apply to rent reliefs on payments due up to 30 June 2022.

During the first semester 2021, as in 2020, the Group did not benefit from any Covid-19 related rent reliefs.

AMENDMENTS TO IAS 37 “PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS - ONEROUS CONTRACTS – COST OF FULFILLING A CONTRACT”

Adopted by the European Union on 2 July 2021.

These amendments clarify what costs to be retained in determining the costs of fulfilling a contract when analysing onerous contracts.

ANNUAL IMPROVEMENTS TO IFRS STANDARDS (2018-2020 CYCLE)

Adopted by the European Union on 2 July 2021.

As part of the annual improvements to the International Financial Reporting Standards (IFRS), the IASB has issued minor amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IFRS 9 “Financial instruments”, IAS 41 “Agriculture” and IFRS 16 “Leases”.

IFRS 17 “INSURANCE CONTRACTS”

Issued by IASB on 18 May 2017.

This new standard will replace IFRS 4 “Insurance Contracts” issued in 2004 which currently allows entities to apply national accounting regulations for the recognition of insurance contracts.

IFRS 17 provides new rules for the recognition, measurement, presentation and disclosure of insurance contracts within its scope of application (insurance contracts issued, reinsurance contracts held, and investment contracts issued with discretionary participation features). The underwriting reserves currently recognised as liabilities on the balance sheet will be replaced by an assessment of current value of the insurance contracts.

On 25 June 2020, the IASB issued amendments to IFRS 17 "Insurance Contracts" to facilitate its implementation.

These amendments to IFRS 17 include the postponement to 1st January 2023 of its first application date originally set for 1 January 2021. In parallel, an amendment to the IFRS 4 standard has also been published to extend until 1 January 2023 the ability for entities whose primary activity is insurance to delay the application of IFRS 9. As at 15 December 2020, the European Commission published the Regulation (EU) 2020/2097 which allows the financial conglomerates falling within the scope of Directive 2002/87/EC to postpone until the 1 January 2023 the implementation of IFRS 9 by their entities belonging to the insurance sector.

In 2020, the work of the project structure set up at Group level under the joint governance of the Group’s Finance Division and the Insurance business line focused on reviewing the different types of contracts, analysing their accounting treatment under IFRS 17 and their presentation in the consolidated financial statements and finally study and select solutions in terms of information systems and processes.

Work continued during the first half of 2021, notably with the first testing and approval of tools and processes.

AMENDMENTS TO IAS 1 “DISCLOSURE OF ACCOUNTING POLICIES”

Published by the IASB on 12 February 2021.

The aim of these amendments is to help companies improve the materiality of the information on accounting policies disclosed in the appendix and its usefulness to investors and financial statements users.

AMENDMENTS TO IAS 8 “DEFINITION OF ACCOUNTING ESTIMATES”

Published by the IASB on 12 February 2021.

The aim of these amendments is to facilitate distinguishing between changes in accounting policies and changes in accounting estimates.

AMENDMENTS TO IAS 12 "INCOME TAXES" - DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION

Published by the IASB on 7 May 2021.

These amendments clarify and narrow the scope of the exemption provided by the IAS 12 standard allowing institutions to not recognise any differed tax during the initial recognition of an asset and a liability. Are excluded from the exemption scope all leases and decommissioning obligations for which companies recognise both an asset and a liability and will now have to recognise differed taxes.

The aim of these amendments is to reduce heterogeneity in the recognition of the deferred tax related to leases and decommissioning obligations.
Since the date of first application of IFRS 16, the Group has been considering the rights of use and the lease-related debt as a single transaction. Consequently, on the initial recognition date, no differed tax is recognised since the amount of deferred tax asset offsets the amount of deferred tax liability. The net temporary differences resulting from later variations in the right of use and lease debt subsequently results in the recognition of a deferred tax. This amendment thus has no impact on the Group consolidated financial statements.

4. USE OF ESTIMATES AND JUDGMENT

When applying the accounting principles disclosed in the following notes for the purpose of preparing the Group consolidated financial statements, the Top Management makes assumptions and estimates that may have an impact on the figures recorded in the income statement, on the Unrealised or deferred gains and losses, on the valuation of assets and liabilities in the balance sheet, and on the information disclosed in the notes to the consolidated financial statements.

In order to make these assumptions and estimates, the Top Management uses the information available at the date of preparation of the consolidated financial statements and can exercise its judgment. By nature, valuations based on estimates involve risks and uncertainties concerning their occurrence in the future. Consequently, the actual future results may differ from these estimates and have a significant impact on the financial statements.

The assumptions and the estimates made for the preparation of these half-yearly consolidated financial statements reflect the remaining uncertainties about the consequences of the economic crisis generated by the Covid-19 pandemic as well as the ones relating to the conditions and prospects for an economic upswing. The effects of this crisis on the assumptions and estimates used are specified in the 5th part of this note.

The use of estimates concerns in particular the fair value measurement of financial instruments, the measurement of the depreciation of assets and provisions recorded on the liability side of the balance sheet, as well as the one of the tax assets and liabilities recognised on the balance sheet and the goodwill. It also applies to the analysis of the characteristics of the contractual cash flows of financial assets, the determination of the effective interest rate of financial instruments measured at amortised cost as well as the assessment of the control for determining the scope of the consolidated entities. The Group also uses judgement to estimate the duration of the leases to be used for the recognition of rights of use and lease debts.
To assess the amount of impairment and provisions for credit risk, the use of judgement and estimates relates in particular to the assessment of the deterioration in credit risk observed since the initial recognition of financial assets and the measurement of the amount of expected credit losses on these same financial assets. Transition risk is gradually being integrated into credit risk analysis through the development of a Climate Vulnerability Index (CVI) for the sectors most sensitive to this transition.

BREXIT

After having been postponed several times, the United Kingdom's withdrawal agreement from the European Union entered into force on 1 January 2021 after an 11-month transition period.

The Group has been granted a transitional authorisation to continue its activities in London for two years, subject to compliance with local regulatory standards, and is currently in the process of obtaining its permanent licence. The Group thus ensures continued service to its customers notably through the restructuring and migration of some customer accounts between the two platforms in Paris and London.

The Group continues to monitor the negotiations between the United Kingdom and the European Union regarding financial services. As at 30 June 2021, an 18-month, European-only, equivalence for the use of the clearing houses has been recognised from 1 January 2021.

The Group remains vigilant about the possible future differences between the local and European regulations and takes into account the short-/mid-/long-term consequences of the Brexit in the assumptions and estimates selected to prepare the consolidated accounts.

5. COVID-19

One year and a half after the outbreak of Covid-19 pandemic, the global environment remains impacted by an unprecedented crisis. The deployment of vaccines fuels the hope for a reopening of the economy during the year 2021, which, combined with large scale stimulus packages and the accumulated savings, offer the prospect of an upturn. The latter will also depend on the capability of economic policies to support the sectoral changes resulting both from the impacts of the pandemic and the speeding up of the green and digital transitions.

Uncertainties regarding the sanitary crisis remain high. The multi-scenario approach selected for the preparation of the consolidated financial statements as at 31 December 2020 is maintained. The Group presents a central scenario, that assumes that the social distancing measures will be lifted during the first quarter of 2022, and an alternate, protracted crisis scenario in which the sanitary precautions remain in force for one additional year.

To apply the principles for assessing expected credit losses, the Group has continued using methodological adjustments to take account of the support packages decided upon since 2020 by public authorities.

These different elements, consequent to the Covid-19 crisis, are developed hereafter to shed light on the financial consequences of the crisis and their integration in the preparation of the consolidated financial statements.

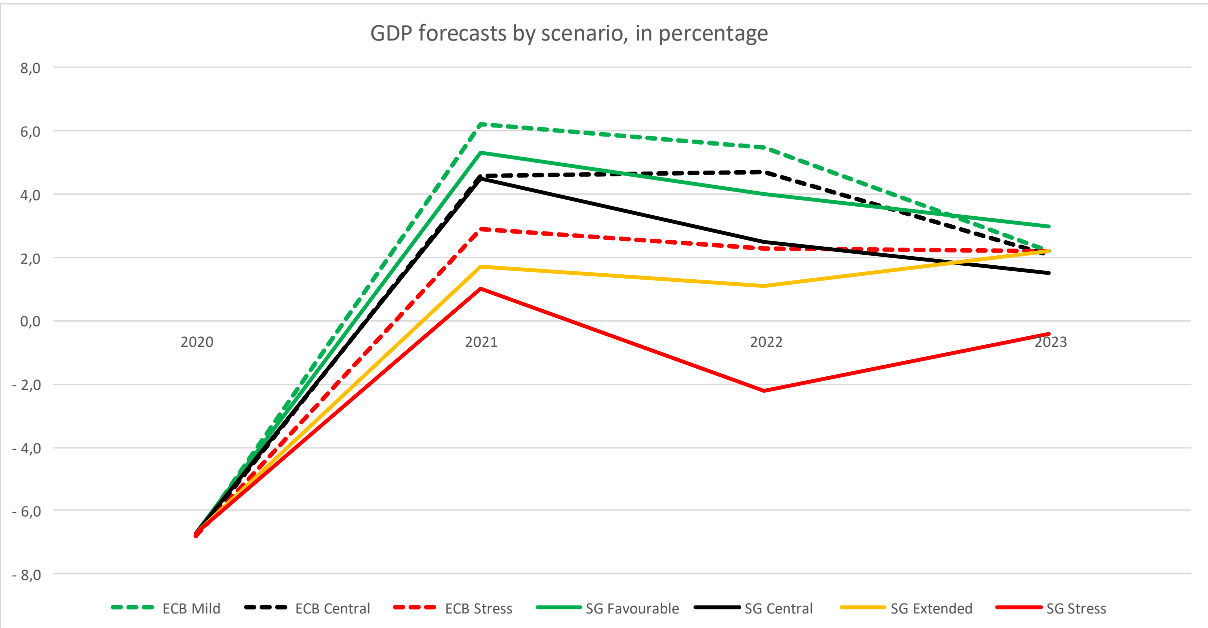
MACROECONOMIC SCENARIOS

To prepare its consolidated financial statements, the Group uses macroeconomic scenarios in the expected credit losses measurement models including forward-looking data (see Note 3.8).
These scenarios are developed by the Societe Generale Department of Economic and Sector Studies for all the Group entities. A weighting ratio is attributed to each scenario and the outputs from the models correspond to a weighted average of these scenarios. The scenarios provided by the economists of the Group have been incorporated into the models over a 3-year horizon, followed by a 2-year period to come back in the 5th year to the average GDP level observed over the calibration period (minimum 10 years). The assumptions made by the Group for the determination of these macroeconomic scenarios have been updated to take into account the remaining uncertainties about the consequences of the economic crisis generated by the Covid-19 pandemic as well as the ones relating to the conditions and prospects for an economic upswing. They do not show significant changes compared to those used on 31 December 2020.

As at 30 June 2021, the Group has maintained the coexistence of four scenarios:

- the central scenario (SG Central) expects, after the significant fall in GDP observed in the countries where the Group operates, a gradual economic upturn during 2021, considering in particular that the social distancing measures will end at the beginning of 2022;
- a scenario of prolonged health crisis (SG Extended) expects that the sanitary crisis extends for another year and the social distancing measures will be lifted only at the beginning of 2023;
- lastly, two additional scenarios, one favourable (SG Favourable) and one stress (SG Stress), supplement these two scenarios.

The illustration below compares the GDP previsions in the Euro area used by the Group for each scenario with the previsions provided by the ECB in June 2021.



The main variables used (GDP growth percentage for the main countries where the Group operates and profit margins of companies in France) for each scenario are detailed below:

SG Favourable scenario	**2021**	**2022**	**2023**	**2024**	**2025**
France GDP	7.0	3.6	3.0	2.8	2.4
Profit margin of French companies	33.8	32.6	32.7	32.9	32.7
Euro area GDP	5.3	4.0	3.0	2.7	2.3
United States GDP	7.3	5.3	3.8	3.2	2.5
China GDP	9.2	6.5	6.1	5.5	4.9
Czech Republic GDP	4.6	4.5	3.5	3.5	3.0
Romania GDP	5.3	5.0	3.5	4.0	3.5

SG Central scenario	**2021**	**2022**	**2023**	**2024**	**2025**
France GDP	6.0	2.0	1.5	1.8	1.9
Profit margin of French companies	33.4	32.2	32.3	32.4	32.4
Euro area GDP	4.5	2.5	1.5	1.7	1.8
United States GDP	6.7	3.7	2.3	2.2	2.0
China GDP	8.0	4.9	4.6	4.5	4.4
Czech Republic GDP	4.1	3.0	2.0	2.5	2.5
Romania GDP	4.8	3.5	2.0	3.0	3.0

SG Extended scenario	**2021**	**2022**	**2023**	**2024**	**2025**
France GDP	3.0	1.0	2.5	1.8	1.9
Profit margin of French companies	33.1	30.9	32.1	32.0	31.9
Euro area GDP	1.7	1.1	2.2	1.7	1.8
United States GDP	3.5	3.2	3.0	2.2	2.0
China GDP	6.6	4.5	5.2	4.5	4.4
Czech Republic GDP	2.0	0.5	1.5	2.3	2.5
Romania GDP	1.8	1.7	2.0	3.0	3.0

SG Stress scenario	**2021**	**2022**	**2023**	**2024**	**2025**
France GDP	2.6	(2.5)	(0.3)	0.8	1.7
Profit margin of French companies	32.2	29.3	30.0	30.0	30.9
Euro area GDP	1.0	(2.2)	(0.4)	0.7	1.5
United States GDP	2.9	(0.5)	0.4	1.2	1.7
China GDP	5.6	0.7	2.7	3.5	4.1
Czech Republic GDP	0.5	(2.3)	(0.5)	1.4	2.3
Romania GDP	0.8	(1.4)	(0.3)	2.0	2.8

These simulations assume that the historical relationships between the key economic variables and the risk parameters remain unchanged. In fact, these correlations may be impacted by changes in behaviour, legal environment, granting policy or, in the current context, by the unprecedented impact of the support measures.

WEIGHTING OF THE MACROECONOMIC SCENARIOS

In accordance with the assumptions defined by the Group to determine the macroeconomic scenarios, the weightings used as at 30 June 2021 remain the same as those used as at 31 December 2020.

	30 June 2021
SG Central	65%
SG Extended	10%
SG Stress	15%
SG Favourable	10%

The probabilities used are based on the differences observed in the past over 25 years between the forecasts made by a consensus of economists regarding the US GDP and the actual scenario that occurred (forecast similar to the actual scenario occurred, significantly optimistic or pessimistic).

CALCULATION OF EXPECTED CREDIT LOSSES

Based on the scenarios and weightings mentioned above, and after taking into account the methodological adjustments (see Note 3.8) and support measures, the Cost of risk for the first half of 2021 amounts to a net expense of 418 million euros, decreasing by 1,681 million euros (80%) compared to the first half of 2020.

Using weighting of 10% for the scenario SG Central, 65% for the scenario SG Extended, 10% for the scenario SG Favourable and 15% for the scenario SG Stress, the impact would be an extra allocation of 168 million euros.

COVID-19 SUPPORT MEASURES

Moratoriums

In France, the moratoriums took the form of a six-month payment deferment on loans (until twelve months for the tourism moratoriums) granted to corporates and professionals (principal and interests), with interests on the deferral charged only on the principal. Abroad, various cases have been observed, both over the duration of the moratorium, and over its terms (interest charged or not for the deferment). Nearly all of them have now expired, with a resumption of reimbursements without incident for most customers.

As recommended by the prudential and supervisory authorities, the granting of moratoriums directly related to the cash flow difficulties generated by the occurrence of the Covid-19 crisis had not lead to the automatic transfer of these credit outstandings into Stage 2 (under-performing assets), nor into Stage 3 (credit-impaired assets). A case-by-case analysis had been conducted on the most significant exposures, and on those with increased risks particularly due to their ante-crisis Basel scoring. As at the end of June, out of a total of 28.5 billion euros expired and non-expired moratoriums, 7.0 billion euros of these outstandings are classified in Stage 2 (compared to 7.5 billion euros as at 31 December 2020) and 1.0 billion euros have been downgraded to Stage 3 (compared to 0.7 billion euros as at 31 December 2020). The evolution of outstandings classified in Stage 3 (without a predominant sector) remains consistent with the level of doubtful outstandings of the Group.

Loans supported by the government

In France, in addition to the moratoriums, the Group entities have contributed to the implementation of support measures decided by the authorities through the examination and allocation of State Guaranteed Loan facilities ("*Prêts Garantis par l'Etat*" (*PGE*) in French) and Participatory Recovery Loans ("*Prêts Participatifs Relance*" (*PPR*)).

State Guaranteed Loans ("*Prêts Garantis par l'Etat" (PGE)*)

Thus, the Group offers, until 31 December 2021, to its customers affected by the crisis (professionals and corporate customers), the allocation of State Guaranteed Loan facilities (*PGE*) within the framework of the 2020 French Amending Finance Act and the conditions set by the decree of 23 March 2020. These are financings granted at cost price and guaranteed by the government up to 90% (with a waiting period of two months after the disbursement at the end of which the guarantee period begins). With a maximum amount corresponding, in the general case, to three months of turnover before taxes, these loans come with a one-year repayment exemption. At the end of this year, the customer can either repay the loan or amortise it over one to five more years, with the possibility of extending the grace period for repayment of capital for one year (in line with the announcements made by the French "Ministre de l'Économie, des Finances et de la Relance" on 14 January 2021) without extending the total duration of the loan. The remuneration conditions of the guarantee are set by the State and are applicable by all French banking institutions: the bank keeps only one share of the guarantee premium paid by the borrower (the amount of which depends on the size of the company and the maturity of the loan) remunerating the risk it bears, which corresponds to the part of the loan not guaranteed by the State (i.e. between 10% and 30% of the loan depending on the size of the borrowing company).

The State Guaranteed Loans contractual characteristics are those of basic loans (SPPI criterion) and these loans are held by the Group as part of a business model whose objective is to collect contractual cash flows until their maturity; as a result, these loans have been recorded in the consolidated balance sheet under Customer loans at amortised cost.
As at 30 June 2021, based on respondents representing 75% of the outstanding loans, nearly half of the state-guaranteed loans have benefited from a second year of grace period for repayment of capital and some 15% have been repaid at the end of the first year of grace period. The State Guaranteed Loans granted by the Group represent a credit outstanding of approximately 17.6 billion euros (of which 4.4 billion euros classified in Stage 2 and 0.6 billion euros in Stage 3). The State Guaranteed Loans granted by the French Retail Banking amount to 15.4 billion euros (of which 4.0 billion euros classified in Stage 2 and 0.5 billion euros in Stage 3), without predominance of a specific sector.

When initially recognised, these loans are recorded at their nominal value, as the Group considers that it is representative of their fair value; and an impairment for expected credit loss based on a probability of default at one year is recorded taking into account the effects of the guarantee insofar as it is an integral part of the loan. The models for calculating expected credit losses also take into account the probabilities of exercise of the extension options, the amount of the loan not guaranteed by the State as well as the waiting period in the enforcement of the guarantee.

The amount of expected credit losses recorded as at 30 June 2021 for all of the State Guaranteed Loans is approximately 112 million euros of which 75 million euros from French Retail Banking (of which 36 million euros classified in Stage 2 and 22 million euros in Stage 3).

Participatory Recovery Loans *("Prêts Participatifs Relance" PRR*)

Established by the French 2021 Finance act and promoted by the authorities, this new mechanism has been implemented during the second quarter of 2021 and may be used until 30 June 2022. It aims at providing small and medium enterprises (SME) and mid-market companies with new long-term, quasi-equity-like, financing; (*PPR* are of a subordinate nature and their repayment, if the borrowing company is in financial difficulty, may take place only after all the other creditors have been paid off, just before shareholders). *PPR* are granted for 8 years, with a grace period of 4 years. Their maximum amount depends on the 2019 turnover of the borrowing company.

Within the Group, PPR are primarily distributed by the Societe Generale and Credit du Nord retail networks in France. They bear market-based interest rates and do not include the right to participate in the borrowing company's profits. 90% of the PPR thus granted are immediately transferred to a specialised investment fund whose shares are purchased mainly by insurance companies and which are guaranteed by the French government up to 30% of the amount of money invested.

NOTE 2 - CONSOLIDATION

NOTE 2.1 - CONSOLIDATION SCOPE

The consolidation scope includes subsidiaries and structured entities under the Group's exclusive control, joint arrangements (joint ventures and joint operations) and associates whose financial statements are significant relative to the Group's consolidated financial statements, notably regarding Group consolidated total assets and gross operating income.

There is no significant change in the scope of consolidation at 30 June 2021 compared to the scope at 31 December 2020.

NOTE 2.2 - GOODWILL

The table below shows the changes in the net values of goodwill recorded by the Cash-Generating Units (CGUs) in the first half of 2021:

(In EUR m)	Net book value as at 31.12.2020	Acquisitions and other increases	Disposals and other decreases	Impairment loss	Net book value as at 30.06.2021
French Retail Banking	**797**	**-**	**-**	**-**	**797**
Societe Generale Network	286	-	-	-	286
Crédit du Nord	511	-	-	-	511
International Retail Banking & Financial Services	**2,730**	**-**	**-**	**-**	**2,730**
Europe	1,361	-	-	-	1,361
Russia	-	-	-	-	-
Africa, Mediterranean Basin and Overseas	228	-	-	-	228
Insurance	335	-	-	-	335
Equipment and Vendor Finance	228	-	-	-	228
Auto-Leasing Financial Services	578	-	-	-	578
Global Banking and Investor Solutions	**517**	**-**	**(223)**	**-**	**294**
Global Markets and Investor Services	-	-	-	-	-
Financing and Advisory	57	-	-	-	57
Asset and Wealth Management	460	-	(223)	-	237
Total	**4,044**	**-**	**(223)**	**-**	**3,821**

SALE OF ASSET MANAGEMENT ACTIVITES CARRIED OUT BY LYXOR

The Board of Directors of Société Générale meeting on 6 April 2021, approved the entry into exclusive negotiation with Amundi for the disposal of the asset management activities operated by Lyxor. This disposal project would cover the passive (ETF) and active (including alternative) management activities that Lyxor carries out for institutional clients in France and internationally. The scope of the operation would include the sales and support functions dedicated to these activities.

At 30 June 2021, the items Non-current assets intended for disposal (EUR 368 million) and Debts related to non-current assets intended for disposal (EUR 104 million) mainly include the assets and liabilities of the asset management activity operated by Lyxor. The decrease in the Asset and Wealth Management CGU corresponds to the reclassification of goodwill relating to Lyxor into the Non-current assets to be sold.

IMPAIRMENT TEST OF CGU

The Group performed an annual impairment test as at 31 December for each CGU to which goodwill had been allocated.
The recoverable amount of a CGU is calculated using the discounted cash flow (DCF) method based on future distributable dividends applied to the entire CGU.
As at 30 June 2021, following the announcement of the sale project of Lyxor business included in the "Asset and Wealth Management" CGU, the Group has calculated a new recoverable amount of the CGU using future distributable dividends adjusted by the consequences of this disposal project.
The discount rate and long-term growth rate specific for the "Asset and Wealth Management" CGU are respectively 9.6% and 2%.
The test carried out shows that the recoverable amount remains higher than the book value corrected for the effects of the future disposal of Lyxor.
In the absence of any indication of impairment, the Group has not carried out new impairment tests for the other CGUs. These tests will be performed as at 31 December 2021.

NOTE 3 - FINANCIAL INSTRUMENTS

Data presented in Note 3 exclude financial instruments from insurance activities; for the latter, the information is presented in Note 4.3.

NOTE 3.1 - FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

OVERVIEW

	30.06.2021		31.12.2020	
(In EUR m)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Trading portfolio	415,612	308,656	404,338	319,812
Financial assets measured mandatorily at fair value through profit or loss	23,699		23,630	
Financial instruments measured using fair value option through profit or loss	1,463	68,106	1,490	70,435
Total	**440,774**	**376,762**	**429,458**	**390,247**
o/w securities purchased/sold under resale/repurchase agreements	*111,639*	*124,448*	*119,374*	*120,697*

1. TRADING PORTFOLIO

ASSETS

(In EUR m)	30.06.2021	31.12.2020
Bonds and other debt securities	37,009	30,322
Shares and other equity securities	130,561	92,780
Securities purchased under resale agreements	111,609	119,244
Trading derivatives (1)	130,816	151,536
Loans, receivables and other trading assets	5,617	10,456
Total	**415,612**	**404,338**
o/w securities lent	*15,814*	*11,066*

(1) See Note 3.2 Financial derivatives.

LIABILITIES

(In EUR m)	30.06.2021	31.12.2020
Amounts payable on borrowed securities	42,005	32,165
Bonds and other debt instruments sold short	5,911	5,385
Shares and other equity instruments sold short	988	1,253
Securities sold under resale agreements	124,447	120,696
Trading derivatives (1)	133,736	159,176
Borrowings and other trading liabilities	1,569	1,137
Total	**308,656**	**319,812**

(1) See Note 3.2 Financial derivatives.

2. FINANCIAL INSTRUMENTS MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

(In EUR m)	30.06.2021	31.12.2020
Bonds and other debt securities	199	190
Shares and other equity securities	2,946	2,561
Loans, receivables and securities purchased under resale agreements	20,554	20,879
Total	**23,699**	**23,630**

The loans receivables and securities purchased under resale agreements recorded in the balance sheet under Financial assets mandatorily at fair value through profit or loss are mainly:

– loans that include prepayment features with compensation that does not reflect the effect of changes in the benchmark interest rate;

– loans that include indexation clauses that do not permit to recognise them as basic loans (SPPI).

3. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS USING FAIR VALUE OPTION

ASSETS

(In EUR m)	30.06.2021	31.12.2020
Bonds and other debt securities	65	29
Loans, receivables and securities purchased under resale agreements	55	158
Separate assets for employee benefits plans	1,343	1,303
Total	**1,463**	**1,490**

LIABILITIES

Financial liabilities measured at fair value through profit or loss in accordance with the fair value option predominantly consist of structured bonds issued by the Societe Generale group.

	30.06.2021		31.12.2020	
(In EUR m)	**Fair value**	**Amount redeemable at maturity**	**Fair value**	**Amount redeemable at maturity**
Financial instruments measured using fair value option through profit or loss	68,106	69,066	70,435	70,941

The revaluation differences attributable to the Group's issuer credit risk are determined using valuation models taking into account the Societe Generale group's most recent financing terms and conditions on the markets and the residual maturity of the related liabilities.
Changes in fair value attributable to own credit risk generated a gain of EUR 13 million during the first half of 2021. Up to this date, the total losses attributable to own credit risk amounted to EUR 383 million recognised in equity.

NOTE 3.2 - FINANCIAL DERIVATIVES

1. TRADING DERIVATIVES

FAIR VALUE

(In EUR m)	30.06.2021		31.12.2020	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Interest rate instruments	84,657	80,909	99,873	98,406
Foreign exchange instruments	14,383	15,303	18,698	19,795
Equities and index Instruments	30,323	34,942	31,224	37,978
Commodities Instruments	264	371	413	392
Credit derivatives	1,175	1,205	1,297	1,434
Other forward financial instruments	14	1,006	31	1,171
Total	**130,816**	**133,736**	**151,536**	**159,176**

The Group uses credit derivatives in the management of its corporate credit portfolio, primarily to reduce individual, sector and geographic concentration and to implement a proactive risk and capital management approach. All credit derivatives, regardless of their purpose, are measured at fair value through profit or loss and cannot be qualified as hedging instruments for accounting purposes. Accordingly, they are recognised at fair value among trading derivatives.

