SOCIETE GENERALE

A French corporation with share capital of 1,062,354,722.50 euros
Registered office: 29 boulevard Haussmann - 75009 PARIS
552 120 222 R.C.S. PARIS

SECOND AMENDMENT

TO UNIVERSAL REGISTRATION DOCUMENT

2022

Universal registration document filed with AMF on 9 March 2022 under N° D.22-0080.

First amendment to the Universal Registration Document filed with AMF on 6 May 2022 under N° D-22-0080-A01.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This second amendment to the Universal Registration Document has been filed on 4 August 2022 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

1.1 Profile of Societe Generale

Update of the page 9 of the 2022 Universal Registration Document

The sentence « Societe Generale employs over 131,000 members of staff in 66 countries and supports on a daily basis 26 million individual clients, businesses and institutional investors around the world» is updated on 30 June 2022 as following : « Societe Generale employs over 117,000 members of staff in 66 countries and supports on a daily basis 25 million individual clients, businesses and institutional investors around the world. »

1.2 Recent developments and outlook

Update of the pages 14 and 15 of the 2022 Universal Registration Document

Uncertainties caused by the war in Ukraine and supply side shocks are still present, notably regarding food and energy. The disruptions in energy supply should remain transitory.

Restrictions in China related to the Covid-19 pandemic should be gradually eased during the third trimester of the year. Globally, the risks induced by the pandemic should remain persistent and will require significant investments in vaccines and prevention efforts.

However, those investments will probably not be enough in emerging countries. The pandemic should remain a significant source of risk for the global economic outlook.

Across the major advanced economies, activity is slowing with fading reopening momentum, loss of household purchasing power and less policy accommodation. A recession is unlikely in 2022 due to built-up savings in households accounts and firm labour markets in the major advanced economies. This, combined with high levels of inflation, will see central banks tighten further over the coming quarters. A technical US recession is expected in late 2023.

Economic slowdown, tighter lending conditions and high levels of debt should prevent the Fed, the BoE and the ECB to return to "neutral" interest rates. Some easing regarding fiscal policy is expected in Europe and China while a tightening is expected in the US.

Geopolitical fractures are set to weigh structurally on global trade and capital flows.

With regards to the regulatory landscape, the first quarter of 2022 was marked by reactionary measures to the situation in Ukraine, which resulted in several waves of extraordinary sanctions and numerous support measures for refugees and companies impacted by the war.

On 23 March 2022, the European Commission adopted a temporary crisis framework enabling Member States to use the flexibility foreseen under State aid rules to support their national economy and grant targeted support measures. In France, the existing support toolbox developed during the COVID-19 crisis was extended to help companies face the economic consequences of the conflict. A new form of State guarantee “Prêts Garantis par l’Etat Résilience” was launched, and “Prêts Participatifs Relance” will likely be maintained.

During the Covid-19 crisis, the European Commission, the European Central Bank (ECB) in its capacity as prudential supervisor, the European Banking Authority (EBA) and the High Council for Financial Stability (HCFS) used the flexibility of prudential regulations to act on the liquidity and solvency of banks. However, these regulatory adjustments progressively come to an end:

- the flexibility measure taken by the ECB to allow banks to have a Liquidity Coverage Ratio (LCR) below the regulatory threshold of 100% ended on 31 December 2021,
- given the strong credit dynamics, the HCFS has decided on 7 April 2022 to engage towards the normalization of the counter-cyclical capital buffer and raise its rate for France from 0% to 0.5% starting from 7 April 2023.

Beyond the prevailing conjunctural economic conditions, several structural regulatory projects aim to strengthen the prudential framework, support environmental and digital transitions, protect consumers, and develop European capital markets.

The year 2021 put the spotlight back on finalising the implementation of the Basel III prudential agreements in the EU. In October 2021, the European Commission published its new banking rules - the proposed CRR3 regulation and the CRD6 directive – which will enter into force on 1 January 2025. The timetable for rolling out the reforms in the main non-EU jurisdictions remains uncertain and is not expected to coincide with the Basel timetable of 1 January 2023.

In accordance with the European Green Deal and the sustainable finance strategy of the European Commission, the environmental and sustainable European legislative agenda has accelerated in 2021 with the aim to rapidly mobilize capital flows to achieve carbon neutrality and ensure the resilience of the financial system. Work on the EU taxonomy for sustainable activities are now finalized on climate and should lead to the first complete reporting of financial institutions in 2024. Besides, the global framework of sustainability reportings (not limited to climate) is getting designed, with the aim of a first publication in 2025. The EU being a pioneer on ESG topics, the issue of harmonising European standards with those introduced in other jurisdictions will be a key consideration in 2022, in order to avoid any distortion of competition and prevent duplicating reportings to answer divergent standards, while guaranteeing that the necessary data is available, including from non-European counterparts.

Banks are expected to better integrate their climate and sustainability exposure when managing risks and be more transparent about disclosing ESG risks in their prudential publications. The ECB's climate stress tests are currently ongoing and ESG risks are now part of the prudential review. Besides, from 2023, credit institutions will have to publish detailed information on their exposure to physical and transition risks. The lack of data, in the absence of a proper sequencing with the application timeline of corporate standards, will remain an important obstacle to the comparability between banks. Finally, debate is intensifying over the prudential treatment of assets that are harmful to the climate and will be the topic of an EBA report in 2023.

Concomitantly, digital transformation will continue to be a priority, with progress on legislative projects proposed in 2021:

- a digital finance action plan;
- a crypto-assets regulation (MICA);
- a Digital Operations Resilience Act (DORA) to strengthen cybersecurity and the monitoring of outsourced services;
- initiatives centred on artificial intelligence and digital identity.

In addition, during T1 2022, the European Commission also proposed a cross-sectoral act on data (Data Act).

Beginning 2022, in-depth work on significant topics related to payments have continued, i.e., the EPI project and ECB's study of a central bank digital currency (CBDC) and of an acceleration in the spread of instant payments. These projects should be supplemented by Open Finance proposals for which the DSP2 Directive assessment will be an important step.

Consumer issues are also set to attract considerable attention in both France and Europe. Plans to revise MiFID, PRIIPS, IDD could come to an end in 2023 and the Consumer Credit Directive review is well under way at European level. Because of the impact of the economic situation on households' purchasing power, more parliamentary debates on banking fees are expected around the vote of the French State's Budget.

Last, in a post-Brexit environment, the European Commission gave new momentum to the development of the Capital Markets Union (CMU), as designed by the European action plan published in 2020. The initial will to prioritize the deepening and integration of European markets is now coupled with the reaffirmed ambition of ensuring the EU's financial autonomy, as a response to both the Covid-19 crisis and the situation in Ukraine. The European Commission's plan on the European strategic autonomy, published in January 2021, as well as the Council conclusions of April 2022 underline the weaknesses that a dependent EU can bring.

It is in this context that the following proposals have emerged:

- the legislative proposals for the revision of MIFIR, the directive relating to alternative management (AIFM), the regulation on long-term investment funds (ELTIF), and the establishment of a European single access point for financial and non-financial information publicly disclosed by companies (ESAP);
- the work plan around the equivalence framework for Central Counterparties in non-EU countries and the gradual relocation of compensation for euro products within the Union;
- the publication of a consultation on the Listing Act, with the aim of ensuring the attractiveness of capital markets for EU companies and facilitating access to capital for small and medium-sized enterprises, and a consultation on withholding taxes, with the aim to simplify and harmonize complex processes which are considered to be a hindrance for transborder investments.

2. GROUP MANAGEMENT REPORT

2.1 Pending acquisitions and major contracts

Update of the page 56 of the 2022 Universal Registration Document

2.1.1 Press release dated 18 May 2022 - Société Générale has closed the sale of Rosbank and its Russian insurance subsidiaries

Societe Generale announces the closing of the sale of Rosbank and the Group's Russian insurance subsidiaries(1) to Interros Capital.
The impact of the sale, which reflects the evolution of foreign exchange rates since the announcement of the disposal on April 11, 2022, will be accounted for in Q2 22 and includes:

- A residual impact of around -7 basis points on the capital ratio. On March 31, 2022, the Group's CET 1 ratio was 12.9%, i.e. around 370 basis points above the regulatory requirement;
- A net loss on the Group's income statement of around 3.2 billion euros(2).

The Group thus exits Russia(3) in an effective and orderly manner, ensuring continuity for its employees and clients.

(1) The actual transfer of shares of insurance subsidiaries will occur in the coming days.
(2) Based on non-audited financial data as of April 30, 2022 and a EUR/RUB exchange rate of 68.8 to be compared to a reference rate of 85 as of 31.12.2021 and of 92 for the press release published on April 11, 2022. This loss, before tax effect, will be accounted for mainly as "net income/expense on other assets".
(3) ALD Automotive OOO, which operates in Russia and through its branches in Kazakhstan, and ALD Belarus LLC no longer concludes any new commercial transactions.

2.2 Press release dated 3 August, 2022: Second quarter and first semester 2022 results

Update of the 2022 Universal Registration Document, pages 30 – 46

EXCELLENT UNDERLYING PERFORMANCE IN Q2 22 AND H1 22

Q2 2022
Strong revenue growth for all the businesses, up +12.8% vs. Q2 21 (+13.4%*), driven by record levels in several businesses
Good cost control and improvement in the cost to income ratio (**61.8%**[1] excluding contribution to the Single Resolution Fund)
Low cost of risk at 15 basis points, with a limited level of defaults
Effective exit from Russia[2]: EUR -3.3bn P&L impact before tax and very limited impact on capital
Underlying Group net income of EUR 1.5 billion (EUR -1.5 billion on a reported basis)
Underlying profitability (ROTE) of 10.5%[1]

H1 2022
Underlying Group net income of EUR 3.1 billion[1] (EUR -640 million on a reported basis), up +16.3% vs. H1 21
Underlying profitability (ROTE) of 10.8%[1]

CAPITAL POSITION

CET 1 ratio of 12.9%[3] at end-June 2022, around 360bp over MDA
Launch of the 2021 share buyback programme, for around EUR 915 million
2022 distribution provision of EUR 1.44 per share[4] at end-June 2022

STRENGHTENING OF OUR 2025 ESG TARGETS

Target of EUR 300 billion in sustainable finance for 2022 to 2025
Global Best Bank Transition Strategy (Euromoney Awards for Excellence 2022)

2025 FINANCIAL TARGETS

Revenue growth (above or equal to 3% 2021-2025 CAGR)
Improvement in the cost to income ratio (below or equal 62%)
Expected profitability of 10% (ROTE)
Target CET 1 ratio of 12% post Basel IV
Pay-out policy maintained: 50% of underlying Group net income (with a maximum of 40% of the distribution in the form of a share buy-backs[5])

Fréderic Oudéa, the Group's Chief Executive Officer, commented:
"Q2 2022 concluded two years of intense and disciplined execution of our various strategic projects. We have successfully simplified and strengthened the resilience of our business model, transformed our businesses to support the changing needs of our customers and the far-reaching transformations around digital technologies and ESG, and invested in a targeted manner in businesses with strong growth potential. We combined, in H1 2022, strong growth in revenues and underlying profitability above 10% (ROTE) and we were able to manage our exit from the Russian activities without significant capital impact and without handicapping the Group's strategic developments. These dynamics and performances make us confident regarding both the short term, in an undeniably more uncertain environment, and in the medium term. By 2025, having reaped all the benefits of the numerous strategic and operating efficiency initiatives under way, we confirm our ability to deliver profitability of 10% on the basis of a target core Tier 1 capital ratio of 12%, while maintaining an attractive distribution policy for our shareholders."

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(1) Underlying data (see methodology note No. 5 for the transition from accounting data to underlying data)
(2) Disposal of Rosbank and its Russian subsidiaries
(3) Phased-in ratio (fully-loaded ratio of 12.8%)
(4) On the basis of a distribution of 50% of underlying Group net income after deduction of interest on deeply subordinated notes and undated subordinated notes
(5) After deduction of interest on deeply subordinated notes and undated subordinated notes. Subject to General Meeting of Shareholders and regulatory approval
*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 22	Q2 21	Change		H1 22	H1 21	Change	
Net banking income	**7,065**	**6,261**	**+12.8%**	**+13.4%***	**14,346**	**12,506**	**+14.7%**	**+14.8%***
Operating expenses	**(4,458)**	**(4,107)**	**+8.5%**	**+9.6%***	**(9,787)**	**(8,855)**	**+10.5%**	**+11.2%***
Underlying operating expenses(1)	*(4,590)*	*(4,225)*	*+8.6%*	*+9.6%**	*(8,915)*	*(8,322)*	*+7.1%*	*+7.9%**
Gross operating income	**2,607**	**2,154**	**+21.0%**	**+20.7%***	**4,559**	**3,651**	**+24.9%**	**+23.3%***
Underlying gross operating income(1)	*2,475*	*2,036*	*+21.6%*	*+21.3%**	*5,431*	*4,184*	*+29.8%*	*+28.4%**
Net cost of risk	**(217)**	**(142)**	**+52.8%**	**+52.4%***	**(778)**	**(418)**	**+86.1%**	**+23.4%***
Operating income	**2,390**	**2,012**	**+18.8%**	**+18.5%***	**3,781**	**3,233**	**+17.0%**	**+23.2%***
Underlying operating income(1)	*2,258*	*1,894*	*+19.2%*	*+18.9%**	*4,653*	*3,766*	*+23.6%*	*+29.2%**
Net profits or losses from other assets	**(3,292)**	**5**	**n/s**	**n/s**	**(3,290)**	**11**	**n/s**	**n/s**
Net income from companies accounted for by the equity method	*4*	2	+100.0%	+100.0%*	*4*	5	-20.0%	-20.0%*
Income tax	(327)	(404)	-19.0%	-19.0%*	(680)	(687)	-1.0%	+48.7%*
Net income	**(1,225)**	**1,615**	**n/s**	**n/s**	**(185)**	**2,562**	**n/s**	**n/s**
O.w. non-controlling interests	257	176	+46.0%	+43.6%*	455	309	+47.2%	+45.7%*
Reported Group net income	**(1,482)**	**1,439**	**n/s**	**n/s**	**(640)**	**2,253**	**n/s**	**n/s**
Underlying Group net income(1)	***1,505***	***1,349***	***+11.5%***	***+11.0%****	***3,079***	***2,647***	***+16.3%***	***+11.1%****
ROE	-12.0%	9.8%			-3.4%	7.5%		
ROTE	**-13.5%**	**11.2%**			**-3.8%**	**8.6%**		
Underlying ROTE(1)	***10.5%***	***10.4%***			***10.8%***	***10.2%***		

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

Societe Generale's Board of Directors, which met on August 2nd, 2022 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q2 and H1 2022.

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

On May 18th, 2022, the Group withdrew in an orderly and effective manner from Russia with the finalisation of the disposal of Rosbank and its insurance subsidiaries in Russia. This disposal results in the accounting of a loss in income statement of EUR 3.3 billion before tax, largely absorbed this semester with Group net income share at EUR -640 million. Despite a residual capital impact of -7 basis points over the quarter, the phased in CET 1 ratio remained stable at 12.9% at the end-June 2022.

Net banking income

Net banking income was substantially higher in Q2 22, up +12.8% (+13.4%*) vs. Q2 21, driven by an excellent performance by all the businesses.

The healthy momentum continued in French Retail Banking, with an increase in net banking income of +8.5% vs. Q2 21 reflecting notably a good commercial momentum, a high level of service fees and a record performance in Private Banking.

International Retail Banking & Financial Services enjoyed strong revenue growth (+21.4%* vs. Q2 21), driven by a record quarter for ALD and International Retail Banking. As a result, International Retail Banking saw its activities grow +12.7%* vs. Q2 21. Financial Services' net banking income was substantially higher (+45.1%* vs. Q2 21) while Insurance net banking income rose +7.9%* vs. Q2 21.

Global Banking & Investor Solutions once again delivered an excellent performance, with revenues up +18.3% (+16.1%*) vs. Q2 21. Global Markets & Investor Services was substantially higher (+25.3%, +19.8%*) than in Q2 21 while Financing & Advisory activities were at a record level, up +14.0% (+9.1%*) vs. Q2 21.

In H1 22, the Group posted strong revenue growth of +14.7% (+14.8%*) vs. H1 21, with growth in all the businesses.

Operating expenses

In Q2 22, operating expenses totalled EUR 4,458 million on a reported basis and EUR 4,590 million on an underlying basis (restated for transformation costs and the linearisation of IFRIC 21), an increase of +8.6% vs. Q2 21.

In H1 22, underlying operating expenses were up +7.1% vs. H1 21 at EUR 8,915 million on an underlying basis (EUR 9,787 million on a reported basis). This rise can be explained primarily by the higher contribution to the Single Resolution Fund (EUR +138 million), the increase in variable remuneration linked to the growth in revenues and the Global Employee Share Ownership Plan (EUR +152 million). The increase in other expenses therefore amounts to EUR +303 million, representing a rise of +3.5% vs. H1 21.

Driven by a very positive jaws effect, underlying gross operating income grew substantially in Q2 2022 (+21.6%) to EUR 2,475 million and the underlying cost to income ratio, excluding the Single Resolution Fund, improved by more than 3 points (61.8% vs. 65.1% in Q2 21).

In H1 2022, underlying gross operating income enjoyed a strong growth momentum, up +29.8% vs. H1 21 at EUR 5,431 million.

The Group now expects an underlying cost to income ratio excluding the Single Resolution Fund of between 64% and 66% in 2022.

Cost of risk

The cost of risk stood at a low level of 15 basis points in Q2 22, or EUR 217 million, lower than in Q1 22 which included the cost of risk of the Russian activities sold (39 basis points). It breaks down into a limited provision on non-performing loans of EUR 156 million and an additional provision on performing loans of EUR 61 million.

In H1 2022, the cost of risk amounted to 27 basis points.

Offshore exposure to Russia was reduced to EUR 2.6 billion of EAD (*Exposure At Default)* at June 30th, 2022. Exposure at risk on this portfolio is estimated at less than EUR 1 billion. The total associated provisions were EUR 377 million at end-June 2022.

Moreover, at end-June 2022, the Group's residual exposure in relation to Rosbank amounted to less than EUR 0.5 billion of EAD, corresponding mainly to guarantees and letters of credit that were recognised under intra-group exposure before the disposal of Rosbank.

The Group's provisions on performing loans amounted to EUR 3,409 million at end-June, an increase of EUR 54 million vs. end-December 2021.

The non-performing loans ratio amounted to 2.8%(1) at June 30th, 2022, lower than at end-March 2022 (2.9%). The Group's gross coverage ratio for doubtful outstandings was higher at 50%(2) at June 30th, 2022.

The cost of risk is still expected to be between 30 and 35 basis points in 2022.

Group net income

In EURm	**Q2 22**	Q2 21	**H1 22**	H1 21
Reported Group net income	(1,482)	1,439	(640)	2,253
Underlying Group net income(1)	1,505	1,349	3,079	2,647

In %	**Q2 22**	Q2 21	**H1 22**	H1 21
ROTE	-13.5%	11.2%	-3.8%	8.6%
Underlying ROTE(1)	10.5%	10.4%	10.8%	10.2%

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

Earnings per share amounts to EUR -1.10 in H1 22 (EUR 2.29 in H1 21). Underlying earnings per share amounts to EUR 2.87 over the same period (EUR 2.40 in H1 21).

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

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

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 64.6 billion at June 30th, 2022 (EUR 65.1 billion at December 31st, 2021). Net asset value per share was EUR 67.0 and tangible net asset value per share was EUR 59.4.

The consolidated balance sheet totalled EUR 1,539 billion at June 30th, 2022 (EUR 1,464 billion at December 31st, 2021). The net amount of customer loan outstandings at June 30th, 2022, including lease financing, was EUR 498 billion (EUR 488 billion at December 31st, 2021) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 512 billion, vs. EUR 502 billion at December 31st, 2021 (excluding assets and securities sold under repurchase agreements).

At July 18th, 2022, the parent company had issued EUR 33.7 billion of medium/long-term debt, having an average maturity of 5.2 years and an average spread of 54 basis points (vs. the 6-month midswap, excluding subordinated debt). The subsidiaries had issued EUR 1.2 billion. In total, the Group had issued EUR 34.9 billion of medium/long-term debt.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 140% at end-June 2022 (141% on average in Q2), vs. 129% at end-December 2021. At the same time, the NSFR (Net Stable Funding Ratio) was at a level of 112% at end-June 2022.