COMMITMENTS (NOTIONAL AMOUNTS)

(In EUR m)	30.06.2021	31.12.2020
Interest rate instruments	**9,305,082**	**9,731,256**
Firm instruments	7,552,919	8,090,893
Swaps	*6,206,496*	*6,849,353*
FRAs	*1,346,423*	*1,241,540*
Options	1,752,163	1,640,363
Foreign exchange instruments	**3,360,187**	**3,155,455**
Firm instruments	2,493,840	2,349,313
Options	866,347	806,142
Equity and index instruments	**937,226**	**869,679**
Firm instruments	145,877	128,941
Options	791,349	740,738
Commodities instruments	**24,565**	**20,078**
Firm instruments	24,107	19,194
Options	458	884
Credit derivatives	**185,275**	**202,994**
Other forward financial instruments	**30,068**	**28,603**
Total	**13,842,403**	**14,008,065**

2. HEDGING DERIVATIVES

According to the transitional provisions of IFRS 9, the Group made the choice to maintain the IAS 39 provisions related to hedge accounting. Consequently, equity instruments do not qualify for hedge accounting regardless of their accounting category.

FAIR VALUE

	30.06.2021		31.12.2020	
(In EUR m)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Fair value hedge	**14,848**	**9,881**	**19,982**	**12,161**
Interest rate instruments	14,805	9,870	19,950	12,161
Foreign exchange instruments	29	10	32	-
Equity and index instruments	14	1	-	-
Cash flow hedge	**266**	**63**	**298**	**163**
Interest rate instruments	237	33	288	58
Foreign exchange instruments	21	10	10	34
Equity and index Instruments	8	20	-	71
Net investment hedge	**192**	**226**	**387**	**137**
Foreign exchange instruments	192	226	387	137
Total	**15,306**	**10,170**	**20,667**	**12,461**

The Group sets up hedging relationships recognised for accounting purposes as fair value hedges in order to protect its fixed-rate financial assets and liabilities (primarily loans/borrowings, securities issued and fixed-rate securities) against changes in long-term interest rates. The hedging instruments used mainly consist of interest rate swaps.
Furthermore, through some of its Corporate and Investment Banking operations, the Group is exposed to future cash flow changes in its short and medium-term funding requirements and sets up hedging relationships recognised for accounting purposes as cash flow hedges. Highly probable funding requirements are determined using historic data established for each activity and representative of balance sheet outstanding. These data may be increased or decreased by changes in management methods.
Finally, as part of their management of structural interest rate and exchange rate risks, the Group's entities set up fair value hedge for portfolios of assets or liabilities for interest rate risk as well as cash flow hedge and net investment hedge for foreign exchange risk.

COMMITMENTS (NOTIONAL AMOUNTS)

(In EUR m)	30.06.2021	31.12.2020
Interest rate instruments	**1,132,780**	**970,144**
Firm instruments	1,132,129	969,391
Swaps	*907,109*	*779,359*
FRAs	*225,020*	*190,032*
Options	651	753
Foreign exchange instruments	**9,921**	**8,604**
Firm instruments	9,921	8,604
Equity and index instruments	**269**	**169**
Total	**1,142,970**	**978,917**

NOTE 3.3 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

OVERVIEW

(In EUR m)	30.06.2021	31.12.2020
Debt instruments	48,800	51,801
Bonds and other debt securities	*48,705*	*51,721*
Loans and receivables and securities purchased under resale agreements	*95*	*80*
Shares and other equity securities	268	259
Total	**49,068**	**52,060**
o/w securities lent	*153*	*173*

1. DEBT INSTRUMENTS

CHANGES OF THE PERIOD

(In EUR m)	2021
Balance as at 1 January	**51,801**
Acquisitions/disbursements	20,272
Disposals/redemptions	(23,531)
Transfers towards (or from) another accounting category	0
Change in scope and others	37
Changes in fair value during the period	(650)
Change in related receivables	9
Translation differences	862
Balance as at 30 June	**48,800**

ACCUMULATED UNREALISED GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

(In EUR m)	30.06.2021	31.12.2020
Unrealised gains	488	714
Unrealised losses	(148)	(262)
Total	**340**	**452**

2. EQUITY INSTRUMENTS

The Group chose only in few cases to designate equity instruments to be measured at fair value through other comprehensive income.

NOTE 3.4 - FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

1. FINANCIAL ASSETS MEASURED AT FAIR VALUE

	30.06.2021				31.12.2020			
(In EUR m)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading portfolio (excluding derivatives)	**154,351**	**124,837**	**5,608**	**284,796**	**109,734**	**138,699**	**4,369**	**252,802**
Bonds and other debt securities	32,633	2,708	1,668	37,009	26,420	3,108	794	30,322
Shares and other equity securities	121,715	8,845	1	130,561	83,314	9,465	1	92,780
Securities purchased under resale agreements	-	108,200	3,409	111,609	-	116,009	3,235	119,244
Loans, receivables and other trading assets	3	5,084	530	5,617	-	10,117	339	10,456
Trading derivatives	**39**	**126,743**	**4,034**	**130,816**	**49**	**147,417**	**4,070**	**151,536**
Interest rate instruments	9	82,027	2,621	84,657	4	97,189	2,680	99,873
Foreign exchange instruments	30	14,156	197	14,383	38	18,484	176	18,698
Equity and index instruments	-	29,701	622	30,323	-	30,730	494	31,224
Commodity instruments	-	261	3	264	-	410	3	413
Credit derivatives	-	584	591	1,175	-	580	717	1,297
Other forward financial instruments	-	14	-	14	7	24	-	31
Financial assets measured mandatorily at fair value through profit or loss	**509**	**19,059**	**4,131**	**23,699**	**183**	**19,517**	**3,930**	**23,630**
Bonds and other debt securities	15	52	132	199	18	43	129	190
Shares and other equity securities	491	361	2,094	2,946	165	359	2,037	2,561
Loans, receivables and securities purchased under resale agreements	3	18,646	1,905	20,554	-	19,115	1,764	20,879
Financial assets measured using fair value option through profit or loss	**65**	**1,398**	**-**	**1,463**	**13**	**1,461**	**16**	**1,490**
Bonds and other debt securities	65	-	-	65	13	-	16	29
Loans, receivables and securities purchased under resale agreements	-	55	-	55	-	158	-	158
Separate assets for employee benefit plans	-	1,343	-	1,343	-	1,303	-	1,303
Hedging derivatives	**-**	**15,306**	**-**	**15,306**	**-**	**20,667**	**-**	**20,667**
Interest rate instruments	-	15,042	-	15,042	-	20,238	-	20,238
Foreign exchange instruments	-	242	-	242	-	429	-	429
Equity and index instruments	-	22	-	22	-	-	-	-
Financial assets measured at fair value through other comprehensive income	**48,291**	**507**	**270**	**49,068**	**51,090**	**708**	**262**	**52,060**
Bonds and other debt securities	48,291	412	2	48,705	51,090	628	3	51,721
Shares and other equity securities	-	-	268	268	-	-	259	259
Loans and receivables	-	95	-	95	-	80	-	80
Total	**203,255**	**287,850**	**14,043**	**505,148**	**161,069**	**328,469**	**12,647**	**502,185**

2. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

	30.06.2021				31.12.2020			
(In EUR m)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading portfolio (excluding derivatives)	**6,904**	**166,625**	**1,391**	**174,920**	**6,666**	**152,939**	**1,031**	**160,636**
Amounts payable on borrowed securities	25	41,946	34	42,005	28	32,031	106	32,165
Bonds and other debt instruments sold short	5,891	20	-	5,911	5,385	-	-	5,385
Shares and other equity instruments sold short	988	-	-	988	1,253	-	-	1,253
Securities sold under repurchase agreements	-	123,101	1,346	124,447	-	119,772	924	120,696
Borrowings and other trading liabilities	-	1,558	11	1,569	-	1,136	1	1,137
Trading derivatives	**49**	**129,384**	**4,303**	**133,736**	**46**	**153,807**	**5,323**	**159,176**
Interest rate instruments	19	79,217	1,673	80,909	5	95,704	2,697	98,406
Foreign exchange instruments	30	15,053	220	15,303	40	19,599	156	19,795
Equity and index instruments	-	33,013	1,929	34,942	-	36,000	1,978	37,978
Commodity instruments	-	371	-	371	-	392	-	392
Credit derivatives	-	724	481	1,205	-	942	492	1,434
Other forward financial instruments	-	1,006	-	1,006	1	1,170	-	1,171
Financial liabilities measured using fair value option through profit or loss	**-**	**31,689**	**36,417**	**68,106**	**-**	**30,784**	**39,651**	**70,435**
Hedging derivatives	**-**	**10,170**	**-**	**10,170**	**-**	**12,461**	**-**	**12,461**
Interest rate instruments	-	9,903	-	9,903	-	12,219	-	12,219
Foreign exchange instruments	-	246	-	246	-	171	-	171
Equity and index instruments	-	21	-	21	-	71	-	71
Total	**6,953**	**337,868**	**42,111**	**386,932**	**6,712**	**349,991**	**46,005**	**402,708**

3. VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

(In EUR m)	Balance as at 31 December 2020	Acquisitions	Disposals / redemp-tions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance as at 30 June 2021
Trading portfolio (excluding derivatives)	**4,369**	**4,476**	**(2,532)**	**(1,057)**	**18**	**276**	**60**	**(2)**	**5,608**
Bonds and other debt securities	794	2,596	(1,617)	(116)	18	(22)	17	(2)	1,668
Shares and other equity securities	1	-	-	-	-	-	-	-	1
Securities purchased under resale agreements	3,235	1,689	(915)	(941)	-	292	49	-	3,409
Loans, receivables and other trading assets	339	191	-	-	-	6	(6)	-	530
Trading derivatives	**4,070**	**156**	**(50)**	**(238)**	**107**	**(121)**	**110**	**-**	**4,034**
Interest rate instruments	2,680	-	-	(126)	42	(62)	87	-	2,621
Foreign exchange instruments	176	1	-	(1)	-	17	4	-	197
Equity and index instruments	494	155	(50)	(44)	15	43	9	-	622
Commodity instruments	3	-	-	-	-	-	-	-	3
Credit derivatives	717	-	-	(67)	50	(119)	10	-	591
Financial assets measured mandatorily at fair value through profit or loss	**3,930**	**398**	**(31)**	**(191)**	**-**	**(23)**	**34**	**14**	**4,131**
Bonds and other debt securities	129	5	(3)	-	-	1	-	-	132
Shares and other equity securities	2,037	49	(28)	-	-	10	12	14	2,094
Loans, receivables and securities purchased under resale agreements	1,764	344	-	(191)	-	(34)	22	-	1,905
Financial assets measured using fair value option through profit or loss	**16**	**-**	**(17)**	**-**	**-**	**1**	**-**	**-**	**-**
Bonds and other debt securities	16	-	(17)	-	-	1	-	-	-
Hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets measured at fair value option through other comprehensive income	**262**	**-**	**(1)**	**-**	**-**	**9**	**-**	**-**	**270**
Bonds and other debt securities	3	-	(1)	-	-	-	-	-	2
Shares and other equity instruments	259	-	-	-	-	9	-	-	268
Total	**12,647**	**5,030**	**(2,631)**	**(1,486)**	**125**	**142**	**204**	**12**	**14,043**

FINANCIAL LIABILITIES

(In EUR m)	Balance as at 31 December 2020	Issues	Redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance as at 30 June 2021
Trading portfolio (excluding derivatives)	**1,031**	**834**	**(438)**	**(83)**	**-**	**45**	**2**	**-**	**1,391**
Amounts payable on borrowed securities	106	-	-	(6)	-	(66)	-	-	34
Securities sold under repurchase agreements	924	834	(438)	(77)	-	101	2	-	1,346
Borrowings and other trading liabilities	1	-	-	-	-	10	-	-	11
Trading derivatives	**5,323**	**232**	**(58)**	**(1,059)**	**184**	**(321)**	**2**	**-**	**4,303**
Interest rate instruments	2,697	-	-	(724)	92	(345)	(47)	-	1,673
Foreign exchange instruments	156	-	-	-	5	63	(4)	-	220
Equity and index instruments	1,978	232	(58)	(288)	61	(42)	46	-	1,929
Credit derivatives	492	-	-	(47)	26	3	7	-	481
Financial liabilities measured using fair value option through profit or loss	**39,651**	**8,368**	**(11,666)**	**(1,811)**	**1,716**	**(272)**	**431**	**-**	**36,417**
Hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total financial liabilities at fair value	**46,005**	**9,434**	**(12,162)**	**(2,953)**	**1,900**	**(548)**	**435**	**-**	**42,111**

4. VALUATION METHODS OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments measured at fair value on the balance sheet, the fair value is determined primarily based on quoted prices in an active market. These prices, when not available on the closing date, may be adjusted to take account of events that have an impact on prices and have occurred after the close of the stock markets but before the measurement date or in case of inactive market.

However, due in particular to the multiple characteristics of the financial instruments traded on over-the- counter financial markets, a large number of financial products dealt with by the Group does not have direct quoted prices in the markets.

For these products, fair value is determined using valuation techniques commonly practiced by market participants to measure financial instruments such as discounted future cash flows for swaps or the Black & Scholes formula for certain options, and using valuation inputs that reflect the current market conditions at the balance sheet date. These valuation models are validated independently by the experts from the Market Risk Department of the Group's Risk Division.

Furthermore, the inputs used in the valuation models, whether or not derived from observable market data, are checked by the Finance Division of Market Activities, in accordance with the methodologies defined by the Market Risk Department.

When necessary, these valuations are supplemented with additional reserves or adjustments (such as bid-ask or liquidity) determined reasonably and appropriately after examination of the available information.

Derivatives and securities financing (repo) transactions are subject to a Credit Valuation Adjustment (CVA) or a Debt Valuation Adjustment (DVA). The Group includes all the clients and clearing houses concerned in this adjustment, which also takes account of the individual characteristics of the netting agreements existing for each counterparty.

The CVA is determined based on the Group entity's expected positive exposure to the counterparty, the counterparty's probability of default and the amount of loss given default. The DVA is determined symmetrically based on the negative expected exposure. These calculations are carried out over the life of the potential exposure, and favour the use of relevant and observable market data.

Since 2021, a mechanism allows the identification of the new transactions with significant CVA / DVA adjustments. These transactions are then classified as Level 3.

Similarly, an adjustment is also made to take account of the costs or benefits associated with the financing of these transactions (FVA, « Funding Valuation Adjustment »).

Observable data must be independent, available, publicly distributed, based on a close consensus and backed up by transaction prices.

For example, consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For long maturities, these consensus data are more rarely observable owing to the limited number of transactions. For instance, the observability horizon of the implied volatility used for the valuation of equity options is assessed for each unit. The instrument becomes sensitive to observable inputs when its residual maturity becomes shorter than this horizon.

In the event of unusual tensions on the markets, leading to a lack of the usual reference data used to measure a financial instrument, the Risk Division may have to revise the (bid-ask) adjustments or implement a new model in accordance with the pertinent available data, similarly to the methods used by the other market players.

SHARES AND OTHER EQUITY SECURITIES

The significant unlisted shareholdings and significant securities listed on a non-liquid market will be measured as a priority using a developed valuation method: Discounted Cash Flows (DCF) or Discounted Dividend Model (DDM) and / or market multiples, as the case may be.
An overriding valuation based on the share of IFRS net asset value is possible as long as it remains a good approximation of the fair value.
Non-significant unlisted shareholdings will be valued based on:

- a recent transaction relating to the company (recent acquisition of shareholding interests by a third-party, merger, capital injection, demerger… requiring an expert appraisal …); or
- a recent transaction in the sector in which the company operates (profit multiple, assets multiples, enterprise value); or
- the share of IFRS net asset value held.

DEBT INSTRUMENTS HELD IN PORTFOLIO, ISSUES OF STRUCTURED SECURITIES MEASURED AT FAIR VALUE AND FINANCIAL DERIVATIVES

The fair value of these financial instruments is determined based on the quoted price on the balance sheet date or prices provided by brokers on the same date, when available. For unlisted financial instruments, fair value is determined using valuation techniques. Concerning liabilities measured at fair value, the balance sheet amounts used include the impact of the Group's issuer credit risk (see Note 3.1.3).

OTHER DEBTS

For listed financial instruments, fair value is taken as their closing quoted price on the balance sheet date. For unlisted financial instruments, fair value is determined by discounting future cash flows to present value at market rates (including counterparty risks, non-performance and liquidity risks).

LOANS AND RECEIVABLES

The fair value of loans and receivables is calculated, in the absence of an actively traded market for these loans, by discounting the expected cash flows to present value at a discount rate based on interest rates prevailing on the market at the reporting date for loans with broadly similar terms and maturities. These discount rates are adjusted for borrower credit risk.

5. ESTIMATES OF MAIN UNOBSERVABLE INPUTS

The following table provides the valuation of Level 3 instruments on the balance sheet and the range of values of the most significant unobservable inputs by main product type.

Cash instruments and derivatives [1]	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs min	Range of inputs max
Equities / funds	Simple and complex instruments or derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets of stocks	Equity volatilities	10.0%	190.7%
			Equity dividends	0%	13.6%
			Correlations	-95.3%	100%
			Hedge fund volatilities	7.1%	20.0%
			Mutual fund volatilities	1.7%	26.1%
Rates and / or Forex	Hybrid forex / interest rate, credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	-45.99%	90%
	Forex derivatives	Forex option pricing models	Forex volatilities	0%	28.5%
	Interest rate derivatives whose notional is indexed to prepayment behaviour in European collateral pools	Prepayment modelling	Constant prepayment rates	0%	20%
	Inflation derivatives	Inflation pricing models	Correlations	55.0%	88.9%
Credit	Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	0%	100%
			Recovery rate variance for single name underlyings	0%	100%
	Other credit derivatives	Credit default models	Time to default correlations	0%	100%
			Quanto correlations	-50%	40%
			Credit spreads	0 bps	1 000 bps
Commodities	Derivatives on commodities baskets	Option models on commodities	Correlations	-	-
Long term equity investments	Securities held for strategic purposes	Net Book Value, Recent transactions	Non applicable	-	-

The table below shows the valuation of cash and derivative instruments on the balance sheet. When it comes to hybrid instruments, they are broken down according to the main unobservable inputs.

(In EUR m)	30.06.2021 Assets	30.06.2021 Liabilities
Equities / funds	1,635	26,457
Rates and Forex	9,932	15,173
Credit	591	481
Commodities	3	-
Long term equity investments	1,882	-
Total	**14,043**	**42,111**

6. SENSITIVITY OF FAIR VALUE FOR LEVEL 3 INSTRUMENTS

Unobservable inputs are assessed carefully, particularly in this persistently uncertain economic environment and market conditions. However, by their very nature, unobservable inputs inject a degree of uncertainty into their valuation.

To quantify this, fair value sensitivity was estimated at 31 December 2020 on instruments whose valuation requires certain unobservable inputs. This estimate was based either on a "standardised" variation in unobservable inputs, calculated for each input on a net position, or on assumptions in line with the additional valuation adjustment policies for the financial instruments in question.

The "standardised" variation corresponds to the standard deviation of consensus prices (TOTEM, etc.) used to measure an input nevertheless considered as unobservable. In cases of unavailability of these data, the standard deviation of historical data is then used to assess the input.

SENSITIVITY OF LEVEL 3 INSTRUMENTS FAIR VALUE TO A STANDARDISED VARIATION IN UNOBSERVABLE INPUTS

	30.06.2021		31.12.2020	
(In EUR m)	Negative impact	Positive impact	Negative impact	Positive impact
Shares and other equity instruments and derivatives	**(28)**	**96**	**(49)**	**150**
Equity volatilities	0	21	0	27
Dividends	0	8	(18)	46
Correlations	(27)	61	(31)	69
Hedge Fund volatilities	0	0	0	0
Mutual Fund volatilities	(1)	6	0	8
Rates or Forex instruments and derivatives	**(7)**	**25**	**(6)**	**27**
Correlations between exchange rates and/or interest rates	(4)	23	(4)	26
Forex volatilities	(2)	2	(1)	1
Constant prepayment rates	0	0	0	0
Inflation / inflation correlations	(1)	0	(1)	0
Credit instruments and derivatives	**0**	**2**	**0**	**12**
Time to default correlations	0	1	0	1
Recovery rate variance for single name underlyings	0	0	0	0
Quanto correlations	0	1	0	8
Credit spreads	0	0	0	3
Commodity derivatives	**NA**	**NA**	**NA**	**NA**
Commodities correlations	NA	NA	NA	NA
Long term securities	**NA**	**NA**	**NA**	**NA**

It should be noted that, given the already conservative valuation levels, this sensitivity is higher for a favourable impact on results than for an unfavourable impact. Moreover, the amounts shown above illustrate the uncertainty of the valuation as of the computation date on the basis of a standardised variation in inputs. Future variations in fair value or consequences of extreme market conditions cannot be deduced or forecast from these estimates.

7. DEFERRED MARGIN RELATED TO MAIN UNOBSERVABLE INPUTS

At initial recognition, financial assets and liabilities are measured at fair value, that is to say the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When this fair value differs from transaction price and the instrument's valuation technique uses one or more unobservable inputs, this difference representative of a commercial margin is deferred in time to be recorded in the income statement, from case to case, at maturity of the instrument, at the time of sell or transfer, over time, or when the inputs become observable.
The table below shows the remaining amount to be recognised in the income statement due to this difference, less any amounts recorded in the income statement after initial recognition of the instrument.

(In EUR m)	2021
Deferred margin as at 1 January	**1,157**
Deferred margin on new transactions during the period	587
Margin recorded in the income statement during the period	(572)
o/w amortisation	*(309)*
o/w switch to observable inputs	*(15)*
o/w disposed, expired or terminated	*(248)*
Deferred margin as at 30 June	**1,172**

NOTE 3.5 - LOANS, RECEIVABLES AND SECURITIES AT AMORTISED COST

OVERVIEW

	30.06.2021		31.12.2020	
(In EUR m)	**Carrying amount**	*o/w impairment*	**Carrying amount**	*o/w impairment*
Due from banks	61,733	*(32)*	53,380	*(31)*
Customer loans	464,622	*(11,426)*	448,761	*(11,601)*
Securities	18,922	*(43)*	15,635	*(42)*
Total	**545,277**	***(11,501)***	**517,776**	***(11,674)***

1. DUE FROM BANKS

(In EUR m)	30.06.2021	31.12.2020
Current accounts	26,964	25,712
Deposits and loans	17,375	16,000
Securities purchased under resale agreements	16,827	11,264
Subordinated and participating loans	97	97
Related receivables	475	297
Due from banks before impairments (1)	**61,738**	**53,370**
Credit loss impairment	(32)	(31)
Revaluation of hedged items	27	41
Total	**61,733**	**53,380**

(1) At 30 June 2021, the amount due from banks classified as Stage 3 impairment (non-performing loans) was EUR 54 million compared to EUR 58 million at 31 December 2020. The accrued interests included in this amount are limited to interests recognised in net income by applying the effective interest rate to the net carrying amount of the financial asset (see Note 3.7).

2. CUSTOMER LOANS

(In EUR m)	30.06.2021	31.12.2020
Overdrafts	20,937	16,381
Other customer loans	411,738	401,589
Lease financing agreements	30,251	30,086
Securities purchased under resale agreements	9,353	8,439
Related receivables	3,432	3,438
Customer loans before impairments (1)	**475,711**	**459,933**
Credit loss impairment	(11,426)	(11,601)
Revaluation of hedged items	337	429
Total	**464,622**	**448,761**

(1) At 30 June 2021, the amount due from customers classified as Stage 3 impairment (credit impaired) was EUR 16,491 million compared to EUR 16,807 million at 31 December 2020. The accrued interests included in this amount are limited to interests recognised in net income by applying the effective interest rate to the carrying amount to the net carrying amount of the financial asset (see Note 3.7).

3. SECURITIES

(In EUR m)	30.06.2021	31.12.2020
Government securities	8,625	7,143
Negotiable certificates, bonds and other debt securities	10,220	8,390
Related receivables	127	101
Securities before impairments	**18,972**	**15,634**
Impairment	(43)	(42)
Revaluation of hedged items	(7)	43
Total	**18,922**	**15,635**

NOTE 3.6 - DEBTS

1. DUE TO BANKS

(In EUR m)	**30.06.2021**	**31.12.2020**
Demand deposits and current accounts	11,638	11,354
Overnight deposits and borrowings	3,725	3,221
Term deposits (1)	128,663	117,460
Related payables	43	61
Revaluation of hedged items	255	440
Securities sold under repurchase agreements	3,614	3,035
Total	**147,938**	**135,571**

(1) Including term deposits linked to governments and central administrations, and in particular long-term refinancing operations set up by the ECB (Targeted Longer-Term Refinancing Operations - TLTRO).

The European Central Bank (ECB) launched in 2019 a third series of Targeted Longer-Term Refinancing Operations (TLTRO) with the aim of maintaining favourable credit conditions in the euro area. As in the two previous systems, the level of remuneration of the borrowings depends on the performance of the borrowing banking institutions in terms of loans granted to their household customers (excluding real estate loans) and business customers (excluding financial institutions). Depending on these performances, the borrowing institutions may benefit from a reduced interest rate and an additional temporary bonus applicable over the period from 24 June 2020 to 23 June 2021 (reduction by 50 basis points of the average rate of the deposit facility with a floor rate set at -1%). These TLTRO III operations are conducted on a quarterly basis between September 2019 and December 2021, for a possible total of 10 drawdowns. Each such operation has a three-year maturity and includes an early repayment option. Some terms and conditions were modified in March 2020, in particular the loan production objectives, rate conditions and drawdown limit, in order to further support the granting of loans in the face of the emergence of the Covid-19 crisis. In January 2021, the ECB decided to extend the temporary additional bonification over the period from 24 June 2021 to 23 June 2022 subject to performance in terms of number of granted loans observed over a new reference period from 1 October 2020 to 31 December 2021.
The entities of the Societe Generale group have subscribed to TLTRO III loans through quarterly drawings staggered between December 2019 and June 2021. As at 30 June 2021, the total outstanding amount drawn is 71,9 billion euros.
Once the Group has reasonable assurance of being eligible for the bonus rates provided for, the latter are taken into account to determine the amount of interest recognised in profit or loss for the TLTRO loans; this amount is then computed based on a weighted rate spreading the bonus over the expected life of the drawdowns concerned.
The Group has reached its objective of stability of the outstanding amount of eligible loans between 1 March 2020 and 31 March 2021, allowing it to benefit from the reduced interest rate as well as from the additional temporary bonus applied for the period from 24 June 2020 to 23 June 2021. As at 31 December 2020, the Group already had the reasonable assurance to be able to benefit from these bonuses and had taken them into account to calculate the amount of interest booked in 2020 on the basis of a weighted average rate of -0.67%; the confirmed achievement of the objectives required on 31 March 2021 has thus not changed the rhythm of booking of the interests on TLTRO loans during the first half of 2021. As these interests are negative, their amount is presented under Interest and similar income.