The Group's **risk-weighted assets** (RWA) amounted to EUR 367.6 billion at June 30th, 2022 (vs. EUR 363.4 billion at end-December 2021) according to CRR2/CRD5 rules. Risk-weighted assets in respect of credit risk represent 84% of the total, at EUR 309 billion, up 1.3% vs. December 31st, 2021.

At June 30th, 2022, the Group's **Common Equity Tier** 1 ratio stood at 12.9%, or around 360 basis points over MDA. The CET1 ratio at June 30th, 2022 includes an effect of +9 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 12.8%. The Tier 1 ratio stood at 15.2% at end-June 2022 (15.9% at end-December 2021) and the total capital ratio amounted to 18.5% (18.8% at end-December 2021).

The **leverage ratio** stood at 4.1% at June 30th, 2022 (4.9% at end-December 2021) due primarily to the end of the European Central Bank's transitional measures.

With a level of 31.7 % of RWA and 8.4% of leverage exposure at end-June 2022, the Group's TLAC ratio is above the Financial Stability Board's requirements for 2022. At June 30th, 2022, the Group was also above its 2022 MREL requirements of 25.2% of RWA and 5.91% of leverage 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 22	Q2 21	Change	H1 22	H1 21	Change
Net banking income	2,256	2,080	+8.5%	4,444	4,103	+8.3%
Net banking income excl. PEL/CEL	*2,185*	*2,063*	*+5.9%*	*4,350*	*4,098*	*+6.1%*
Operating expenses	(1,513)	(1,447)	+4.6%	(3,233)	(3,058)	+5.7%
Underlying operating expenses(1)	*(1,571)*	*(1,489)*	*+5.5%*	*(3,120)*	*(2,972)*	*+5.0%*
Gross operating income	**743**	**633**	**+17.4%**	**1,211**	**1,045**	**+15.9%**
Underlying gross operating income(1)	*614*	*574*	*+7.0%*	*1,230*	*1,126*	*+9.2%*
Net cost of risk	(21)	(8)	x 2,6	(68)	(137)	-50.4%
Operating income	**722**	**625**	**+15.5%**	**1,143**	**908**	**+25.9%**
Net profits or losses from other assets	3	1	x 3,0	3	4	-25.0%
Reported Group net income	**539**	**454**	**+18.7%**	**852**	**666**	**+27.9%**
Underlying Group net income(1)	*444*	*412*	*+7.6%*	*866*	*724*	*+19.5%*
RONE	**17.5%**	**15.0%**		**14.1%**	**11.0%**	
Underlying RONE(1)	***14.4%***	***13.6%***		***14.4%***	***11.9%***	

(1) Adjusted for the linearisation of IFRIC 21 and PEL/CEL provision
NB: including Private Banking activities as per Q1 22 restatement (France and international), includes other businesses transferred following the disposal of Lyxor

Societe Generale and Crédit du Nord networks

Average loan outstandings were 3% higher than in Q2 21 at EUR 214 billion. Home loan outstandings rose +4% vs. Q2 21. Medium/long-term loan production for corporate and professional customers was 42% higher than in Q2 21, with the progressive amortisation of State Guaranteed Loans.

Average outstanding balance sheet deposits including BMTN (negotiable medium-term notes) continued to rise (+4% vs. Q2 21) to EUR 243 billion.

As a result, the average loan/deposit ratio stood at 88% in Q2 22 vs. 89% in Q2 21.

Life insurance assets under management[2] totalled EUR 110 billion at end-June 2022, up +1% year-on-year. Gross life insurance inflow amounted to EUR 2.2 billion in Q2 22, with the unit-linked share accounting for 34%.

Property/casualty insurance premiums and personal protection insurance premiums were up +4% vs. Q2 21.

Boursorama

The bank consolidated its position as the leading online bank in France, with nearly 4 million clients at end-June 2022 (+35% vs. Q2 21), thanks to the onboarding of 357,000 new clients in Q2 22 (x2.1 vs. Q2 21). The transfer of ING's client base led to the acquisition of around 134,000 new clients during the quarter.

Average outstanding loans rose +28% vs. Q2 21 to EUR 15 billion. Home loan outstandings were up +27% vs. Q2 21, while consumer loan outstandings climbed +32% vs. Q2 21.

Average outstanding savings including deposits and financial savings were 19% higher than in Q2 21 at EUR 39 billion, while outstanding deposits were up +31% vs. Q2 21. Brokerage recorded more than 1.5 million transactions in Q2 22.

The ING customer referral process is progressing as expected. At July 22nd, the customer acquisition rate was 50% or around 250,000 ING customers out of the 500,000 eligible customers. The outstandings collected totalled around EUR 7 billion, including primarily life insurance outstandings. The exclusive offering reserved for ING customers is set to end in September.

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(2) Total life insurance outstandings after the integration of Private Banking in Q1 22

Private Banking

Private Banking activities, which were transferred to French Retail Banking at the beginning of 2022, cover the activities in France and internationally as well as the other activities transferred at the time of the disposal of Lyxor. The business enjoyed strong commercial activity. Assets under management totalled EUR 147 billion, up +0.4% vs. Q2 21. Net inflow was buoyant at EUR 2.6 billion in Q2 22, despite the volatility of the financial markets. Net banking income was therefore at a record level of EUR 334 million in Q2 22, up +23.7% vs. Q2 21.

Net banking income excluding PEL/CEL

Q2 22: revenues totalled EUR 2,256 million, up +5.9% vs. Q2 21, when restated for the PEL/CEL provision. Net interest income, excluding PEL/CEL, and other revenues was up +5.0% vs. Q2 21, underpinned by good commercial activity and revaluations of assets held in the portfolio in a buoyant environment, and despite the impact of the rate on the Livret A passbook savings account and still negative rates. Fees increased by +7.1% vs. Q2 21, driven by the good performance of service fees.

H1 22: revenues totalled EUR 4,444 million, up +6.1% vs. H1 21, when restated for the PEL/CEL provision. Net interest income, excluding PEL/CEL and other revenues, was up +5.4% vs. H1 21. Fees were 7.0% higher than in H1 21.

Operating expenses

Q2 22: operating expenses totalled EUR 1,513 million (+4.6% vs. Q2 21) and EUR 1,571 million on an underlying basis (+5.5% vs. Q2 21). The cost to income ratio stood at 67%, an improvement of 2.5 points vs. Q2 21. The business posted a positive jaws effect.

H1 22: operating expenses totalled EUR 3,233 million (+5.7% vs. H1 21). The cost to income ratio stood at 73%, an improvement of 1.8 points vs. H1 21.

Cost of risk

Q2 22: the commercial cost of risk amounted to EUR 21 million or 3 basis points, higher than in Q2 21 (1 basis point). The cost of risk was lower than in Q1 22, when it stood at 8 basis points.

H1 22: the commercial cost of risk amounted to EUR 68 million or 6 basis points, lower than in H1 21 (12 basis points).

Contribution to Group net income

Q2 22: the contribution to Group net income was EUR 539 million in Q2 22, up +18.7% vs. Q2 21 (EUR 454 million in Q2 21). RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 14.4% in Q2 22 (18.3% excluding Boursorama).

H1 22: the contribution to Group net income was EUR 852 million, up +27.9% vs. H1 21. RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 14.4% in H1 22 (11.9% in H1 21).

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q2 22	Q2 21	Change		H1 22	H1 21	Change	
Net banking income	2,304	1,989	*+15.8%*	*+21.4%**	4,527	3,851	*+17.6%*	*+20.4%**
Operating expenses	(1,045)	(1,011)	*+3.4%*	*+9.5%**	(2,228)	(2,100)	*+6.1%*	*+9.0%**
Underlying operating expenses(1)	*(1,075)*	*(1,035)*	*+3.9%*	*+9.9%**	*(2,167)*	*(2,052)*	*+5.6%*	*+8.5%**
Gross operating income	**1,259**	**978**	***+28.7%***	***+33.5%****	**2,299**	**1,751**	***+31.3%***	***+33.9%****
Underlying gross operating income(1)	*1,229*	*954*	*+28.8%*	*+33.7%**	*2,360*	*1,799*	*+31.2%*	*+33.8%**
Net cost of risk	(97)	(121)	*-19.8%*	*-19.6%**	(422)	(263)	*+60.5%*	*-11.2%**
Operating income	**1,162**	**857**	***+35.6%***	***+41.2%****	**1,877**	**1,488**	***+26.1%***	***+51.2%****
Net profits or losses from other assets	8	4	*+100.0%*	*+98.2%**	10	6	*+66.7%*	*+65.3%**
Reported Group net income	**694**	**522**	***+33.0%***	***+40.1%****	**1,094**	**914**	***+19.7%***	***+39.9%****
Underlying Group net income(1)	*676*	*508*	*+33.2%*	*+40.6%**	*1,130*	*942*	*+20.0%*	*+39.5%**
RONE	**26.3%**	**20.6%**			**20.3%**	**18.2%**		
Underlying RONE(1)	***25.6%***	***20.0%***			***20.9%***	***18.7%***		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's outstanding loans totalled EUR 85.0 billion, up +5.1%* vs. Q2 21. Outstanding deposits increased by +3.2%* vs. Q2 21, to EUR 80.1 billion.

For the Europe scope, outstanding loans were up +6.2%* vs. end-June 2021 at EUR 61.5 billion, driven by a positive momentum in all the regions: +9.1%* in the Czech Republic, +8.9%* in Romania, and +1.8%* in Western Europe. Outstanding deposits rose +2.6%* to EUR 54.2 billion.

In Africa, Mediterranean Basin and French Overseas Territories, outstanding loans increased by +2.3%* when adjusted for changes in Group structure and at constant exchange rates. Outstanding deposits continued to enjoy a healthy momentum, up +4.4%*.

In the Insurance business, the life insurance savings business remained at a high level, with outstandings of EUR 131 billion at end-June 2022 and a unit-linked share of 35%, stable vs. June 2021. Gross life insurance savings inflow increased by +0.3%* in Q2 22 vs. Q2 21, with a substantial share of unit-linked products (44%). Protection insurance saw an increase of +7%* vs. Q2 21, with a healthy momentum in all geographical regions for property/casualty insurance premiums, which were up +7%*.

Financial Services also enjoyed a very good momentum. Operational Vehicle Leasing and Fleet Management posted record net banking income, up +54%*, due to the business' good performance and continued very strong demand for used cars. The number of contracts totalled 1.8 million, including 1.4 million financed vehicles, an increase of +5.4% vs. end-June 2021. Equipment Finance outstanding loans were 1.1% higher than at end-June 2021, at EUR 14.5 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 2,304 million in Q2 22, up +21.4%* vs. Q2 21.

International Retail Banking's net banking income totalled EUR 1,270 million in Q2 22, an increase of +12.7%*.

Revenues in Europe climbed +17.2%* vs. Q2 21, due primarily to substantial growth in net interest income (+21%* vs. Q2 21), particularly in the Czech Republic (+48%* vs. Q2 21), as a result of the rise in rates.

The Africa, Mediterranean Basin and French Overseas Territories scope posted revenues up +6.4%* vs. Q2 21 at EUR 481 million, driven by all the businesses.

Insurance posted net banking income up +7.9%* vs. Q2 21, at EUR 252 million.

Financial Services' net banking income was substantially higher (+45.1%*) than in Q2 21, at EUR 782 million. This performance is due primarily at ALD level to good commercial dynamics, the increase in the used car sale result (EUR 3,212 per vehicle in H1 22), a depreciation adjustment and, to a lesser extent, the transfer to hyperinflation accounting for activities in Turkey.

Operating expenses

Operating expenses rose +9.5%* on a reported basis vs. Q2 21 to EUR 1,045 million, resulting in a substantial positive jaws effect. The cost to income ratio (after linearisation of the IFRIC 21 charge) stood at 46.7% in Q2 22, lower than in Q2 21 (52.0%).

In International Retail Banking, operating expenses were 5.1%* higher than in Q2 21.

In the **Insurance** business, operating expenses rose +6.3%* vs. Q2 21, with a cost to income ratio (after linearisation of the IFRIC 21 charge) of 39.5%.

In **Financial Services**, operating expenses increased by +22.4%* vs. Q2 21, generating a very positive jaws effect.

Cost of risk

In Q2 22, the cost of risk was substantially lower at 28 basis points (or EUR 97 million), vs. 92 basis points in Q1 22. It was lower than in Q2 21 (37 basis points). This significant improvement, both sequential and year-on-year, is due to the low level of defaults but also the disposal by the Group of its banking and insurance activities in Russia.

Contribution to Group net income

The contribution to Group net income totalled EUR 694 million in Q2 22, substantially higher (+40.1%*) than in Q2 21.

Underlying RONE stood at 25.6% in Q2 22 (vs. 20.0% in Q2 21) and around 26.4% pro forma for the Russian activities sold. In International Retail Banking, underlying RONE was 19.1% (around 20.2% pro forma for the Russian activities sold) and 32.7% in Financial Services and Insurance.

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q2 22	Q2 21	Variation		H1 22	H1 21	Variation	
Net banking income	2,563	2,166	+18.3%	+16.1%*	5,318	4,499	+18.2%	+16.5%*
Operating expenses	(1,565)	(1,498)	+4.5%	+3.4%*	(3,737)	(3,391)	+10.2%	+10.3%*
Underlying operating expenses(1)	*(1,755)*	*(1,623)*	*+8.1%*	*+7.1%**	*(3,366)*	*(3,149)*	*+6.9%*	*+7.0%**
Gross operating income	**998**	**668**	**+49.4%**	**+43.8%**	**1,581**	**1,108**	**+42.7%**	**+34.3%**
Underlying gross operating income(1)	*808*	*543*	*+48.9%*	*+42.1%**	*1,952*	*1,350*	*+44.6%*	*+37.5%**
Net cost of risk	(69)	(15)	x 4.6	x 4.2*	(263)	(18)	x 14.6	x 14.2*
Operating income	**929**	**653**	**+42.3%**	**+37.1%**	**1,318**	**1,090**	**+20.9%**	**+13.7%**
Reported Group net income	**742**	**506**	**+46.6%**	**+41.2%**	**1,044**	**853**	**+22.4%**	**+15.2%**
Underlying Group net income(1)	*596*	*410*	*+45.3%*	*+38.6%**	*1,329*	*1,039*	*+27.9%*	*+21.7%**
RONE	**20.3%**	**14.9%**			**14.5%**	**12.6%**		
Underlying RONE(1)	***16.3%***	***12.1%***			***18.5%***	***15.4%***		

(1) Adjusted for the linearisation of IFRIC 21
NB: excluding Private Banking activities as per Q1 22 restatement (France and International). Excludes businesses transferred following the disposal of Lyxor

Net banking income

Global Banking & Investor Solutions delivered a very solid performance in Q2, with revenues of EUR 2,563 million, significantly higher (+18.3%) than in Q2 21.

In H1 22, revenues rose +18.2% vs. H1 21 (EUR 5,318 million vs. EUR 4,499 million, +16.5%*).

In Global Markets & Investor Services, net banking income totalled EUR 1,742 million in Q2 22 (+25.3% vs. Q2 21). It amounted to EUR 3,707 million in H1 22, up +21.9% vs. H1 21 (+17.3%*).

Global Markets turned in a strong performance in Q2 22 (EUR 1,516 million), up +23.3% vs. Q2 21, benefiting from dynamic commercial activity in all the businesses and regions in a volatile environment. Revenues were higher in H1 22 (+21.7%) than in H1 21 at EUR 3,293 million.

The Equity activity enjoyed an excellent quarter (EUR 833 million, +7.5% vs. Q2 21), driven by strong client demand, particularly in equity derivatives and prime services. Revenues were up +13.8% in H1 22 vs. H1 21 at EUR 1,843 million.

Fixed Income & Currency activities posted substantially higher revenues (+50% vs. Q2 21) at EUR 683 million in an environment of rising rates. Revenues increased to EUR 1,450 million in H1 22 (+33.6% vs. H1 21).

Securities Services posted a significant increase in revenues in Q2 (+41.0% vs. Q2 21), to EUR 226 million. Revenues were up +23.6% in H1 22 vs. H1 21 at EUR 414 million. Securities Services' assets under custody and assets under administration amounted to EUR 4,277 billion and EUR 627 billion respectively.

Financing & Advisory posted revenues of EUR 821 million, up +14.0% vs. Q2 21. They amounted to EUR 1,611 million in H1 22, significantly higher (+18.9%) than in H1 21.

The Global Banking & Advisory business, up +11.1% vs. Q2 21, capitalised on the good market momentum, particularly in activities related to Natural Resources and Infrastructure. These performances were also driven by the strategy focused on Environmental, Social and global Governance criteria. The Asset-Backed Products platform enjoyed strong growth in Q2. Investment Banking was resilient in Q2, despite a decline in capital markets given the uncertainty related to the war in Ukraine and inflationary pressures.

Global Transaction and Payment Services continued to experience very high growth, up +29.1% vs. Q2 21, primarily on the back of the increase in rates and volumes.

Operating expenses

Operating expenses totalled EUR 1,565 million in Q2 22, an increase of +4.5% vs. Q2 21 on a reported basis, and +8.1% on an underlying basis. The increase on an underlying basis can be explained primarily by the rise of EUR 65 million in linearised IFRIC 21 charges in Q2.

With a substantial positive jaws effect, the underlying cost to income ratio excluding the contribution to the Single Resolution Fund improved significantly to 62.2%.

Operating expenses were up +10.2% on a reported basis and +6.9% on an underlying basis in H1 22.

Cost of risk

The cost of risk amounted to 16 basis points (or EUR 69 million) in Q2 22, with cost of risk amounting to EUR 108 million on the Russian offshore portfolio.

It stood at 30 basis points (or EUR 263 million) in H1 22 given the provisioning on the Russian offshore portfolio (EUR 260 million).

Contribution to Group net income

The contribution to Group net income was EUR 742 million on a reported basis and EUR 596 million on an underlying basis in Q2 22 (+45.3% vs. Q2 21). It was EUR 1,044 million on a reported basis and EUR 1,329 million on an underlying basis in H1 22.

Global Banking & Investor Solutions posted a substantial underlying RONE of 16.3% in Q2 22, a significant improvement compared with the RONE of 12.1% in Q2 21. RONE stood at 20.6% excluding the contribution to the Single Resolution Fund. The underlying RONE was 18.5% in H1 22 vs. 15.4% in H1 21.

6. CORPORATE CENTRE

In EURm	**Q2 22**	Q2 21	**H1 22**	H1 21
Net banking income	(58)	26	57	53
Operating expenses	(335)	(151)	(589)	(306)
Underlying operating expenses(1)	*(189)*	*(78)*	*(262)*	*(149)*
Gross operating income	**(393)**	**(125)**	**(532)**	**(253)**
Underlying gross operating income(1)	***(247)***	***(52)***	***(205)***	***(96)***
Net cost of risk	(30)	2	(25)	-
Net profits or losses from other assets	(3,303)	-	(3,303)	1
Income tax	321	124	333	160
Reported Group net income	**(3,457)**	**(43)**	**(3,630)**	**(180)**
Underlying Group net income(1)	***(264)***	***7***	***(315)***	***(62)***

(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 not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR -58 million in Q2 22 vs. EUR +26 million in Q2 21, and EUR +57 million in H1 22 vs. EUR +53 million in H1 21.

Operating expenses totalled EUR 335 million in Q2 22 vs. EUR 151 million in Q2 21. They include the Group's transformation costs for a total amount of EUR 159 million relating to the activities of French Retail Banking (EUR 97 million), Global Banking & Investor Solutions (EUR 25 million) and the Corporate Centre (EUR 37 million). Underlying costs came to EUR 189 million in Q2 22 compared to EUR 78 million in Q2 21. They were impacted in particular by the costs related to the Global Employee Share Ownership Plan for EUR 44 million.

In H1 22, operating expenses totalled EUR 589 million vs. EUR 306 million in H1 21. Transformation costs totalled EUR 302 million (EUR 201 million for the activities of French Retail Banking, EUR 39 million for Global Banking & Investor Solutions and EUR 62 million for the Corporate Centre). Underlying costs came to EUR 262 million in H1 22 compared to EUR 149 million in H1 21.

Gross operating income totalled EUR -393 million in Q2 22 vs. EUR -125 million in Q2 21. Underlying gross operating income came to EUR -247 million in Q2 22 vs. EUR -52 million in Q2 21. In H1 22, gross operating income was EUR -532 million on a reported basis (vs. EUR -253 million in H1 21) and EUR -205 million on an underlying basis (vs. EUR -96 million in H1 21).

The book loss related to the disposal of Rosbank and the insurance activities in Russia is recognised under net losses from other assets for an amount of around **EUR -3.3 billion** before tax in Q2 22.

The Corporate Centre's contribution to Group net income was EUR -3,457 million in Q2 22 vs. EUR -43 million in Q2 21. The Corporate Centre's contribution to Group net income on an underlying basis was EUR -264 million. In H1 22, the contribution to Group net income was EUR -3,630 million on a reported basis and EUR -315 million on an underlying basis.

7. OUTLOOK FOR 2025

After two years of profitable growth during which the Group simplified its business model, undertook far-reaching transformations in accordance with societal changes and invested in its businesses experiencing profitable growth, the Group intends to pursue the execution of its roadmap in a disciplined manner, and is aiming for profitability (ROTE) of 10% and a CET 1 ratio of 12% in 2025. While supporting the growth of its businesses, the Group plans an attractive shareholder distribution of 50% of Group net income[(1)] of which up to 40% of the distribution in share buy-backs[(2)].

Based on our diversified, balanced and integrated business model, and on our corporate purpose, Societe Generale aims to be the preferred bank of its customers, a leader in sustainable finance, and a resolutely digital company focused on the efficient and responsible use of data.

ESG issues at the heart of the business model of the Group and its businesses

Societe Generale's ESG ambition is centred on four priorities: supporting customers in their ecological transition, initiating positive transformations locally, being a responsible employer and maintaining a culture of responsibility.

In addition to the acceleration of our sustainable financing targets, increased to EUR 300 billion by 2025, the Group's ESG ambition is also based on a vast training plan for all the Group's employees and proactive support for all customers, large corporates as well as SME, professional and individual customers. Furthermore, the Group is aiming to reduce its CO2 emissions by around 50% between 2019 and 2030.

Acceleration of digital and technological transformation

The Group wants to accelerate on the digital and technological aspect throughout the value chain. It already has a secure, resilient, and modern IT infrastructure. Our IT strategy aims to better serve our customers in terms of digital offering and customer experience and to continue to increase our efficiency and reactivity. In this respect, the Group is aiming for an IT intensity ratio of between 14% and 15% in 2025.

The Group also wants to build the bank of the future by innovating, through partnerships with start-ups and the development of new, differentiating and value-creating business models. It has already demonstrated its ability to develop and create new business models such as Boursorama.

Execution of strategic initiatives

The Group's roadmap is essentially based on the strategic initiatives presented to the market over the last few quarters by different businesses and is structured around three pillars: Retail Banking and Insurance, Global Banking & Investor Solutions and Mobility.

In French Retail Banking & Private Banking, the merger of the Societe Generale and Crédit du Nord networks aims to create a new reference bank, rooted in the regions, and fully adapted to the new economic and societal paradigms. This new bank, larger and more coherent, will benefit from an upgrade to increase the customer value proposition, accelerate digitalisation, and improve efficiency. Based on the quality and know-how of the franchises, French Retail Banking intends to accelerate the bancassurance model, extend Private Banking's expertise to high-net-worth clients and develop the mobility and ESG offering. This strategy aims to position the bank among the top 3 banks in terms of customer satisfaction, with a cost to income ratio of between 67% and 69% and profitability (RONE) of 10%.

In recent years, **Boursorama** has demonstrated the quality of its business model, capable of generating strong growth by benefiting from substantial economies of scale. The number of products per customer has also grown signficantly over the period. The Group wants to take Boursorama to maturity and establish it as the definitive leader in online banking in France. Boursorama is aiming for net income of around EUR 200 million and profitability (RONE) above 25% under the IRBA in 2025.

The Group is pursuing its ambition of profitable growth in **International Retail Banking** by strengthening its leadership positions in its core geographical regions and capitalising on its strong franchises particularly in the corporate market. The Group is aiming for a cost to income ratio of between 50% and 52% in 2025 and profitability (RONE) above 16% in 2025.

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(1) After deduction of interest on deeply subordinated notes and undated subordinated notes

(2) Subject to General Meeting of Shareholders and regulatory approval

In Insurance, the Group wants to strengthen its bancassurance model by capitalising on its leadership positions in life insurance and enhancing its offering in protection insurance with a strong ESG focus. The strengthening of retirement savings and partnerships are also strategic and differentiating areas of development between now and 2025. Insurance intends to achieve a cost to income ratio of around 40% and profitability (RONE) above 25% under IFRS4.

Mobility becomes the Group's third pillar with the creation of a major global player resulting from ALD's acquisition of LeasePlan. It represents a key development area for the Group, with estimated annual growth in the fleet of more than 6% following the integration of LeasePlan, a cost to income ratio of around 45%(1) and a RONE above 20% in 2025.

In line with the strategic plan presented in May 2021, **Global Banking & Investor Solutions** maintains its ambition to be a major European player with the support of a diversified and resilient business model. It is aiming for a cost to income ratio of between 65% and 68% and profitability (RONE) of between 12% and 14% in 2025.

Global Markets & Investor Services is pursuing the strategy initiated in 2021 regarding diversifying, rebalancing activities, and innovation, particularly in ESG and digital technology, in order to consolidate its positions and seize market opportunities. Risk appetite is set to remain stable over the period in accordance with the objective of ensuring greater resilience and predictability of performance. Global Markets' revenues are expected to be within a range of between EUR 4.7 and 5.3 billion.

Financing & Advisory is a key development area for the Group, with a target of average annual revenue growth of around 3% over the period 2021-2025. The strengthening of the franchises and the diversification of capital allocation towards the most dynamic sectors, customer segments or geographical regions remains a priority (Technology, Media and Telecoms, healthcare, and renewable energies) in the same way as accelerating the dissemination of ESG throughout the business. The Group is also continuing with its investment towards a more integrated, modular, and open platform in the Global Transaction and Payment businesses.

2025 financial targets

Through the execution of strategic initiatives, the selective allocation of capital to the most profitable and fast-growing businesses, and a focus on advisory and fee-generating activities, the Group is aiming for average annual revenue growth above or equal to 3% over the 2021-2025 period based on the lower end of the expected revenue range in Global Markets.

Thanks to the completion of the cost-cutting plans undertaken, the end of the Single Resolution Fund constitution phase and continued strict discipline, the increase in costs is expected to be lower than expected average inflation over the period. On these bases and on the back of revenue growth, the Group is aiming for a cost to income ratio below or equal to 62% in 2025.

Moreover, the cost of risk is expected to be at a normalised level of around 30 basis points in 2025.

In the case of the CET1 ratio, the Group is aiming for a level of 12% in 2025, after taking into account in particular a capital impact from the finalisation of Basel III estimated at around 120 basis points on a fully loaded basis, excluding output floor (or 100 basis points in 2025, taking into account the phase-in), and an attractive shareholder distribution policy.

As a result, the Group's profitability (ROTE) is expected to be 10% in 2025.

(1) Calculated at ALD level: Total of operating expenses/gross margin (excluding the used car sale (UCS) result)

8. 2022 FINANCIAL CALENDAR

2022 and 2023 Financial communication calendar	
November 4th, 2022	Third quarter and nine-month 2022 results
February 8th, 2023	Fourth quarter and FY 2022 results
May 12th, 2023	First quarter 2023 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, 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, in particular in the Covid-19 crisis and Ukraine war context, 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.

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 22**	Q2 21	Variation	**H1 22**	H1 21	Variation
French Retail Banking	539	454	+18.7%	852	666	+27.9%
International Retail Banking and Financial Services	694	522	+33.0%	1,094	914	+19.7%
Global Banking and Investor Solutions	742	506	+46.6%	1,044	853	+22.4%
Core Businesses	**1,975**	**1,482**	**+33.3%**	**2,990**	**2,433**	**+22.9%**
Corporate Centre	(3,457)	(43)	n/s	(3,630)	(180)	n/s
Group	**(1,482)**	**1,439**	**n/s**	**(640)**	**2,253**	**n/s**

NB: Amounts restated in Q1 22 to take into account the transfer of Private Banking activities (French and international) to the French Retail Banking. Includes other activities transferred after the disposal of Lyxor

CONSOLIDATED BALANCE SHEET

In EUR m	30.06.2022	31.12.2021
Cash, due from central banks	183,203	179,969
Financial assets at fair value through profit or loss	380,165	342,714
Hedging derivatives	21,851	13,239
Financial assets at fair value through other comprehensive income	42,561	43,450
Securities at amortised cost	19,376	19,371
Due from banks at amortised cost	82,594	55,972
Customer loans at amortised cost	503,718	497,164
Revaluation differences on portfolios hedged against interest rate risk	(565)	131
Investments of insurance companies	162,621	178,898
Tax assets	4,343	4,812
Other assets	101,824	92,898
Non-current assets held for sale	6	27
Deferred profit-sharing	407	-
Investments accounted for using the equity method	111	95
Tangible and intangible fixed assets	32,615	31,968
Goodwill	3,794	3,741
Total	**1,538,624**	**1,464,449**

In EUR m	30.06.2022	31.12.2021
Due to central banks	9,868	5,152
Financial liabilities at fair value through profit or loss	344,131	307,563
Hedging derivatives	32,133	10,425
Debt securities issued	133,679	135,324
Due to banks	147,871	139,177
Customer deposits	519,431	509,133
Revaluation differences on portfolios hedged against interest rate risk	(6,148)	2,832
Tax liabilities	1,609	1,577
Other liabilities	120,517	106,305
Non-current liabilities held for sale	-	1
Insurance contracts related liabilities	143,435	155,288
Provisions	4,914	4,850
Subordinated debts	17,074	15,959
Total liabilities	**1,468,514**	**1,393,586**
Shareholder's equity	**-**	-
Shareholders' equity, Group share	**-**	-
Issued common stocks and capital reserves	21,735	21,913
Other equity instruments	7,534	7,534
Retained earnings	34,676	30,631
Net income	(640)	5,641
Sub-total	**63,305**	**65,719**
Unrealised or deferred capital gains and losses	1,277	(652)
Sub-total equity, Group share	**64,582**	**65,067**
Non-controlling interests	5,528	5,796
Total equity	**70,110**	**70,863**
Total	**1,538,624**	**1,464,449**

10. APPENDIX 2: METHODOLOGY

1 – The financial information presented for the financial year ending June 30th, 2022 was approved by the Board of Directors on August 2nd, 2022. It has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date. The limited review procedures on the condensed interim financial statements at June 30th, 2022 carried by the Statutory Auditors are currently underway.

2 - Net banking income

The pillars' net banking income is defined on page 41 of Societe Generale's 2022 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 are defined on page 41 of Societe Generale's 2022 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 2022 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.

The contributions to **Single Resolution Fund (« SRF »)** are part of IFRIC21 adjusted charges, they include contributions to national resolution funds within the EU.

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:

in EUR m	H1 22	H1 21	Q2 22	Q2 21
Exceptional operating expenses (-)	**872**	**533**	**(132)**	**(118)**
IFRIC linearisation	570	398	(291)	(203)
Transformation costs[1]	302	135	159	85
Of which related to French Retail Banking	*201*	*60*	*97*	*38*
Of which related to Global Banking & Investor Solutions	*39*	*43*	*25*	*26*
Of which related to Corporate Centre	*62*	*32*	*37*	*21*
Exceptional Net profit or losses from other assets (+/-)	**(3,303)**	**0**	**(3,303)**	**0**
Net losses from the disposal of Russian activities[1]	(3,300)		(3,300)	
Net losses from the disposal of Lyxor[1]	(3)		(3)	
Total exceptional items (pre-tax)	**4,175**	**533**	**3,171**	**(118)**
Reported Net income - Group Share	(640)	2,253	(1,482)	1,439
Total exceptional items - Group share (post-tax)	**3,719**	**394**	**2,987**	**(90)**
Underlying Net income - Group Share	3,079	2,647	1,505	1,349

(1) Allocated to Corporate Centre

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

The cost of risk is defined on pages 43 and 663 of Societe Generale's 2022 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 EURm		Q2 22	Q2 21	H1 22	H1 21
French Retail Banking	Net Cost Of Risk	21	8	68	137
	Gross loan Outstandings	245,710	234,643	244,177	234,298
	Cost of Risk in bp	**3**	**1**	**6**	**12**
International Retail Banking and Financial Services	Net Cost Of Risk	97	121	422	263
	Gross loan Outstandings	141,075	131,344	140,811	130,770
	Cost of Risk in bp	**28**	**37**	**60**	**40**
Global Banking and Investor Solutions	Net Cost Of Risk	69	15	263	18
	Gross loan Outstandings	176,934	145,302	173,842	141,803
	Cost of Risk in bp	**16**	**4**	**30**	**3**
Corporate Centre	Net Cost Of Risk	30	(2)	25	0
	Gross loan Outstandings	14,943	13,561	14,678	13,262
	Cost of Risk in bp	**79**	**(4)**	**34**	**0**
Societe Generale Group	Net Cost Of Risk	217	142	778	418
	Gross loan Outstandings	578,662	524,849	573,508	520,133
	Cost of Risk in bp	**15**	**11**	**27**	**16**

NB: Amounts restated in Q1 22 to take into account the transfer of Private Banking activities (French and international) to the French Retail Banking. Includes other activities transferred after the disposal of Lyxor

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 notion of ROE (Return On Equity) and ROTE (Return On Tangible Equity), as well as the methodology for calculating it, are specified on pages 43 and 44 of Societe Generale's 2022 Universal Registration Document. This measure makes it possible to assess return on equity and Societe Generale's 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 2022 Universal Registration Document.

The net result by the group retained for the numerator of the ratio is the net profit attributable to the accounting group adjusted by the interest to be paid on TSS & TSDI, interest paid to the holders of TSS & TSDI amortization of premiums issues and the impairment of goodwill.

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 (in EURm)	Q2 22	Q2 21	H1 22	H1 21
Shareholders' equity Group share	**64,583**	**63,136**	**64,583**	**63,136**
Deeply subordinated notes	(8,683)	(8,905)	(8,683)	(8,905)
Undated subordinated notes	-	(62)	-	(62)
Interest of deeply & undated subordinated notes, issue premium amortisations(1)	(8)	(1)	(8)	(1)
OCI excluding conversion reserves	854	(699)	854	(699)
Distribution provision(2)	(1,193)	(1,021)	(1,193)	(1,021)
Distribution for N-1	(914)	-	(914)	-
ROE equity end-of-period	**54,638**	**52,448**	**54,638**	**52,448**
Average ROE equity*	**54,833**	**52,161**	**54,751**	**51,856**
Average Goodwill	(3,646)	(3,927)	(3,636)	(3,928)
Average Intangible Assets	(2,723)	(2,542)	(2,738)	(2,524)
Average ROTE equity*	**48,464**	**45,692**	**48,377**	**45,404**
Group net Income	**(1,482)**	**1,439**	**(640)**	**2,253**
Interest on deeply subordinated notes and undated subordinated notes	(159)	(165)	(278)	(309)
Cancellation of goodwill impairment	-	-	2	-
Adjusted Group net Income	**(1,641)**	**1,274**	**(916)**	**1,944**
Average ROTE equity*	48,464	45,692	48,377	45,404
ROTE	**-13.5%**	**11.2%**	**-3.8%**	**8.6%**
Underlying Group net income	**1,505**	**1,349**	**3,079**	**2,647**
Interest on deeply subordinated notes and undated subordinated notes	(159)	(165)	(278)	(309)
Cancellation of goodwill impairment	-	-	2	-
Adjusted Underlying Group net Income	**1,346**	**1,184**	**2,803**	**2,338**
Average ROTE equity (underlying)*	51,451	45,602	52,096	45,797
Underlying ROTE	**10.5%**	**10.4%**	**10.8%**	**10.2%**

(1) Interest net of tax, payable or paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations

(2) The dividend to be paid is calculated based on a pay-out ratio of 50% of the underlying Group net income, after deduction of deeply subordinated notes and on undated subordinated notes

(*) Amounts restated compared with the financial statements published in 2020 (See Note1.7 of the financial statements)

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

In EURm	Q2 22	Q2 21	Change	H1 22	H1 21	Change
French Retail Banking	12,295	12,116	+1.5%	12,058	12,162	-0.9%
International Retail Banking and Financial Services	10,570	10,158	+4.1%	10,794	10,058	+7.3%
Global Banking and Investor Solutions	14,642	13,581	+7.8%	14,386	13,492	+6.6%
Core Businesses	**37,507**	**35,857**	**+4.6%**	**37,238**	**35,713**	**+4.3%**
Corporate Center	17,326	16,306	+6.3%	17,513	16,144	+8.5%
Group	**54,833**	**52,161**	**+5.1%**	**54,751**	**51,856**	**+5.6%**

NB: Amounts restated in Q1 22 to take into account the transfer of Private Banking activities (French and international) to the French Retail Banking. Includes other activities transferred after the disposal of Lyxor

8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 46 of the Group's 2022 Universal Registration Document. The items used to calculate them are presented below:

End of period (in EURm)	H1 22	Q1 22	2021
Shareholders' equity Group share	**64,583**	**65,852**	**65,067**
Deeply subordinated notes	(8,683)	(8,178)	(8,003)
Undated subordinated notes			
Interest of deeply & undated subordinated notes, issue premium amortisations(1)	(8)	(65)	20
Book value of own shares in trading portfolio	(222)	(78)	37
Net Asset Value	**55,669**	**57,531**	**57,121**
Goodwill	(3,667)	(3,624)	(3,624)
Intangible Assets	(2,672)	(2,773)	(2,733)
Net Tangible Asset Value	**49,330**	**51,134**	**50,764**
Number of shares used to calculate NAPS*	**831,045**	**831,044**	**831,162**
Net Asset Value per Share	**67.0**	**69.2**	**68.7**
Net Tangible Asset Value per Share	**59.4**	**61.5**	**61.1**

(1) Interest net of tax, payable or paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations
(*) The number of shares considered is the number of ordinary shares outstanding as at end of period, 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 2022 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 2022 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 22	Q1 22	2021
Existing shares	**842,540**	**845,248**	**853,371**
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	6,041	6,021	3,861
Other own shares and treasury shares	5,416	8,124	3,249
Number of shares used to calculate EPS*	**831,084**	**831,103**	**846,261**
Group net Income	**(640)**	**842**	**5,641**
Interest on deeply subordinated notes and undated subordinated notes	(278)	(119)	(590)
Capital gain net of tax on partial buybacks			
Adjusted Group net income	**(918)**	**723**	**5,051**
EPS (in EUR)	**(1.10)**	**0.87**	**5.97**
Underlying EPS (in EUR)**	**2.87**	**1.00**	**5.52**

(*) Calculated on the basis of underlying Group net income (excluding linearisation of IFRIC 21).
(**) The number of shares considered is the average number of ordinary shares outstanding during the period, 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 following 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 Societe Generale main activities

Update of the pages 28 and 29 of the 2022 Universal Registration Document

Simplified organisation chart at 30 June 2022

Societe Generale Group

Corporate Centre | International Retail Banking & Financial Services | French Retail Banking | Global Banking & Investor Solutions

FRANCE

Corporate Centre

► 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%

International Retail Banking & Financial Services

► Sogessur	100%
► Sogecap	100%
► CGL	99,9%
► Banque Française Commerciale Ocean Indien	50%
► SGEF SA	100%
► ALD	80%

French Retail Banking

► Société Générale*	
► Crédit du Nord	100%
► Boursorama	100%
► Franfinance	100%
► Sogefinancement	100%
► Sogelease France	100%
► Sogeprom	100%
► Société Générale Capital Partenaires	100%

Global Banking & Investor Solutions

► Société Générale*	
► CALIF	100%
► Société Générale Factoring	100%

EUROPE

International Retail Banking & Financial Services

► Hanseatic Bank *Germany*	75%
► Komercni Banka A.S *Czech Republic*	61%
► BRD-Groupe SG *Romania*	60,2%
► Fiditalia S.P.A *Italy*	100%

Global Banking & Investor Solutions

► Société Générale Luxembourg *Luxembourg*	100%
► SG Kleinwort Hambros Limited *United Kingdom*	100%
► SG Investments (U.K.) Ltd *United Kingdom*	100%
► Société Générale International Ltd Londres *United Kingdom*	100%
► Société Générale Effekten *Germany*	100%
► SG Issuer *Luxembourg*	100%
► SGSS Spa *Italy*	100%
► SG Private Banking *Switzerland*	100%
► SG Private Banking *Monaco*	100%

► Société Générale* succursales de :
Londres *United Kingdom*
Milan *Italy*
Francfort *Germany*
Madrid *Spain*

AFRICA - MEDITERRANEAN AREA

International Retail Banking & Financial Services

► SG Marocaine de Banques *Morocco*	57,7%
► Société Générale Algérie	100%
► Société Générale Côte d'Ivoire	73,2%
► Union Internationale de Banques	55,1%

AMERICA

Global Banking & Investor Solutions

► Banco SG Brazil SA *Brasil*	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

Global Banking & Investor Solutions

► 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*
Singapour
Mumbaï
Sydney

2.4 Significant new products or services

2.4.1 Societe Generale, one of the founding members of a climate-aligned finance framework to support aviation industry decarbonization

London/Paris/New York, 7 April 2022

The Bank is part of a group of six global lenders committed to developing a climate-aligned finance agreement dedicated to the aviation sector.