As at 30 June 2021, the Group does not yet consider it has the reasonable assurance of reaching the objectives allowing it, at this stage, to recognise the effects of the extension of the additional bonus planned over the period from 24 June 2021 to 23 June 2022.

2. CUSTOMER DEPOSITS

(In EUR m)	30.06.2021	31.12.2020
Regulated savings accounts	106,329	100,204
Demand	*80,761*	*74,617*
Term	*25,568*	*25,587*
Other demand deposits (1)	289,500	268,556
Other term deposits (1)	73,904	81,295
Related payables	584	299
Revaluation of hedged items	129	169
Total customer deposits	**470,446**	**450,523**
Securities sold to customers under repurchase agreements	8,328	5,536
Total	**478,774**	**456,059**

(1) Including deposits linked to governments and central administrations.

3. DEBT SECURITIES ISSUED

(In EUR m)	30.06.2021	31.12.2020
Term savings certificates	289	312
Bond borrowings	19,723	22,434
Interbank certificates and negotiable debt instruments	116,824	114,276
Related payables	447	672
Revaluation of hedged items	655	1,263
Total	**137,938**	**138,957**
o/w floating-rate securities	*58,248*	*59,475*

NOTE 3.7 - INTEREST INCOME AND EXPENSE

(In EUR m)	1st half of 2021			2020			1st half of 2020		
	Income	Expense	Net	Income	Expense	Net	Income	Expense	Net
Financial instruments at amortised cost	5,498	(2,189)	3,309	12,193	(5,449)	6,744	6,488	(2,968)	3,520
Central banks	*21*	*(154)*	*(133)*	*110*	*(153)*	*(43)*	*78*	*(39)*	*39*
Bonds and other debt securities	*214*	*(653)*	*(439)*	*470*	*(1,660)*	*(1,190)*	*174*	*(872)*	*(698)*
Due from/to banks	*486*	*(250)*	*236*	*943*	*(819)*	*124*	*498*	*(512)*	*(14)*
Customer loans and deposits	*4,694*	*(819)*	*3,875*	*10,257*	*(2,109)*	*8,148*	*5,438*	*(1,162)*	*4,276*
Subordinated debt	*-*	*(264)*	*(264)*	*-*	*(503)*	*(503)*	*-*	*(251)*	*(251)*
Securities lending/borrowing	*3*	*(2)*	*1*	*6*	*(4)*	*2*	*3*	*(6)*	*(3)*
Repo transactions	*80*	*(47)*	*33*	*407*	*(201)*	*206*	*297*	*(126)*	*171*
Hedging derivatives	3,410	(2,537)	873	6,550	(4,753)	1,797	3,312	(2,375)	937
Financial instruments at fair value through other comprehensive income	211	-	211	526	(2)	524	229	(2)	227
Lease agreements	436	(19)	417	991	(44)	947	578	(21)	557
Real estate lease agreements	*85*	*(19)*	*66*	*179*	*(43)*	*136*	*90*	*(21)*	*69*
Non-real estate lease agreements	*351*	*-*	*351*	*812*	*(1)*	*811*	*488*	*-*	*488*
Subtotal interest income/expense on financial instruments using the effective interest method	**9,555**	**(4,745)**	**4,810**	**20,260**	**(10,248)**	**10,012**	**10,607**	**(5,366)**	**5,241**
Financial instruments mandatorily at fair value through profit or loss	191	-	191	461	-	461	226	-	226
Total Interest income and expense	**9,746**	**(4,745)**	**5,001**	**20,721**	**(10,248)**	**10,473**	**10,833**	**(5,366)**	**5,467**
o/w interest income from impaired financial assets	*135*	*-*	*135*	*268*	*-*	*268*	*130*	*-*	*130*

These interest expenses include the refinancing cost of financial instruments at fair value through profit or loss, the results of which are classified in net gains or losses on these instruments (see Note 3.1). Given that income and expenses booked in the income statement are classified by type of instrument rather than by purpose, the net income generated by activities in financial instruments at fair value through profit or loss must be assessed as a whole.

NOTE 3.8 - IMPAIRMENT AND PROVISIONS

COVID-19 CRISIS

As at 30 June 2021, the method used to determine the impairments and provisions for credit risk is similar to the one used to prepare the consolidated financial statements as at 31 December 2020.

As a reminder, in 2020, to address the Covid-19 crisis the models and parameters used to estimate the expected credit losses had been revised based on new economic scenarios. Sectoral adjustments used in the simplified models had been overhauled, supplementing the application of these models. A new criterion for reclassifying loans into Stage 2 under-performing loans had also been established.

These elements are described in the 2021 Universal Registration Document, Chapter 6, Notes 1 and 3.8.

These adjustments are taken into account to estimate expected credit losses (Stages 1 and 2), except for the Additional criterion of transfer to Stage 2 which covers the classification of loans outstanding.

UPDATE OF THE MODELS AND PARAMETERS USED TO ESTIMATE EXPECTED CREDIT LOSSES

GDP adjustments

- Years 2021- 2022

As done as at 31 December 2020, for each quarter of 2021 and 2022, the Group has chosen to use in its models the average of the changes in GDP over the past 8 quarters relative to a basis 100 in 2019. This adjustment has been applied to each of the four scenarios (SG Favourable, SG Central, SG Extended and SG Stress) for the series of GDP used in the expected credit risk models (see Note 1, paragraph 5).
The figures presented for 2021 and 2022 in the table below correspond to the weighted average of GDP growth rates in the four scenarios, adjusted in line with the methodology described above.

- Years 2023 to 2025

The figures presented for 2023 to 2025 in the table below correspond to the weighted average of GDP growth rates in the four scenarios.

	2021	2022	2023	2024	2025
Euro area	(5.2)	(3.7)	1.4	1.7	1.8
France	(5.7)	(3.8)	1.5	1.8	1.9
United States of America	(2.3)	1.1	2.2	2.1	2.0
China	2.7	4.4	4.5	4.5	4.4

Adjustment of the margin rate of French companies
For the preparation of the consolidated financial statements as at 31 December 2020, an add-on equivalent to 2.4 of the 2019 added value regarding the margin rate of French companies had been integrated into all the Group's scenarios for the year 2020 and the first half of 2021.
In the first half of 2021, the French National Institute of Statistics and Economic Studies (INSEE) increased the margin rate of companies, reckoning the effect of government supports in its forecasts. The Group therefore removed the 2.4 points add-on that had been incorporated into its models.
Thus, as at 30 June 2021, the adjustments in macroeconomic variables and probabilities of default have led to increase the amount of impairment and provisions for credit risk by 360 million euros (496 million euros as at 31 December 2020). The lower adjustment is due to the fact that the model mentioned above expects the crisis to gradually come to an end, and to the cancellation of the add-on on the margin rate.

ADJUSTMENTS MADE IN ADDITION TO THE APPLICATION OF MODELS

Sectoral adjustments
The different models used to estimate expected credit losses may be supplemented with sectoral adjustments that increase or decrease the amount of expected credit losses. These adjustments allow to better anticipate defaults or recoveries in certain cyclical sectors. These adjustments have been reviewed and tightened up to take account of the lessening of the effect of macroeconomic variables on the probabilities of default and to maintain a prudent coverage rate Covid-19 impacted sectors. The main sectors concerned are hospitality/restaurant/catering/leisure, oil and gas, commercial real estate, cruise companies and airlines.
The total sectoral adjustments amount to 574 million euros as at 30 June 2021 (406 million euros as at 31 December 2020).

Adjustments in the context of simplified models
For entities lacking developed models for estimating the correlations between the macroeconomic variables and the default rate, adjustments have also been performed to reflect the deterioration of credit risk on some portfolios when this deterioration could not be measured by a line by line analysis of the outstanding loans.

These adjustments amount to 434 million euros as at 30 June 2021 (424 million euros as at 31 December 2020).

ADDITIONAL CRITERIA OF TRANSFER TO STAGE 2

In addition to the criteria applied at the individual level to classify deteriorated loans as Stage 2 under-performing loans, an additional analysis has been made on the loan portfolios for which a significant increase in credit risk has been observed since their granting. This analysis resulted in additional transfers to Stage 2 (under-performing loans) of all the loans granted before the crisis to sectors considered by the Group to be particularly affected by the Covid-19 crisis. These transfers have decreased over the first half of 2021 as a result of a reduction in the outstanding stock concerned and the removal of the automotive and maritime transport sectors from the list of sectors concerned. For the outstanding amounts concerned, in addition to these transfers into Stage 2, the estimate of the provision is made taking into account the sectoral adjustments (described above).

These adjustments amount to 83 million euros as at 30 June 2021 (122 million euros as at 31 December 2020).

1. OVERVIEW

The tables of this note do not lay out the IAS 39 impairment related to financial instruments of insurance subsidiaries. This impairment is presented in the Note 4.3.

In this note, the unit of measurement selected is the outstanding amounts for which provisions can be booked. These outstanding amounts correspond to the outstanding stock subject to credit risk under IFRS 9:

- booked on the balance sheet:
  - (securities (excluding securities received under repurchase agreements) and loans and advances to customers and credit institutions and similar measured at amortised cost or at fair value through equity;
  - deposits with central banks;
  - operating and finance lease;
  - collateral deposits with the CCPs.
- booked off-balance sheet (financing and guarantee commitments),

excluding the assets bearing little or no risk, mainly the securities received under repurchase agreements and the guarantee deposits in relation with losing positions on derivatives.

RECONCILIATION BETWEEN ACCOUNTING OUTSTANDING AMOUNTS AND OUTSTANDING AMOUNTS FOR WHICH PROVISIONS CAN BE BOOKED

(In EUR m)		30.06.2021	31.12.2020 *
Debt instruments at fair value through other comprehensive income	Note 3.3	48,800	51,801
Securities at amortised cost	Note 3.5	18,922	15,635
Due from banks at amortised cost	Note 3.5	61,733	53,380
Due from central banks (1)		158,400	165,837
Customer loans at amortised cost	Note 3.5	464,622	448,761
Other assets (2)		54,877	53,930
Net value of accounting outstanding amounts (balance sheet)		**807,354**	**789,344**
Impairment of loans at amortised cost	Note 3.8	11,802	11,962
Gross value of accounting outstanding amounts (balance sheet)		**819,156**	**801,306**
Additional items included in the scope of outstanding amounts for which provisions can be booked		254,895	237,521
Financing and guarantee commitments (off-balance sheet)		*254,895*	*237,521*
Items excluded from the scope of outstanding amounts for which provisions can be booked		(47,477)	(38,141)
Gross value of accounting outstanding amounts after retreatments		**1,026,574**	**1,000,686**
Gross value of outstanding amounts for which provisions can be booked		**1,026,574**	**1,000,686**

* *Restated amounts, compared to the Financial Statements published for the fiscal year 2020, following the integration of Other Sundry debtors and property acquired by adjudication measured at amortised cost in Other assets and Impairment of loans at amortised cost.*

(1) *Included in line Cash, due from central banks.*

(2) *Of which mainly 52,436 million euros of guarantee deposits paid and 924 million euros of operating lease payment amounts as at 30 June 2021(cf. Note 4.4).*

OUTSTANDING AMOUNTS SUBJECT TO IMPAIRMENT AND PROVISIONS BY IMPAIRMENT STAGE AND BY ACCOUNTING CATEGORY

	30.06.2021		31.12.2020	
(In EUR m)	**Outstanding amounts subject to impairment and provisions**	**Impairment /provisions**	**Outstanding amounts subject to impairment and provisions**	**Impairment /provisions**
Financial assets at fair value through other comprehensive income	**48,801**	**8**	**51,801**	**9**
Performing outstandings (Stage 1)	48,799	2	51,792	1
Underperforming outstandings (Stage 2)	1	-	-	-
Doubtful outstandings (Stage 3)	1	6	9	8
Financial assets at amortised cost * (1)	**722,879**	**11,802**	**711,363**	**11,962**
Performing outstandings (Stage 1)	662,265	1,108	644,063	1,078
Underperforming outstandings (Stage 2)	43,502	1,923	49,905	1,951
Doubtful outstandings (Stage 3)	17,112	8,771	17,395	8,933
o/w lease financing	**30,252**	**876**	***30,086***	***888***
Performing outstandings (Stage 1)	24,612	109	*24,214*	*113*
Underperforming outstandings (Stage 2)	4,148	204	*4,490*	*210*
Doubtful outstandings (Stage 3)	1,492	563	*1,382*	*565*
Financing commitments	**196,462**	**410**	**183,671**	**433**
Performing outstandings (Stage 1)	181,536	130	161,840	119
Underperforming outstandings (Stage 2)	14,648	252	21,488	279
Doubtful outstandings (Stage 3)	278	28	343	35
Guarantee commitments	**58,432**	**441**	**53,851**	**495**
Performing outstandings (Stage 1)	51,677	46	46,169	44
Underperforming outstandings (Stage 2)	5,974	87	6,876	152
Doubtful outstandings (Stage 3)	781	308	806	299
Total	**1,026,574**	**12,661**	**1,000,686**	**12,899**

* *Restated amounts, compared to the Financial Statements published for the fiscal year 2020, following the integration of Other Sundry debtors and property acquired by adjudication measured at amortised cost.*

(1) Including Central Banks for EUR 158,400 million as at 30 June 2021 (versus 165,837 million euros as at 31 December 2020)

OUTSTANDING AMOUNTS FOR WHICH PROVISIONS CAN BE BOOKED / PROVISIONS BY BASEL PORTFOLIO

	30.06.2021							
	Oustanding amounts				Impairment and Provisions			
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Sovereign	231,364	394	103	**231,861**	4	1	68	**73**
Institutions	102,413	1,061	59	**103,533**	9	24	16	**49**
Corporates	362,264	42,816	10,157	**415,237**	628	1,530	4,979	**7,137**
SME	*52,382*	*7,296*	*4,139*	***63,817***	*212*	*436*	*2,221*	***2,869***
Retail	209,825	18,017	7,754	**235,596**	597	692	4,048	**5,337**
VSB	*25,158*	*4,998*	*2,349*	***32,505***	*131*	*270*	*1,349*	***1,750***
Others	38,411	1,837	99	**40,347**	49	10	6	**65**
Total	**944,277**	**64,125**	**18,172**	**1,026,574**	**1,287**	**2,257**	**9,117**	**12,661**

	31.12.2020 *							
	Outstanding amounts				Impairment and Provisions			
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Sovereign	232,976	483	121	**233,580**	4	1	69	**74**
Institutions	113,467	969	69	**114,505**	10	71	17	**98**
Corporates	315,638	54,984	10,189	**380,811**	590	1,517	5,082	**7,189**
SME	*48,517*	*7,255*	*4,148*	***59,920***	*179*	*449*	*2,200*	***2,828***
Retail	204,820	19,536	8,052	**232,408**	573	738	4,103	**5,414**
VSB	*27,453*	*5,139*	*2,409*	***35,001***	*136*	*274*	*1,394*	***1,804***
Others	36,964	2,297	121	**39,382**	65	55	4	**124**
Total	**903,865**	**78,269**	**18,552**	**1,000,686**	**1,242**	**2,382**	**9,275**	**12,899**

* *Restated amounts, compared to the Financial Statements published for the fiscal year 2020, following the integration of Other Sundry debtors and property acquired by adjudication measured at amortised cost.*

GEOGRAPHICAL BREAKDOWN OF OUTSTANDING AMOUNTS FOR WHICH PROVISIONS CAN BE BOOKED AND PROVISIONS

	30.06.2021							
	Outstanding amounts				Impairment and Provisions			
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
France	437,072	32,763	8,789	**478,624**	544	1,296	3,845	**5,685**
Western European countries (excl. France)	204,370	9,548	2,597	**216,515**	246	292	986	**1,524**
Eastern European countries EU	52,684	4,586	1,241	**58,511**	128	290	731	**1,149**
Eastern Europe excluding EU	20,211	3,112	443	**23,766**	125	36	346	**507**
North America	124,998	6,622	266	**131,886**	38	150	84	**272**
Latin America and Caribbean	9,424	908	171	**10,503**	6	19	82	**107**
Asia-Pacific	52,923	1,746	752	**55,421**	15	14	388	**417**
Africa and Middle East	42,595	4,840	3,913	**51,348**	185	160	2,655	**3,000**
Total	**944,277**	**64,125**	**18,172**	**1,026,574**	**1,287**	**2,257**	**9,117**	**12,661**

	31.12.2020 *							
	Outstanding amounts				Impairment and Provisions			
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
France	429,803	36,597	9,130	**475,530**	542	1 307	4 147	**5,996**
Western European countries (excl. France)	188,997	13,681	2,861	**205,539**	228	311	999	**1,538**
Eastern European countries EU	48,635	4,923	1,144	**54,702**	110	353	681	**1,144**
Eastern Europe excluding EU	20,046	3,163	425	**23,634**	110	40	355	**505**
North America	113,578	9,606	444	**123,628**	35	125	125	**285**
Latin America and Caribbean	8,518	1,902	262	**10,682**	10	23	80	**113**
Asia-Pacific	54,112	3,097	734	**57,943**	20	19	367	**406**
Africa and Middle East	40,176	5,300	3,552	**49,028**	187	204	2,521	**2,912**
Total	**903,865**	**78,269**	**18,552**	**1,000,686**	**1,242**	**2,382**	**9,275**	**12,899**

* *Restated amounts, compared to the Financial Statements published for the fiscal year 2020, following the integration of Other Sundry debtors and property acquired by adjudication measured at amortised cost.*

OUTSTANDING AMOUNTS SUBJECT TO IMPAIRMENT AND PROVISIONS BY RATING OF COUNTERPARTY [(1)]

	30.06.2021							
	Outstanding amounts				Impairment and Provisions			
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1	69,836	-	-	**69,836**	-	-	-	**-**
2	177,799	2,108	-	**179,907**	1	1	-	**2**
3	83,118	4,128	-	**87,246**	8	6	-	**14**
4	136,471	4,388	-	**140,859**	56	23	-	**79**
5	96,405	11,279	-	**107,684**	195	168	-	**363**
6	23,591	13,903	-	**37,494**	146	534	-	**680**
7	2,416	5,962	-	**8,378**	22	343	-	**365**
Default (8, 9, 10)	-	-	9,391	**9,391**	-	-	4,577	**4,571**
Other method	354,641	22,357	8,781	**385,779**	859	1,182	4,540	**6,581**
Total	**944,277**	**64,125**	**18,172**	**1,026,574**	**1,287**	**2,257**	**9,117**	**12,661**

	31.12.2020 *							
	Outstanding amounts				Impairment and Provisions			
(In EUR m)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1	75,967	-	-	**75,967**	-	-	-	**-**
2	175,096	2,172	-	**177,268**	1	1	-	**2**
3	81,909	5,634	-	**87,543**	9	8	-	**17**
4	120,509	10,280	-	**130,789**	61	36	-	**97**
5	91,511	16,012	-	**107,523**	200	275	-	**475**
6	20,084	15,877	-	**35,961**	143	667	-	**810**
7	1,692	4,327	-	**6,019**	30	267	-	**297**
Default (8, 9, 10)	-	-	9,655	**9,655**	-	-	4,694	**4,694**
Other method	337,097	23,967	8,897	**369,961**	798	1,128	4,581	**6,507**
Total	**903,865**	**78,269**	**18,552**	**1,000,686**	**1,242**	**2,382**	**9,275**	**12,899**

* *Restated amounts, compared to the Financial Statements published for the fiscal year 2020, following the integration of Other Sundry debtors and property acquired by adjudication measured at amortised cost.*

(1) *The indicative corresponding between the Societe Generale's internal rating scale and the scales of rating agencies is presented in Chapter 4 of Universal Registration Document 2021 (table 15).*

2. IMPAIRMENT OF FINANCIAL ASSETS

BREAKDOWN

(In EUR m)	**Amount as at 31.12.2020**	Allocations	Write-backs available	**Net impairment losses**	**Write-backs used**	**Currency and scope effects**	**Amount as at 30.06.2021**
Financial assets at fair value through other comprehensive income							
Impairment on performing outstandings (Stage 1)	1	1	-	1			2
Impairment on underperforming outstandings (Stage 2)	-	-	-	-		-	-
Impairment on doubtful outstandings (Stage 3)	8	-	(2)	(2)			6
Total	**9**	**1**	**(2)**	**(1)**	**-**		**8**
Financial assets measured at amortised cost							
Impairment on performing outstandings (Stage 1)	1,078	462	(443)	19		11	1,108
Impairment on underperforming outstandings (Stage 2)	1,951	900	(939)	(39)		11	1,923
Impairment on doubtful outstandings (Stage 3)	8,933	1,991	(1,564)	427	(636)	47	8,771
Total	**11,962**	**3,353**	**(2,946)**	**407**	**(636)**	**69**	**11,802**
o/w lease financing and similar agreements	***888***	***197***	***(182)***	***15***	***(24)***	***(3)***	***876***
Impairment on performing outstandings (Stage 1)	*113*	*27*	*(32)*	*(5)*		*1*	*109*
Impairment on underperforming outstandings (Stage 2)	*210*	*57*	*(64)*	*(7)*		*1*	*204*
Impairment on doubtful outstandings (Stage 3)	*565*	*113*	*(86)*	*27*	*(24)*	*(5)*	*563*

VARIATIONS OF PROVISIONS ACCORDING TO CHANGES IN THE AMOUNT OF FINANCING AND GUARANTEE COMMITMENTS

Due to lack of significant variations of depreciations on financial assets measured at fair value through other comprehensive income, this information is not presented in the table below.

(In EUR m)	Stage 1	*o/w lease financing*	Stage 2	*o/w lease financing*	Stage 3	*o/w lease financing*	**Total**
Amount as at 31.12.2020	1,078	*113*	1,951	*210*	8,933	*565*	**11,962**
Production & Acquisition [(1)]	206	*16*	55	*3*	68	*1*	**329**
Derecognition [(2)]	(77)	*(4)*	(135)	*(5)*	(856)	*(35)*	**(1,068)**
Transfer from stage 1 to stage 2 [(3)]	(48)	*(4)*	327	*24*	-	-	**279**
Transfer from stage 2 to stage 1 [(3)]	28	*6*	(211)	*(25)*	-	-	**(183)**
Transfer to stage 3 [(3)]	(5)	-	(100)	*(9)*	377	*54*	**272**
Transfer from stage 3 [(3)]	2	*1*	45	*10*	(109)	*(21)*	**(62)**
Allocations & Write-backs without stage transfer [(3)]	(92)	*(20)*	(15)	*(5)*	285	*(5)*	**178**
Currency effect	12	*1*	9	*1*	76	*4*	**97**
Scope effect	-	-	-	-	-	-	**-**
Other variations	4	-	(3)	-	(3)	-	**(2)**
Amount as at 30.06.2021	1,108	*109*	1,923	*204*	8,771	*563*	**11,802**

(1) The amounts of impairment presented in the line Production and Acquisition in Stage 2/Stage 3 could include originated contracts in Stage 1 reclassified in Stage 2/Stage 3 during the period.

(2) Including repayments, disposals and debt waivers.

(3) Amounts presented in transfers include variations due to amortisation. Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the period, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.

BREAKDOWN OF TRANSFERS BETWEEN STAGES FOR FINANCIAL ASSETS AT AMORTISED COST AS AT 30 JUNE 2021

	Stage 1		Stage 2		Stage 3			
(In EUR m)	Outstanding amounts subject to impairment and provisions	Impairment	Outstanding amounts subject to impairment and provisions	Impairment	Outstanding amounts subject to impairment and provisions	Impairment	**Total of transferred outstanding amounts subject to impairment**	**Total impact of transfers on impairment and provisions**
Transfer from Stage 1 to Stage 2	(10,960)	(48)	8,846	327	-	-	8,846	327
Transfer from Stage 2 to Stage 1	14,862	28	(11,391)	(211)	-	-	14,862	28
Transfer from Stage 3 to Stage 1	389	2	-	-	(327)	(25)	389	2
Transfer from Stage 3 to Stage 2	-	-	482	45	(473)	(84)	482	45
Transfer from Stage 1 to Stage 3	(795)	(5)	-	-	700	139	700	139
Transfer from Stage 2 to Stage 3	-	-	(1,477)	(100)	1,298	238	1,298	239
Currency effect on contracts that change Stage	58	0	111	2	4	1	173	3

3. CREDIT RISK PROVISIONS

BREAKDOWN

(In EUR m)	**Amount as at 31.12.2020**	Allocations	Write-backs available	**Net impairment losses**	**Currency and scope effects**	**Amount as at 30.06.2021**
Financing commitments						**-**
Provisions on performing outstandings (Stage 1)	119	78	(68)	10	1	130
Provisions on underperforming outstandings (Stage 2)	279	112	(142)	(30)	3	252
Provisions on doubtful outstandings (Stage 3)	35	22	(41)	(19)	12	28
Total	**433**	**212**	**(251)**	**(39)**	**16**	**410**
						-
Guarantee commitments						-
Provisions on performing outstandings (Stage 1)	44	21	(19)	2		46
Provisions on underperforming outstandings (Stage 2)	152	24	(42)	(18)	(47)	87
Provisions on doubtful outstandings (Stage 3)	299	73	(65)	8	1	308
Total	**495**	**118**	**(126)**	**(8)**	**(46)**	**441**

VARIATIONS OF PROVISIONS ACCORDING TO CHANGES IN THE AMOUNT OF FINANCING AND GUARANTEE COMMITMENTS

	Provisions								
	On financing commitments				**On guarantee commitments**				**Total**
(In EUR m)	Stage 1	Stage 2	Stage 3	**Total**	Stage 1	Stage 2	Stage 3	**Total**	
Amount as at 31.12.2020	119	279	35	**433**	44	152	299	**495**	**928**
Production & Acquisition [(1)]	32	10	3	**45**	8	4	8	**20**	**65**
Derecognition [(2)]	(13)	(22)	(3)	**(38)**	(6)	(8)	(20)	**(34)**	**(72)**
Transfer from stage 1 to stage 2 [(3)]	(4)	18	-	**14**	(1)	8	-	**7**	**21**
Transfer from stage 2 to stage 1 [(3)]	6	(39)	-	**(33)**	2	(6)	-	**(4)**	**(37)**
Transfer to stage 3 [(3)]	-	(1)	4	**3**	-	(2)	20	**18**	**21**
Transfer from stage 3 [(3)]	-	1	(4)	**(3)**	-	-	(1)	**(1)**	**(4)**
Allocations & Write-backs without stage transfer [(3)]	(11)	2	(9)	**(18)**	(2)	(60)	(1)	**(63)**	**(81)**
Currency effect	2	3	-	**5**	-	-	3	**3**	**8**
Scope effect	-	-	-	**-**	-	-	-	**-**	**-**
Other variations	(1)	1	2	**2**	1	(1)	-	**-**	**2**
Amount as at 30.06.2021	130	252	28	**410**	46	87	308	**441**	**851**

(1) *The amounts of impairment presented in the line Production and Acquisition in Stage 2/Stage 3 could include originated contracts in Stage 1 reclassified in Stage 2/Stage 3 during the period.*

(2) *Including repayments, disposals and debt waivers.*

(3) *Amounts presented in transfers include variations due to amortisation. Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the period, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.*

BREAKDOWN OF TRANSFERS BETWEEN STAGES FOR OFF-BALANCE SHEET COMMITMENTS AS AT 30 JUNE 2021

	Financing commitments							
	Stage 1		Stage 2		Stage 3			
(In EUR m)	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	**Total of transferred outstanding amounts subject to impairment**	**Total impact of transfers on provisions**
Transfer from Stage 1 to Stage 2	(1,062)	(4)	846	18	-	-	846	18
Transfer from Stage 2 to Stage 1	7,299	6	(6,532)	(39)	-	-	7,299	6
Transfer from Stage 3 to Stage 1	34	0	-	-	(46)	(0)	34	0
Transfer from Stage 3 to Stage 2	-	-	14	1	(14)	(4)	14	1
Transfer from Stage 1 to Stage 3	(16)	(0)	-	-	16	1	16	1
Transfer from Stage 2 to Stage 3	-	-	(21)	(1)	17	3	17	3
Currency effect on contracts that change Stage	18	0	111	1	0	0	129	1

	Guarantee commitments							
	Stage 1		Stage 2		Stage 3			
(In EUR m)	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	Outstanding amounts subject to impairment and provisions	Provisions	**Total of transferred outstanding amounts subject to impairment**	**Total impact of transfers on provisions**
Transfer from Stage 1 to Stage 2	(885)	(1)	635	8	-	-	635	8
Transfer from Stage 2 to Stage 1	1,163	2	(783)	(6)	-	-	1,163	2
Transfer from Stage 3 to Stage 1	139	0	-	-	(94)	(0)	139	0
Transfer from Stage 3 to Stage 2	-	-	11	0	(11)	(1)	11	0
Transfer from Stage 1 to Stage 3	(29)	(0)	-	-	24	9	24	9
Transfer from Stage 2 to Stage 3	-	-	(63)	(2)	51	10	51	10
Currency effect on contracts that change Stage	15	0	14	0	0	0	29	0

4. QUALITATIVE INFORMATION OF CHANGES IN IMPAIRMENT/PROVISIONS ON CREDIT RISK

The variation in credit risk impairment and provisions since 31 December 2020 is mainly linked to:

– Covered losses on Stage 3 loans (EUR 636 million) included in the line derecognition, of which EUR 132 million of non-performing loans disposals on the Crédit du Nord perimeter. This is in line with the Group strategy of selling its portfolios of exposures in default situation.