Societe Generale announces it is joining the Aviation Climate-Aligned Finance (CAF) Working Group as one of its founding members, along with five other leading lenders of the aviation industry who will work together at defining common standards to foster decarbonization of the sector. The Working Group aims to create a collective climate-aligned finance framework by end of 2022.

Consistent with the UN-convened Net-Zero Banking Alliance (NZBA), the participating financial institutions will annually assess and disclose the degree to which the greenhouse gas emissions from aircraft, airlines and lessors that they finance are in line with 1.5°C climate targets.

The framework will establish common methodologies and goals of their aviation financings, and will help create a level playing field for measuring progress against climate targets. With the CAF framework, financial institutions will be able to further work with their clients to support their transition journey by funding lower-carbon solutions and supporting investments in new technologies.

The aviation CAF framework, based on the experience gained from the Poseidon Principles for maritime shipping and the soon-to-be-launched CAF agreement for steel, is intended to be designed for similar rapid adoption by aviation financiers globally.

Being a founding member of the UNEP-FI Net Zero Banking Alliance, Societe Generale is committed to working with its clients and partners across sectors to align its portfolios on trajectories aimed at global carbon neutrality by 2050. By joining this leading coalition, Societe Generale is reaffirming its long-term commitment to support energy transition and looks forward to supporting its clients in meeting their own reduction emissions targets.

“As a founding member of the Aviation Climate-Aligned Finance Working Group, our ambition is to help define within a short timeframe a clear and transparent pathway consistent with the objectives of the Paris Agreement, for the benefit of all stakeholders involved in the air transportation industry. After the Poseidon Principles for maritime shipping and the Steel initiative, Societe Generale is proud to be part of the driving force to shape the future of a decarbonized aviation industry.” comments Yann Sonnallier, Global Head of Aviation Finance at Societe Generale.

2.4.2 Launch of Societe Generale’s payment & transaction banking start-up accelerator

Paris / London, 14 April 2022

Societe Generale launches its first acceleration programme dedicated to startups linked to Trade Finance, Cash Management, Factoring, and Cash Clearing & Correspondent Banking activities.

The Group, a partner of many startups, is launching a new call for projects to improve the customer experience in the transaction banking sector, by increasing the performance and productivity of its activities. With the new “Payment & Transaction Banking Accelerator” (P&T BAX), Societe Generale aims to repeat the successful experience of the previous four Global Markets Incubator initiatives that have enabled startups to emerge and develop in partnership with Societe Generale.

The P&T BAX programme is a unique opportunity for entrepreneurs to convert innovative ideas into market-ready solutions and to gain valuable exposure to the industry. The proposed solutions may be related to data, client communication interfaces, CSR, the fight against fraud, amongst other topics. The selected startups will have access to Societe Generale’s expertise, with the opportunity to present their solutions and services to real-life business environments.

“In a constantly changing environment, Societe Generale's payment & transaction banking activities are accelerating their digital transformation thanks to their ability to collaborate with startups. By combining our respective expertise and

cultures, we are resolutely accompanying our customers into the world of tomorrow." – Alexandre Maymat, Head of Global Transaction & Payment Services at Societe Generale.
"Being innovative and pioneering is part of Societe Generale's DNA. With the 'Payments & Transaction Banking Accelerator', we are taking a strong role in supporting the startup ecosystem and in transforming transaction banking activities." – Claire Calmejane, Chief Innovation Officer for Societe Generale Group.
Candidates can apply until 31 May 2022 on ptb-accelerator.societegenerale.com. The selection process will commence in June, with the list of selected startups announced on 19 July 2022. The six-month incubation period will start from September 2022.
Watch the presentation video: https://sg.fr/PTBAX

2.4.3 Societe Generale Private Banking continues its responsible commitment by offering a new positive impact fund dedicated to the climate

Paris, 11th May 2022
Faced with growing environmental and societal challenges, our clients want to give more meaning to their investments. To meet this need, in line with the Group's commitments, Societe Generale Private Banking launches a new fund dedicated to the climate: "Moorea Fund - Sustainable Climate Action".
Created by the synergy between the two private banking management companies - Societe Generale Private Wealth Management and SG 29 Haussmann - this fund is in line with the United Nations Sustainable Development Goals (SDGs).
As a major challenge for our society, climate change is at the heart of all concerns; around the world, companies, governments and citizens are mobilizing to deal with it.
Thanks to this global awareness, the levers for a change in climate trajectory have been clearly identified: the evolution of regulations, demand and our economies. The companies at the heart of this change are thus gradually getting involved and creating new investment opportunities. In this new context which is increasingly favorable to eco-sectors and facilitating environmental initiatives, it seems essential to us to also guide the client towards impact investments.
Over the long term, our belief is that companies that take environmental and social concerns into account and maintain a high level of corporate governance are likely to be key investments. This sustainable approach makes it possible to grasp the dynamics of the equity markets and associate it with the development of eco-sectors.
Our determination is to offer a fund that aims for long-term capital appreciation and to generate a positive environmental impact through investments in shares issued by companies that operate in sustainable eco-sectors and develop solutions that contribute actively to the environmental transition. Sustainable eco-activities include but are not limited to renewable energy, energy efficiency, green mobility, green buildings, sustainable water and agriculture, circular economy.
Based on an investment philosophy initiated several years ago, this fund aims more specifically to:

- Invest in international companies with a strong environmental impact,
- Deliver a carbon intensity significantly lower than 20% compared to the MSCI World All Country index (MSCI ACWI Index),
- Offer a portfolio aligned with the Paris scenario – maximum global warming of 1.5 to 2°C above pre-industrial levels.

"This fund is the culmination of extensive fundamental and quantitative research. It provides our delegated customers with an effective solution that reconciles the protection of their savings and the pursuit of sustainable development objectives" commented Guillaume de Martel, Executive Chairman of SG 29 Haussmann.
"We want to offer a full range of solutions and strategies, dedicated to sustainable and responsible investments and developed for private investors. We are indeed convinced that a solid corporate social responsibility policy is synonymous with sustainable financial performance," explains Alexandre Cegarra, CEO of SGPWM.
To ensure the consistency of the actions proposed, the companies selected for the "Moorea Fund: Sustainable Climate Action" meet both ESG (environmental, social and governance) criteria and also demanding financial criteria. In addition to a solid and established business model, companies must present sustainable growth prospects, an excellent balance sheet and a proven ability to obtain an appropriate return on its equity.
Finally, this UCITS fund has a European passport that meets the highest level of European regulations on sustainable finance (SFDR* art.9) and presents a UCITS 6 risk/return profile.

**SFDR: SGPWM (as financial manager by delegation of mandates) is subject to the new European regulation "SFDR" (Sustainable Finance Disclosure Regulation) adopted on November 27, 2019 by the European Parliament and the Council of the European Union and implemented implemented since March 2021. The purpose of this regulation is to harmonise, at European level, the consideration and communication by portfolio managers of extra-financial criteria with the aim of greater transparency vis-à-vis their clients. Extra-financial criteria make it possible to assess the action of economic agents on sustainable development issues and are grouped under the 3 ESG pillars (Environment, Social, Governance).*

2.4.4 Societe Generale acted as financial advisor and MLA for Provence Grand Large, the first ever project financing of a floating offshore wind farm

Paris / London, 1st June 2022

Societe Generale, in its role as Financial Advisor and Mandated Lead Arranger (MLA), worked with Provence Grand Large (PGL) and the sponsors - EDF Renouvelables and Enbridge Éolien France 2 S.à.r.l, a subsidiary of Enbridge Inc. and CPP Investments, to raise financing for France's first floating wind pilot project.

PGL successfully raised a debt package of ca. EUR 300m from a syndicate of eight commercial banks, including Societe Generale, and the European Investment Bank.

This transaction is the first ever limited-recourse project financing for a floating wind project in construction, representing a key milestone in the development of what is expected to be a rapid global expansion of the floating wind sector.

Nathalie Lemarcis, Co-Head London Energy Advisory and Project Finance, Societe Generale, said "We have long seen floating wind as a key technology for driving the global growth in deployment of offshore wind and we are very proud that Provence Grand Large, EDF Renouvelables and Enbridge Éolien France 2 S.à.r.l, a subsidiary of Enbridge Inc. and CPP Investments, put their trust in Societe Generale to structure and deliver the project financing for what we consider to be a landmark transaction for the industry."

Provence Grand Large is a pilot floating offshore wind project with a capacity of 25 MW located in the Mediterranean Sea, 17 kilometres off Port-Saint-Louis-du-Rhône, near Marseille. It will be the first project using the tension leg platform technology, with floaters designed by SBM Offshore and IFP Energies Nouvelles. The project's three floating wind turbines will be supplied by Siemens Gamesa.

For Societe Generale, this financing represents the latest step on a journey that started several years ago, having recognised the global potential for floating offshore wind to access areas of deeper water not suitable for fixed foundations. Having worked with several clients on the bankability of various floating wind technologies over the past few years, PGL represents a validation of our confidence that floating wind is a bankable asset class. We are also very pleased to be a lender (MLA) in the debt facilities.

The PGL transaction is a perfect example of the bank's long-standing expertise and proven track record* for innovation in energy infrastructure projects with strong advisory, technical and financing capabilities to support our clients in the energy transition in all areas including the integration of renewables with hydrogen, storage and other emerging technologies.

* #1 Financial Advisor for project finance on a worldwide basis

* #3 Mandated Lead Arranger for project finance on a worldwide basis

Source: IJGlobal FY 2021

** Societe Generale was named Bank of the Year for Sustainability by IFR, "Europe Bank of the Year" by PFI for 2021, Europe & Africa Financial Adviser of the Year by IJGlobal for 2021 and MLA of the Year by IJGlobal for 2021.*

2.4.5 Societe Generale Factoring launches a range of solutions related to environmental and social criteria

Paris / London, 8 June 2022

Two new ESG1 solutions from Societe Generale Factoring aim to support corporate treasurers with their transition towards more sustainable growth models.

In order to support its clients with their ESG transition goals, Societe Generale Factoring, a Group subsidiary specialising in short-term financing solutions for businesses, is launching two new categories of ESG offers, which are applicable to its flagship products serving corporate clients. These include receivable finance, supply chain finance and forfaiting (discounting of commercial bills).

"With these new offers, Societe Generale Factoring contributes to Societe Generale Group's commitment to support our corporate clients' transition to more ecological and inclusive development models. These solutions help strengthen our relationship and advisory work with our clients," says Aurélien Viry, CEO of Societe Generale Factoring.

Environmental and/or social financing

The first category of solutions proposed by Societe Generale Factoring aims to finance business activities with positive environmental or social impacts.

Eligible environmental projects2 must involve underlying assets in a list of eligible categories, such as renewable energy, waste management, clean transportation, hydrogen and sustainable water and waste-water management.

Eligible social projects2 concern the financing of social or societal claims from, for example, social and solidarity-based companies and associations, education and training, or social housing. The sectors principally concerned include

healthcare, in particular hospitals, health insurance, as well as organisations caring for adults and children with disabilities.
A sustainability-linked offer
The sustainability-linked (SL) solution is aimed at companies that have developed an ambitious CSR (Corporate Social Responsibility) strategy to improve the environmental and social impacts of their activities. It rewards the achievement of CSR objectives as defined by our clients.
This approach encourages the transition of companies and their suppliers to more sustainable growth models. It is particularly appropriate for Supply Chain Finance programmes of large corporates that have many suppliers, such as mass retailers or industrial manufacturers.
Societe Generale Factoring demonstrates once again its capacity to develop specialist and innovative solutions to support its clients' growth in a sustainable and responsive manner.
Notes:
1 ESG: Environmental, Social and Governance
2 Eligible environmental and social projects match the criteria based on Societe Generale's internal standards.

2.5 Analysis of the consolidated balance sheet

2.5.1 Consolidated balance sheet

ASSETS

In EUR m	30.06.2022	31.12.2021
Cash, due from central banks	183,203	179,969
Financial assets at fair value through profit or loss	380,165	342,714
Hedging derivatives	21,851	13,239
Financial assets at fair value through other comprehensive income	42,561	43,450
Securities at amortised cost	19,376	19,371
Due from banks at amortised cost	82,594	55,972
Customer loans at amortised cost	503,718	497,164
Revaluation differences on portfolios hedged against interest rate risk	(565)	131
Investments of insurance companies	162,621	178,898
Tax assets	4,343	4,812
Other assets	101,824	92,898
Non-current assets held for sale	6	27
Deferred profit-sharing	407	-
Investments accounted for using the equity method	111	95
Tangible and intangible fixed assets	32,615	31,968
Goodwill	3,794	3,741
Total	**1,538,624**	**1,464,449**

LIABILITIES

In EUR m	30.06.2022	31.12.2021
Due to central banks	9,868	5,152
Financial liabilities at fair value through profit or loss	344,131	307,563
Hedging derivatives	32,133	10,425
Debt securities issued	133,679	135,324
Due to banks	147,871	139,177
Customer deposits	519,431	509,133
Revaluation differences on portfolios hedged against interest rate risk	(6,148)	2,832
Tax liabilities	1,609	1,577
Other liabilities	120,517	106,305
Non-current liabilities held for sale	-	1
Insurance contracts related liabilities	143,435	155,288
Provisions	4,914	4,850
Subordinated debts	17,074	15,959
Total liabilities	**1,468,514**	**1,393,586**
Shareholder's equity	**-**	-
Shareholders' equity, Group share	**-**	-
Issued common stocks and capital reserves	21,735	21,913
Other equity instruments	7,534	7,534
Retained earnings	34,676	30,631
Net income	(640)	5,641
Sub-total	**63,305**	**65,719**
Unrealised or deferred capital gains and losses	1,277	(652)
Sub-total equity, Group share	**64,582**	**65,067**
Non-controlling interests	5,528	5,796
Total equity	**70,110**	**70,863**
Total	**1,538,624**	**1,464,449**

As at 30 june 2022, the Group's consolidated balance sheet totaled EUR 1,538.6 billion, i.e. an increase of EUR 74.1 billion (+5.1%) compared to 31 December 2021 (EUR 1,464.5 billion).

2.5.2 Main changes in the scope of consolidation

The main change to the consolidation scope as at 30 June 2022, compared with the scope applicable at the closing date of 31 December 2021, is as follow:

SALE OF ROSBANK AND ITS INSURANCE SUBSIDIARIES IN RUSSIA

Societe Generale announced on 18 May 2022 the finalization of Rosbank sale and its insurance subsidiaries in Russia to Interros Capital.

The financial consequences of this sale are presented below:
− A reduction in the Group's total balance sheet of EUR 16 billion mainly including a decrease in customers loans of EUR 10 billion and a decrease in customer deposits of EUR 13 billion.
− A loss on this disposal, reported in net profits on other assets in 2022, of EUR -3.3 billion before tax. This loss includes a translation difference recycled in P&L for EUR -0.5 billion, cumulated amount at 18 May after an increase of EUR 0.5 billion following the hike of the Ruble since 1 January 2022.

2.5.3 Changes in major consolidated balance sheet items

Cash, due from central banks and due to central banks increased respectively by EUR 3.2 billion (+1.8%) & EUR 4.7 billion (+90.4%) compared to 31 December 2021. The increase in liabilities is due to the growth of current accounts with central banks.

Financial assets at fair value through profit or loss increased by EUR 37.5 billion (+10.9%) compared to 31 December 2021. This evolution is the result of an increase in repurchase agreements of EUR 53.4 billion, an increase in trading derivatives of EUR 10.4 billion due to the increase in foreign exchange rate instruments of EUR 13.0 Md; offset by a decrease in share and other equity securities of EUR 30.8 billion.

Financial liabilities as fair value through profit or loss increased by EUR 36.5 billion (+11.9%) compared to 31 December 2021. This evolution is mainly due to the increase in borrowing and repurchase agreements of EUR 32 billion, and in bonds and other debt instruments of EUR 3 billion, offset by the decrease of financial instruments at fair value through profit or loss on options EUR -1.6 billion.

Due from banks at amortised cost increased by 26.6 billion (+47.5%) compared to 31 December 2021, as a result of the increase in securities purchased under resale agreements for EUR 17.5 billion and the increase in current accounts for EUR 9.3 billion.

Customer loans at amortised cost increased by EUR 6.5 billion (+1.3%) compared to 31 December 2021, mainly explained by the increase in customer loans of EUR 10.9 billion offset by the decrease of EUR (3.1) billion of securities purchased under resale agreements.

Customer deposits increased by EUR 10.3 billion (+2%) compared to 31 December 2021, due to an increase in customer sight deposits of EUR 7.6 billion, an increase in special savings accounts of EUR 2.9 billion linked to Boursorama exclusive offer to ING customers in France following ING decision to withdraw from the retail banking market in France.

Due to banks increased by EUR 8.7 billion (+6.3%) compared to 31 December 2021 mainly as a result of the increase in term deposits of EUR 5.5 billion, the current account of EUR 2.1 billion and the increase of securities sold under repurchase agreements of EUR 2.1 billion.

Investments of insurance companies decreased by EUR (16.3) billion (-9.1%) compared to 31 December 2021, due to the decrease in financial assets measured at fair value through profit or loss of EUR (8) billion and the decrease of debt securities at fair value through other comprehensive income EUR (7.9) billion.

Insurance contracts related liabilities decreased by EUR (11.9) billion (-7.7%) compared to 31 December 2021, due to the decrease in insurance companies' technical provisions.

Other assets increased by EUR 8.9 billion (+9.6%) compared to 31 December 2021, mainly due to the increase in settlement accounts on securities transactions EUR 4.7 billion and the increase of miscellaneous receivable of EUR 4 billion.

Other liabilities increased by EUR 14.2 billion (+13.4%) compared to 31 December 2021. This evolution is explained by an increase in guarantee deposits received of EUR 8.6 billion, an increase in securities settlement accounts payable of EUR 4.1 billion and an increase in other sundry creditors of EUR 3.9 billion.

The Group shareholders' equity amounted to EUR 64.6 billion as at 30 June 2022 versus 65.1billion as at 31 December 2021. This variation was attributable primarily to the following factors:

- Net income group share for half year 2022: EUR -0.6 billion.

- Distribution of dividends: EUR -1.4 billion;
- Unrealised or deferred capital gains and losses: EUR +1.3 billion.

After taking into account the non-controlling interest (EUR 5.5 billion), the Group shareholders' equity totalled EUR 70.1 billion as at 30 June 2022.

2.6 Property and equipment

The gross book value of the Societe Generale group's tangible operating fixed assets amounted to EUR 47 billion as at 30 June 2022. This figure comprises land and buildings (EUR 5.3 billion), right of use (EUR 3.1 billion), assets leased by specialised financing companies (EUR 32.7 billion) and other tangible assets (EUR 5.9 billion).

The net book value of the tangible operating assets and investment property amounted to EUR 29.2 billion, representing only 2% of the consolidated balance sheet as at 30 June 2022.

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

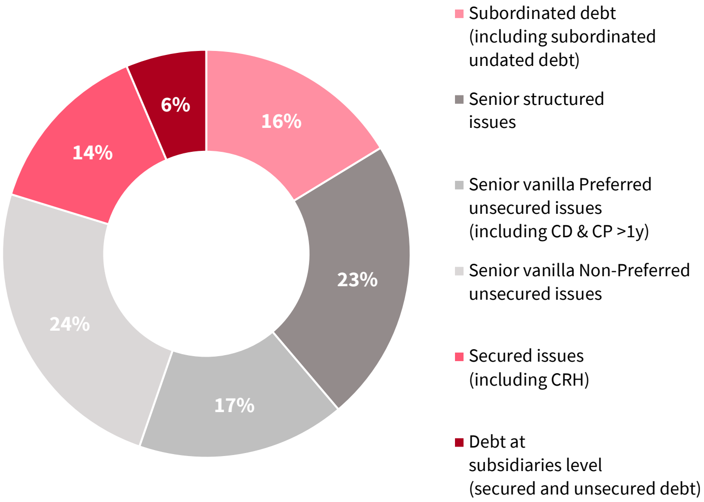
2.7 Financial policy

Group debt policy – Update of pages 53 and 54 of the 2022 Universal Registration Document

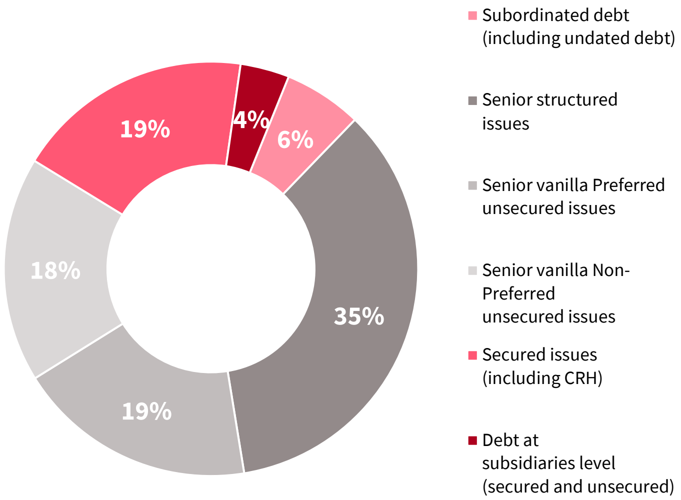
Group short-term and long-term debt totalled EUR 209.1 billion at 30 June 2022, of which:

- EUR 12.4 billion issued by conduits (short term), and
- EUR 43.1 billion related to senior structured issues of small denomination (below EUR 100,000), predominately distributed to retail clients.

GROUP LONG-TERM SECURITIES DEBT AT 30.06.2022: EUR 161.7bn



COMPLETION OF THE FINANCING PROGRAMME AT END-JUNE 2022: EUR 31.5bn



2.8 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.

Business division	Description of disposals
2022	
International Retail Banking and Financial Services	Disposal of Rosbank and its Russian insurance subsidiaries
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

2.9 Statement on post-closing events

Update of the page 57 of the 2022 Universal Registration Document

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 5th, 2022 under n° D-22-0080-A01 and other than described in the amendment to the universal registration document filed with the AMF on August 4th, 2022 under n° D-22-0080-A02, no significant change in the financial performance of the group occurred.

3. CORPORATE GOVERNANCE

3.1 Annual general meeting dated 17 May 2022

Extract from press release dated 17 May 2022

The General Meeting of shareholders of Societe Generale was held on 17 May 2022 at Paris-Expo- Porte de Versailles - Hall 5.1 and was chaired by Mr Lorenzo Bini Smaghi.

Quorum was established at 54.83% (vs 58.556% in 2021):

- 529 shareholders attended the General Meeting;
- 854 shareholders were represented;
- 10 738 shareholders voted online;
- 120 shareholders voted by post;
- 10 091 shareholders, including 7 201 online, representing 0,94 % of the share capital, gave proxy to the Chairman;
- 25 332 shareholders were present or represented.

The agenda item was an opportunity to present and discuss with shareholders the Group's energy transition plan and social and environmental responsibility.

In addition, 12 shareholders sent written questions prior to the Assembly. The answers were made public before the General Meeting on the institutional website.

All the resolutions put forward by the Board of Directors were adopted, in particular:

- The 2021 annual and consolidated accounts;
- The dividend per share was set at EUR 1,65. It shall be detached on 25 May 2022 and paid from 27 May 2022;
- Three directors were renewed for 4 years: Mr Lorenzo BINI SMAGHI, Mr Jérôme CONTAMINE et Mrs Diane CÔTÉ;
- 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 2021 financial year to the Chairman and the Chief Executive Officers;
- The authorization to buy back shares which had been granted to the Board of Directors were renewed for 18 months in the limit of 10% of the capital;
- Authorisations for capital increases, including the authorisation to issue shares to employees under a company or group savings plan, as well as the authorisation to grant performance shares issued or to be issued, for 26 months.

3.2 Board of Directors

After the General Meeting, on the proposal of the Nomination and Corporate Governance Committee, the Board of Directors, unanimously, reappointed Mr Lorenzo Bini Smaghi as Chairman of the Board of Directors.

Following the renewal of the Board of Directors, the composition of the Board of Directors remains unchanged:

- 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, Director elected by employees;
- Mrs Annette Messemer;
- Mr Gérard Mestrallet;
- Mr Juan Maria Nin Génova;
- Mr Henri Poupart-Lafarge;
- Mr Johan Praud, Director elected by employees;
- Mrs Lubomira Rochet;
- Mrs Alexandra Schaapveld;
- Mr Sébastien Wetter, Director representing employees shareholders.
- Mr Jean-Bernard Lévy, Non-voting Director (“censeur”).

The Board of Directors remains composed of 42% women and more than 90% (11/12) independent directors if we exclude from the calculations the three directors representing the employees in accordance with paragraph 1 of Article L. 225-23 of the Commercial Code, paragraph 2 of Article L. 225-27 of the Commercial Code and the AFEP-MEDEF code.

The composition of the Board committees remains as follows:

- **Audit and Internal Control Committee:** Mrs Alexandra Schaapveld (chairwoman), Mr Jérôme Contamine, Mrs Diane Côté, Mrs Kyra Hazou and Mrs Annette Messemer;
- **Risk Committee:** Mr William Connelly (chairman), Mrs Diane Côté (since 1st November 2021), Mrs Kyra Hazou, Mrs Annette Messemer, Mr Juan Maria Nin Génova and Mrs Alexandra Schaapveld ;
- **Compensation Committee:** Mr Jérôme Contamine (chairman), Mrs France Houssaye, Mr Gérard Mestrallet and Mr Juan Maria Nin Génova;
- **Nomination and Corporate Governance Committee:** Mr Gérard Mestrallet (chairman), Mr William Connelly, Mr Henri Poupart-Lafarge and Mrs Lubomira Rochet.

Biographies

Mr Lorenzo Bini Smaghi, born on 29 November 1956, Italian nationality, holds a degree in Economic Sciences from the Université Catholique de Louvain (Belgium) and a Ph.D in Economic Sciences from the University of Chicago. He began his career in 1983 as an economist in the Research Department of the Bank of Italy. In 1994, he was appointed Head of the Policy Division of the European Monetary Institute. In October 1998, he took up the position of Director-General of International Financial Relations in the Italian Ministry of Economy and Finance. He was Chairman of SACE from 2001 to 2005. From June 2005 to December 2011, he was a member of the Executive Board of the European Central Bank. From 2012 to 2016, he was Chairman of the Board of Directors of SNAM (Italy). From 2016 to 2019, he was Chairman of the Board of Directors of Italgas (Italy). He has been Chairman of the Board of Directors of Societe Generale since 2015.

Mr Jérôme Contamine, born on 23 November 1957, French nationality, graduate of France’s École polytechnique, ENSAE and École nationale d’administration. After spending four years as an auditor at the Cour des Comptes (the supreme body for auditing the use of public funds in France), he held various operating positions at Total. He was Chief Financial Officer of Veolia Environnement from 2000 to 2009. He held the position of Director at Valeo from 2006 to 2017. He became Chief Financial Officer of Sanofi in 2009, a position he held until 2018. He has also been a director and member of the TotalEnergies Audit Committee since 2020 and Chairman of Sigatéo since 2018.

Mrs Diane Côté, born on 28 December 1963, Canadian nationality, graduate of Ottawa University, where she majored in Finance and Accounting. From 1992 to 2012, she performed key functions in the Audit, Risk and Finance Divisions of diverse insurance companies (Prudential, Standard Life and Aviva) in Canada and the United Kingdom. From 2012 until 1 February 2021, she was Chief Risk Officer and member of the Executive Committee of the London Stock Exchange Group (LSEG). She has been an independent Director of X-Forces Enterprises (UK) since 16 April 2021.

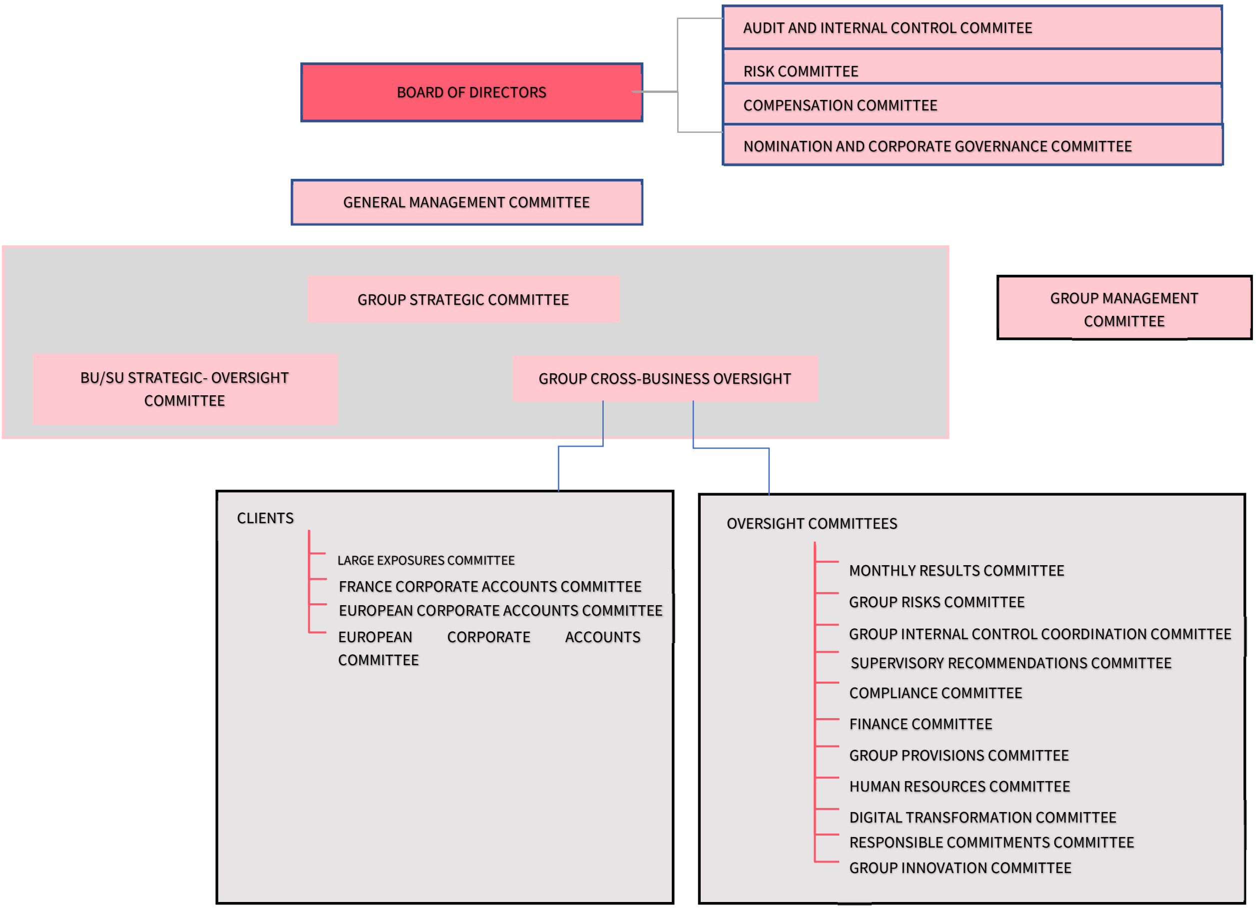
3.3 General Management

Press release dated 17 May 2022

At the Annual General Meeting held on 17 May 2022, Frédéric Oudéa, Group Chief Executive Officer since 2008, announced that he would not be seeking the renewal of his term of office as Director and Chief Executive Officer in May 2023. Lorenzo Bini Smaghi, Chairman of the Board of Directors, indicated that a process to select a new Chief Executive Officer has been approved based on a proposal from the Nomination and Corporate Governance Committee and will be completed by 2023. Frédéric Oudéa's term expires at the end of the Annual General Meeting to be held on 23 May 2023. The Board of Directors acknowledged Frédéric Oudéa's decision and reiterated its confidence in him to lead the Group until that time.

3.4 Governance bodies

Update on page 93 of 2022 Universal Registration Document



3.5 Remuneration of Group Senior Management

Update on page 100 of 2022 URD related to individual extra-financial targets of the Deputy Chief Executive Officer in charge of the French and international networks

The objectives of the Deputy Chief Executive Officer in charge of the French and international networks will concern:

- Continued growth and development of Boursorama and operational management of the crisis linked to the situation in Ukraine and Russia;
- Proper execution and compliance with the milestones of the Vision 2025 project of the French networks with a view to the merger, which is expected to take place in 2023.

Replacing the following paragraph:

The objectives of the Deputy Chief Executive Officer in charge of the French and international networks will concern:

- Continued growth and development of Boursorama and international networks;
- Proper execution and compliance with the milestones of the Vision 2025 project of the French networks with a view to the merger, which is expected to take place in 2023.

4. RISKS AND CAPITAL ADEQUACY

4.1 Risk factors

Update of pages 148 to 160 of the 2022 Universal Registration Document

4.1.1 Risks related to the macroeconomic, geopolitical, market and regulatory environments

4.1.1.1 The global economic and financial context, geopolitical tensions, as well as the market environment in which the Group operates, may adversely affect its 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 49% of its business in France (in terms of net banking income for the financial year ended 31 December 2021), 32% in Europe, 7% in the Americas and 12% in the rest of the world. The Group could face significant deteriorations 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 and natural gas), 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 whose effects may not have been 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 economic and financial environment is currently exposed to intensifying geopolitical risks. The war in Ukraine which began in February 2022 has led to historically high tensions between Russia and Western countries, with significant potential impacts on global growth and energy and raw materials prices, as well as a humanitarian impact. Considering the substantial uncertainty generated by this situation, both in terms of duration and scale, these disruptions could persist throughout 2022 and have a significant impact on the activity and profitability of certain Group counterparties

The exceptional economic and financial sanctions put in place by a large number of countries, particularly in Europe and the United States, against Russia and Belarus could significantly affect operators with direct or indirect links to Russia, with a material impact on the Group's risks (credit and counterparty, market, reputation, compliance, legal, operational, etc.). New international sanctions or Russian countermeasures could have an impact on the global economy and consequently on the Group's risks. The Group will continue to analyze in real time the global impact of the evolution of this crisis and to take all necessary measures to comply with applicable regulations.

This crisis could also generate strong volatility on the financial markets and a significant drop in the price of certain financial assets. Certain counterparties could experience payment defaults, with consequences that are difficult to anticipate for the Group.

On 18 May 2022, Société Générale finalized the sale of its Russian subsidiary Rosbank and its insurance subsidiaries to Interros Capital.

In a context of the continuing Covid-19 pandemic, new lockdown measures in China, disruptions to global raw material supply chains related to port congestion, tensions in the labor market and rising energy prices have resulted in an overall increase of inflation. Natural gas prices have risen sharply, particularly in Europe, and are still very volatile, contributing to significant uncertainty about the supply of certain European countries. With regard to foodstuffs, recent extreme weather events have led some emerging countries to restrict exports, including cereals in particular.

In the United States, inflationary pressures also resulted from the massive government stimulus package implemented to cope with the Covid-19 pandemic, which has strongly boosted demand, as well as from the increase in wages. Emerging countries are also facing inflationary pressures, particularly in connection with the increase in food prices, which represent a larger share of the consumer basket.

After a long period of low interest rates, the current inflationary environment is contributing to the emergence of a higher interest rate regime and is leading global central banks to raise rates. Valuation levels have increased in recent years in a context of particularly low risk premiums. They could be affected by rising interest rates. Central banks in emerging countries have started their monetary tightening cycle from the beginning of 2021 and have been followed by major central banks such as the Bank of England and the US Federal Reserve. Rate increases are expected to continue in order to fight inflation, and the European Central Bank (ECB) is expected to make its first rate increase in July 2022.

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.

In the event of further inflationary pressures or overreaction by central banks, a sharp correction could be observed in the financial markets due to increased risk aversion, widening credit spreads and an additional and general appreciation of the US dollar. This could particularly affect emerging countries whose debt is mainly denominated in US dollars, such as sub-Saharan African countries and Turkey.

The Group also operates in emerging markets in Central Europe and Africa/Middle East. These markets may be affected by uncertainty factors and specific risks, such as an increase in oil and natural gas prices, which would weigh on the financial position of importing countries. 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. A major source of uncertainty currently comes from the ongoing conflict in Ukraine and its humanitarian, economic and financial consequences.

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.

As a general rule, the Group retains the residual value risk on its leased vehicles and sells vehicles returned by its clients at the end of the lease, at a profit or loss. Gross operating profit from such vehicle sales totalled EUR 437.7 million in 2021, well above the EUR 61.1 million and EUR 75 million recorded in the years ended in December 2020 and 2019, respectively. For the half year 2022, ALD recored EUR 437.2 million vs. EUR 125.3 million the previous year.

Although economies have recovered strongly in 2021 from the initial effects of the pandemic, continued disruptions in supply chains have not allowed OEMs to return to pre-pandemic production levels. Due to the shortage of new car supply, demand for used vehicles has risen, pushing up resale prices sharply. As a result, ALD recorded a historically high result on used vehicle sales in 2021 and in the half year 2022.

In addition, due to the lack of supply of new cars, the demand for used vehicles has increased, pushing up resale prices sharply. As a result, ALD recorded a historically high result on the sale of used vehicles in 2021 and in the first half of 2022.

The Group is exposed to a potential loss in a financial year from (i) resale of vehicles related to leases which expire during the period whose resale value is lower than their net carrying amount and (ii) additional impairment during the lease period if residual value drops below contractual residual value.

Future sales and estimated losses are impacted by external factors such as macroeconomic conditions, government policies, tax and environmental regulations, consumer preferences, new vehicle prices, etc.

The Group anticipates that supply chains may not return to normal before the end of 2022, which could support the resale prices of used vehicles.

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The Group anticipates that supply chains may not return to normal before the end of 2022, which could support the resale prices of used vehicles.

Moreover, the US-China confrontation brings with it trade tension and the risks of technological fragmentation. In Africa, a series of coups in the Sahel region has heightened awareness of the fragility of the institutional frameworks of countries exposed to terrorism.

With regard to 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 therefore on the Group's business.

4.1.1.2 The coronavirus pandemic (Covid-19) and its economic consequences could adversely affect the Group's business and financial performance.

The impact of the crisis related to the Covid-19 will have lasting consequences that still remain difficult to assess, 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. Moreover, strict lockdown measures in China have had a negative impact on the country's economy, considerably slowing production lines and impacting exportations to Asian countries as well as to Europe.