  Uncovered losses amount to EUR 102 million.

– Transfer of loans to Stage 2 due to downgraded ratings, transfer to watch list and 30 days overdue for EUR 10.3 billion. This transfer was linked to the deteriorated economic environment and resulted in an increase in impairment and provisions of EUR 300 million including:

  - 52 % on Corporates portfolio, including 42 % on SME.
  - 47 % on Retail portfolio, including 33 % on VSB.

– Transfer of loans to Stage 3 due to default for EUR 2.1 billion of outstanding amounts. This transfer resulted in an increase in impairment and provisions of EUR 292 million including:

  - 40 % on Corporates portfolio, including 42 % on SME.
  - 60 % on Retail portfolio, including 34 % on VSB.

  Particularly, this variation concerns:

  - EUR 740 million of outstanding amounts for which the impairment and provisions amount to EUR 149 million as at 30 June 2021. These contracts were in Stage 1 as at 31 December 2020.
  - EUR 1.4 billion of outstanding amounts for which the impairment and provisions amount to EUR 252 million as at 30 June 2021. These contracts were in Stage 2 as at 31 December 2020.

– Transfer of loans from Stage 2 to Stage 1, particularly linked to the update of the list of sensitive sectors impacted by the Covid-19 crisis (notably the exclusion from this list of the automotive and sea freight transport sectors) for EUR 23.3 billion. This transfer resulted in a decrease in impairment and provisions of EUR 221 million including:

  - 56 % on Corporates portfolio, including 25 % on SME.
  - 44 % on Retail portfolio, including 32 % on VSB.

5. COST OF RISK

(In EUR m)	1st half of 2021	2020	1st half of 2020
Net allocation to impairment losses	(406)	(2,951)	(1,935)
On financial assets at fair value through other comprehensive income	*1*	-	-
On financial assets at amortised cost	*(407)*	*(2,951)*	*(1,935)*
Net allocations to provisions	47	(305)	(200)
On financing commitments	*39*	*(149)*	*(94)*
On guarantee commitments	*8*	*(156)*	*(106)*
Losses not covered on irrecoverable loans	(104)	(251)	(73)
Amounts recovered on irrecoverable loans	54	114	49
Effect of guarantees not taken into account for the calculation of impairment	(9)	87	60
Total	**(418)**	**(3,306)**	**(2,099)**
o/w cost of risk on performing outstandings (Stage 1)	*(36)*	*(237)*	*(323)*
o/w cost of risk on underperforming outstandings (Stage 2)	*83*	*(1,130)*	*(541)*
o/w cost of risk on doubtful outstandings (Stage 3)	*(465)*	*(1,939)*	*(1,235)*

NOTE 3.9 - FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

1. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	30.06.2021	
(In EUR m)	**Carrying amount**	**Fair value**
Due from banks	61,733	61,734
Customer loans	464,622	464,924
Securities	18,922	18,935
Total	**545,277**	**545,593**

	31.12.2020	
(In EUR m)	**Carrying amount**	**Fair value**
Due from banks	53,380	53,394
Customer loans	448,761	450,923
Debt securities	15,635	15,767
Total	**517,776**	**520,084**

2. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

	30.06.2021	
(In EUR m)	**Carrying amount**	**Fair value**
Due to banks	147,938	147,959
Customer deposits	478,774	478,837
Debt securities issued	137,938	137,960
Subordinated debt	16,673	16,675
Total	**781,323**	**781,431**

	31.12.2020	
(In EUR m)	**Carrying amount**	**Fair value**
Due to banks	135,571	135,608
Customer deposits	456,059	456,119
Debt securities issued	138,957	138,985
Subordinated debt	15,432	15,435
Total	**746,019**	**746,147**

NOTE 4 - OTHER ACTIVITIES

NOTE 4.1 - FEE INCOME AND EXPENSE

	1st half of 2021			2020			1st half of 2020		
(In EUR m)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Transactions with banks	**75**	**(50)**	**25**	**159**	**(108)**	**51**	**80**	**(62)**	**18**
Transactions with customers	**1,421**	**-**	**1,421**	**2,820**	**-**	**2,820**	**1,402**	**-**	**1,402**
Financial instruments operations	**1,094**	**(1,175)**	**(81)**	**2,208**	**(2,215)**	**(7)**	**1,179**	**(1,230)**	**(51)**
Securities transactions	275	(559)	(284)	503	(1,042)	(539)	280	(558)	(278)
Primary market transactions	82	-	82	203	-	203	60	-	60
Foreign exchange transactions and financial derivatives	737	(616)	121	1,502	(1,173)	329	839	(672)	167
Loan and guarantee commitments	**421**	**(137)**	**284**	**795**	**(271)**	**524**	**379**	**(123)**	**256**
Various services	**1,366**	**(534)**	**832**	**2,547**	**(1,018)**	**1,529**	**1,250**	**(502)**	**748**
Asset management fees	305	-	305	613	-	613	294	-	294
Means of payment fees	424	-	424	795	-	795	385	-	385
Insurance product fees	132	-	132	260	-	260	128	-	128
Underwriting fees of UCITS	48	-	48	77	-	77	38	-	38
Other fees	457	(534)	(77)	802	(1,018)	(216)	405	(502)	(97)
Total	**4,377**	**(1,896)**	**2,481**	**8,529**	**(3,612)**	**4,917**	**4,290**	**(1,917)**	**2,373**

NOTE 4.2 - INCOME AND EXPENSE FROM OTHER ACTIVITIES

	1st half of 2021			2020			1st half of 2020		
(In EUR m)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Real estate development	42	-	42	65	(1)	64	25	(1)	24
Real estate leasing	17	(30)	(13)	37	(23)	14	24	(10)	14
Equipment leasing * (1)	5,778	(4,810)	968	10,933	(9,248)	1,685	5,125	(4,358)	767
Other activities *	223	(341)	(118)	436	(451)	(15)	229	(225)	4
Total	**6,060**	**(5,181)**	**879**	**11,471**	**(9,723)**	**1,748**	**5,403**	**(4,594)**	**809**

* *The amounts have been restated compared with the published financial statements for the period ended 30 June 2020, following the reclassification of expenses related to maintenance services associated with vehicle leasing activities from Other activities to Equipment leasing.*

(1) *The amount recorded under this heading is mainly due to income and expenses related to long-term leasing and car fleet management businesses. Most of the Group's long-term lease agreements are 36-month to 48-month leases.*

NOTE 4.3 - INSURANCE ACTIVITIES

1. INSURANCE CONTRACTS RELATED LIABILITIES

BREAKDOWN

(In EUR m)	30.06.2021	31.12.2020
Underwriting reserves of insurance companies	147,140	142,106
Financial liabilities of insurance companies	3,979	4,020
Financial liabilities at fair value through profit or loss	471	583
Financial liabilities at fair value through profit or loss (fair value option)	3,508	3,437
Total	**151,119**	**146,126**

UNDERWRITING RESERVES OF INSURANCE COMPANIES

(In EUR m)	30.06.2021	31.12.2020
Life insurance underwriting reserves for unit-linked policies	40,888	35,794
Other life insurance underwriting reserves	93,115	92,620
Non-life insurance underwriting reserves	1,913	1,834
Deferred profit-sharing booked in liabilities	11,224	11,858
Total	**147,140**	**142,106**
Attributable to reinsurers	(723)	(749)
Underwriting reserves of insurance net of the share attributable to reinsurers	**146,417**	**141,357**

In accordance with IFRS 4 and Group accounting standards, the Liability Adequacy Test (LAT) was performed as at 30 June 2021. This test assesses whether the carrying amount of insurance liabilities is adequate in the light of the estimated future cash flows of the contracts. The result of this test as at 30 June 2021 did not show any inadequacy in the technical liabilities.

2. INVESTMENTS OF THE INSURANCE ACTIVITIES

OVERVIEW

(In EUR m)	**30.06.2021**	**31.12.2020**
Financial assets at fair value through profit or loss (trading portfolio)	255	291
Shares and other equity instruments	*69*	*51*
Trading derivatives	*186*	*240*
Financial assets at fair value through profit or loss (fair value option)	76,292	70,422
Bonds and other debt instruments	*32,483*	*32,178*
Shares and other equity instruments	*43,259*	*37,942*
Loans, receivables and repo transactions	*550*	*302*
Hedging derivatives	389	438
Available-for-sale financial assets	89,296	89,755
Debt instruments	*74,166*	*75,662*
Equity instruments	*15,130*	*14,093*
Due from banks (2)	5,157	5,301
Customer loans	68	76
Held-to-maturity financial assets	28	32
Real estate investments	531	539
Total investments of insurance activities (1) (2)	**172,016**	**166,854**

(1) Investments in other Group companies that are made in representation of unit-linked liabilities are kept in the Group's consolidated balance sheet without any significant impact thereon.

(2) o/w EUR 1,183 million of current accounts as at 30 June 2021 (after elimination of intercompany operations) vs. EUR 897 million as at 31 December 2020.

ANALYSIS OF FINANCIAL ASSETS DEPENDING ON THEIR CONTRACTUAL CHARACTERISTICS

The following table shows the carrying value of the financial assets included in Investments of the insurance activities, by distinguishing assets whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (basic instruments).

	30.06.2021					
	Carrying amount			**Fair value**		
(In EUR m)	Basic instruments	Other instruments	**Total**	Basic instruments	Other instruments	**Total**
Financial assets at fair value through profit or loss	-	76,547	76,547	-	76,547	76,547
Hedging derivatives	-	389	389	-	389	389
Available-for-sale financial assets	71,404	17,892	89,296	71,404	17,892	89,296
Due from banks	2,550	2,607	5,157	2,738	2,678	5,416
Customer loans	68	-	68	66	-	66
Held-to-maturity financial assets	28	-	28	28	-	28
Total financial investments	**74,050**	**97,435**	**171,485**	**74,236**	**97,506**	**171,742**

	31.12.2020					
	Carrying amount			**Fair value**		
(In EUR m)	Basic instruments	Other instruments	**Total**	Basic instruments	Other instruments	**Total**
Financial assets at fair value through profit or loss	-	70,713	70,713	-	70,713	70,713
Hedging derivatives	-	438	438	-	438	438
Available-for-sale financial assets	72,253	17,502	89,755	72,253	17,502	89,755
Due from banks	2,398	2,903	5,301	2,602	2,997	5,599
Customer loans	76	-	76	76	-	76
Held-to-maturity financial assets	32	-	32	32	-	32
Total financial investments	**74,759**	**91,556**	**166,315**	**74,963**	**91,650**	**166,613**

FAIR VALUE OF FINANCIAL ASSETS MEASURED AT FAIR VALUE

	30.06.2021			
(In EUR m)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (trading portfolio)	69	185	1	255
Financial assets at fair value through profit or loss using the fair value option	65,776	8,583	1,933	76,292
Hedging derivatives	-	389	-	389
Available-for-sale financial assets	79,992	4,591	4,713	89,296
Total	**145,837**	**13,748**	**6,647**	**166,232**

	31.12.2020			
(In EUR m)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (trading portfolio)	51	237	3	291
Financial assets at fair value through profit or loss using the fair value option	60,997	9,064	361	70,422
Hedging derivatives	-	438	-	438
Available-for-sale financial assets	80,693	4,934	4,128	89,755
Total	**141,741**	**14,673**	**4,492**	**160,906**

CHANGES IN AVAILABLE FOR SALE FINANCIAL ASSETS

(In EUR m)	2021
Balance as at 1 January	**89,755**
Acquisitions	5,338
Disposals / redemptions	(4,835)
Transfers to held-to-maturity financial assets	(6)
Change in scope and others	(282)
Gains and losses on changes in fair value recognised directly in equity during the period	(756)
Net changes in impairment of debt instruments recorded in profit or loss	2
Impairment on equity instruments recognised in profit or loss	(4)
Translation differences	84
Balance as at 30 June	**89,296**

UNREALISED GAINS AND LOSSES ON AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	30.06.2021		
(In EUR m)	**Capital gains**	**Capital losses**	**Net revaluation**
Unrealised gains and losses of insurance companies	**486**	**(36)**	**450**
On available-for-sale equity instruments	*2,664*	*(79)*	*2,585*
On available-for-sale debt instruments and assets reclassified as loans and receivables	*6,919*	*(192)*	*6,727*
Deferred profit-sharing	*(9,097)*	*235*	*(8,862)*

	31.12.2020		
(In EUR m)	**Capital gains**	**Capital losses**	**Net revaluation**
Unrealised gains and losses of insurance companies	**665**	**(22)**	**643**
On available-for-sale equity instruments	*1,968*	*(97)*	*1,871*
On available-for-sale debt instruments and assets reclassified as loans and receivables	*8,505*	*(163)*	*8,342*
Deferred profit-sharing	*(9,808)*	*238*	*(9,570)*

3. NET INCOME FROM INSURANCE ACTIVITIES

The following table shows the breakdown (after eliminating intercompany transactions):

- income and expense from insurance activities and associated investments on a separate line under Net banking income: Net income from insurance activities;
- funding costs of insurance activities recorded under Interest and similar expense;
- impairment debt instruments of insurance activities and the deferred profit-sharing recorded under Cost of risk.

(In EUR m)	**1st half of 2021**	**2020**	**1st half of 2020**
Net premiums	7,866	10,970	5,388
Net income from investments	1,601	2,808	744
Cost of benefits (including changes in reserves) [1]	(8,303)	(11,377)	(5,185)
Other net technical income (expense)	(36)	(277)	91
Net income of insurance activities	**1,128**	**2,124**	**1,038**
Funding costs	(3)	(7)	(3)
Cost of risk	-	-	
o/w impairment of debt instruments	*2*	*(2)*	
o/w which deferred profit sharing	*(2)*	*2*	

(1) o/w EUR -1,258 million in respect of deferred profit-sharing at 30 June 2021.

NOTE 4.4 - OTHER ASSETS AND LIABILITIES

1. OTHER ASSETS

(In EUR m)	30.06.2021	31.12.2020
Guarantee deposits paid [1]	52,436	51,896
Settlement accounts on securities transactions	6,479	3,876
Prepaid expenses	1,166	1,019
Miscellaneous receivables [2]	8,024	9,193
Miscellaneous receivables - insurance	1,801	1,752
Gross amount	**69,906**	**67,736**
Impairments	(433)	(395)
Credit risk on operating lease receivables	*(185)*	*(187)*
Credit risk on assets acquired by adjudication and on sundry debtors	*(116)*	*(101)*
Other risks	*(132)*	*(107)*
Net amount	**69,473**	**67,341**

(1) Mainly relates to guarantee deposits paid on financial instruments, the fair value of which is taken to be the same as their book value net of impairment for credit risk.

(2) Miscellaneous receivables primarily include trade receivables, fee income and income from other activities to be received. The operating leases receivables equal to EUR 924 million as of 30 June 2021.

2. OTHER LIABILITIES

(In EUR m)	30.06.2021	31.12.2020
Guarantee deposits received [1]	55,160	55,739
Settlement accounts on securities transactions	6,429	4,166
Expenses payable on employee benefits	2,235	2,022
Lease liability	2,197	2,207
Deferred income	1,630	1,527
Miscellaneous payables [2]	12,888	12,690
Miscellaneous payables - insurance	7,266	6,586
Total	**87,805**	**84,937**

(1) Mainly relates to guarantee deposits received on financial instruments, their fair value is taken to be the same as their book value.

(2) Miscellaneous payables primarily include trade payables, fee expense and expense from other activities to be paid.

NOTE 5 - PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

1. PERSONNEL EXPENSES

(In EUR m)	1st half of 2021	2020	1st half of 2020
Employee compensation	(3,361)	(6,715)	(3,268)
Social security charges and payroll taxes	(866)	(1,594)	(786)
Net pension expenses - defined contribution plans	(372)	(728)	(338)
Net pension expenses - defined benefit plans	(46)	(76)	(47)
Employee profit-sharing and incentives	(146)	(176)	(58)
Total	**(4,791)**	**(9,289)**	**(4,497)**
Including net expenses from share-based payments	*(49)*	*(150)*	*(60)*

2. DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

(In EUR m)	**Provisions as at 31.12.2020**	Allocations	Write-backs available	**Net allocation**	**Write-backs used**	**Actuarial gains and losses**	**Currency and scope effects**	**Provisions as at 30.06.2021**
Post-employment benefits	**1,761**	39	(10)	**29**	**(31)**	**(27)**	**(4)**	**1,728**
Other long-term benefits	**442**	24	(33)	**(9)**	**(38)**	-	**(2)**	**393**
Termination benefits	**378**	11	(55)	**(44)**	**(59)**	-	**2**	**277**
Total	**2,581**	**74**	**(98)**	**(24)**	**(128)**	**(27)**	**(4)**	**2,398**

3. DESCRIPTION OF THE 2021 SHARE-BASED PAYMENT PLANS

2021 SOCIETE GENERALE FREE SHARES PLAN

The table below shows the 2021 free shares plan. This plan excludes shares awarded within the framework of the specific retention and remuneration policy concerning employees working within activities considered as having significant impact on the Group's risk profile and as defined by the Directive CRD4 in effect since 1 January 2014 (i.e. regulated staff).

Date of shareholders' agreement	19.05.2020
Date of Board of Directors' decision	11.03.2021
Number of shares granted	2,206,191
Number of shares outstanding at 30.06.2021	2,204,793
Vesting period	11.03.2021 - 28.03.2024
Performance conditions [1]	yes
Fair value (% of the share price as at grant date)	87.63%
Method of valuation	Arbitrage

(1) For the Group, the performance conditions are based on the Net income, Group share.

2021 SOCIETE GENERALE PERFORMANCE SHARES PLAN

The table below shows the 2021 performance shares plan under the annual employee plan and awards in the context of the specific loyalty and remuneration policy applicable to regulated persons as defined in banking regulations (including Chief Executive Officers and Management Committee members).

Date of General Meeting	19.05.2020	
Date of Board of Directors	11.03.2021	
Total number of shares granted	1,288,873	
Vesting dates		
Sub-plans 2/3 and 7	1st instalment	31.03.2023
	2nd instalment	28.03.2024
Sub-plan 4		28.03.2024
Sub-plan 5	1st instalment	31.03.2025
	2nd instalment	31.03.2026
Sub-plan 6	1st instalment	31.03.2025
	2nd instalment	31.03.2027
Holding period end dates		
Sub-plans 2/3 and 7	1st instalment	01.10.2023
	2nd instalment	01.10.2024
Sub-plan 4		01.10.2024
Sub-plan 5	1st instalment	01.10.2025
	2nd instalment	01.10.2026
Sub-plan 6	1st instalment	01.04.2026
	2nd instalment	01.04.2028
Performance conditions (1)	yes	
Fair value (in EUR) (2)		
Sub-plans 2/3 and 7	1st instalment	19.07
	2nd instalment	18.07
Sub-plan 4		18.07
Sub-plan 5	1st instalment	20.14
	2nd instalment	19.36
Sub-plan 6	1st instalment	14.6
	2nd instalment	13.3

(1) The performance conditions are based on the profitability level of Societe Generale group and its core business or business activity.

(2) The fair value is calculated using the arbitrage method of valuation.

NOTE 6 - INCOME TAX

1. BREAKDOWN OF THE EXPENSE

(In EUR m)	1st half of 2021	2020	1st half of 2020
Current taxes	(451)	(708)	(380)
Deferred taxes	(236)	(496)	(232)
Total	**(687)**	**(1,204)**	**(612)**

RECONCILIATION OF THE DIFFERENCE BETWEEN THE GROUP'S STANDARD TAX RATE AND ITS EFFECTIVE TAX RATE

	1st half of 2021		2020		1st half of 2020	
	%	EUR m	%	EUR m	%	EUR m
Income before tax, excluding net income from companies accounted for using the equity method and impairment losses		**3,244**		**2,081**		**(87)**
Group effective tax rate	**21.18%**		**57.87%**		**-700.25%**	
Permanent differences	3.54%	115	1.70%	35	-194.02%	169
Differential on securities with tax exemption or taxed at reduced rate	0.14%	5	-1.49%	(31)	15.15%	(13)
Tax rate differential on profits taxed outside France	3.87%	125	13.21%	275	-126.44%	111
Changes in the measurement of deferred tax assets / liabilities (1)	-0.32%	(10)	-39.27%	(817)	1,037.58%	(907)
Normal tax rate applicable to French companies (including 3.3% national contribution)	28.41%		32.02%		32.02%	

(1) *This amount includes in the first half of 2020, a EUR 650 million reduction in deferred tax assets for the French tax group.*

In compliance with The French tax provisions that define the ordinary corporate tax rate, the latter will be gradually lowered according to the following trajectory for liable companies with a turnover equal to or greater than EUR 250 million (article 219 of the French tax code):

- for fiscal years opened as of 1 January 2021 to 31 December 2021, an ordinary tax rate of 27.5%, plus the existing national contribution *(CSB)* of 3.3%;
- for fiscal years opened as of 1 January 2022 to 31 December 2022, an ordinary tax rate of 25%, plus the existing national contribution *(CSB)* of 3.3%.

Deferred taxes on French companies are determined by applying the tax rate in effect as at the reversal of the temporary difference. Regarding the gradual reduction in French tax rate until 2022 (including *CSB*):

- for income taxed at the ordinary tax rate: the rate is 28.41% in 2021 and 25.83% from 2022;
- for long-term income exempted, subject to taxation of a portion of fees and expenses of 12%: the rate is 3.41% in 2021 and 3.10% from 2022.

Long-term capital gains generated on the sale of equity investments are exempt from corporate tax, except for a portion of fees and expenses amounting to 12% of their gross amount.

Furthermore, under the parent-subsidiary regime, dividends from companies in which Societe Generale's equity interest is at least 5% are tax exempt, subject to taxation of a portion of fees and expenses of 1% or 5% at the full statutory tax rate.

2. TAX ASSETS AND LIABILITIES

TAX ASSETS

(In EUR m)	30.06.2021	31.12.2020
Current tax assets	601	895
Deferred tax assets	4,000	4,106
o/w deferred tax assets on tax loss carryforwards	*1,685*	*1,840*
o/w deferred tax assets on temporary differences	*2,315*	*2,266*
Total	**4,601**	**5,001**

TAX LIABILITIES

(In EUR m)	30.06.2021	31.12.2020
Current tax liabilities	521	440
Provisions for tax adjustments	87	90
Deferred tax liabilities	757	693
Total	**1,365**	**1,223**

Deferred tax assets are recognised only if the tax entity (or tax group) concerned has a likely prospect of recovering these assets over a given timeframe, in particular through the deduction of the deductible temporary differences and tax loss carry-forwards from future taxable profits. Tax loss carry-forwards are reviewed annually as at 31 December based on realistic projections of the tax results of the entities concerned. After completion of these tests, the carrying amount of the deferred tax assets already included on the balance sheet is reduced as soon as there is a risk of partial or total non-recovery of these assets.
This annual review is supplemented with a half-yearly review centred on the realisation, on this date, of the assumptions selected in the budget paths.
As at 30 June 2021, this half-yearly review confirms that there is no risk of partial or total non-recovery of the deferred tax assets already included on the balance sheet.

3. DEFERRED TAX ASSETS RECOGNISED ON TAX LOSS CARRY-FORWARDS AND DEFERRED TAX ASSETS NOT RECOGNISED

As at 30 June 2021, based on the tax system of each entity and a realistic projection of their tax income, the projected period for deferred tax asset recovery is indicated in the table below:

(In EUR m)	30.06.2021	Statutory time limit on carry-forwards	Expected recovery period
Total deferred tax assets relating to tax loss carry-forwards	**1,685**	**-**	**-**
o/w French tax group	*1,445*	*Unlimited (1)*	*9 years*
o/w US tax group	*188*	*20 years (2)*	*7 years*
Others	*52*	*-*	*-*

(1) In accordance with the 2013 French Finance Act, the deduction of previous losses is limited to EUR 1 million plus 50% of the fraction of the taxable income for the fiscal year exceeding this limit. The non-deductible portion of losses may be carried forward to the following fiscal years with no time limit and under the same conditions.

(2) Tax losses generated before 31 December 2011.

As at 30 June 2021, the main deferred taxes not recognised as assets on the balance sheet amount to EUR 1,151 million (compared to EUR 1,126 million as at 31 December 2020). These concern, in particular, the France tax group for EUR 650 million (compared to EUR 650 million as at 31 December 2020), the U.S.A tax group for EUR 315 million (compared to EUR 305 million as at 31 December 2020), the SG Singapore entity for EUR 75 million (compared to EUR 70 million as at 31 December 2020), SG Kleinwort Hambros Limited for EUR 32 million (compared to EUR 20 million as at 31 December 2020) as well as the SGBGE entity in Equatorial Guinea for EUR 39 million (including EUR 9 million for loss carry forward and EUR 30 million for temporary differences). These deferred tax assets may be recognised on the balance sheet when it will become probable that a future profit will allow them to be recovered.

NOTE 7 - SHAREHOLDERS' EQUITY

NOTE 7.1 - TREASURY SHARES AND SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

1. ORDINARY SHARES AND CAPITAL RESERVES

(In EUR m)	30.06.2021	31.12.2020
Issued capital	1,067	1,067
Issuing premiums and capital reserves	21,481	21,465
Elimination of treasury stock	(194)	(199)
Total	**22,354**	**22,333**

ORDINARY SHARES ISSUED BY SOCIETE GENERALE S.A.