The various restrictive measures implemented since the beginning of the pandemic in several of the main countries where the Group operates (with Western Europe representing 68% of the Group's EAD as of 30 June 2022, of which 46% was in France) have had a significant impact on economic activity. The risk of new restrictive measures (especially in the event of new pandemic waves) as well as a slower-than-expected recovery of demand (particularly in certain economic sectors) could increase the economic difficulties resulting from the health crisis. This, combined with a high level of public and corporate indebtedness, may constitute a brake on economic growth and lead to significant adverse repercussions on the credit quality of the Group's counterparties (affected in particular by the gradual cessation of government support measures or by difficulties in extending these measures) and the level of non-performing loans for both businesses and individuals.

Within the Corporate portfolio, as of 30 June 2022, the most impacted sectors have been the automotive sector (1.0% of the Group's total exposure), hotels and catering (0.6% of the Group's total exposure), non-food retail distribution and air transport (0.3% of the Group's total exposure).

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. Even though the Group has put in place adaptation and support measures, these risks remain higher in periods of widespread recourse to remote working.

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.

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.

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

Through the execution of strategic initiatives, the selective allocation of capital to the most profitable and fast-growing businesses, and a focus on advisory and fee-generating activities, the Group is aiming for average annual revenue growth above or equal to 3% over the 2021-2025 period based on the lower end of the expected revenue range in Global Markets.

Thanks to the completion of the cost-cutting plans undertaken, the end of the Single Resolution Fund constitution phase and continued strict discipline, the increase in costs is expected to be lower than expected average inflation over the period. On these bases and on the back of revenue growth, the Group is aiming for a cost to income ratio below or equal to 62% in 2025.

Moreover, the cost of risk is expected to be at a normalised level of around 30 basis points in 2025.

In the case of the CET1 ratio, the Group is aiming for a level of 12% in 2025, after taking into account in particular a capital impact from the finalisation of Basel III estimated at around 120 basis points on a fully loaded basis, excluding output floor (or 100 basis points in 2025, taking into account the phase-in), and an attractive shareholder distribution policy.

As a result, the Group's profitability (ROTE) is expected to be 10% in 2025.

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.

Following ALD's announcement of its plan to acquire LeasePlan on 6 January 2022, Société Générale and ALD announced on 22 April 2022 the signature of a framework agreement, with the aim of creating a global leader in mobility solutions. However, this acquisition may not materialize, in whole or in part, resulting in a reduction or the elimination of the expected benefits.

In April 2022, Boursorama also announced the signing of a final agreement with ING to offer its online banking customers in France an alternative banking offer, with a dedicated migration path and dedicated support. At end of June, the transferring portfolio is well on track.

The Group may face execution risk on these strategic projects, which are to be carried out simultaneously. Any difficulty encountered during the process of integrating activities (particularly from a human resource standpoint) is likely to result in higher integration costs and lower-than-anticipated savings, synergies or benefits. Moreover, the process of integrating the acquired operational businesses into the Group could disrupt the operations of one or more of its subsidiaries and divert management's attention, which could have a negative impact on Group's business and results.

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

The Group is subject to the regulations of the jurisdictions in which it operates. French, European and U.S. regulations as well as other local regulations are concerned, given the cross-border activities of the Group, among other factors. 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, force the suspension of its operations or the withdrawal of operating licences.

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

- several 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, ELTIF (European Long-Term Investment Fund Regulation)), (ii) the implementation of the fundamental review of the trading book, or FRTB, which may significantly increase requirements applicable to European banks and (iii) despite the European Commission's decision of 8 February 2022 to extend the equivalence granted to UK central counterparties until 30 June 2025, possible relocations could be requested;
- In the United States, the implementation of the Dodd-Frank Act is almost finalized. The Securities and Exchange Commission's (SEC) regulations relating to security-based swap dealers have been implemented and Société Générale has been registered with the SEC as a Securities Based Swap Dealer;
- 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 towards a credit institution when the point of non-viability is considered 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 a 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 8.2. "*Other operating expenses*" of the Financial Statements of the 2022 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 requirements resulting from the EU banking regulation reform proposal presented on 27 October 2021 by the European Commission. The reform consists of several legislative instruments to amend the directive on capital requirements (European Parliament and EU Council, directive 2013/36/EU, 26 June 2013) as well as the regulation on capital requirements (CRR) (European Parliament and EU Council, regulation (EU) No. 575/2013, 26 June 2013).

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 certain evolutions or their effects 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 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 largely implemented, through a dedicated programme and a specific organisation, corrective actions to address identified deficiencies and strengthen its compliance programme. In the event of a failure to comply with relevant US 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.

4.1.1.5 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 international 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 would be 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.

4.1.1.6 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 certain of 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 in the absence of guarantee mechanisms provided by specialized financing companies).

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 due to technological disruptions, and may be exposed to reputation risk in the event it does not comply with 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 to the Group's risks. The Group could notably be exposed to credit risk on a portion of its portfolio, linked to lower profitability of some of its counterparties due, for example, to increasing legal and operating costs (for instance due to the implementation of new environmental standards).

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 reputational and credit risks for the Group.

Similarly, risks relating to governance of the Group's counterparties and stakeholders (suppliers, service providers, etc.), such as an inadequate management of environmental and social 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. Therefore, the Group is exposed to physical climate risk with respect to its ability to maintain its services in geographical areas impacted by extreme events (floods, etc.).

The Group also remains exposed to specific social and governance risks, relating for example to the operational cost of implementation of regulations related to labor laws and the management of its human resources.

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

4.1.1.7 The Group is subject to regulations relating to resolution procedures, 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.

4.1.2 Credit and counterparty credit risks

Weighted assets (RWA) in relation to credit and counterparty risks amounted to EUR 367.6 billion at 30 June 2022.

4.1.2.1 The Group is exposed to credit, counterparty and concentration risks, which may have a material adverse effect on the Group's business, results 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 the collateral allocated to its exposures 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 2021, the Group's exposure at default (EAD, excluding counterparty risk) was EUR 934 billion, with the following breakdown by type of counterparty: 30% on sovereigns, 30% on corporates, 23% on retail customers and 6% on credit institutions and similar. Risk-weighted assets (RWA) for credit risk totalled EUR 277 billion.

Regarding counterparty risks resulting from market transactions (excluding CVA), at the end of December 2021, the exposure value (EAD) was EUR 145 billion, mainly to corporates (42%) and credit institutions and similar entities (38%) and to a lesser extent to sovereign entities (17%). Risk-weighted assets (RWA) for counterparty risk amounted to EUR 25 billion.

At 30 June 2022, the main sectors to which the Group is exposed in its corporate portfolio included financial activities (accounting for 7.3% of total Group exposure), real estate (3.6%), commercial services (3.2%), wholesale trade (3.1%), the transport, postal services and logistics sector (2.4%), collective services (2.7%) and the oil and gas sector (1.9%).

In terms of geographical concentration, the five main countries to which the Group is exposed as of 31 December 2021 were France (46% of the Group's total EAD, mainly related to retail customers and sovereigns), the United States (13% of EAD, mainly related to corporates and sovereigns), the Czech Republic (5% of the Group's total EAD, mainly related to retail clients, corporates and sovereigns), the United Kingdom (4% of EAD, mainly related to corporates and sovereigns) and Germany (4% of the Group's total EAD, mainly related to corporates and credit institutions). Furthermore, the financial situation of certain counterparties could be affected by the geopolitical tensions mentioned in section 4.1.1.1 "*The global economic and financial context, geopolitical tensions, as well as the market environment in which the Group operates, may adversely affect its activities, financial position and results of operations*".

For more detail on credit and counterparty risk, see sections 4.5.5 "*Quantitative information*" and 4.6.3 "*Counterparty credit risk measures*" of the 2022 Universal Registration Document.

4.1.2.2 The financial soundness and conduct of other financial institutions and market participants could have an adverse effect on the Group's business.

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 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 situation in Ukraine and the consequences of, among other things, international sanctions and the evolution of the financial markets could also weaken or even cause the default of a certain number of financial actors. In addition, certain financial actors could experience operational or legal difficulties in the unwinding or settlement of certain financial transactions.

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 39 billion of EAD on 31 December 2021. The default of a clearing institution or one of its members could generate losses for the Group and have an adverse effect on the business and results of the Group.

The Group is also exposed on 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 2021, the Group's exposure (EAD) to credit and counterparty risks on financial institutions amounted to EUR 116 billion, representing 11% of the Group's EAD in respect of credit risk.

4.1.2.3 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, based notably on multi-scenario approaches, 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 losses 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 of the geopolitical and macroeconomic 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 31 December 2021, the stock of provisions relating to outstanding amounts (on- and off-balance sheet) amounted to EUR 3.6 billion on performing assets and EUR 8.9 billion on assets in default. Outstanding loans in default (stage 3 under IFRS 9) represented EUR 17.8 billion, including 47% in France, 23% in Africa and Middle East and 14% in Western Europe (excluding France). The gross ratio of doubtful loans on the balance sheet was 2.8% and the gross coverage ratio of these loans was approximately 50%. The cost of risk stood at 27 basis points in the first semester 2022, against a cost of risk of 16 basis points in the same period in 2021.

4.1.3 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.

4.1.3.1 Sharp changes in interest rates may adversely affect retail banking activities in France in the short term.

The Group generates a significant part of its income through net interest margin and as such remains exposed to interest rate fluctuations as well as to changes in the yield curve, particularly in its Retail Banking activities in France. The Group's results are influenced by changes in interest rates in Europe and in the other markets where it operates. In Europe in particular, a protracted environment of low or even negative interest rates has adversely affected the Group's Retail Banking income, notably in France.

In addition, a sequence of very rapid rate hikes also presents a risk to the Group's revenues. Such a scenario may emerge with the end of central banks' accommodating monetary policies in reaction to an economic recovery or to high inflation rates. The rise in key rates or the reduction or even the end of central bank asset purchase programs could induce a rise in the yield curve which could have the effect of reducing the value of fixed rate assets measured at fair value as well as changing customer behavior that could affect the bank's income and lead the bank to readjust its hedges in an unfavorable context.

For more information on structural interest rate risks, see chapter 4.9 "*Structural interest rate and exchange rate risks*" and Note 8.1 "*Segmented reporting*" in Chapter 6 of the 2022 Universal Registration Document.

4.1.3.2 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, 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, notably on derivative instruments, both vanilla and structured.

In the event that a much lower-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 (market 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. The realisation of any 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 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 hypothetically 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.

Finally, the prospect of a faster-than-expected monetary tightening led to tensions and volatility in rates in the first quarter of 2022, reflected notably by a steepening of the main curves. More generally, the reduction in accommodating monetary policies could lead to significant corrections in the markets due to higher interest rates and less liquidity. In addition, certain players who have benefited from a prolonged environment of low interest rates and high liquidity may encounter difficulties, with a risk of propagation to all financial markets, which could have a significant negative impact on the Group's market activities and results.

Financial markets volatility increased sharply in the first quarter of 2022 as a result of the war in Ukraine, which resulted in upwards pressure on raw materials. Markets began to normalize in the second quarter but remain volatile and uncertain due in part to inflationary pressures related to this context.

For information purposes, Global Markets & Investor Services activities, which account for most of the Group's market risks, represented EUR 3.7 billion of net banking income in H1-22, or 26% of the Group's total revenues. At 30 June 2022, risk-weighted assets (RWA) in relation to market risk represented EUR 13 billion (representing 3.5% of the Group's total RWA).

4.1.3.3 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 more information of structural exchange rate risk, see chapter 4.7.4 "*Risk-Weighted Assets and Capital Requirements*" and chapter 4.9.3 "*Structural exchange rate risk*" of the 2022 Universal Registration Document.

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

At 31 December 2021, risk-weighted assets in relation to operational risk amounted to EUR 47 billion, or 13% of the Group's total RWA. These risk-weighted assets relate mainly to Global Markets & Investor Services (65% of total operational risk).

Between 2017 and 2021, 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 (32%), execution errors (20%), disputes with authorities (17%), errors in pricing or risk assessment, including model risk (13%) and commercial disputes (11%). 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 on average 7% of the Group's losses between 2017 and 2021.

See chapter 4.8.3 "*Operational risk measurement*" of the 2022 Universal Registration Document for more information on the allocation of operating losses.

4.1.4.1 A breach of information systems, notably in the event of 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 and the digitalization of processes. 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 credit and/or reputational risks for the Group. The situation stemming from the conflict in Ukraine mentioned in section 4.1.1.1 "*The global economic and financial context, geopolitical tensions, as well as the market environment in which the Group operates, may adversely affect its activities, financial position and results of operations*" increases the risk of cyber-attacks for the Group and its external partners.

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 (which could constitute violations 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.

4.1.4.2 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. The situation generated by the conflict in Ukraine mentioned in 4.1.1.1 "*The global economic and financial context, geopolitical tensions, as well as the market environment in which the Group operates, may adversely affect its activities, financial position and results of operations*" could increase the Group’s legal risk.

In preparing its financial statements, the Group makes estimates regarding the financial 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 338 million on 31 December 2021.

For a description of the most significant ongoing proceedings, see section 4.11 "*Compliance risk, litigation*", Note 8.3.2 "*Other provisions for risks and expenses*" and Note 9 "*Information on risks and litigation*" of chapter 6 of the 2022 Universal Registration Document.

4.1.4.3 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.

4.1.4.4 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.

The risk of fraud increases intrinsically in a crisis context (financial pressure among clients, third parties or our employees) and in a remote working environment that may limit the capacity for monitoring and exchanges by or with the manager or other employees contributing to the prevention or detection of fraud risk. This risk mainly involves external fraud related to the Bank's credit activities and to the means of payment (electronic banking, transfers, and checks) made available to customers. Fraud schemes are changing rapidly in terms of volume and approach, in line with the security measures and countermeasures developed in the market and within the Group. Internal fraud is carried out through the misappropriation of funds and the granting of undue facilities and can be carried out with or without external collusion. Finally, unauthorized rogue trading, with or without circumvention of controls, could impact results and have a very significant negative impact on the Group's reputation.

Between 2017 and 2021, the risk of fraud represented 32% of the Group's total operating losses.

4.1.4.5 Reputational damage could harm the Group’s competitive position, its activity and financial condition

An organization benefits from a good reputation when its activities and services meet or exceed the expectations of its stakeholders, both external (customers, investors, shareholders, regulators, supervisors, suppliers, opinion leaders such as NGOs, etc.) and internal (employees).

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.

Financing extended by the bank that does not comply with regulations or its commitments, notably in terms of environmental and social responsibility, 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, the situation in Ukraine and the international sanctions put in place create an environment that is likely to sharply increase the Group's reputational risk.

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.

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 relating to the Group's failure to comply with economic embargo measures.

As a result, a perceived lack of commitment to the Group's Code of Conduct, which aims to anchor the Group's values in terms of ethics and responsibility, could be detrimental to the Group's good reputation.

These various issues could also have a non-negligible impact on the Group's ability to attract and recruit younger talent or to retain talent within the Group.

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 "*Compliance risk, litigation*" and section 5.2.7 "*Applying the highest standards in client relationship management*" of Chapter 5 "*Corporate Social Responsibility*" of the 2022 Universal Registration Document.

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

The Group employs 117,000 people in 66 countries. 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. This is notably the case for the CRD IV directive, which has applied since 2014 to banks in the European Economic Area (EEA) and therefore to the Group, and for the CRD V directive, applicable since January 2021. 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 outside of the EEA.

In addition, the context of the Covid-19 health crisis has reinforced the aspirations of some of the Group's employees to access new ways of working, with the lasting introduction of a "hybrid" form of work (involving an organization based on both on-site presence of employees and remote working). However, the hindsight on this hybrid working method is still limited to date and has yet to be evaluated in terms of the level of satisfaction and commitment of the Group's employees.

For more information, see section 5.4.1.3.4 "*Guaranteeing health and safety at work and continuous improvement of working conditions*" of the 2022 Universal Registration Document.

4.1.4.7 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, notably with financial consequences. 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 13.4 billion and EUR 43.7 billion, respectively, as of 31 December 2021 (see Note 3.4.1 and Note 3.4.2 of Chapter 6 of the consolidated financial statements included in the 2022 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 a large-scale armed conflict, strong movements in volatility resulting, for example, from a pandemic, or tensions between the United States and China, in the Middle East or in Africa), 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.

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

4.1.4.8 The Group may incur losses as a result of unforeseen or catastrophic events, including health crises, large-scale armed conflicts, 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 health crisis related to the pollution of the natural environment could have a significant impact on the Group's activities. Also, large-scale armed conflicts, 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.

4.1.5 Liquidity and funding risks

4.1.5.1 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, the tensions on the financial markets linked to the Covid-19 pandemic before the intervention of the central banks or more recently the tensions linked to the crisis in Ukraine), 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 a context of higher inflation, central banks (notably the ECB and the US Federal Reserve) have begun to phase out these accommodating policies. For example, the ECB indicated in December 2021 that it will cease the Emergency Pandemic Purchase Program (EPPP) in March 2022. In this context, the Group could face an unfavourable evolution of its financing cost and 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 140% at 30 June 2022 and liquidity reserves amounted to EUR 244 million at 30 June 2022.

4.1.5.2 A downgrade in the Group's external rating or in 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, increase its cost of financing or 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 or more recently as a result of the crisis in Ukraine 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 2022, the Group has planned a funding programme of approximately EUR 20-22 billion in vanilla long-term debt, in senior preferred and secured debt as well as in senior non-preferred debt and subordinated debt

During the second semester of 2022, the Group raised a total of EUR 31.5 billion of long-term funding (of which EUR 30.3 billion for the parent company and EUR 1.2 billion for its subsidiaries) which relates, at the parent company level, to senior structured issues (EUR 11.1 billion), subordinated issues (EUR 1.9 billion), senior vanilla non-preferred issues (EUR 5.5 billion), unsecured senior vanilla preferred issues (EUR 5.9 billion) and secured issues (EUR 5.9 billion).

4.1.6 Risks related to insurance activities

4.1.6.1 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 2021, the Group's insurance activities represented net banking income of EUR 1 billion, or 4% of the Group's consolidated net banking income. The Group's Insurance division is mainly focused on life insurance. At 31 December 2021, life insurance contracts registered outstandings of EUR 135 billion, divided between euro-denominated contracts (63%) and unit-linked contracts (37%).

The Group's Insurance business is highly exposed to 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 requirements in this domain.

4.2 Regulatory ratios

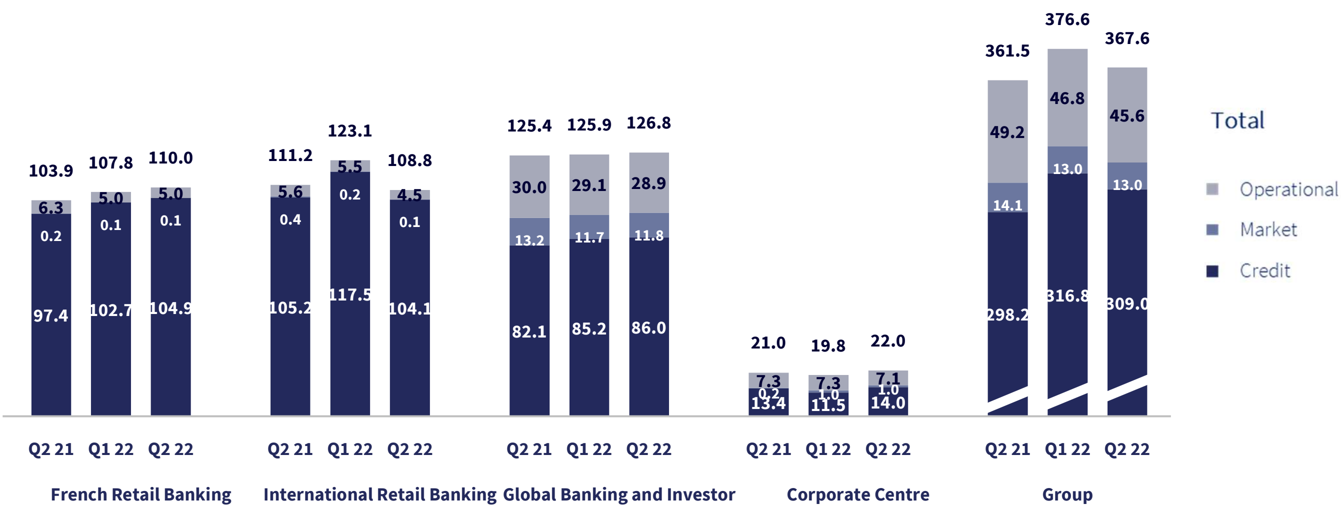
4.2.2 Prudential ratio management – Update of pages 186 of the 2022 Universal Registration Document

During the first half of 2022, Societe Generale issued two subordinated Tier 2 bonds (USD 750 M 21NC20 and USD 1,250 M 11NC10) for a total equivalent of EUR 1,925 M.
In addition, during this period, the Group redeemed, at first call date, three Tier 2 bonds (AUD 125 M, implemented in June 2015; JPY 5,000 M, implemented in June 2017 and JPY 5,000 M, implemented in July 2017) for a total equivalent of EUR 156 M.

4.2.3 Extract from the presentation dated June 30, 2022: Second quarter and first semester 2022 results (and supplements)

RISK-WEIGHTED ASSETS* (CRR2/CRD5, in EUR bn)

Update of the page 188 of the 2022 Registration Document



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

Phased-in Common Equity Tier 1, Tier 1 and Total Capital

Update of the page 187 of the 2022 Registration Document

In EURbn	30.06.2022	31.12.2021
Shareholder equity Group share	**64.6**	**65.1**
Deeply subordinated notes*	(8.7)	(8.0)
Undated subordinated notes*	0.0	0.0
Dividend to be paid & interest on subordinated notes[(1)]	(1.3)	(2.3)
Goodwill and intangible	(5.3)	(5.2)
Non controlling interests	4.5	4.6
Deductions and regulatory adjustments	(6.6)	(4.3)
Common Equity Tier 1 Capital	**47.3**	**49.8**
Additionnal Tier 1 Capital	8.8	8.1
Tier 1 Capital	**56.1**	**57.9**
Tier 2 capital	11.9	10.6
Total capital (Tier 1 + Tier 2)	**68.0**	**68.5**
Risk-Weighted Assets	**368**	**363**
Common Equity Tier 1 Ratio	**12.9%**	**13.7%**
Tier 1 Ratio	**15.2%**	**15.9%**
Total Capital Ratio	**18.5%**	**18.8%**

Ratios based on the CRR2/CDR5 rules as published in June 2019, including Danish compromise for insurance (see Methodology). Ratio fully loaded at 12.8% and IFRS 9 phasing at +9bp.

(1) The dividend to be paid is calculated based on a pay-out ratio of 50% of the underlying Group net income, 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 190 of the 2022 Registration Document

In EURbn	30.06.2022	31.12.2021
Tier 1 Capital	**56.1**	**57.9**
Total prudential balance sheet[(2)]	1,387	1,300
Adjustments related to derivative financial instruments	(12)	9
Adjustments related to securities financing transactions[(3)]	16	15
Off-balance sheet exposure (loan and guarantee commitments	126	118
Technical and prudential adjustments	(135)	(252)
inc. central banks exemption	0	(118)
Leverage exposure	**1,382**	**1,190**
Phased leverage ratio	**4.1%**	**4.9%**

(1) Based on CRR2 rules adopted by the European Commission in June 2019. Fully loaded leverage ratio at 4.0% (see Methodology)

(2) The prudential balance sheet corresponds to the IFRS balance sheet less entities accounted for through the equity method (mainly insurance subsidiaries).31.12.2020 amount restated on derivative financial instruments (previously adjusted for the leverage exposure).

(3) Securities financing transactions: repurchase transactions, securities lending or borrowing transactions and other similar transactions

(4) Including reclassification of the miscellaneous adjustments (previously classified on the line relating to derivative exposures)

Reconciliation of the consolidated balance sheet and the accounting balance sheet within the prudential scope - Update of the 2022 Universal Registration document page 182

ASSETS at 30.06.2022 *(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	183,203	(0)	0	183,203
Financial assets at fair value through profit or loss	380,165	9,805	(0)	389,969
Hedging derivatives	21,851	33	-	21,885
Financial assets at fair value through other comprehensive income	42,561	(0)	-	42,561
Securities at amortised cost	19,376	(0)	-	19,376
Due from banks at amortised cost	82,594	1	226	82,822
of which subordinated loans to credit institutions	*96*	*(0)*	-	*96*
Customer loans at amortised cost	503,718	1,545	(71)	505,193
Revaluation differences on portfilios hedged against interest rate risk	(565)	-	-	(565)
Investment of insurance activities	162,621	(162,621)	-	-
Tax assets	4,343	(376)	1	3,967
of which deferred tax assets that rely on future profitability excluding those arising from temporary differences	*1,693*	-	*(515)*	*1,178*
of which deferred tax assets arising from temporary differences	*2,170*	-	*429*	*2,599*
Other assets	102,231	(3,557)	154	98,828
of which defined-benefit pension fund assets	*130*	-	-	*130*
Non-current assets held for sale	6	-	-	6
Investments accounted for using the equity method	111	3,634	(39)	3,706
Tangible and intangible assets	32,615	(157)	0	32,459
of which intangible assets exclusive of leasing rights	*2,672*	-	*(129)*	*2,542*
TOTAL ASSETS	**1,538,624**	**(152,018)**	**271**	**1,386,878**

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

LIABILITIES at 30.06.2022 *(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	9,868	-	-	9,868
Financial liabilities at fair value through profit or loss	344,131	2,701	-	346,831
Hedging derivatives	32,133	1	-	32,134
Debt securities issued	133,679	337	-	134,016
Due to banks	147,871	(3,967)	(21)	143,883
Customer deposits	519,431	1,458	(13)	520,877
Revaluation differences on portfolios hedged against interest rate risk	(6,148)	-	-	(6,148)
Tax liabilities	1,610	(140)	1	1,472
Other Liabilities	120,517	(7,952)	304	112,869
Non-current liabilities held for sale	-	-	-	-
Liabilities related to insurance activities contracts	143,435	(143,435)	-	-
Provisions	4,914	(32)	0	4,881
Subordinated debts	17,074	39	-	17,113
of which redeemable subordinated notes including revaluation differences on hedging items	*16,678*	*42*	-	*16,720*
Total debts	**1,468,514**	**(150,990)**	**271**	**1,317,795**
Sub-Total Equity, Group share	64,582	(202)	(0)	64,380
Issued common stocks, equity instruments and capital reserves	*29,269*	*1*	-	*29,270*
Retained earnings	*34,676*	*(203)*	*(0)*	*34,474*
Net income	*(640)*	*(0)*	-	*(640)*
Unrealised or deferred capital gains and losses	*1,277*	*0*	*(0)*	*1,277*
Minority interests	5,528	(825)	-	4,703
Total equity	**70,110**	**(1,027)**	**(0)**	**69,083**
TOTAL LIABILITIES	**1,538,624**	**(152,018)**	**271**	**1,386,878**

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

Entities outside the prudential reporting scope – Update of the Universal Registration Document – Table page 184

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

4.3 Asset quality

Update of the page 213 of the 2022 Universal Registration Document

Asset quality

In EUR bn	30.06.2022	31.03.2022	30.06.2021
Performing loans	**565.9**	**561.3**	**519.3**
inc. Stage 1 book outstandings (1)	503.1	491.3	454.8
inc. Stage 2 book outstandings	44.0	50.7	42.0
Non-performing loans	**16.3**	**16.9**	**16.7**
inc. Stage 3 book outstandings	16.3	16.9	16.7
Total Gross book outstandings*	**582.2**	**578.2**	**536.1**
Group Gross non performing loans ratio*	**2.8%**	**2.9%**	**3.1%**
Provisions on performing loans	**2.9**	**3.1**	**3.0**
inc. Stage 1 provisions	1.0	1.2	1.1
inc. Stage 2 provisions	1.8	1.9	1.9
Provisions on non-performing loans	**8.1**	**8.4**	**8.6**
inc. Stage 3 provisions	8.1	8.4	8.6
Total provisions	**10.9**	**11.4**	**11.6**
Group gross non-performing loans ratio (provisions on non-performing loans/ non-performing loans)	**50%**	**49%**	**52%**

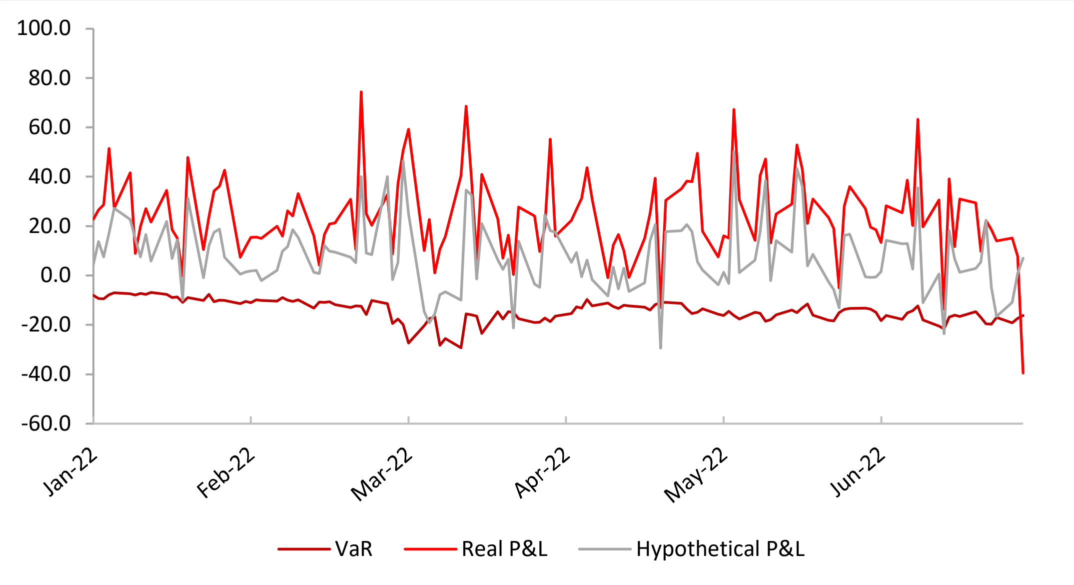
*Note: *Figures calculated on on-balance sheet customer loans and advances, deposits at banks and loans due from banks, finance leases, excluding loans and advances classified as held for sale, cash balances at central banks and other demand deposits, in accordance with the EBA/ITS/2019/02 Implementing 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*

Data restated excluding loans at fair value through profit or loss which are not eligible to IFRS 9 provisioning

4.4 Change in trading VaR

Update of the pages 227 and 228 of the 2022 Universal Registration Document

Trading VaR (one-day, 99%), daily actual P&L[1] and daily hypothetical P&L[2] of the trading portfolio (1st semester 2022, in EURm)



The VaR was more risky in S1 2022 (14 MEUR versus 12 MEUR in S2 2021 on average). This increase started at the beginning of March, and gradually continued with less volatility over the whole semester. It was mainly due to the credit and interest rate activities.

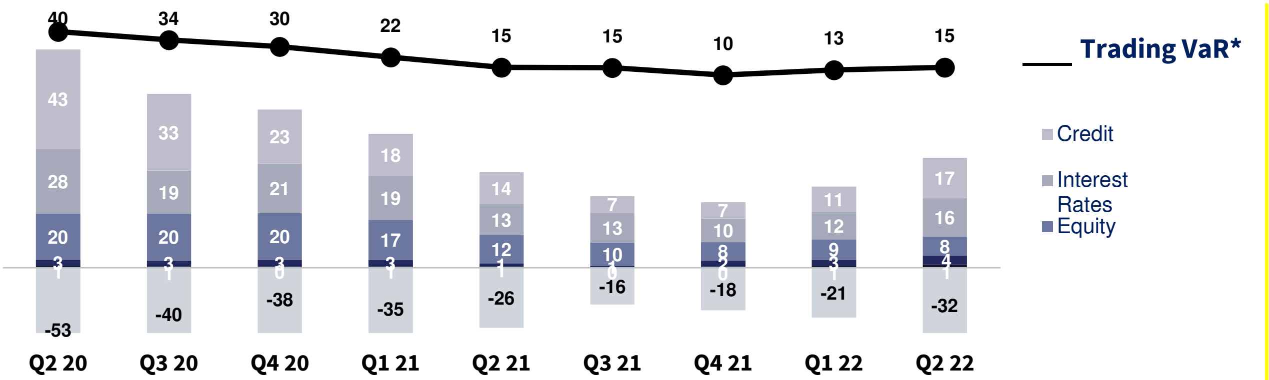
Market risk capital requirements and RWA by risk factor (in EURm)

	Risk-weighted assets			**Capital requirements**		
(in EURm)	**30.06.2022**	**31.12.2021**	***Variation***	**30.06.2022**	**31.12.2021**	***Variation***
VaR	2,637	1,343	*1,294*	211	107	*104*
Stressed VaR	6,721	7,227	*(505)*	538	578	*(40)*
Incremental Risk Charge (IRC)	883	840	*43*	71	67	*3*
Correlation portfolio (CRM)	686	815	*(129)*	55	65	*(10)*
Total market risk assessed by internal model	***10,927***	**10,225**	***703***	**874**	**818**	***56***
Specific risk related to securisation positions	191	562	*(371)*	15	45	*(30)*
Market risk assessed for currency positions	792	-	*792*	63	-	*63*
General risk and specific risk related to interest rates (excluding securisation)	550	285	*265*	44	23	*21*
Market risk assessed using the standard approach for ownership interests	545	572	*(27)*	44	46	*(2)*
Market risk assessed using the standard approach for commodities	-	0	*(0)*	-	0	*(0)*
Total market risk assessed by standard approach	***2,078***	**1,419**	***659***	**166**	**114**	***53***
Total	***13,005***	**11,643**	***1,361***	**1,040**	**931**	***109***

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

Quarterly average 99% Value at Risk (VaR), a composite indicator used for the day-to-day monitoring of the market risks incurred by the bank, on the scope of its trading activities, in millions of euros

Change in trading var* and stressed var**



Stressed VAR** (1 day 99%, in EUR M)	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
Minimum	23	23	24	23	18
Maximum	48	58	64	48	52
Average	35	38	39	32	30

** 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*

4.5 Structural interest rate risk

Update of the pages 242 to 244 of the 2022 Universal Registration Document

Audited I Structural exposure to interest rate and exchange rate risks results from commercial transactions, their associated hedging transactions and corporate centre transactions.

The interest rate and exchange rate risks linked to Trading Book activities are excluded from the structural risk measurement scope as they belong to the category of market risks. Structural and market exposures constitute the Group's total interest rate and exchange rate exposure.

The general principle is to reduce structural interest rate and exchange rate risks to the greatest possible extent within the consolidated entities. Within the entities, commercial and corporate centre operations must therefore be matched in terms of interest rates and exchange rates as much as possible. At the consolidated level, a structural foreign exchange position is maintained in order to minimise the sensitivity of the Group's Common Equity Tier 1 (CET1) ratio to exchange rates fluctuations.

4.5.1 Organisation of the management of structural interest rate and exchange rate risks

The principles and standards for managing these risks are defined at the Group level. The entities are first and foremost responsible for managing these risks. The ALM (Asset and Liability Management) Department within the Group's Finance Division leads the control framework of the first line of defense. The ALM department of the Risk Department assumes the role of second line of defense supervision.

The Group Finance Committee, a General Management Body

The purpose of the Group Finance Committee is to:

- validate and ensure the adequacy of the system for monitoring, managing and supervising structural risks;
- review changes in the Group's structural risks through consolidated reporting;
- review and validate the measures proposed.
-

The ALM Department, within the Group's Finance Department

The ALM (Asset and Liability Management) Department is responsible for:

- defining the structural risk policies for the Group and formalising risk appetite;
- analysing the Group's structural risk exposure and defining hedging strategies;
- monitoring the regulatory environment concerning structural risk;
- defining the ALM principles for the Group;
- defining the modelling principles applied by the Group's entities regarding structural risks;
- identifying, consolidating and reporting on Group structural risks;
- monitoring compliance with structural risk limits.

The ALM Risk Control Department within the Risk division

The second-level supervision of the ALM models used within the Group and of associated frameworks is provided by a dedicated service within the Risk department, the Asset Liability Management Risk - Structural and Liquidity Risk department. Accordingly, this department is in charge of:

- defining the steering indicators and overall stress test scenarios of the different types of structural risks and setting the main limits for the business divisions and the entities and Business Units (BU)/Service Units (SU);
- defining the normative environment of the structural risk metrics, modelling and framing methods;
- reviewing the ALM models by delegation of the Model Risk Management department.

Finally, the Risk Department chairs the Group model validation Committee and the Group ALM norms validation Committee.

The entities and BU/SU are responsible for ALM risk management

Each entity, each BU/SU, manages its structural risks and is responsible for regularly assessing risks incurred, producing the risk report and developing and implementing hedging options. Each entity, each BU/SU is required to comply with Group standards and to adhere to the limits assigned to it.

As such, the entities and the BUs/SUs apply the standards defined at Group level and develop the models, with the support of the central modelling teams of the Finance Department.

An dedicated ALM manager reporting to the Finance Department in each entity, BU/SU, is responsible for monitoring these risks (first-level control). This manager is responsible for reporting ALM risks to the Group Finance Department. All entities, BU/SU, have an ALM Committee responsible for implementing validated models, managing exposure to interest rate and exchange rate risks and implementing hedging programmes in accordance with the principles set out by the Group and the limits validated by the Finance Committee and the BU/SU ALM Committees.

4.5.2 Structural interest rate risk

Structural interest rate risk is generated by commercial transactions and their hedging, as well as by the management for own account specific to each of the consolidated entities.

The Group's objective

The objective of managing structural interest rate risk is to reduce the exposure of each Group entity as much as possible.

To this end, the Board of Directors, the Finance Committee, the Group Rate and Foreign Exchange Committee and the ALM Committee set sensitivity limits (in terms of value and income) for the Group, BUs/SUs and entities.

Measuring and monitoring structural interest rate risk

Societe Generale uses several indicators to measure the Group's overall interest rate risk.

The three most important indicators are:

- the sensitivity of the net present value (NPV) to the risk of interest rate mismatch. It is measured as the sensitivity of the net present value of the static balance sheet to a change in interest rates. This measure is calculated for all currencies to which the Group is exposed;
- the sensitivity of the interest margin to changes in interest rates in various interest rate scenarios. It takes into account the sensitivity generated by the future commercial production and its financial hedge;
- the sensitivity of NPV to basis risk (risk of decorrelation between different variable rate indices).

Limits on these indicators are applicable to the Group, BUs/SUs and the various entities. Limits are set for shocks at +/-0.1% and for stressed shocks (+/-1% for value sensitivity and +/-2% for income sensitivity) without lowering negative shocks (for example by application of a floor). Only the sensitivity of income over the first two years is framed. The measurements are computed monthly ten months a year (with the exception of the months of January and July for which no Group-level closing is achieved). An additional synthetic measurement of value sensitivity – all currencies – is framed for the Group. To comply with these frameworks, the entities combine several possible approaches:

- orientation of the commercial policy so as to offset interest rate positions taken on the asset and liability sides;
- implementation of a swap operation or – failing this in the absence of such a market – use of a loan/borrowing operation;
- purchase/sale of options on the market to cover optional positions taken vis-a-vis our clients.

Assets and liabilities are analysed without prior allocation of resources to uses. The maturities of the outstanding amounts are determined by taking into account the contractual characteristics of the transactions, adjusted for the results of customer behaviour modelling (in particular for demand deposits, savings and early loan repayments), possibly differentiated according to the rate scenario considered, as well as a certain number of disposal agreements, in particular on equity items.

As at 31 December, the modelling of deposits with no maturity date, sometimes including a dependence at the rate level, leads to an average duration of 4.5 years, with a maximum duration of 20 years.

Changes in the OCI or P&L of instruments recognised at fair value are not included in the framed income sensitivity measures.

Hedging transactions are mainly documented from an accounting viewpoint: either as micro-hedging (individual hedging of commercial transactions and hedging instruments) or as macro-hedging under the IAS 39 "carve-out" arrangement (global backing of portfolios of similar commercial transactions within a Treasury Department; macro-hedging concerns essentially the French retail network entities).