(Number of shares)	30.06.2021	31.12.2020
Ordinary shares	853,371,494	853,371,494
Including treasury stock with voting rights [(1)]	*2,942,977*	*4,512,000*
Including shares held by employees	*70,980,350*	*69,033,084*

(1) Excluding Societe Generale shares held for trading purposes or in respect of the liquidity contract.

As at 30 June 2021, Societe Generale S.A.'s fully paid up capital amounted to EUR 1,066,714,367.50 and was made up of 853,371,494 shares with a nominal value of EUR 1.25.

2. TREASURY STOCK

As at 30 June 2021, the Group held 3,180,913 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 0.37% of the capital of Societe Generale S.A.
The amount deducted by the Group from its equity for treasury shares (and related derivatives) came to EUR 194 million, including EUR 123 million in shares held for trading purposes.
The change in treasury stock during the first half of year 2021 breaks down as follows:

(In EUR m)	Liquidity contract	Trading activities	Treasury stock and active management of shareholders' equity	Total
Disposals net of purchases	-	(50)	55	**5**
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	-	4	(43)	**(39)**

3. EQUITY INSTRUMENTS ISSUED

As at 30 June 2021, the amount of equity instruments issued by the Group is EUR 8,931 million. The EUR 364 million decrease in the first half of 2021 can be explained by:

- the issuance of a perpetual deeply subordinated note in US dollars for an amount of EUR 818 million;
- the repayment of a EUR 1,000 million perpetual deeply subordinated note;
- the repayment of a perpetual subordinated note in US dollars for an amount of EUR 182 million.

NOTE 7.2 - EARNINGS PER SHARE AND DIVIDENDS

1. EARNINGS PER SHARE

(In EUR m)	1st half of 2021	2020	1st half of 2020
Net income, Group share	2,253	(258)	(1,590)
Attributable remuneration to subordinated and deeply subordinated notes	(305)	(604)	(320)
Issuance fees related and deeply subordinated notes	(4)	(7)	-
Net income attributable to ordinary shareholders	**1,944**	**(869)**	**(1,910)**
Weighted average number of ordinary shares outstanding [1]	849,905,108	850,384,674	850,643,440
Earnings per ordinary share (in euros)	**2.29**	**(1.02)**	**(2.25)**
Average number of ordinary shares used in the dilution calculation	-	-	-
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	849,905,108	850,384,674	850,643,440
Diluted earnings per ordinary share (in euros)	**2.29**	**(1.02)**	**(2.25)**

(1) Excluding treasury shares.

2. DIVIDENDS PAID

As a reminder, in accordance with the European Central Bank's recommendation of 27 March 2020 relative to dividends distribution policies during the Covid-19 crisis, Societe Generale did not pay dividends on its ordinary shares for the 2019 financial year.

	1st half of 2021			2020		
(In EUR m)	Group Share	Non-controlling interests	Total	Group Share	Non-controlling interests	Total
Paid in shares	-	-	-	-	-	-
Paid in cash	(468)	(109)	(577)	-	(91)	(91)
TOTAL	**(468)**	**(109)**	**(577)**	**-**	**(91)**	**(91)**

NOTE 8 - ADDITIONAL DISCLOSURES

NOTE 8.1 - SEGMENT REPORTING

Segment income takes intra-group transactions into account, while these transactions are eliminated from segment assets and liabilities.

	1st half of 2021										
	French Retail Banking	**International Retail Banking and Financial Services**				**Global Banking and Investor Solutions**				**Corporate Centre [1]**	**Total Group Société Générale**
(In EUR m)		International Retail Banking	Financial Services to Corporates	Insurance	Total	Global Markets and Investors Services	Financing and Advisory	Asset and Wealth Management	Total		
Net banking income	3,753	2,418	959	474	3,851	3,039	1,353	457	4,849	53	**12,506**
Operating expenses [2]	(2,750)	(1,451)	(449)	(200)	(2,100)	(2,404)	(896)	(399)	(3,699)	(306)	**(8,855)**
Gross operating income	**1,003**	**967**	**510**	**274**	**1,751**	**635**	**457**	**58**	**1,150**	**(253)**	**3,651**
Cost of risk	(129)	(228)	(35)	-	(263)	-	(18)	(8)	(26)	-	**(418)**
Operating income	**874**	**739**	**475**	**274**	**1,488**	**635**	**439**	**50**	**1,124**	**(253)**	**3,233**
Net income from investments accounted for using the equity method	3	-	-	-	-	2	-	-	2	-	**5**
Net income / expense from other assets	4	5	-	1	6	1	-	(1)	-	1	**11**
Value adjustments on goodwill	-	-	-	-	-	-	-	-	-	-	**-**
Earnings before Tax	**881**	**744**	**475**	**275**	**1,494**	**638**	**439**	**49**	**1,126**	**(252)**	**3,249**
Income tax	(244)	(183)	(110)	(77)	(370)	(146)	(76)	(11)	(233)	160	**(687)**
Consolidated Net income	**637**	**561**	**365**	**198**	**1,124**	**492**	**363**	**38**	**893**	**(92)**	**2,562**
Non-controlling interests	(4)	138	70	2	210	14	-	1	15	88	**309**
Net income, Group share	**641**	**423**	**295**	**196**	**914**	**478**	**363**	**37**	**878**	**(180)**	**2,253**
Segment assets	**256,455**	**134,394**	**39,729**	**174,216**	**348,339**	**569,138**	**137,535**	**36,578**	**743,251**	**144,564**	**1,492,609**
Segment liabilities [3]	**276,001**	**98,944**	**13,623**	**159,783**	**272,350**	**688,753**	**51,504**	**23,293**	**763,550**	**112,071**	**1,423,972**

(In EUR m)	2020										
	French Retail Banking	**International Retail Banking and Financial Services**				**Global Banking and Investor Solutions**				**Corporate Centre** [1]	**Total Group Société Générale**
		International Retail Banking	Financial Services to Corporates	Insurance	Total	Global Markets and Investors Services	Financing and Advisory	Asset and Wealth Management	Total		
Net banking income	7,315	4,902	1,735	887	7,524	4,164	2,546	903	7,613	(339)	**22,113**
Operating expenses [2]	(5,418)	(2,870)	(916)	(356)	(4,142)	(4,337)	(1,563)	(813)	(6,713)	(441)	**(16,714)**
Gross operating income	**1,897**	**2,032**	**819**	**531**	**3,382**	**(173)**	**983**	**90**	**900**	**(780)**	**5,399**
Cost of risk	(1,097)	(1,080)	(185)	-	(1,265)	(24)	(861)	(37)	(922)	(22)	**(3,306)**
Operating income	**800**	**952**	**634**	**531**	**2,117**	**(197)**	**122**	**53**	**(22)**	**(802)**	**2,093**
Net income from investments accounted for using the equity method	(1)	-	-	-	-	4	-	-	4	-	**3**
Net income / expense from other assets [4]	158	4	11	-	15	11	(3)	(8)	-	(185)	**(12)**
Value adjustments on goodwill	-	-	-	-	-	-	-	-	-	(684)	**(684)**
Earnings before Tax	**957**	**956**	**645**	**531**	**2,132**	**(182)**	**119**	**45**	**(18)**	**(1,671)**	**1,400**
Income tax	(291)	(227)	(139)	(165)	(531)	40	69	(9)	100	(482)	**(1,204)**
Consolidated Net income	**666**	**729**	**506**	**366**	**1,601**	**(142)**	**188**	**36**	**82**	**(2,153)**	**196**
Non-controlling interests	-	198	96	3	297	23	-	2	25	132	**454**
Net income, Group share	**666**	**531**	**410**	**363**	**1,304**	**(165)**	**188**	**34**	**57**	**(2,285)**	**(258)**
Segment assets	**256,211**	**123,697**	**38,932**	**169,239**	**331,868**	**566,614**	**124,114**	**34,661**	**725,389**	**148,484**	**1,461,952**
Segment liabilities [3]	**264,228**	**90,784**	**13,351**	**154,736**	**258,871**	**684,293**	**47,161**	**21,324**	**752,778**	**119,096**	**1,394,973**

	1st half of 2020										
	French Retail Banking	**International Retail Banking and Financial Services**				**Global Banking and Investor Solutions**				**Corporate Centre (1)**	**Total Group Société Générale**
(In EUR m)		International Retail Banking	Financial Services to Corporates	Insurance	Total	Global Markets and Investors Services	Financing and Advisory	Asset and Wealth Management	Total		
Net banking income	3,634	2,450	824	440	3,714	1,759	1,286	462	3,507	(389)	**10,466**
Operating expenses (2)	(2,683)	(1,473)	(460)	(192)	(2,125)	(2,303)	(843)	(401)	(3,547)	(183)	**(8,538)**
Gross operating income	**951**	**977**	**364**	**248**	**1,589**	**(544)**	**443**	**61**	**(40)**	**(572)**	**1,928**
Cost of risk	(691)	(532)	(115)	-	(647)	(29)	(715)	(17)	(761)	-	**(2,099)**
Operating income	**260**	**445**	**249**	**248**	**942**	**(573)**	**(272)**	**44**	**(801)**	**(572)**	**(171)**
Net income from investments accounted for using the equity method	2	(1)	-	1	-	4	(1)	-	3	-	**5**
Net income / expense from other assets (4)	136	1	10	-	11	14	-	-	14	(77)	**84**
Value adjustments on goodwill	-	-	-	-	-	-	-	-	-	(684)	**(684)**
Earnings before Tax	**398**	**445**	**259**	**249**	**953**	**(555)**	**(273)**	**44**	**(784)**	**(1 333)**	**(766)**
Income tax	(119)	(105)	(56)	(77)	(238)	113	91	(9)	195	(450)	**(612)**
Consolidated Net income	**279**	**340**	**203**	**172**	**715**	**(442)**	**(182)**	**35**	**(589)**	**(1 783)**	**(1,378)**
Non-controlling interests	-	85	37	2	124	14	-	1	15	73	**212**
Net income, Group share	**279**	**255**	**166**	**170**	**591**	**(456)**	**(182)**	**34**	**(604)**	**(1 856)**	**(1,590)**
Segment assets	**254,572**	**125,255**	**42,453**	**165,698**	**333,406**	**563,270**	**128,727**	**35,619**	**727,616**	**137,778**	**1,453,372**
Segment liabilities (3)	**254,056**	**92,062**	**13,698**	**152,777**	**258,537**	**687,826**	**45,254**	**24,506**	**757,586**	**117,514**	**1,387,693**

(1) Income and expenses, assets and liabilities not directly related to business line activities are recorded in the Corporate Centre income.

(2) These amounts include Personnel expenses, Other operating expenses and Amortisation, depreciation and impairment of tangible and intangible fixed assets.

(3) Segment liabilities correspond to debts (i.e. total liabilities excluding equity).

(4) In 2020 the Net income/expense from other assets items includes a capital gain of EUR 153 million (of which EUR 132 million during the first half of 2020) from the Group's property disposal result, recognised in the French Retail Banking segment, as well as an expense amounting to EUR -169 million corresponding to the impact of Group's subsidiaries disposal program recognised in the Corporate Centre segment (of which EUR -69 million during the first half of 2020 corresponding to the completion of the disposal of Société Générale de Banque aux Antilles).

NOTE 8.2 - OTHER OPERATING EXPENSES

(In EUR m)	1st half of 2021	2020	1st half of 2020
Rentals *	(144)	(307)	(172)
Taxes and levies	(925)	(1,071)	(930)
Data & telecom (excluding rentals)	(1,113)	(2,087)	(1,071)
Consulting fees	(499)	(1,121)	(558)
Autres	(588)	(1,235)	(563)
Total	**(3,269)**	**(5,821)**	**(3,294)**

* *The amount has been restated compared with the published financial statements for the period ended 30 June 2020 following the IFRS Interpretations Committee (IFRS IC) decisions on 26 November 2019 related to IFRS 16.*

CONTRIBUTION TO BANK RESOLUTION MECHANISMS

The European regulatory framework designed to enhance financial stability was updated by the Directive 2014/49/UE of 16 April 2014 on deposit guarantee schemes and the Directive 2014/59/UE of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (Bank Recovery and Resolution Directive).

The European Regulation UE n°806/2014 of 15 July 2014 then determined the financing means of resolution mechanisms within the European Banking Union through the establishment of a Single Resolution Fund (SRF). In addition to this instrument, the National Resolution Fund (NRF) exists for institutions subject to this resolution mechanisms, but that have no SRF.

The Single Resolution Fund, established in January 2016, shall receive annual contributions from the participating European financial institutions. By the end of 2023, the available financial means of the Fund shall reach at least 1% of the amount of covered deposits of all these participating financial institutions. A share of the annual contributions can be provided through irrevocable payment commitments.

For the first half of 2021, the Group’s contributions to the SRF and the NRF were as follows:

- cash contributions (85%) for a total of EUR 586 million, of which EUR 544 million for the SRF and EUR 42 million for the NRF. These contributions are non-tax-deductible in France and have been recorded in the income statement in Other administrative expenses, among Taxes and levies;
- irrevocable payment commitments (15%) backed by a cash collateral for EUR 96 million related to the SRF, recorded as an asset in the balance sheet, among Other assets.

NOTE 8.3 - PROVISIONS

OVERVIEW

(In EUR m)	**Provisions as at 31.12.2020**	Allocations	Write-backs available	**Net allocation**	**Write-backs used**	**Currency and others**	**Provisions as at 30.06.2021**
Provisions for credit of risk on off balance sheet commitments (see Note 3.8)	**928**	330	(377)	**(47)**	**-**	**(30)**	**851**
Provisions for employee benefits (see Note 5)	**2,581**	74	(98)	**(24)**	**(128)**	**(31)**	**2,398**
Provisions for mortgage savings plans and accounts commitments	**355**	7	-	**7**	**(11)**	**-**	**351**
Other provisions	**911**	125	(80)	**45**	**(8)**	**47**	**995**
Total	**4,775**	**536**	**(555)**	**(19)**	**(147)**	**(14)**	**4,595**

Other provisions include provisions for restructuring, provisions for commercial litigation and provisions for future repayment of funds in connection with customer financing transactions.
Each quarter the Group carries out a detailed examination of the outstanding disputes which present a significant risk. The description of those disputes is provided in Note 9 “Information on risks and litigation”.

NOTE 9 - INFORMATION ON RISKS AND LITIGATION

Every quarter, the Group reviews in detail the disputes presenting a significant risk. These disputes may lead to the recording of a provision if it becomes probable or certain that the Group will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the Other provisions included in the Provisions item in the liabilities of the balance-sheet.

No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

- On 24 October 2012, the Court of Appeal of Paris confirmed the first judgment delivered on 5 October 2010, finding J. Kerviel guilty of breach of trust, fraudulent insertion of data into a computer system, forgery and use of forged documents. J. Kerviel was sentenced to serve a prison sentence of five years, two years of which are suspended, and was ordered to pay EUR 4.9 billion in damages to the bank. On 19 March 2014, the Supreme Court confirmed the criminal liability of J. Kerviel. This decision puts an end to the criminal proceedings. On the civil front, on 23 September 2016, the Versailles Court of Appeal rejected J. Kerviel's request for an expert determination of the damage suffered by Societe Generale, and therefore confirmed that the net accounting losses suffered by the Bank as a result of his criminal conduct amount to EUR 4.9 billion. It also declared J. Kerviel partially responsible for the damage caused to Societe Generale and sentenced him to pay to Societe Generale EUR 1 million. Societe Generale and J. Kerviel did not appeal before the Supreme Court. Societe Generale considers that this decision has no impact on its tax situation. However, as indicated by the Minister of the Economy and Finance in September 2016, the tax authorities have examined the tax consequences of this book loss and indicated that they intended to call into question the deductibility of the loss caused by the actions of J. Kerviel, amounting to EUR 4.9 billion. This proposed tax rectification has no immediate effect and will possibly have to be confirmed by an adjustment notice sent by the tax authorities when Societe Generale is in a position to deduct the tax loss carry forwards arising from the loss from its taxable income. Such a situation will not occur for several years according to the bank's forecasts. In view of the 2011 opinion of the French Supreme Administrative Court (Conseil d'Etat) and its established case law which was recently confirmed again in this regard, Societe Generale considers that there is no need to provision the corresponding deferred tax assets. In the event that the authorities decide, in due course, to confirm their current position, Societe Generale group will not fail to assert its rights before the competent courts. By a decision handed down on the 20 September 2018, the Investigation Committee of the reviewing and reassessment Criminal Court has furthermore declared inadmissible the request filed in May 2015 by J. Kerviel against his criminal sentence, confirming the absence of any new element or fact that could justify the reopening of the criminal file.

- Between 2003 and 2008, Societe Generale set up gold consignment lines with the Turkish group Goldas. In February 2008, Societe Generale was alerted to a risk of fraud and embezzlement of gold stocks held by Goldas. These suspicions were rapidly confirmed following the failure by Goldas to pay or refund gold worth EUR 466.4 million. Societe Generale brought civil proceedings against its insurers and various Goldas Group entities. Goldas launched various proceedings in Turkey and in the UK against Societe Generale. In the action brought by Societe Generale against Goldas in the UK, Goldas applied to have the action of SG struck-out and applied to the UK court for damages. On 3 April 2017, the UK court granted both applications and will, after an inquiry into damages, rule on the amount due to Goldas, if any. On 15 May 2018, the Court of Appeal discharged entirely the inquiry into damages granted by the High Court to Goldas but rejected Societe Generale's arguments relating to service of the claims issued against Goldas, which are therefore time-barred. On 18 December 2018, the Supreme Court refused permission to appeal to both Societe Generale and Goldas. On 16 February 2017, the Paris Commercial Court dismissed Societe Generale's claims against its insurers. Societe Generale filed an appeal against this decision.

- In the early 2000s, the French banking industry decided to transition to a new digital system in order to streamline cheque clearing. To support this reform (known as EIC – Echange d'Images Chèques), which has contributed to the improvement of cheque payments security and to the fight against fraud, the banks established several interbank fees (including the CEIC which was abolished in 2007). These fees were implemented under the aegis of the banking sector supervisory authorities, and to the knowledge of the public authorities.

  On 20 September 2010, after several years of investigation, the French competition authority ruled that the joint implementation and the setting of the amount of the CEIC and of two additional fees for related services were in breach of competition law. The authority fined all the participants to the agreement (including the Banque de France) a total of approximately EUR 385 million. Societe Generale was ordered to pay a fine of EUR 53.5 million and Crédit du Nord, its subsidiary, a fine of EUR 7 million. However, in its 23 February 2012 order, the French Court of Appeal, to which the matter was referred by all the banks involved except Banque de France, held that there was no competition law infringement, allowing the banks to recoup the fines paid. On 14 April 2015, the Supreme Court quashed and annulled the Court of Appeal decision on the grounds that the latter did not examine the arguments of two third parties who voluntarily intervened in the proceedings. The case was heard again on 3 and 4 November 2016 by the Paris Court of Appeal before which the case was remanded. On 21 December 2017, the Court of Appeal confirmed the fines imposed on Societe Generale and Crédit du Nord by the French competition authority. On 22 January 2018, Societe Generale and Crédit du Nord filed an appeal before the Supreme court against this decision. On 29 January 2020, the Supreme Court partially quashed the order the Paris Court of Appeal decision of 21 December 2017 and ordered the remand of the case to this same court of appeal but differently composed. On 13 March 2020, Societe Generale and Crédit du Nord therefore filed a new appeal before the Paris Court of Appeal against the decision of the French competition authority. The court proceeding is still pending.

- In August 2009, Societe Generale Private Banking (Switzerland) ("SGPBS"), along with several other financial institutions, was named as a defendant in a putative class action that was ultimately transferred to the US District Court for the Northern District of Texas. The plaintiffs sought to represent a class of individuals who were customers of Stanford International Bank Ltd. (SIBL), with money on deposit at SIBL and/or holding Certificates of Deposit issued by SIBL as of 16 February 2009. The plaintiffs alleged that they suffered losses as a result of fraudulent activity at SIBL and the Stanford Financial Group or related entities, and that the defendants were responsible for those alleged losses. The plaintiffs further sought to recoup payments made through or to the defendants on behalf of SIBL or related entities on the basis that they were alleged to have been fraudulent transfers. The Official Stanford Investors Committee (OSIC) was permitted to intervene and filed a complaint against SGPBS and the other defendants seeking similar relief. Following motions to dismiss, the Court ultimately in April 2015 permitted the substantial majority of the claims to proceed.

  On 7 November 2017, the District Court denied the plaintiffs' motion for class certification. On 3 May 2019, several hundred individual plaintiffs filed motions to intervene in the pending OSIC action seeking recovery in their individual capacities for losses on their Stanford investments. By order of 18 September 2019 the court denied the motions to intervene. One group of plaintiffs appealed the denial, which was rejected by the court of appeal on 3 February 2021, and the remaining group of plaintiffs initiated a separate action in Texas state court in Houston in November 2019, now pending in the Southern District of Texas.

  On 12 February 2021, all parties in the litigation filed motions for summary judgment. SGPBS seeks dismissal of all pending claims, and OSIC, renewing a prior unsuccessful motion for summary judgement seeks return of a USD 95 million transfer to SGPBS in 2008. Discovery remains to be completed as to SGPBS.

- Notwithstanding the agreements reached with the US authorities regarding certain London Interbank Offered Rates and the Euro Interbank Offered Rate ("the IBOR matter"), the Bank continues to defend civil proceedings in the United States (as described below) and has responded to information requests received from other authorities, including the Attorneys General of various States of the United States and the New York Department of Financial Services.

  In the United States, Societe Generale, along with other financial institutions, has been named as a defendant in putative class actions involving the setting of US Dollar Libor, Japanese Yen Libor, and Euribor rates and trading in instruments indexed to those rates. Societe Generale has also been named in several individual (non-class) actions concerning the US Dollar Libor rate. All of these actions are pending in the US District Court in Manhattan (the "District Court").

  As to US Dollar Libor, all claims against Societe Generale have been dismissed by the District Court or voluntarily dismissed by the plaintiffs, except in two putative class actions and one individual action that are effectively stayed. Certain individual plaintiffs, whose claims were dismissed, filed motions for leave to amend their complaints to add or revive claims against Societe Generale, but those applications were denied by the District Court. The class plaintiffs and a number of individual plaintiffs have appealed the dismissal of their antitrust claims to the United States Court of Appeals for the Second Circuit.

  On 13 January 2020, Societe Generale entered into a settlement agreement with the putative class of plaintiffs who purchased financial products tied to US Dollar Libor on an exchange. As part of that settlement, Societe Generale has agreed to pay USD 5.125 million. This settlement was finally approved by the District Court on 17 September 2020.

  As to Japanese Yen Libor, the District Court dismissed the complaint brought by purchasers of Euroyen over-the-counter derivative products. On 1 April 2020, the Court of Appeals reversed the dismissal and reinstated the claims. Plaintiffs filed a second amended complaint on 24 August 2020, and defendants have again filed motions to dismiss. In the other action, brought by purchasers or sellers of Euroyen derivative contracts on the Chicago Mercantile Exchange on 27 September 2019, plaintiff filed a motion for class certification. On 25 September 2020, the District Court granted defendants' motion for judgment on the pleadings and dismissed plaintiffs' claims. Plaintiffs have appealed.

  As to Euribor, the District Court dismissed all claims against Societe Generale in the putative class action and denied the plaintiffs' motion to file a proposed amended complaint. Plaintiffs have appealed those rulings to the United States Court of Appeals for the Second Circuit.

In Argentina, Societe Generale, along with other financial institutions, has been named as a defendant in litigation brought by a consumer association on behalf of Argentine consumers who held government bonds or other specified instruments that paid interest tied to US Dollar Libor. The allegations concern violations of Argentine consumer protection law in connection with alleged manipulation of the US Dollar Libor rate. Societe Generale has not yet been served with the complaint in this matter.

- Beginning on 15 January 2019, Societe Generale and SG Americas Securities, LLC, along with other financial institutions, have been named in three putative antitrust class actions in the US District Court in Manhattan, which have since been consolidated. Plaintiffs allege that the USD ICE Libor panel banks conspired to make artificially low submissions to that benchmark in order to profit on their trading in derivatives tied to USD ICE Libor. Plaintiffs seek to certify a class comprised of US residents (individuals and entities) that transacted with a defendant in floating rate debt instruments or interest rate swaps tied to USD ICE Libor and received a payment at any time between 1 February 2014 to the present, regardless of when the instrument was purchased. By order dated 26 March 2020, the District Court dismissed the action. Plaintiffs have appealed that ruling. On 6 April 2021, the Second Circuit permitted a new proposed class representative to intervene as a plaintiff in the appeal and denied defendants' motion which sought dismissal of the appeal because the original proposed class representatives withdraw from the action.

- Societe Generale, along with several other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with foreign exchange spot and derivatives trading. The action was brought by persons or entities that transacted in certain over-the-counter and exchange-traded foreign exchange instruments. Societe Generale reached a settlement of USD 18 million, which was approved by the Court on 6 August 2018. A separate putative class action on behalf of putative classes of indirect purchasers was also filed. SG reached a settlement of USD 975,000 to resolve that proceeding. The settlement was finally approved by the Court on 19 November 2020. On 7 November 2018, a group of individual entities that elected to opt out of the main class action settlement filed a lawsuit against SG, SG Americas Securities, LLC and several other financial institutions. SG Americas Securities, LLC was dismissed by order dated 28 May 2020. Discovery is proceeding as to SG and the other remaining defendants. On 11 November 2020, Societe Generale has been named, along with several other banks, in a UK action alleging collusion in the market for FX instruments. Societe Generale received the particulars of claim from plaintiffs and intends to defend the action.

- On 10 December 2012, the French Supreme Administrative Court (Conseil d'Etat) rendered two decisions confirming that the "précompte tax" which used to be levied on corporations in France does not comply with EU law and defined a methodology for the reimbursement of the amounts levied by the tax authorities. However, such methodology considerably reduces the amount to be reimbursed. Societe Generale purchased in 2005 the "précompte tax" claims of two companies (Rhodia and Suez, now ENGIE) with a limited recourse on the selling companies. One of the above decisions of the French Supreme Administrative Court relates to Rhodia. Societe Generale has brought proceedings before the French administrative courts. The latest court decision rendered is a rejection, on 1 February 2016 by the French Administrative Supreme Court, of an appeal lodged by ENGIE and Societe Generale.

  Several French companies applied to the European Commission, who considered that the decisions handed down by the French Supreme Administrative Court on 10 December 2012, which was supposed to implement the decision rendered by the Court of Justice of the European Union C-310/09 on 15 September 2011, infringed a number of principles of European law. The European Commission subsequently brought infringement proceedings against the French Republic in November 2014, and since then confirmed its position by publishing a reasoned opinion on 28 April 2016 and by referring the matter to the Court of Justice of the European Union on 8 December 2016. The Court of Justice of European Union rendered its judgement on 4 October 2018 and sentenced France for failure by the French Supreme Administrative Court to disregard the tax on EU sub-subsidiaries in order to secure the withholding tax paid in error as well as on the absence of any preliminary question. With regard to the practical implementation of the decision, Societe Generale has continued to assert its rights with the competent courts and the tax authorities, which it expects to be treated diligently and in accordance with the law. On 23 June 2020, the Administrative Court of Appeal of Versailles issued a ruling in favour of Societe Generale on our 2002 and 2003 Suez claims, followed by a mid-July enforcement in our favour. The judgment of Versailles held that the advance payment was not compatible with the Parent-Subsidiary Directive: the French Supreme Administrative Court, which had also received a request for a priority question of constitutionality, also pointed out that the advance payment was incompatible with Article 4 of the Parent-Subsidiary Directive but that a question should be referred to the ECJ for a preliminary ruling in order to ascertain this. It is therefore now appropriate to await the response of the Court of Luxembourg, which should not occur before the end of 2021.

- Societe Generale, along with other financial institutions, has been named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with its involvement in the London Gold Market Fixing. The action is brought on behalf of persons or entities that sold physical gold, sold gold futures contracts traded on the CME, sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. The action is pending in the US District

Court in Manhattan. Motions to dismiss the action were denied by an order dated 4 October 2016, and fact discovery has now been completed. Societe Generale, along with other financial institutions, is also named as a defendant in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims.

- Since August 2015, various former and current employees of the Societe Generale group have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called "CumEx" patterns in connection with withholding tax on dividends on German shares. These investigations relate inter alia to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.

  SGSS GmbH was informed by the Bonn District Court on 19 June 2019 that criminal proceedings had been initiated against two individuals who were employed by a company having previously advised this fund, the latter being suspected by the German prosecutors to have been involved in potentially fraudulent CumEx transactions. On 19 August 2019, the Bonn District Court ordered SGSS GmbH to join these criminal proceedings as a "secondary party". By order of 16 March 2020, the Bonn District Court, with consent of the Cologne Prosecutors, released SGSS GmbH as a secondary party immediately. In addition to being subject to investigations or criminal proceedings, SG Group entities may be exposed to claims by third parties, including German tax offices, and become party to legal disputes.

- In May 2019, SGAS was named, along with other financial institutions, as a defendant in a putative class action in the US alleging anticompetitive behaviour in the pricing of "agency bonds" issued by US Government Sponsored Enterprises (GSEs), including Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae). SGAS, along with several other defendants, filed a motion to dismiss on 13 June 2019 which was granted on 29 August 2019 as against SGAS and several other bank defendants. Plaintiffs filed an amended complaint on 9 September 2019, and a motion to dismiss this amended complaint was filed on 17 September 2019. That motion was denied on 15 October 2019. On 16 December 2019, plaintiffs and twelve bank defendants, including SGAS, submitted for court approval a stipulation of settlement in the class action, for USD 250 million. Although SGAS's share of the settlement is not public, the amount was not material from a financial statement perspective. The class action settlement was finally approved by the court on 16 June 2020. SGAS was also named in four separate individual opt-out litigations by the following plaintiffs: the State of Louisiana (filed September 2019), the City of Baton Rouge/East Baton Rouge Parish and related entities (October 2019), Louisiana Asset Management Pool (April 2020), and the City of New Orleans and related entities (September 2020). These suits also asserted antitrust claims (and in some cases other related claims) against SGAS and multiple other bank defendants based on these plaintiffs' purchases of GSE bonds. As to the opt-out litigations, a settlement was reached involving all defendants, of which SGAS's share was immaterial, and these actions have been dismissed. SGAS also received a subpoena from the US Department of Justice (DOJ) in connection with its US agency bond business. SGAS responded to these requests and is cooperating with the DOJ investigation.

- Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the SG entities indirectly from BLMIS through so-called "feeder funds" that were invested in BLMIS and from which the SG entities received redemptions. The suit alleges that the amounts that the SG entities received are avoidable and recoverable under the US Bankruptcy Code and New York state law. The BLMIS Trustee seeks to recover, in the aggregate, approximately USD 150 million from the SG entities. The SG entities are defending the action. In decisions dated 22 November 2016 and 3 October 2018, the Court rejected most of the claims brought by the BLMIS Trustee. The Trustee appealed to the US Court of Appeals for the Second Circuit. By order dated 25 February 2019, the Second Circuit vacated the judgements and remanded for further proceedings. On 1 June 2020, the United States Supreme Court denied Defendant-Appellees' petition for a writ of certiorari. The case is now before the District Court for further proceedings.

- On 10 July 2019, Societe Generale was named as a defendant in a litigation filed in the US District Court in Miami by plaintiffs seeking compensation under the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 (known as the Helms-Burton Act) stemming from the expropriation by the Cuban government in 1960 of Banco Nunez in which they are alleged to have held an interest. Plaintiff claims damages from Societe Generale under the terms of this statute. Plaintiff filed an amended complaint on 24 September 2019 adding three other banks as defendants and adding several new factual allegations as to Societe Generale. Societe Generale filed a motion to dismiss, which was fully briefed as of 10 January 2020. While the motion to dismiss was pending, plaintiffs filed an unopposed motion on 29 January 2020, to transfer the case to federal court in Manhattan, which the court granted on 30 January 2020. Plaintiffs filed a second amended complaint on 11 September 2020, in which it dropped the three other banks as defendants, added a different bank as an additional defendant, and added as additional plaintiffs who purport to be heirs of the founders of Banco Nunez. A motion to dismiss has been filed.

- On 9 November 2020, Societe Generale was named as a defendant, together with another bank, in similar Helms-Burton litigation filed in the US District Court in Manhattan (Pujol I) by the purported heirs of former owners, and personal representatives of estates of heirs or former owners, of Banco Pujol, a Cuban bank alleged to have been confiscated by the Cuban government in 1960. On 27 January 2021, Societe Generale filed a motion to dismiss. In response, as permitted by the judge's rules, plaintiffs chose to file an amended complaint and did so on 26 February 2021. Societe Generale filed a motion to dismiss to dismiss the amended complaint on 19 March 2021. On 16 March 2021, Societe Generale was named as a defendant, together with another bank, in a nearly identical Helms-Burton litigation filed in the US District Court in Manhattan (Pujol II) by the personal representative of one of the purported heirs to Banco Pujol who is also a plaintiff in Pujol I. The deadline for the defendants to respond to the complaint in Pujol II is stayed through and including the date of the court's decision on the motion to dismiss in Pujol I.

- On 5 June 2020, a shareholder of Societe Generale filed a derivative action in New York State court against 39 current and former directors and officers of the Bank. The complaint alleges that a 2009 written agreement with US banking regulators required the Bank to implement and maintain an effective anti-money laundering compliance and transaction monitoring system. According to the complaint, the Bank failed to do so, leading to penalties and forfeitures imposed in November 2018 by a number of federal and New York state agencies and criminal authorities relating to US sanctions and anti-money laundering laws. The complaint makes claims for, among other things, breaches of duty related to these matters. This litigation is at an early procedural stage, and a motion to dismiss on a variety of grounds is expected.

- On 16 October 2020, Vestia brought proceedings against Societe Generale before the High Court of England regarding the conditions pursuant to which Vestia contracted derivative products with Societe Generale between 2008 and 2011. Vestia claims that these transactions were outside of its capacity and alleges they were induced by corruption. Vestia seeks to rescind the transactions and recover the amounts paid to Societe Generale pursuant to these transactions. On 8 January 2021, Societe Generale filed its Statement of Defence and Counterclaim.

- On 20 October 2020, Societe Generale Securities Australia Pty Ltd ("SGSAPL") was sentenced by the Local Court in Sydney on charges relating to breaches of client money obligations. SGSAPL was required to pay a total penalty of AUD 30,000 for facts which occurred over the period from December 2014 to February 2017 and which were self-declared to the Australian Securities and Investment Commission.

- On June 1, 2021, a shareholder of Société Générale initiated an action designated by him as a "derivative action" ('action ut singuli') before the Commercial Court of Paris against the CEO of the company ('directeur general'), Mr. Frédéric Oudéa. The claimant alleges that Mr. Oudéa has committed so-called acts of mismanagement in connection with the business relationships established between 2007 and 2010 by Société Générale with Libyan financial institutions. Facts in connection with these business relationships have already led to the signing of (i) a convention judiciaire d'intérêt public on May 24, 2018 between Societe Generale and the Financial Public Prosecutor (the "CJIP") and (ii) a Deferred Prosecution Agreement on June 5, 2018 between Societe Generale and the United States Department of Justice (the "DPA").

  Plaintiff is seeking an order that Mr. Oudéa pay to Societe Generale an amount equal to fines paid to the U.S. and French treasuries under the CJIP and the DPA.

  Société Générale voluntarily joined these proceedings at the first procedural hearing. The company intends to seek the dismissal of the claims made by the plaintiff on a variety of grounds.

NOTE 10 - RISK MANAGEMENT LINKED WITH FINANCIAL INSTRUMENTS

Note 10 is solely disclosed in the financial statements for the purpose of updating the exposures of the credit portfolio and the reform of interest rate benchmarks project.

The risks associated with financial instruments and the way in which the Group manages them are presented in chapter 3 of the Universal Registration Document update for the first half of 2021.

NOTE 10.1 – REFORM OF INTEREST RATE BENCHMARKS

The reform of interbank interest rate benchmarks (IBOR : *InterBank Offered Rates*), initiated by the Financial Stability Board in 2014, aims at replacing these benchmarks by alternative rates, in particular the Risk-Free Rates (RFR). This reform was accelerated on 5 March 2021, when the Financial Conduct Authority, which is in charge of supervising LIBOR, announced its end dates:

- USD LIBOR: The publication of the main settings should cease by the end of June 2023[7];
- GBP, CHF, JPY and EUR LIBOR: The publication of these benchmarks should cease at the end of 2021[8].

At the same time, regarding the major benchmarks of the euro area:

- EURIBOR: The EMMI (European Money Markets Institute), which administers the interest rates benchmark, does not contemplate discontinuing its publication. The EURIBOR will thus continue to be used in the coming years;
- EONIA: Since 1 October 2019, the EONIA is calculated using a methodology based on the €STR plus an adjustment spread of 0.085%. Its administrator, the EMMI, intends to cease its publication at the end of 2021. The replacement rate recommended by the working group on euro risk-free rates established by the European Central Bank is the €STR.

Other benchmark rates are being reformed, such as the benchmark rates reflecting the average mid-market swap rate based on LIBOR (ICE Swap Rate) or Asian interest rates benchmarks pegged to the USD LIBOR.

The Societe Generale group supports these reforms and takes an active part in the working groups set up by the central banks of the currencies concerned, and is actively preparing for these changes, through a specific transition programme put in place in Summer 2018 and supervised by General Management.

For this purpose, the Group has undertaken active awareness and communication campaigns for its customers, supplemented by a monthly newsletter and a question and answer kit on the IBOR transition publicly available on the Societe Generale website

In preparation for the announced LIBOR end dates, the financial authorities and working groups set up by central banks have issued recommendations to the market participants. The aim of these recommendations is:

- on the one hand, for the production of new transactions referencing LIBOR and EONIA to cease (at the latest on 31 December 2021), and
- on the other hand, for the legacy transactions referencing these benchmarks to switch to alternative reference rates by 31 December 2021 at the latest (except USD LIBOR: 30 June 2023 at the latest).

In order to be able to deal in RFR based products and, thereby, ensure its post-LIBOR and post-EONIA business continuity, the Societe Generale group has initiated an upgrade of its tools and processes which is already well advanced.

The Group has gradually ceased production of LIBOR referencing products in Spring 2021 and has been providing its clients with alternate solutions since 2020. In parallel, the Group has introduced robust fallback clauses, aligned on market standards, in the new agreements referencing an IBOR.

In 2021, the Group will focus its work on transitioning its agreements referencing GBP, CHF, JPY and EUR LIBOR, as well as EONIA. This will mainly be an issue for the clients of Capital Market, Financing and Advisory activities, and to a lesser extent for some clients of the French and international retail networks. Depending on the products, the switch will mainly occur in three major ways:

- Loans and revolving credit facilities will be renegotiated individually, together with the related hedge instruments (in order to uphold the hedge relationship).
- Most derivative products will either switch by application of their fallback provisions (ISDA protocol to which the Societe Generale group adhered in October 2020) or at the instigation of the CCPs (similar terms and conditions than the ISDA fallbacks). However, some transactions will be renegotiated bilaterally.
- Finally, for certain products (typically current accounts or similar), the migration will be done via a contract update.

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(1) The publication of the 1 week and 2-month settings of the USD LIBOR will cease as early as 31 December 2021.

(2) The 1, 3 and 6 months GBP and JPY LIBOR rates might continue to exist after that date according to a reformed methodology based on a RFR (synthetic LIBOR) for a limited period of time in order to facilitate the transition of products which cannot be renegotiated.

At the same time, the Group is ensuring that transitional solutions will be provided for all of its LIBOR referencing bond debt.
The Societe Generale group provided guidelines to its business units with the purpose of helping them conduct the transition renegotiation in line with the standards developed by market authorities or regulators, and thus offer fair and homogeneous renegotiation terms to clients.

In June 2021, market participants were able to observe the gearing up of the preparation of the legacy LIBOR (excluding USD) and EONIA contracts to the transition to alternative reference rates. The preparation of this switch was initiated by the Societe Generale group in the first half of 2021, but most of the results of these renegotiations, as well as the transitions performed by the clearing houses) are expected only in the second half of the year. Furthermore, the fallback clauses will only be activated on the last day of the year, concomitantly with the disappearance of the LIBOR and EONIA rates. Therefore, the Group expects a significant shift of its LIBOR and EONIA referencing stock in the second half of 2021. The Group nonetheless strives to avoid a concentration of transactions in the last days of 2021.

The main risks associated with the reform of interest rate benchmarks are handled via various workstream of the Group Program and monitored within the framework of the governance dedicated to the IBOR transition. They have been identified as follows:

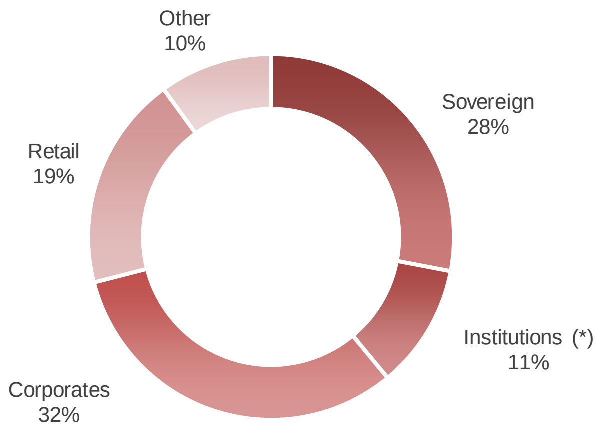
- Governance and programme execution risk, that could lead to delays and lost opportunities, is monitored as part of the regular Committee and arbitration bodies;
- Risk of legal documentation that could lead to post-transition litigation is managed by the introduction of fallback clauses in contracts depending on the availability of market standards;
- Market risk with the creation of a basis risk between the rate curves associated with the different indices, which is the subject of close monitoring and supervision;
- Operational risks in the execution of transaction migrations, depending on the willingness and preparedness of our customers, the volume of transactions to be migrated and their spread over time;
- Risk of “misconduct” in connection with the end of LIBORs, managed in particular through:
  - Specific lines of conduct broken down by business unit;
  - Team training;
  - Communication to clients (conferences, events, bilateral points, especially with less well-informed clients) are organised on the risks associated with the transition, the alternative solutions that can be deployed, and on how they could be affected.

NOTE 10.2 - EXPOSURE OF THE CREDIT PORTFOLIO

In this section, the measurement used for credit exposures is the EAD – Exposure at Default (on- and off-balance sheet). Under the Standardised Approach, EAD is calculated net of collateral and provisions.

CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AS AT 30 JUNE 2021

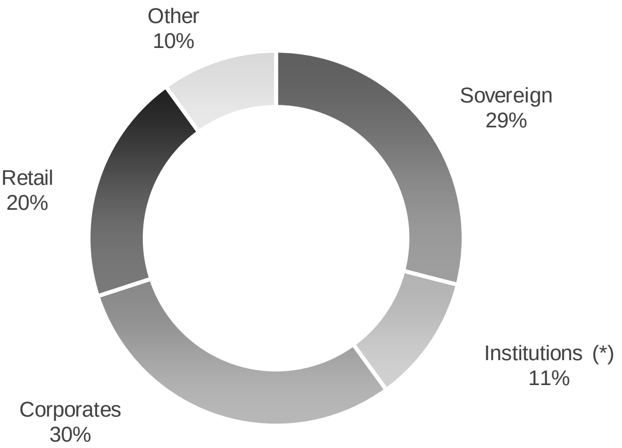
On- and off-balance sheet exposures (EUR 1,052 billion in EAD):



(*) Institutions: Basel classification of banks and public sector portfolios.

CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AS AT 31 DECEMBER 2020

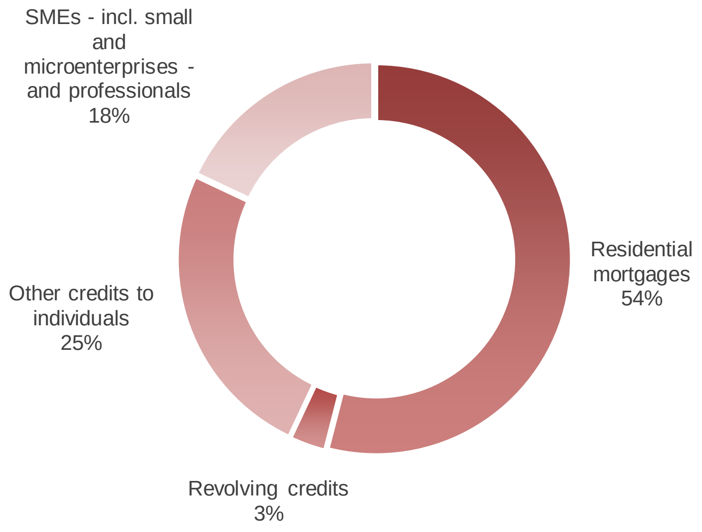
On- and off-balance sheet exposures (EUR 1,004 billion in EAD):



(*) Institutions: Basel classification of banks and public sector portfolios.

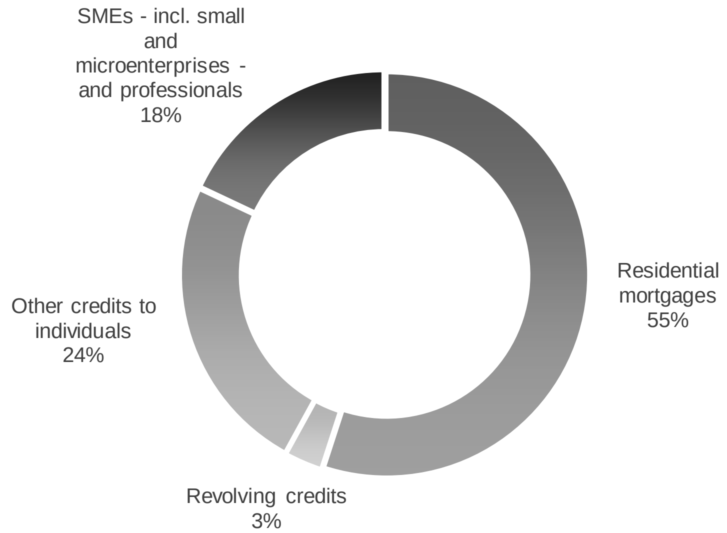
RETAIL CREDIT RISK EXPOSURE BY EXPOSURE SUBCLASS (EAD) AS AT 30 JUNE 2021

On- and off-balance sheet exposures (EUR 204 billion in EAD):

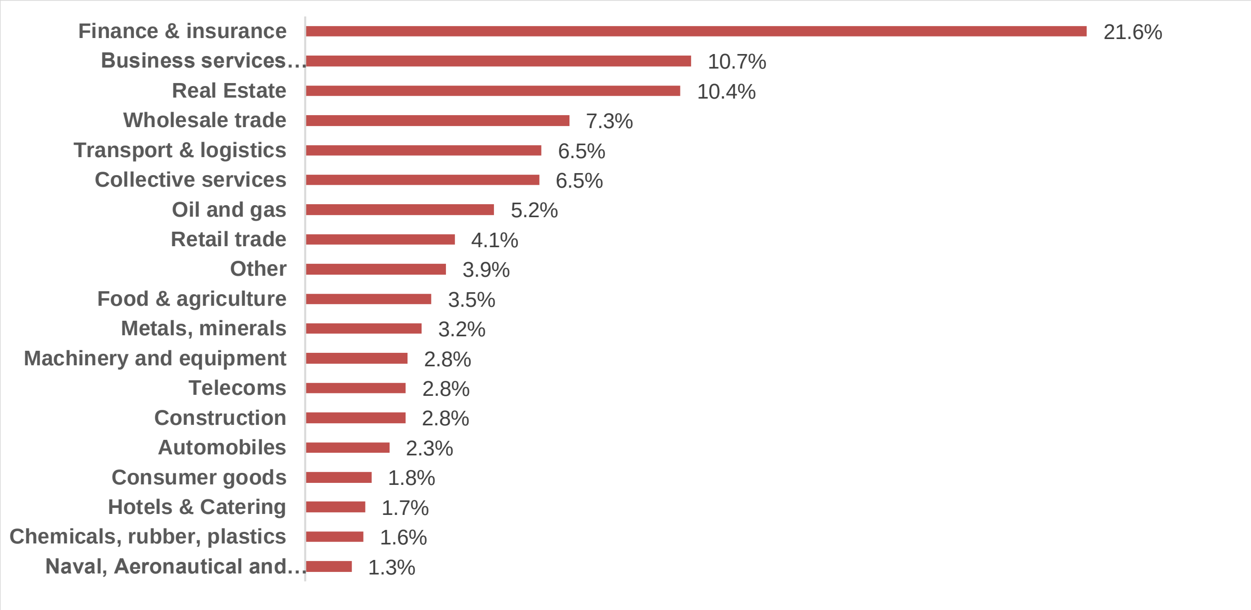


RETAIL CREDIT RISK EXPOSURE BY EXPOSURE SUBCLASS (EAD) AS AT 31 DECEMBER 2020

On- and off-balance sheet exposures (EUR 202 billion in EAD)

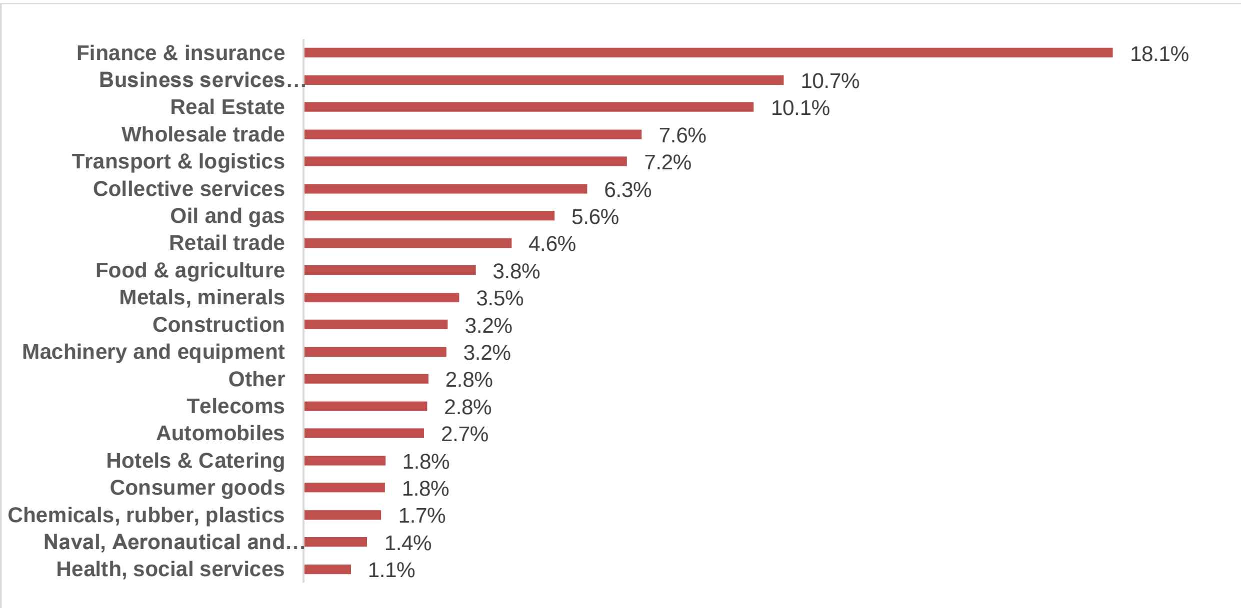


SECTOR BREAKDOWN OF "GROUP CORPORATE" EXPOSURE AS AT 30 JUIN 2021 (BASEL PORTFOLIO)

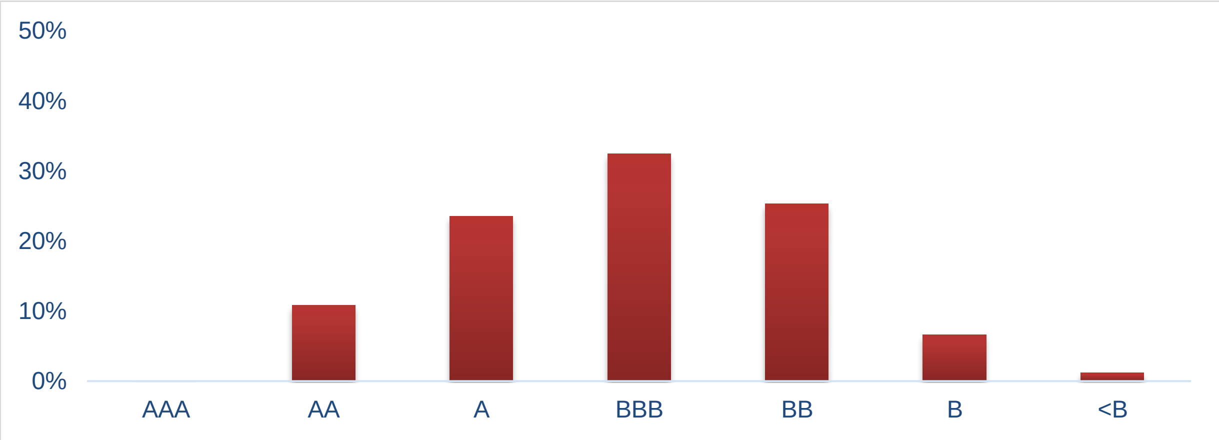


EAD of the Corporate portfolio is presented in accordance with the Basel rules (large corporates, including insurance companies, funds and hedge funds, SMEs, specialised financing, factoring businesses), based on the obligor's characteristics, before taking into account the substitution effect (credit risk scope: debtor, issuer and replacement risk).
As at 30 June 2021, the Corporate portfolio amounted to EUR 369 billion (on- and off-balance sheet exposures measured in EAD). Three sectors accounted for more than 10% of the portfolio each (Finance and Insurance, Business services, Real Estate). The Group's exposure to its ten largest Corporate counterparties accounted for 7% of this portfolio.

SECTOR BREAKDOWN OF "GROUP CORPORATE" EXPOSURE AS AT 31 DECEMBER 2020 (BASEL PORTFOLIO)

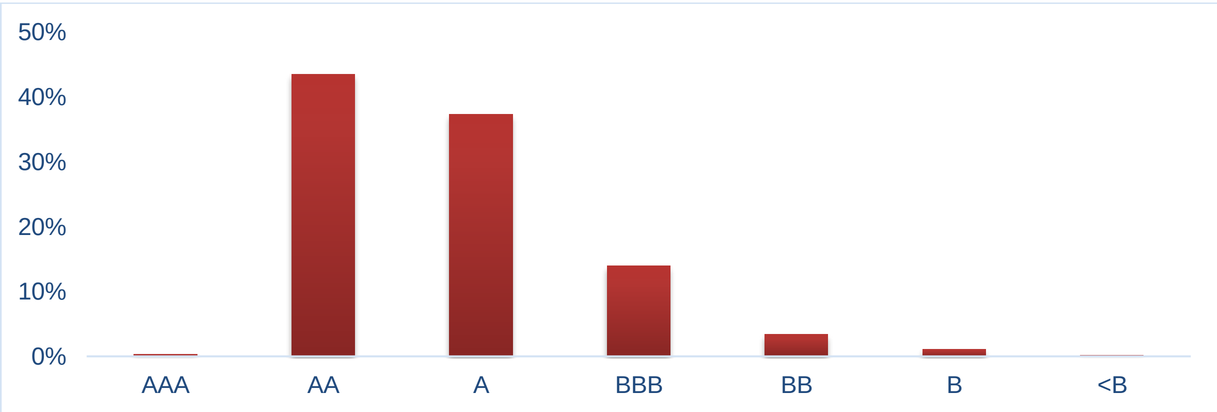


BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CLIENTS AS AT 30 JUNE 2021 (AS % OF EAD)



Regarding Corporate clients, the scope consists of performing loans recorded under the IRB approach (excluding prudential classification criteria, by weight, of specialised financing) over the entire Corporate clients portfolio, all divisions combined, and represents a EUR 290 billion EAD (out of a EUR 325 billion total EAD for the Corporate Basel portfolio, Standardised Approach included). The rating breakdown of Societe Generale Group's Corporate counterparty exposure reveals the sound quality of the portfolio. It is based on an internal counterparty rating system, displayed above as its Standard & Poor's equivalent.
As at 30 June 2021, the majority of the portfolio had an Investment Grade rating, i.e. counterparties with an S&P-equivalent internal rating higher than BBB- (67% of Corporate clients). Transactions with non-Investment Grade counterparties were very often backed by guarantees and collaterals in order to mitigate the risk incurred.

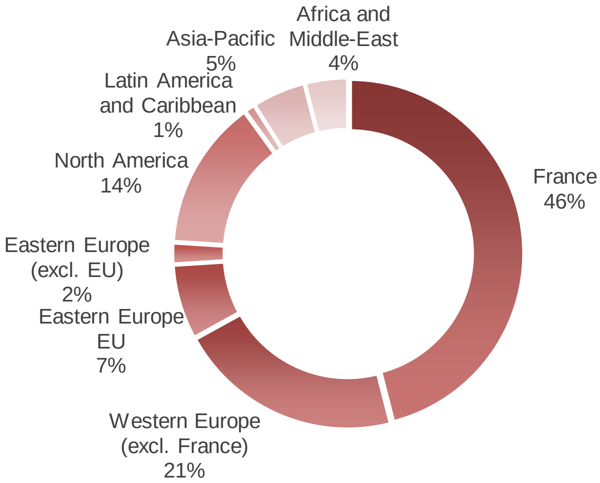
BREAKDOWN OF RISK BY INTERNAL RATING FOR BANKING CLIENTS AS AT 30 JUNE 2021 (AS % OF EAD)



Regarding banking clients, the scope consists of performing loans recorded under the IRB approach over the entire banking clients portfolio, all divisions combined, and represents a EUR 62 billion EAD (out of a EUR 120 billion total EAD for the Institutions Basel portfolio, Standardised Approach included). The rating breakdown of Societe Generale Group's banking counterparty exposure reveals the sound quality of the portfolio. It is based on an internal counterparty rating system, displayed above as its Standard & Poor's equivalent.
As at 30 June 2021, exposure on banking clients was concentrated on Investment Grade counterparties (95% of the exposure) and in developed countries (91%).

GEOGRAPHICAL BREAKDOWN OF GROUP CREDIT RISK EXPOSURES AS AT 30 JUNE 2021 (ALL CLIENT TYPES INCLUDED)

On- and off-balance sheet exposures (EUR 1,052 billion in EAD)

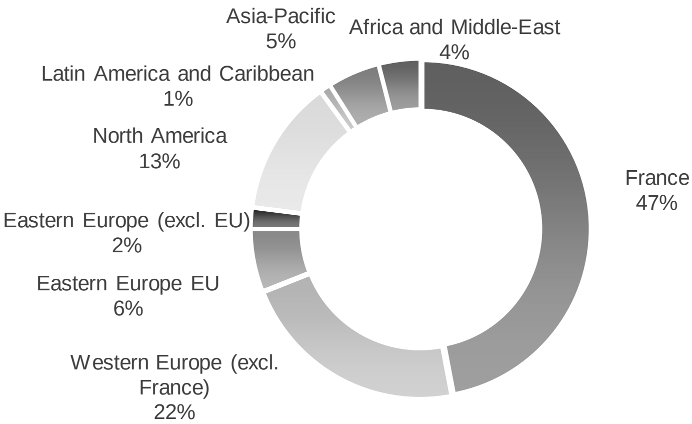


As at 30 June 2021, 91% of the Group's on- and off-balance sheet exposure was concentrated in the advanced economies[9].

Almost half of the overall amount of outstanding loans was towards French clients (32% exposure to the non-retail portfolio and 14% to the retail one).

GEOGRAPHICAL BREAKDOWN OF GROUP CREDIT RISK EXPOSURES AS AT 31 DECEMBER 2020 (ALL CLIENT TYPES INCLUDED)

On- and off-balance sheet exposures (EUR 1,004 billion in EAD)



(1) *As defined by the IMF in its World Economic Outlook document (April 2021).*

5.2 Statutory Auditors' Review Report on the Half-yearly financial information

Société Générale

Société anonyme
17, cours Valmy
92972 Paris-La Défense Cedex
Period from January 1 to June 30, 2021

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Société Générale, for the period from January 1 to June 30, 2021;
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the (condensed) half-yearly consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, August 4, 2021

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
Jean-Marc Mickeler	Micha Missakian

6. SHARE, SHARE CAPITAL AND LEGAL INFORMATION

6.1 Information on share capital

Breakdown of capital and voting rights*

	At 30 June 2021[1]				
	Number of shares	**% of capital**	**Number of voting rights (2)**	**% of voting rights (2)**	**% of voting rights exercisable at AG (2)**
Employee shareholding – savings plans[3]	59,609,762	6.99%	107,829,347	11.66%	11.70%
BlackRock, Inc.	59,324,524	6.95%	59,324,524	6.42%	6.44%
The Capital Group Companies, Inc.	64,303,717	7.54%	64,303,717	6.95%	6.98%
Amundi	35,898,503	4.21%	35,898,503	3.88%	3.90%
Caisse des Dépôts et Consignations	19,606,371	2.30%	25,302,091	2.74%	2.75%
BNPP AM	18,524,234	2.17%	18,537,371	2.00%	2.01%
Float	593,127,906	69.50%	613,404,862	66.34%	66.56%
Share buybacks [4]	2,976,477	0.35%	0	0.00%	0.00%
Total	**853,371,494**	**100%**	**924, 600,415**	**100%**	**100%**
Calculation base		853,371,494		924,600,415	921,623,938

* including double voting rights (article 14 of by-laws)

(1) At 30 June 2021, the share of European shareholders in the capital is estimated at 47,4 %.
(2) In accordance with article 223-11 of the AMF's General Regulations, the calculation of the total voting rights includes voting rights associated with share buybacks and treasury s
vote at annual General Meetings.
(3) Since January 1, 2021, the voting rights relating to the Société Générale shares included in the FCPE "Société Générale Actionnariat (Fonds E)" are exclusively exercised individua
units forming fractional rights, by the Supervisory Board of this fund
(4) of which liquidity contract (33,500 shares held at 30 June 2021)

6.2 New version of Internal rules of the Board of Directors updated on 18 May 2021

Update of pages 615 and following of section 7.5 of the 2021 Universal Registration Document

INTERNAL RULES OF THE BOARD OF DIRECTORS[1]

Preamble:

The Board of Directors collectively represents all shareholders and acts in the Company's interest taking into consideration the social and environmental stakes of its activity. Each Director, regardless of the manner in which he/she was appointed, must act in all circumstances in the Company's corporate interest.

Societe Generale applies the AFEP-MEDEF Corporate Governance Code for listed companies. As a credit institution, Societe Generale is subject to the provisions of the French Commercial Code, the French Monetary and Financial Code and more generally the regulatory texts applicable to the banking sector.

The purpose of these Internal Rules is to define the Board of Directors' organisation and operating procedures and to specify the rights and obligations of its members. The Board of Directors ensures that Societe Generale has a solid governance system including, in particular, a clear organisation ensuring a well-defined, transparent and coherent sharing of responsibilities, effective procedures for the detection, management, monitoring and reporting of risks to which the Company is or could be exposed, an adequate internal control system, sound administrative and accounting procedures and compensation policies and practices enabling and promoting sound and effective risk management.

Article 1: Powers of the Board of Directors

1.1 - The Board of Directors shall deliberate on any issue falling within its legal or regulatory powers and devote sufficient time to perform its missions.

1.2 - The Board of Directors is competent, the enumeration is not to be regarded as exhaustive, in the following areas:
a) Strategic directions and operations
The Board of Directors:
· approves the Group's strategic directions, ensures their implementation and reviews them at least once a year; these directions include the values and the code of conduct of the Group as well as the main thrusts of the policy followed with respect to social and environmental responsibility, human resources, information systems and organisation;
· approves the plans for strategic operations, in particular acquisitions or disposals, which may have a significant impact on the Group's earnings, its balance sheet structure or its risk profile.
This prior approval process concerns:
[1]This document does not form part of Societe Generale's By-laws.

- organic growth transactions of a unit amount higher than EUR 250 million and not already approved as part of the annual budget or the strategic plan;
- external growth transactions of a unit amount higher than EUR 500 million or higher than EUR 250 million if these transactions do not fall within the development priorities approved in the strategic plan;
- disposal transactions of a unit amount higher than EUR 250 million;
- partnership transactions with a compensation (soulte) of an amount higher than EUR 250 million;
- transactions substantially degrading the Group's risk profile.

The Chairman shall assess, on a case-by-case basis, the appropriateness of a referral to the Board of Directors to deliberate on a transaction that does not fall under the aforementioned circumstances. During each Board of Directors' meeting, an update is made on the transactions concluded since the previous meeting as well as on the main projects in progress and likely to be concluded before the next Board of Directors' meeting.
b) Financial statements and communication
The Board of Directors:
· ensures the accuracy and truthfulness of the annual and consolidated annual accounts and the quality of the information provided to the shareholders and the market;
· approves the management report;
· controls the publication and communication process, the quality and reliability of the information to be published and communicated.
c) Risk management
The Board of Directors:
· approves the global strategy and the appetite in terms of risks of any kind and controls the related implementation. To this end, it approves and regularly reviews the strategies and policies governing the taking, management, monitoring and reduction of the risks to which the Company is or could be exposed, including the risks created by the economic environment; ensures, in particular, the adequacy and effectiveness of the risk management systems, controls the risk exposure from its activities and approves the overall risk limits; ensures the effectiveness of the corrective measures taken in the event of a default.
d) Governance
The Board of Directors:
· appoints the Chairman, the Chief Executive Officer and, upon the latter's proposal, the Deputy Chief Executive Officer(s); it determines any possible limitations on the powers of the Chief Executive Officer and the Deputy Chief Executive Officer(s);
· reviews the governance system, periodically assesses its effectiveness and ensures that corrective measures to remedy potential shortcomings have been taken;
· ensures, in particular, compliance with the banking regulations with respect to internal control;
· determines the orientations and controls the implementation by the Effective Senior Managers2 of the oversight systems in order to ensure effective and prudent management of the institution, in particular the avoidance of conflicts of interest;
· deliberates on changes to the Group's management structures prior to their implementation and is informed of the main changes to its organisation;
· deliberates at least once a year, on its operation and that of its Committees, on the skills, aptitudes and availability of its members (see Articles 2 and 3) as well as on the conclusions of the periodic assessment thereof;
· reviews once a year the succession plan for the Chairman of the Board of Directors and the Chief Executive Officers (dirigeants mandataires sociaux);
· gives, where appropriate, its prior consent to the dismissal of the Chief Risk Officer, after the Risk Committee and the Nomination and Corporate Governance Committee have been consulted;
· prepares the Report on corporate governance submitted to the General Meeting of Shareholders.
e) Compensation and wage policy
The Board of Directors:
· distributes the overall amount of the Directors' compensation in accordance with Article 15 of these Internal Rules;
· establishes the compensation policy principles applicable in the Group, in particular regarding the categories of staff whose activities have a significant impact on the Group's risk profile, and ensures that the internal control systems enable to verify that these principles comply with the regulations and professional standards and are consistent with the objectives for risk control;
· sets the compensation of the Chairman of the Board of Directors and the Chief Executive Officers (dirigeants mandataires sociaux), in particular their fixed and variable compensation, including benefits in kind, allocations of performance shares or any compensation instruments, as well as post-employment benefits;
· deliberates once a year on the Company's policy regarding professional and wage equality between men and women.

f) Preventive recovery plan
The Board of Directors:
· establishes the preventive recovery plan that is communicated to the European Central Bank and deliberates on any similar plan requested by foreign supervisory authorities.
Article 2: Skills/Aptitudes of the members of the Board of Directors
[2] Persons designated as such with the European Central Bank (ECB) and the French Prudential Supervisory and Resolution Authority (ACPR) pursuant to banking regulations. For Societe Generale, these are the Chief Executive Officer and the Deputy Chief Executive Officers.
2.1 - The members of the Board of Directors shall have at all times the good repute, knowledge, skills and experience necessary for the performance of their duties and, collectively, the knowledge, skills and experience necessary to understand the Company's activities, including the main risks to which it is exposed.
2.2 - Each Director continually ensures to improve his/her knowledge of the Company and its sector of activity.
Article 3: Availability of the members of the Board of Directors
3.1 - The members of the Board of Directors shall devote sufficient time to the performance of their functions.
Under the conditions defined by the legislation in force, they may hold, within any legal entity, only one executive directorship and two non-executive directorships or only four non-executive directorships. For the purpose of this rule, directorships held within the same group are considered to be a single directorship. The European Central Bank may authorise a member of the Board of Directors to hold an additional non-executive directorship.
3.2 - Any Director holding an executive directorship in the Group must obtain the opinion of the Board of Directors before accepting a mandate in a listed company; the Director must comply with the procedure set out in Article 14 "Conflicts of interest."
3.3 - The Director shall promptly inform the Chairman of any change in the number of directorships held, including his/her participation in a committee of a Board, as well as any change in professional responsibility. He/she undertakes to let the Board of Directors decide whether he/she should continue to serve as a Director in the event of a significant change in his/her professional responsibilities or mandates. He/she undertakes to resign from his/her directorship when he/she no longer considers himself/herself able to perform his/her duties within the Board of Directors and the Committees of which he/she is a member.
3.4 - The Directors, under the conditions defined by the By-laws, may participate in meetings of the Board or of the Committees by videoconference or telecommunication means enabling their identification and guaranteeing their effective participation.
3.5 - The Universal Registration Document reports on the attendance of Directors at meetings of the Board of Directors and the Committees.
3.6 - The Directors shall attend the General Meetings of Shareholders.
Article 4: Ethics of the members of the Board of Directors
4.1 - The Director keeps, in all circumstances, his/her independence of analysis, judgement, decision and action. He/she undertakes not to seek or accept any benefit likely to compromise his/her independence.
4.2 - Each Director must comply with the provisions of the rules on market abuse (regulation (EU) n° 596/2014 dated 16 April 2014 and its delegated and implementing regulations supplementing it and defining technical standards; French Monetary and Financial Code; General Regulations, position-recommendation and instruction of the French Financial Markets Authority) in particular the ones relating to the communication and the use of inside information with regard to Societe Generale shares, debt securities and derivatives instruments or other financial instruments related to the Societe Generale share (hereinafter, Financial instruments). He/she must also comply with these same rules for Financial instruments of his/her subsidiaries or listed investments or companies on which he/she may hold inside information received as a result of his/her participation in the Board of Directors of Societe Generale.
4.3 - Directors shall abstain from intervening on the market of Societe Generale Financial instruments during the 30 calendar days preceding the publication of Societe Generale's quarterly, half-yearly and annual results as well as on the day of the said publication. They shall refrain from carrying out speculative or leveraged transactions on Societe Generale Financial instruments or those of a listed company controlled directly or indirectly by Societe Generale within the meaning of Article L. 233-3 of the French Commercial Code.
They shall inform the Secretary of the Board of Directors of any difficulty they may encounter in enforcing the above.
4.4 - In accordance with the regulations in force, Directors and persons closely associated with them must report to the French Financial Markets Authority (AMF) the transactions carried out on Societe Generale Financial instruments. A copy of this statement is also sent to the Secretary of the Board of Directors.
4.5 - Directors must hold in registered form all Societe Generale shares they have under the obligation provided for in Article 16 of these Internal Rules.
Article 5: The Chairman of the Board of Directors
5.1 - The Chairman convenes and chairs the Board of Directors meetings. He/she sets the timetable and agenda of the meetings. He/she organises and manages the work of the Board of Directors and reports on its activities to the General Meeting. He/she chairs the General Meetings of Shareholders.
5.2 - The Chairman ensures the proper functioning of the Company's bodies and the implementation of the best corporate governance practices, in particular as regards the Committees set up within the Board of Directors, which he/she may attend without the right to vote. He/she may submit questions for the consideration of these Committees.
5.3 – He/she receives all information relevant to his/her missions. He/she is regularly informed by the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers, of significant events relating to the life of the Group. He/she may request the disclosure of any information or document that may inform the Board of Directors. For the same purpose, he/she may hear the Statutory Auditors and, after having informed the Chief Executive Officer, any Group
senior manager.
5.4 – He/she ensures that the Directors are in a position to fulfil their missions and ensures that they are properly informed.

5.5 – He/she is the only person authorised to speak on behalf of the Board of Directors, except in exceptional circumstances or with a specific mandate entrusted to another Director.
5.6 – He/she devotes his/her best efforts to promote in all circumstances the values and the image of the Company. In consultation with the General Management, he/she may represent the Group in its high-level relations, in particular with major clients, regulators, major shareholders and public authorities, both domestically and internationally.
5.7 - He/she has the material resources necessary for the performance of his/her missions.
5.8 - The Chairman has no executive responsibilities, these responsibilities being exercised by the General Management which proposes and applies the Company's strategy, within the limits defined by law and in compliance with the corporate governance rules and directions set by the Board of Directors.
Article 6: Meetings of the Board of Directors
6.1 - The Board of Directors shall hold at least eight meetings per year.
6.2 - The Directors who participate in the meeting of the Board of Directors by means of videoconference or telecommunication enabling their identification and guaranteeing their effective participation shall be deemed present for the calculation of the quorum and the majority. To this end, the means chosen shall transmit at least the voice of the participants and comply with technical characteristics enabling the continuous and simultaneous transmission of the deliberations.
This provision does not apply when the Board of Directors is convened to carry out the work for establishing and adopting the annual and consolidated annual accounts and the Management Report.
6.3 – Convening notices, which may be transmitted by the Secretary of the Board of Directors, are sent by letter, fax, e-mail or by any other means, including verbally.
6.4 - Upon decision of the Chairman, the Deputy Chief Executive Officers or other Group senior managers or, where relevant, external persons whose attendance is useful to the deliberations may attend all or part of the meetings of the Board of Directors.
Article 7: Information provided to the Board of Directors
7.1 - The Chairman or the Chief Executive Officer shall provide each Director and non-voting Director ("censeur") with all information and documents necessary for the performance of his/her missions; he/she is provided with computer equipment enabling easy access to them. All protective measures deemed necessary are taken to preserve the confidentiality, integrity and availability of information and each member of the Board of Directors or any person who has received the documentation is responsible not only for the tools and materials thus made available to him but also of its accesses.
7.2 - Effective Senior Managers shall inform the Board of Directors of all significant risks, risk management policies and changes made to them.
7.3 - If necessary, in the event of changes in the risks affecting or likely to affect the Company, the Chief Risk Officer may report directly to the Board of Directors.
7.4 - Meetings of the Board of Directors and the Committees are preceded by the on-line publication or availability in due course of a file on the agenda items that require special analysis and prior reflection whenever the respect of confidentiality so permits.
Moreover, between meetings, Directors shall receive all useful information, including critical information, about events or transactions significant for the Company. In particular, they shall receive press releases issued by the Company.
Article 8: Training of Directors
8.1 - The Company devotes the necessary human and financial resources to the training of the Directors and, especially, the Directors representing the employees.
8.2 – Training sessions on the specificities of the banking activity are organised each year. Each Director may, on his/her appointment or throughout his/her term of office, benefit from any training that he/she deems necessary for the performance of the mandate.
8.3 - These training sessions shall be organised by the Company which shall bear their costs.
Article 9: Committees of the Board of Directors
9.1 - In certain areas, the Board of Directors' deliberations are prepared by specialised Committees composed of Directors appointed by the Board of Directors, which examine matters within their remit and submit their opinions and proposals to the Board of Directors.
9.2 - These Committees are composed of members of the Board of Directors who do not hold any executive function within the Company and who have suitable knowledge for the performance of the missions of the Committee in which they participate. These Committees may decide, as necessary, to involve other Directors, without the right to vote, in their meetings.
9.3 - They shall have the necessary means to perform their missions and act under the responsibility of the Board of Directors.
9.4 - In the performance of their respective duties, they may request the communication of any relevant information, hear the Chief Executive Officer, the Deputy Chief Executive Officers as well as the Group's senior managers and, after having informed the Chairman, request the carrying out of external technical studies, at the Company's expense. They shall report on the information obtained and the opinions collected.
9.5 - There are four standing Committees:
- the Audit and Internal Control Committee;
- the Risk Committee;
- the Compensation Committee; and
- the Nomination and Corporate Governance Committee.
9.6 - Upon decision of the Chairmen of the relevant Committees, joint meetings between Committees may be arranged on topics of common interest. These meetings are co-chaired by the Chairmen of the Committees.
9.7 - The Board of Directors may create one or more "ad hoc" Committees.
9.8 - The Risk Committee, the Compensation Committee and the Nomination and Corporate Governance Committee may perform their missions for Group companies on a consolidated or subconsolidated basis.

9.9 - Each Committee shall be chaired by a Chairman appointed by the Board of Directors based on a proposal from the Nomination and Corporate Governance Committee.
The Secretariat of each Committee is provided by a person designated by the Secretary of the Board of Directors.
9.10 - The Chairman of each Committee shall report to the Board of Directors on the Committee's work. A written report of the Committees' work shall be regularly circulated to the Board of Directors. Each Committee shall submit its annual work programme to the Board of Directors.
9.11 - Each Committee shall give an opinion to the Board of Directors on the part of the Universal Registration Document dealing with the issues falling within its scope of activity and prepare an annual activity report, submitted to the Board of Directors' approval, to be inserted in the Universal Registration Document.
Article 10: The Audit and Internal Control Committee
10.1 - The Audit and Internal Control Committee's mission is to monitor issues concerning the preparation and control of accounting and financial information as well as the monitoring of the effectiveness of internal control, measurement, monitoring and risk control systems.
10.2 - In particular, it is responsible for:
a) ensuring the monitoring of the process for the production of the financial information, particularly reviewing the quality and reliability of existing systems, making proposals for their improvement and ensuring that corrective actions have been implemented in the event of a malfunction in the process; where appropriate, it makes recommendations to ensure
their integrity;
b) analysing the draft accounts to be submitted to the Board of Directors in order to, in particular, verify the clarity of the information provided and assess the relevance and consistency of the accounting methods adopted for drawing up annual accounts and consolidated annual accounts;
c) conducting the procedure for selecting the Statutory Auditors and issuing a recommendation to the Board of Directors, developed in accordance with the provisions of Article 16 of the regulation (EU) n° 537/2014 dated 16 April 2014, concerning their
appointment or renewal as well as their remuneration;
d) ensuring the independence of the Statutory Auditors in accordance with the regulations in force;
e) approving, in accordance with Article L. 823-19 of the French Commercial Code and the policy adopted by the Board of Directors, the provision of services other than the certification of accounts referred to in Article L. 822-11-2 of the said Code after analysing the risks to the Statutory Auditor's independence and the safeguard measures applied by the latter;
f) reviewing the work programme of the Statutory Auditors and, more generally, monitoring the control of the accounts by the Statutory Auditors in accordance with the regulations in force;
g) ensuring the monitoring of the effectiveness of internal control, risk management and internal audit systems, with regard to the procedures for the preparation and processing of the accounting and financial information. To this end, the Committee is responsible in particular for:
· reviewing the Group's permanent control quarterly dashboard;
g) reviewing, as part of its mission, whether the prices for the products and services mentioned in books II and III of the French Monetary and Financial Code and offered to clients are consistent with the Company's risk strategy. When these prices do not correctly reflect the risks, it informs the Board of Directors accordingly and gives its opinion on the action plan to remedy the situation;
h) without prejudice to the Compensation Committee's missions, reviewing whether the incentives provided for by the compensation policy and practices are consistent with the Company's situation with regard to the risks to which it is exposed, its capital and its liquidity, as well as the probability and timing of expected benefits;
i) reviewing the risks associated with the Group's implementation of the guidelines on social and environmental responsibility and the indicators relating to the Conduct as part of the "Culture and Conduct" programme;
j) reviewing the enterprise risk management related to the Company's operations in the United States in accordance with the requirements of the US Federal Reserve's Enhanced Prudential Standard Rules and supervisory guidelines. When acting as US Risk Committee, the Risk Committee operates under a dedicated Charter, which forms part of and supplements this Section. The Chairman of the Risk Committee reports the work adopted by the US Risk Committee to the Board of Directors, which validates it;
k) reviewing the policy to fight money laundering and the financing of terrorism referred to in Article L. 561-4-1 of the Monetary and Financial Code, the systems and procedures put in place to comply with the provisions of II of Article L. 561-36-1 and the corrective measures necessary to remedy significant incidents and shortcomings in the fight against money laundering and terrorist financing and the freezing of assets and the prohibition of provision or use of funds or economic resources and to ensure their effectiveness.
11.3 - It has all information on the Company's risk situation. It may use the services of the Chief Risk Officer or external experts.
11.4 - The Statutory Auditors are invited to the meetings of the Risk Committee, unless the Committee decides otherwise. They may also be consulted outside these meetings. The Risk Committee or its Chairman hear the heads of the internal control functions (risk, compliance, internal audit) as well as the Chief Financial Officer and, as necessary, the managers responsible for drawing up the accounts, internal control, risk control, compliance control and periodic control.
11.5 - The Risk Committee is composed of at least three Directors appointed by the Board of Directors who have knowledge, skills and expertise concerning risks. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code.
Article 12: The Compensation Committee
12.1 - The Compensation Committee prepares the decisions that the Board of Directors adopts concerning compensation, especially those related to the Chairman of the Board of Directors and the Chief Executive Officers (dirigeants mandataires sociaux) as well as those that have an impact on the risk and the management of risks in the Company.
12.2 - It conducts an annual review of:

a) the principles of the Company's compensation policy;
b) the compensation, allowances and benefits of any kind granted to the company officers (mandataires sociaux) as well as the Effective Senior Managers, if they are different;
c) the compensation policy for regulated employees within the meaning of the banking regulations.
12.3 - It controls the compensation of the Chief Risk Officer and the Chief Compliance Officer.
12.4 - It receives all information necessary for its mission and in particular the annual report sent to the European Central Bank.
12.5 - It may be assisted by the internal control services or by external experts.
12.6 - In particular, the Committee:
a) proposes to the Board of Directors, in compliance with the regulations applicable to credit institutions, the principles given by the AFEP-MEDEF Corporate Governance Code and professional standards, the principles of the compensation policy for the Chairman of the Board of Directors and the Chief Executive Officers (dirigeants mandataires sociaux), and especially the criteria for the determination, the structure and the amount of this compensation, including allowances and benefits in kind, insurance or pension benefits, and compensation of any kind received from all the Group companies; it ensures their application;
b) prepares the annual performance assessment of the Chief Executive Officers (dirigeants mandataires sociaux exécutifs);
c) proposes to the Board of Directors the policy for performance shares;
d) prepares the decisions of the Board of Directors concerning the employee savings plan.
12.7 - It is composed of at least three Directors and includes a Director elected by the employees. At least two thirds of the Committee's members are independent within the meaning of the AFEPMEDEF Code[3]. Its composition enables it to exercise a competent and independent judgement on the compensation policies and practices with regard to the management of risks, the equity and the liquidities of the Company.
Article 13: The Nomination and Corporate Governance Committee
13.1 - The Nomination and Corporate Governance Committee:
a) is responsible for making proposals to the Board of Directors for the appointment of Directors, non-voting Directors ("censeurs") and Committees members as well as on the succession of the company officers (mandataires sociaux), especially in the event of an unforeseeable vacancy, after having carried out necessary studies. To this end, it prepares the selection criteria to be submitted to the Board of Directors, proposes to the Board of Directors an objective to be achieved concerning the balanced representation of women and men on the Board of Directors and develops a policy designed to achieve this objective[4]. The objective and the policy thus set are decided by the Board of Directors.
3 For the calculation of the rate of independents within the committees, the AFEP-MEDEF Code does not take employees into account.
4 The objective and policy of the credit institutions, as well as the terms of implementation, are made public in accordance with paragraph 2 (c) of Article 435 of regulation (EU) n° 575/2013 dated 26 June 2013.
b) periodically reviews, and at least once a year the structure, size, composition and effectiveness of the Board of Directors' work with regard to the missions assigned to it and submits to the Board of Directors any recommendation relevant to the carrying out of the annual assessment of the Board of Directors and its members.This assessment is prepared by the Committee, its Chairman reporting to the Board of Directors. Every three years, when the assessment is carried out by an external firm, the Committee makes any proposal for the selection of the firm and the smooth running of the assessment.
c) periodically reviews the Board of Directors' policies concerning the selection and appointment of the Effective Senior Managers, the Deputy Chief Executive Officers and the Heads of risk, compliance, audit and finance functions; it makes recommendations in this area;
d) is informed in advance of the appointment of the Heads of risk, compliance, audit and finance functions. It is also informed of the appointment of the Heads of Business Units or of Service Units. It is informed of the succession plan for these senior officers (dirigeants);
e) prepares the review by the Board of Directors of corporate governance issues as well as the Board of Directors' work on matters relating to Corporate culture. It proposes to the Board of Directors the presentation of the Board of Directors in the Universal Registration Document and in particular the list of independent Directors.
13.2 - It is composed of at least three Directors. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code. The Chief Executive Officer is involved, as necessary, in the Committee's work.
Article 14: Conflicts of interest
14.1 - The Director shall inform the Secretary of the Board of Directors of any conflict of interest, including potential ones, in which he/she may be directly or indirectly involved. He/she shall refrain from taking part in the debates and decision-making on related matters.
14.2 - The Chairman is in charge of managing conflict of interest situations of the members of the Board of Directors. Where appropriate, he/she refers the matter to the Nomination and Corporate Governance Committee. Regarding conflicts which could affect him/her personally, he/she refers to the Chairman of the Nomination and Corporate Governance Committee. If necessary, the Chairman may invite a Director having a conflict of interest not to attend the deliberation.
14.3 - The Director shall inform the Chairman and the Chairman of the Nomination and Corporate Governance Committee of his/her intention to accept a new mandate, including his/her participation in a committee, in a listed company that does not belong to a group of which he/she is an executive officer (dirigeant), in order to enable the Board of Directors, based on the Committee's proposal, to decide where appropriate that such an appointment would be inconsistent with the directorship in
Societe Generale.
14.4 – The Director shall inform the Chairman of the Board of Directors of any conviction for fraud, of any incrimination and/or public sanction, and of any prohibition to manage or administer that may have been pronounced against him/her, as well as any bankruptcy, sequestration or liquidation proceedings to which he/she may have been associated.

14.5 - Each Director shall make a sworn statement as to the existence or otherwise of the situations referred to in 14.1 and 14.3: i) upon taking up his/her office, ii) each year in response to the request made by the Secretary of the Board of Directors upon the preparation of the Universal Registration Document, iii) at any time if the Secretary of the Board of Directors requests it and iv) within 10 working days following the occurrence of any event that renders the previous statement made by him/her in whole or in part inaccurate.

Article 15: Directors' compensation

15.1 - The overall amount of the Directors' compensation is set by the General Meeting. The Board of Directors may decide to only partially use it. It may decide to allocate a budget for specific tasks or temporary workload increases for some members of the Board of Directors or of Committees.

15.2 - The Chairman and the Chief Executive Officer, when he/she is also a Director, do not receive this compensation.

15.3 - As from 1 May 2018, the amount of allocated compensation is reduced by a sum equal to EUR 200,000 to be distributed between the members of the Risk Committee and the members of the Audit and Internal Control Committee gathered as the US Risk Committee. This amount is distributed in equal portions, except for the Chairman of the Risk Committee who has two portions. The balance is then reduced by a lump sum of EUR 130,000 distributed between the Chairman of the Audit and Internal Control Committee and the Chairman of the Risk Committee.

15.4 - The balance is divided into 50% fixed, 50% variable. The number of fixed portions per Director is 6. Additional fixed portions are allocated:

· Chairman of the Audit and Internal Control Committee or of the Risk Committee: 4 portions;
· Chairman of the Nomination and Corporate Governance Committee or of the Compensation Committee: 3 portions;
· Member of the Nomination and Corporate Governance Committee or of the Compensation Committee: 0.5 portion;
· Member of the Audit and Internal Control Committee or of the Risk Committee: 1 portion.

The additional fixed portions may be reduced in proportion to the actual attendance when the attendance over the year is below 80%.

15.5 – The variable portion of the compensation is divided up at the end of the year, in proportion to the number of meetings or working meetings of the Board of Directors and of each of the Committees which each Director has attended.

Article 16: Shares held in a personal capacity

16.1 - Each Director appointed by the General Meeting (whether in his/her own name or as a permanent representative of a legal entity) must hold the equivalent of at least 1,000 shares. Each Director has a six-month time frame to hold the 600 shares provided for by the By-laws and an additional six-month time frame to increase his/her holding to 1,000 shares.

16.2 - Each Director shall refrain from hedging his/her shares.

Article 17: Reimbursement of expenses

17.1 - Directors' travel, accommodation, meals and mission expenses pertaining to the meetings of the Board of Directors or of the Committees of the Board of Directors, the General Meeting of Shareholders or any other meetings related to the work of the Board of Directors or the Committees, are paid for or reimbursed by Societe Generale, upon submission of receipts.

At least once a year, the Nomination and Corporate Governance Committee considers these and, as necessary, makes proposals or recommendations.

17.2 – As to the Chairman, the Company also pays the expenses necessary for the performance of his/her duties.

17.3 - The Secretary of the Board of Directors receives and verifies the relevant supportive documents and ensures that the sums due are paid or reimbursed.

Article 18: Secret

18.1 - Each Director is bound by a strict professional secrecy with regard to the confidential information he/she receives, the discussions in which he/she participates, the decisions taken as long as they are not made public as well as with regard to the views expressed by each of them.

18.2 - He/she obliges himself/herself to a duty of care and a duty to alert.

Article 19: Non-voting Director (« Censeur »)

The non-voting Director attends the Board of Directors' meetings and can participate in the meetings of the specialized committees, in a consultative capacity. He is subject to the same rules of ethics, confidentiality and deontology as the directors. Articles 2, 3.2, 3.3, 4.1, 4.2, 4.3, 7.1, 7.4, 14, 17 and 18 of the Internal Rules are applicable to the non-voting Director. The compensation of the non-voting Director is set by the Board of Directors upon the proposal from the Compensation Committee. It is equal to the average of the compensation paid to directors in application of article 15 of the Internal Rules of the Board of Directors with the exception of the compensation paid to the Chairmen of the Committees and to the directors who are members of the US Risk Committee. This compensation takes into account his attendance.

CHARTER OF THE U.S. RISK COMMITTEE OF THE SOCIÉTÉ GÉNÉRALE BOARD OF DIRECTORS

Title:

Charter of the U.S. Risk Committee of the Société Générale Board of Directors (the "Charter")

Mandate:

The U.S. Risk Committee ("Committee" or the "USRC") of the Société Générale ("SG" or "SG Group") Board of Directors ("Board") is formed in accordance with the requirements of the Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations ("EPS Rules") as promulgated by the Board of Governors of the Federal Reserve System.[1] The Committee's mandate is to (a) review all kinds of risks, both current and future, relating to, booked in or arising from SG's business, activities, affairs and operations in the United States, including SG's subsidiaries, branches, agencies and representative offices in the United States (collectively, "SGUS"), (b) advise the Board on the overall strategy and the appetite regarding such risks, and (c) assist the

Board when it oversees the implementation of this strategy; and (d) oversee the adequacy and effectiveness of the SGUS Internal Audit function.
For avoidance of doubt, it is the responsibility of SG and SGUS senior management to identify and assess SGUS' exposure to risk and escalate those risks, and planned mitigants, to the Committee. Although the Committee is responsible for overseeing the SGUS enterprise risk management function and challenging management on SGUS risk issues, it is not the sole body responsible for ensuring that SGUS' risk management function is carried out efficiently and effectively.

Charter:

This Charter forms part of and supplements Section 11.2(j) of the Internal Rules of the SG Board of Directors, as amended from time to time (the "Internal Rules"), which forms the USRC. Any topic not covered herein shall be governed by the Internal Rules.

Membership:

The Committee is composed of the members of the SG Board's Risk Committee (Comité des Risques), the Chair of the Board's Audit and Internal Control Committee (Comité d'Audit et de Contrôle Interne). and the other members of the Comité d'Audit et de Contrôle Interne unless the Board has provided an exception to one or more of such members. The Committee is chaired by
the Chair of the Comité des Risques. If the Committee Chair cannot be present at a meeting, he or she shall delegate the role to the Chair of the Comité d'Audit et de Contrôle Interne. The Committee shall meet the requirements for independent membership set out in the Internal Rules and shall at all times include at least one member who meets the independence requirements set forth in the EPS Rules.

Quorum and Committee Decisions:

The presence of at least a majority of the members of the Committee shall constitute a quorum. If a quorum is present, the Committee may act through the vote of a majority of the directors who are in attendance. Committee members may attend meetings in person, or by video conference or by telephone. Committee decisions may be taken absent a meeting by unanimous written consent.

[1] 79 Fed. Reg. 17, 240 (Mar. 27, 2014), codified at 12 C.F.R. Part 252.

Agenda and Committee Materials:

The Committee shall approve an annual agenda submitted to it by the SGUS Chief Executive Officer after consultation with the SGUS Chief Risk Officer and SGUS General Counsel. The agenda for each meeting is based off the approved annual agenda, with additions and modifications as relevant issues within the USRC's mandate arise each year, which is proposed for Committee approval by the SGUS Chief Executive Officer. Materials for each meeting of the Committee are typically circulated to Committee members no less than five business days prior to meetings.

Meeting Frequency:

The Committee may meet as often as it determines is appropriate to carry out its responsibilities under this Charter, provided that the Committee shall meet at least once per quarter. Special meetings of the Committee may be held from time to time.

Meeting Minutes:

The SGUS General Counsel (or his or her designee) shall be the Secretary of the Committee and shall document the meetings. Minutes shall be circulated to the Committee members prior to the next meeting of the Committee and shall be approved at such subsequent meeting of the Committee. The official records of Committee meetings shall be maintained by the Secretary to the Board.

Roles and Responsibilities:

The mandate of the Committee, including its function of challenging management, is set forth above. The Committee's specific roles and responsibilities in fulfillment of this mandate include the following:

· Regularly receiving updates from the heads of the internal control functions (risk, compliance, internal audit) as well as the Chief Financial Officer and, as necessary, other SGUS Managers;

· At least annually, reviewing and approving the SGUS enterprise risk management framework including, but not limited to, the elements of the framework relating to liquidity risk management, and any material revisions thereto;

· At least annually, reviewing and approving the SGUS Risk Appetite Statement, and any material revisions thereto, and reviewing any other relevant overarching policies establishing the SGUS risk management governance and risk control infrastructure as well as the processes and systems for implementing, monitoring and reporting compliance with such policies;

· On a quarterly basis, reviewing a quarterly report from the U.S. Chief Risk Officer on risks affecting SGUS, which risks include, but are not limited to, liquidity risk. For avoidance of doubt, no member of the SG management has the right to demand changes to or veto the contents of the quarterly risk report;

· At least annually, reviewing and approving the SGUS Liquidity Risk Policy, and any material revisions thereto;

· At least quarterly, and more frequently if needed, conducting in camera meetings with the SGUS Chief Risk Officer with no other SG Group or SGUS personnel present. In addition, the SGUS Chief Risk Officer shall have unfettered access to the USRC should he or she need to report an issue, finding, conclusion, recommendation or analysis to the Committee;

· At least annually, reviewing and approving the acceptable level of liquidity risk that SG may assume in connection with the operating strategies for its combined U.S. operations (liquidity risk tolerance), taking into account the capital structure, risk profile, complexity, activities, size and SG's enterprise-wide liquidity risk tolerance of such operations.

At least semi-annually, reviewing information sufficient to determine whether SG's combined U.S. operations are operating in accordance with its established liquidity risk tolerance and to ensure that such liquidity risk tolerance is consistent with SG's enterprisewide liquidity risk tolerance;

· At least annually, reviewing SGUS significant business lines and products to determine whether each creates or has created any unanticipated liquidity risk and whether the liquidity risk of each is within the established liquidity risk tolerance;

· At least annually, reviewing and approving the SGUS contingency funding plan and any material revisions thereto;

· At least annually, reviewing the SGUS business plans, results and strategy;
· On a regular basis, reviewing progress on all SGUS remediation projects arising from prudential supervisory issues;
· At least quarterly, reviewing information about the SGUS corporate compliance framework, including metrics, updates and challenges;
· At least annually, reviewing and approving the SGUS Compliance Risk Management Program Framework and any material revisions thereto;
· Serving as the ultimate oversight body over SGUS' compliance with U.S. anti-money laundering laws, including the Bank Secrecy Act, Office of Foreign Assets Control regulations, and applicable know-your-customer requirements and, at least annually, reviewing the SGUS framework for compliance with such regulations and requirements;
· Annually, reviewing and approving the SGUS Internal Audit function ("**SGIAA**") proposed annual audit plan, SGIAA charter and key performance indicators;
· On a regular basis, reviewing reports from SGIAA relating to: the conclusions of the audit work, including the adequacy of key SGUS risk management processes, areas of higher risk, the status of issues and recommendations, root-cause analysis, and information on significant industry and institution thematic trends.
· On a regular basis, receiving a presentation from the SGIAA Chief Audit Executive provided outside of the presence of SGUS senior management (other than the SGUS Chief Executive Officer and the SGUS General Counsel) relating to: the completion status of the annual audit plan, including any significant changes made to such plan; updates on ongoing SGIAA remediation plans, if any; and the results of SGIAA key performance indicators and internal and external quality assurance reviews;
· As and when requested by SGIAA, conducting *in camera* meetings with the SGIAA Chief Audit Executive. In addition, the SGIAA Chief Audit Executive shall have unfettered access to the USRC should he or she need to report an issue, finding, conclusion, recommendation or analysis to the Committee;
· At least annually: reviewing SGIAA's annual Independent and Objectivity Assertion Presentation and SGIAA's annual skills assessment; assessing the ability of SGIAA to operate independently and objectively; and raising any concerns regarding SGIAA to the Group Head of Inspection and Audit and the SGUS CEO; and
· At least annually, receiving information and training on a range of topics affecting SGUS. Such topics will change from time to time but will typically include anti-bribery and corruption, liquidity risk, human resources, culture & conduct, information technology risk management; cybersecurity, regulatory developments and litigation and enforcement developments.

Additional details on the periodicity of all the foregoing topics are set forth in the annual agenda of the Committee.
For avoidance of doubt, all SGIAA presentations referenced herein shall be made to the Committee and the SGIAA Chief Audit Executive interactions described herein shall be with the Committee. The Group Audit function shall continue to report to the Comité d'Audit et de Contrôle Interne and may in its discretion include information in its reports about any matters relating to SGUS or SGIAA and its work.

Annex A contains a list of all documents scheduled for approval by the Committee on an annual basis. Other items may also be presented to the Committee for approval as needed.
Amendments to this Charter:
Amendments to this Charter shall be approved by the Committee and the SG Board after prior examination by the Nomination and Corporate Governance Committee of the Board.
Use of Advisors:
The Committee may request select, retain and terminate special risk management, legal, financial, accounting, audit or other professional advisors to assist the Committee in performing its responsibilities under this Charter at the corporation's expense, after informing the Chairman of the Board of Directors or the Board of Directors itself, and subject to reporting back to the Board thereon. Such retention shall be coordinated by the Committee Chair with the assistance of the Secretary to the Board.

Annex A: List of Items Approved by the Committee Annually
SGUS Risk Appetite Statement
SGUS Liquidity Risk Tolerance
SGUS Enterprise Risk Management Framework
SGUS Contingency Funding Plan
SGUS Liquidity Risk Policy
Annual U.S. Risk Committee Agenda
Proposed USRC training program (included in the Annual U.S. Risk Committee Agenda)
SGUS Compliance Risk Management Program Framework
SGIAA Charter
SGIAA Key Performance Indicators
SGIAA Annual Audit Plan

7. PERSON RESPONSIBLE FOR THE SECOND AMENDMENT TO THE UNIVERSAL REGISTRATION DOCUMENT

7.1 Person responsible for the second amendment to the Universal Registration Document

Mr. Frédéric OUDÉA
Chief Executive Officer of Societe Generale

7.2 Statement of the person responsible

I hereby certify, after taking all reasonable measures for this purpose, that the information contained in this amendment to the Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its meaning.

I certify, to the best of my knowledge, that the condensed accounts for the first half year have been prepared in accordance with applicable accounting standards and are a fair reflection of the assets, liabilities, financial position and profit or loss of the Company and all the entities included in the consolidation scope, and that the interim management report (comprising the sections of this Universal Registration Document listed in the cross-reference table in section 8.2) presents a fair review of the important events which have occurred during the first six months of the financial year, their impact on the accounts, the major related parties transactions and a description of the main risks and uncertainties for the remaining six months of the financial year.

Paris, on 4 August 2021

Mr. Frédéric OUDÉA
Chief Executive Officer of Societe Generale

7.3 Persons responsible for the audit of the accounts

STATUTORY AUDITORS

Name: Company Ernst & Young et Autres
represented by Mr. Micha Missakian

Address: 1/2, place des Saisons
92400 Courbevoie – Paris-La Défense
(France)

Date of appointment: 22nd May 2012

Date of renewal: 23rd May 2018

Duration of current term of office: six financial years

End of current term of office: at the close of the Ordinary General Meeting called to approve the accounts for the year ended 31st December 2023

Name: Company Deloitte & Associés
represented by Mr. Jean-Marc Mickeler

Address: 6, place de la Pyramide
92908 Paris-La Défense Cedex
(France)

Date of first appointment: 18th April 2003

Date of latest renewal: 23rd May 2018

Duration of current term of office: six financial years

End of current term of office: at the close of the Ordinary General Meeting called to approve the accounts for the year ended 31st December 2023

The companies Ernst & Young et Autres and Deloitte & Associés are registered as Statutory Auditors with the *Compagnie régionale des Commissaires aux comptes de Versailles*.

7.4 Declaration of the issuer related to the amendment

This second amendment to the Universal Registration Document has been filed on 4 August 2021 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

8. CROSS-REFERENCE TABLES

8.1 Cross-reference table of the amendment

This cross-reference table contains the headings provided for in Annex 1 (as referred to in Annex 2) of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) No 809/2004, and refers to the pages of this amendment to the Universal Registration Document where the information relating to each of these headings is mentioned.

Headings		Page numbers of the Universal Registration Document	1rst Amendement	2nd Amendement
1	**PERSONS RESPONSIBLE**			
1.1	Name and function of the persons responsible	628	38	171-172
1.2	Declaration by the persons responsible	628	38	171-172
1.3	Statement or report attributed to a person as an expert	NA	NA	NA
1.4	Information sourced from a third party	NA	NA	NA
1.5	Statement by the issuer	632	39	172
2	**STATUTORY AUDITORS**			
2.1	Names and addresses of the auditors	628	39	172
2.2	Resignation, removal or non-reappointment of the auditors	NA	NA	NA
3	**RISK FACTORS**	**152-162**	**30-32**	**36-51**
4	**INFORMATION ABOUT THE ISSUER**			
4.1	Legal and commercial name of the issuer	607	1	1
4.2	Place of registration, registration number and legal entity identifier (LEI) of the issuer	607	NA	NA
4.3	Date of incorporation and the length of life of the issuer	607	NA	NA
4.4	Domicile and legal form of the issuer, applicable legislation, country of incorporation, address and telephone number of its registered office and website	607	1	1
5	**BUSINESS OVERVIEW**			
5.1	Principal activities	8-10; 47-52	NA	5-26
5.2	Principal markets	8-13; 16-26; 28-29; 466-470	5-28	5-26; 111
5.3	Important events in the development of the business	6-7; 14-26	5-28	5-26; 28-30
5.4	Strategy and objectives	11-15; 30-31	3-4	3-5;17;39-40
5.5	Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	NA	NA	NA
5.6	Basis for any statements made by the issuer regarding its competitive position	30-40	5-29	5-26; 42
5.7	Investments	58; 268-348; 373-377	NA	33-34
6	**ORGANISATIONAL STRUCTURE**			
6.1	Brief description of the Group	8-10; 28-29	NA	27
6.2	List of the significant subsidiaries	28-29; 480-517	NA	27; 31; 88
7	**OPERATING AND FINANCIAL REVIEW**			
7.1	Financial condition	30-46; 53-57	3-28	3-26;30-32
7.2	Operating results	30-46	5-28	5-26
8	**CAPITAL RESOURCES**			
8.1	Information concerning the issuer's capital resources	55; 352-356; 460-465; 571-574	10;21;25-29;33	72-76;138-139; 161
8.2	Sources and amounts of the issuer's cash flows	357	NA	77

8.3	Information on the borrowing requirements and funding structure of the issuer	56-57	5;10;29	32
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect the issuer's operations	598	NA	NA
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	55-57; 59	NA	32;34
9	**REGULATORY ENVIRONMENT**	**12; 14-15; 41; 46; 179**	**3;4;30-32**	**3-4, 36-38; 40-43**
10	**TREND INFORMATION**			
10.1	Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year Any significant change in the financial performance of the Group or provide an appropriate negative statement.	59	3-28	3-26
10.2	Trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	14-15	3;4	3-4
11	**PROFIT FORECASTS OR ESTIMATES**	**NA**	**NA**	**NA**
12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND GENERAL MANAGEMENT**			
12.1	Board of Directors and General Management	64-97	NA	68-70
12.2	Administrative, management and supervisory bodies and General Management conflicts of interests	146	NA	69-70
13	**REMUNERATION AND BENEFITS**			
13.1	Amount of remuneration paid and benefits in kind	98-142	NA	NA
13.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	448-455	NA	133-134
14	**BOARD AND GENERAL MANAGEMENT PRACTICES**			
14.1	Date of expiration of the current term of office	67-68; 73-81; 93-94; 99	NA	68-70
14.2	Members of the administrative bodies' service contracts with the issuer	NA	NA	NA
14.3	Information about the issuer's audit committee and remuneration committee	85-90	NA	69
14.4	Statement as to whether or not the issuer complies with the corporate governance regime	65	NA	NA
14.5	Potential material impacts on the corporate governance, including future changes in the board and committees composition	66-68	NA	NA
15	**EMPLOYEES**			
15.1	Number of employees	281	NA	48
15.2	Shareholdings and stock options of company officers	67; 73-81; 93-94; 98-142	NA	NA
15.3	Description of any arrangements for involving the employees in the capital of the issuer	448; 455; 544; 563; 567; 603; 608	NA	NA
16	**MAJOR SHAREHOLDERS**			
16.1	Shareholders holding more than 5% of capital or voting rights	603-604	NA	161
16.2	Different voting rights held by the major shareholders	603-604; 607-608	NA	161
16.3	Control of the issuer	603-604; 606	NA	NA
16.4	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	NA	NA	NA
17	**RELATED PARTY TRANSACTIONS**	**146-147; 448-449**	**NA**	**NA**
18	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**			

18.1	Historical financial information	138; 168-171; 179-180; 190; 192-196; 204-205; 208-218; 224-234; 243-247; 352-522; 529-592	5-28	5-26, 71-160
18.2	Interim and other financial information	NA	5-28	5-26
18.3	Auditing of historical annual financial information	523-528; 593-598	NA	159-160
18.4	Pro forma financial information	NA	NA	NA
18.5	Dividend policy	12; 602	NA	6; 68;140
18.6	Legal and arbitration proceedings	259; 519-522; 590-592	36-37	62-67; 146-150
18.7	Significant change in the issuer's financial position	59	3-28	3-35
19	**ADDITIONAL INFORMATION**			
19.1	Share capital	144-145; 603-609	1	1;161
19.2	Memorandum and Articles of Association	609-614	NA	NA
20	**MATERIAL CONTRACTS**	**59**	**NA**	**34**
21	**DOCUMENTS AVAILABLE**	**608**	**NA**	**NA**

8.2 Cross-reference table of the interim financial report

Pursuant to Article 9 Section 12 to the Regulation (EU) 2017/1129 of the European Parliament and of the Council, this amendment comprises the information of the interim financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-4 of the AMF's General Regulation.

Interim financial report	**Page numbers**
Financial statements at 30 June 2021	71-160
Interim management report	5-35
▪ Important events which have occurred during the first six months of the financial year and their impact on the half-yearly accounts	3-4
▪ Description of the main risks and uncertainties for the remaining six months of the financial year	36-67
▪ Major related-party transactions	N/A
Statement by the person responsible	171
Statutory auditor's report on the financial information for the first half-year 2021	159-160