Macro-hedging derivatives are essentially interest rate swaps in order to maintain the networks' net asset value and result sensitivity within the limit frameworks, considering the assumptions applied. For macro-hedging documentation, the hedged item is an identified portion of a portfolio of commercial client or interbank operations. The conditions to respect in order to document hedging relationships are listed in Note 3.2 to the consolidated financial statements.

Macro-hedging derivatives are allocated to separate portfolios according to whether they are used to hedge fixed-rate assets or liabilities in the accounting books. The hedging instrument portfolios allocated to liability elements are net fixed-rate receiver/variable-rate payer whereas the hedging instrument portfolios allocated to asset elements are net fixed-rate payer/variable-rate receiver.-The non-over-hedging tests and the "non-disappearance of the hedge item" tests make the link between the assets or liabilities outstanding available on the balance sheet and the outstanding amount of assets or liabilities designated as hedged from an accounting perspective. The prospective non-over-hedging test is satisfied when the net outstanding amount of the swaps is lower, for each maturity band and on each measurement date, than the determined outstanding amount of items eligible to fair value hedge. The estimated outstanding may be defined as the outstanding amount resulting from ALM projections. The non-over-hedging a posteriori test is performed in two stages: the first stage is the same as for the a priori test but on the outstanding amount eligible for fair value hedge accounting on the closing date, excluding new production, then the second stage is called the "non-disappearance of the hedged item test" and consists in verifying that the hedgeable position is always at least as significant as the maximum position that had initially been hedged.

The effectiveness of the hedge is then determined using the dollar offset method. The sources of ineffectiveness result from the last fixing of the variable leg of the hedging swaps, the bi-curve valuation of the collateralised hedging instruments, possible mismatches in the cash flows payment dates and counterparty risk on hedging instruments valuation.

▲Mesure of structural rate risk through value sensitivity metrics

AUDITED I TABLE 35: VARIATIONS OF THE ECONOMIC VALUE OF THE EQUITY AS RESULT OF THE SIX EBA REGULATORY SHOCKS

EVE (EURm)	30.06.2022	31.12.2021
Parallel up	-3,080	-6,784
Parallel down	-1,375	-2,683
Steepener	800	+463
Flattener	-2,641	-4,033
Short rates up	-2,627	-3,643
Short rates down	810	+79

The regulatory metrics are calculated in a similar way to the value sensitivity management metrics, except for:

- rate shocks with in particular the application of EBA specified floor in case of down shock;
- conventions used to dispose of equity and equity securities;
- specific provisions imposed by the regulator (EBA GL 2018/02, , §114, §115 and §116) and in particular the discounting carried out at a risk-free rate for the entire balance sheet.

Measure of structural rate risk through revenue sensitivity metrics

The measurement of the sensitivity of the net interest margin to a three-year horizon in different configurations of the yield curve is used by the Group to monitor interest rate risk on a perimeter of significant entities.

The balance sheet in the dynamic approach evolves according to the amortisation of the stock and the renewals of operations on the basis of the outstanding amounts booked on the closing date and the commercial outstanding projections of the different businesses.

The net interest rate margin sensitivity is measured over the three next years for +/-0,1% shocks and +/-200pbs stress shocks as well as the two EBA parallel shocks.

The sensitivity of the net interest margin is mainly due to the impact on:

- customer deposits: generally low or non-interest-bearing, with customer rates only lowly or not impacted by the interest rate changes, their margin mainly results from the replacement rate;
- own funds.

Interest margin sensitivity is calculated as the difference between the net interest margin projected over three years on the whole banking book considering the future interest rates forecasted by the market, with and without initial interest rate shock, and the related commercial volume and margin forecasts.

Calculations are based on the aggregate estimates as at 31 December of a scope of the Group's consolidated entities .

TABLE 36: SENSITIVITY OF THE GROUP'S INTEREST MARGIN

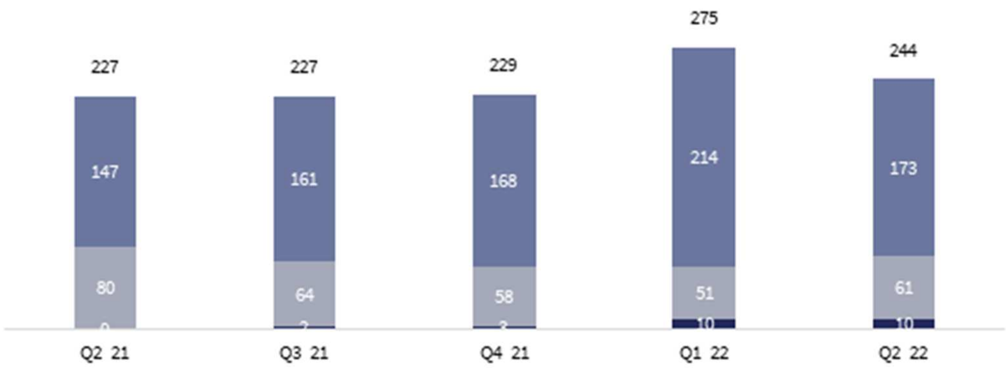
(En M EUR)	**30.06.2022**	31.12.2021
Parallel up 10 pb		
Year 1	83	27
Year 2	114	84
Parallel down 10 pb		
Year 1	(84)	(7)
Year 2	(117)	(85)

(In EURm)	**31.06.2021**	31.12.2021
EBA parallel up(year 1)	991	240
EBA parallel down (year 1)	(470)	(219)

4.6 Liquidity risk

Update of the page 248 of the 2022 Universal Registration Document

<u>LIQUID ASSET BUFFER</u>



Liquidity Coverage Ratio amounts to 141% on average for Q2 22.

Balance sheet schedule - update of the page 249 to 252 of the 2022 Universal Registration Document

Financial liabilities

(In EURm)	30.06.2022					
	Note to the consolidated financial statements	**0-3 m**	**3 m-1 yr**	**1-5 yrs**	**> 5 yrs**	**Total**
Due to central banks		9,868	0	0	0	**9,868**
Financial liabilities at fair value through profit or loss, excluding derivatives	Note 3.1	160,726	20,820	27,582	27,353	**236,481**
Due to banks	Note 3.6	60,746	4,446	80,860	1,819	**147,871**
Customer deposits	Note 3.6	480,414	15,553	16,903	6,561	**519,431**
Securitised debt payables	Note 3.6	88,581	12,016	18,808	14,274	**133,679**
Subordinated debt	Note 3.9	8,276	65	3,904	4,829	**17,074**

Financial assets

(In EURm)	30.06.2022					
	Note to the consolidated financial statements	**0-3 months**	**3 months-1 year**	**1-5 years**	**> 5 years**	**Total**
Cash, due from central banks		179,769	688	1,735	1,011	**183,203**
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	259,009	10,443	0	0	**269,452**
Financial assets at fair value through other comprehensive income	Note 3.4	42,131	185	0	245	**42,561**
Securities at amortised cost		6,318	4,909	6,990	1,159	**19,376**
Due from banks at amortised cost	Note 3.5	69,624	5,340	6,958	672	**82,594**
Customer loans at amortised cost	Note 3.5	105,612	64,667	184,203	120,757	**475,239**
Lease financing and similar agreements	Note 3.5	2,694	5,914	15,865	4,006	**28,479**

Other liabilities

(In EURm)	30.06.2022						
	Note to the consolidated financial statements	**Not scheduled**	**0-3 months**	**3 months -1 year**	**1-5 years**	**> 5 years**	**Total**
Tax liabilities	Note 6.3	-	-	811	798	-	**1,609**
Revaluation difference on portfolios hedged against interest rate risk	-	6,148	-	-	-	-	- **6,148**
Other liabilities	Note 4.4	-	111,142	2,541	3,427	3,407	**120,517**
Non-current liabilities held for sale	Note 2.5	-	-	-	-	-	**-**
Insurance contracts related liabilities	Note 4.3	-	7,780	9,794	39,209	86,652	**143,435**
Provisions	Note 8.3	4,914	-	-	-	-	**4,914**
Shareholders' equity		70,110	-	-	-	-	**70,110**

Other assets

(In EURm)	30.06.2022						
	Note to the consolidated financial statements	**Not scheduled**	**0-3 months**	**3 months -1 year**	**1-5 years**	**> 5 years**	**Total**
Revaluation differences on portfolios hedged against interest rate risk		- 565	-	-	-	-	**- 565**
Other assets	Note 4.4	-	101,824	-	-	-	**101,824**
Tax assets	Note 6	4,343	-	-	-	-	**4,343**
		-	4	39	171	193	**407**
Investments accounted for using the equity method		-	-	-	-	111	**111**
Tangible and intangible fixed assets	Note 8.4	-	-	-	-	32,615	**32,615**
Goodwill	Note 2.2	-	-	-	-	3,794	**3,794**
Non-current assets held for sale	Note 2.5	-	-	1	3	2	**6**
Investments of insurance companies		-	45,490	4,472	32,763	79,896	**162,621**

5. FINANCIAL INFORMATION

5.1 Financial statements as of 30 June 2022

CONTENTS OF CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET - ASSETS

(In EUR m)		**30.06.2022**	**31.12.2021**
Cash, due from central banks		183,203	179,969
Financial assets at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	380,165	342,714
Hedging derivatives	Notes 3.2 and 3.4	21,851	13,239
Financial assets at fair value through other comprehensive income	Notes 3.3 and 3.4	42,561	43,450
Securities at amortised cost	Notes 3.5, 3.8 and 3.9	19,376	19,371
Due from banks at amortised cost	Notes 3.5, 3.8 and 3.9	82,594	55,972
Customer loans at amortised cost	Notes 3.5, 3.8 and 3.9	503,718	497,164
Revaluation differences on portfolios hedged against interest rate risk	Note 3.2	(565)	131
Investments of insurance companies	Note 4.3	162,621	178,898
Tax assets	Note 6	4,343	4,812
Other assets	Note 4.4	101,824	92,898
Non-current assets held for sale		6	27
Deferred profit-sharing	Note 4.3	407	-
Investments accounted for using the equity method		111	95
Tangible and intangible fixed assets		32,615	31,968
Goodwill	Note 2.2	3,794	3,741
Total		**1,538,624**	**1,464,449**

CONSOLIDATED BALANCE SHEET - LIABILITIES

(In EUR m)		30.06.2022	31.12.2021
Due to central banks		9,868	5,152
Financial liabilities at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	344,131	307,563
Hedging derivatives	Notes 3.2 and 3.4	32,133	10,425
Debt securities issued	Notes 3.6 and 3.9	133,679	135,324
Due to banks	Notes 3.6 and 3.9	147,871	139,177
Customer deposits	Notes 3.6 and 3.9	519,431	509,133
Revaluation differences on portfolios hedged against interest rate risk	Note 3.2	(6,148)	2,832
Tax liabilities	Note 6	1,609	1,577
Other liabilities	Note 4.4	120,517	106,305
Non-current liabilities held for sale		-	1
Insurance contracts related liabilities	Note 4.3	143,435	155,288
Provisions	Note 8.3	4,914	4,850
Subordinated debts	Note 3.9	17,074	15,959
Total liabilities		**1,468,514**	**1,393,586**
Shareholder's equity			
Shareholders' equity, Group share			
Issued common stocks and capital reserves	Note 7.1	21,735	21,913
Other equity instruments		7,534	7,534
Retained earnings		34,676	30,631
Net income		(640)	5,641
Sub-total		**63,305**	**65,719**
Unrealised or deferred capital gains and losses		1,277	(652)
Sub-total equity, Group share		**64,582**	**65,067**
Non-controlling interests		5,528	5,796
Total equity		**70,110**	**70,863**
Total		**1,538,624**	**1,464,449**

CONSOLIDATED INCOME STATEMENT

(In EUR m)		1st semester of 2022	2021	1st semester of 2021
Interest and similar income	Note 3.7	12,443	20,590	9,746
Interest and similar expense	Note 3.7	(7,035)	(9,872)	(4,745)
Fee income	Note 4.1	4,661	9,162	4,377
Fee expense	Note 4.1	(2,056)	(3,842)	(1,896)
Net gains and losses on financial transactions		4,390	5,723	3,017
o/w net gains and losses on financial instruments at fair value through profit or loss		*4,379*	*5,704*	*3,027*
o/w net gains and losses on financial instruments at fair value through other comprehensive income		*13*	*44*	*15*
o/w net gains and losses from the derecognition of financial instruments at amortised cost		*(2)*	*(25)*	*(25)*
Net income from insurance activities	Note 4.3	978	2,238	1,128
Income from other activities	Note 4.2	6,582	12,237	6,060
Expenses from other activities	Note 4.2	(5,617)	(10,438)	(5,181)
Net banking income		**14,346**	**25,798**	**12,506**
Personnel expenses	Note 5	(5,113)	(9,764)	(4,791)
Other operating expenses	Note 8.2	(3,904)	(6,181)	(3,269)
Amortisation, depreciation and impairment of tangible and intangible fixed assets		(770)	(1,645)	(795)
Gross operating income		**4,559**	**8,208**	**3,651**
Cost of risk	Note 3.8	(778)	(700)	(418)
Operating income		**3,781**	**7,508**	**3,233**
Net income from investments accounted for using the equity method		4	6	5
Net income / expense from other assets	Note 2.1	(3,290)	635	11
Value adjustments on goodwill	Note 2.2	-	(114)	-
Earnings before tax		**495**	**8,035**	**3,249**
Income tax	Note 6	(680)	(1,697)	(687)
Consolidated net income		**(185)**	**6,338**	**2,562**
Non-controlling interests		455	697	309
Net income, Group share		**(640)**	**5,641**	**2,253**
Earnings per ordinary share	Note 7.2	**(1.10)**	**5.97**	**2.29**
Diluted earnings per ordinary share	Note 7.2	**(1.10)**	**5.97**	**2.29**

STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

(In EUR m)	**1st semester of 2022**	**2021**	**1st semester of 2021**
Consolidated net income	**(185)**	**6,338**	**2,562**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**898**	**930**	**356**
Translation differences (1)	2,418	1,457	611
Revaluation differences for the period	*1,876*	*1,458*	*611*
Reclassified into income	*542*	*(1)*	*-*
Revaluation of debt instruments at fair value through other comprehensive income	(699)	(318)	(114)
Revaluation differences for the period	*(716)*	*(294)*	*(100)*
Reclassified into income	*17*	*(24)*	*(14)*
Revaluation of available-for-sale financial assets	(818)	(292)	(193)
Revaluation differences for the period	*(842)*	*(269)*	*(182)*
Reclassified into income	*24*	*(23)*	*(11)*
Revaluation of hedging derivatives	(322)	(36)	(10)
Revaluation differences of the period	*(245)*	*6*	*11*
Reclassified into income	*(77)*	*(42)*	*(21)*
Related tax	319	119	62
Unrealised or deferred gains and losses that will not be reclassified subsequently into income *	**1,021**	**191**	**60**
Actuarial gains and losses on defined benefit plans *	127	236	58
Revaluation of own credit risk of financial liabilities at fair value through profit or loss *	1,283	8	11
Revaluation of equity instruments at fair value through other comprehensive income	(26)	11	9
Related tax *	(363)	(64)	(18)
Total unrealised or deferred gains and losses *	**1,919**	**1,121**	**416**
Net income and unrealised or deferred gains and losses *	**1,734**	**7,459**	**2,978**
*o/w Group share **	*1,429*	*6,719*	*2,618*
*o/w non-controlling interests **	*305*	*740*	*360*

* *Amounts restated on the 1st semester of 2021 (see paragraph 7, Note 1 of the 2022 Universal Registered Document).*

(1) *See Note 2.1.*

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 2021 *	**22,333**	**9,295**	**31,812**	**-**	**(1,730)**	**61,710**	**5,302**	**67,012**
Increase in common stock and issuance / redemption and remuneration of equity instruments	-	(364)	(317)	-	-	(681)	(33)	(714)
Elimination of treasury stock	5	-	(39)	-	-	(34)	-	(34)
Equity component of share-based payment plans	16	-	-	-	-	16	-	16
1st Semester 2021 Dividends paid	-	-	(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 Semester 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**	**30,987**	**2,253**	**(1,363)**	**63,162**	**5,508**	**68,670**
Increase in common stock and issuance / redemption and remuneration of equity instruments	-	(1,397)	(310)	-	-	(1,707)	-	(1,707)
Elimination of treasury stock	(473)	-	3	-	-	(470)	-	(470)
Equity component of share-based payment plans	32	-	-	-	-	32	-	32
2nd Semester 2021 Dividends paid	-	-	-	-	-	-	(84)	(84)
Effect of changes of the consolidation scope	-	-	(52)	-	-	(52)	(6)	(58)
Sub-total of changes linked to relations with shareholders	***(441)***	***(1,397)***	***(359)***	***-***	***-***	***(2,197)***	***(90)***	***(2,287)***
2nd Semester 2021 Net income	-	-	-	3,388	-	3,388	388	3,776
Change in unrealised or deferred gains and losses	-	-	-	-	711	711	(8)	703
Other changes	-	-	3	-	-	3	(2)	1
Sub-total	***-***	***-***	***3***	***3,388***	***711***	***4,102***	***378***	***4,480***
At 31 December 2021	**21,913**	**7,534**	**30,631**	**5,641**	**(652)**	**65,067**	**5,796**	**70,863**
Allocation to retained earnings	-	-	5,781	(5,641)	(140)	-	-	-
At 1 January 2022	**21,913**	**7,534**	**36,412**	**-**	**(792)**	**65,067**	**5,796**	**70,863**
Increase in common stock and issuance / redemption and remuneration of equity instruments (see Note 7.1)	(467)	-	(282)	-	-	(749)	(33)	(782)
Elimination of treasury stock (see Note 7.1)	231	-	(71)	-	-	160	-	160
Equity component of share-based payment plans	58	-	-	-	-	58	-	58
1st Semester 2022 Dividends paid (see Note 7.2)	-	-	(1,371)	-	-	(1,371)	(574)	(1,945)
Effect of changes of the consolidation scope	-	-	(16)	-	-	(16)	34	18
Sub-total of changes linked to relations with shareholders	***(178)***	***-***	***(1,740)***	***-***	***-***	***(1,918)***	***(573)***	***(2,491)***
1st Semester 2022 Net income	-	-	-	(640)	-	(640)	455	(185)
Change in unrealised or deferred gains and losses	-	-	-	-	2,069	2,069	(150)	1,919
Other changes	-	-	4	-	-	4	-	4
Sub-total	***-***	***-***	***4***	***(640)***	***2,069***	***1,433***	***305***	***1,738***
At 30 June 2022	**21,735**	**7,534**	**34,676**	**(640)**	**1,277**	**64,582**	**5,528**	**70,110**

* *Amounts restated on the 1st semester 2021 (see paragraph 7, Note 1 of the 2022 Universal Registration Document).*

CASH FLOW STATEMENT

(In EUR m)	1st semester of 2022	2021	1st semester of 2021
Consolidated net income (I)	**(185)**	**6,338**	**2,562**
Amortisation expense on tangible and intangible fixed assets (including operational leasing)	2,739	5,444	2,652
Depreciation and net allocation to provisions	6,262	684	241
Net income/loss from investments accounted for using the equity method	(4)	(6)	(5)
Change in deferred taxes	11	425	236
Net income from the sale of long-term assets and subsidiaries	(45)	(41)	(20)
Other changes	10,541	2,353	1,766
Non-cash items included in net income and other adjustments excluding income on financial instruments at fair value through profit or loss (II)	**19,504**	**8,859**	**4,870**
Income on financial instruments at fair value through profit or loss	7,120	4,619	2,922
Interbank transactions	(16,137)	(2,338)	5,044
Customers transactions	(2,982)	9,034	9,600
Transactions related to other financial assets and liabilities	12,246	(16,838)	(35,747)
Transactions related to other non-financial assets and liabilities	(12,417)	10,620	6,723
Net increase/decrease in cash related to operating assets and liabilities (III)	**(12,170)**	**5,097**	**(11,458)**
Net cash inflow (outflow) related to operating activities (A) = (I) + (II) + (III)	**7,149**	**20,294**	**(4,026)**
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long term investments	3,531	(3,652)	(2,940)
Net cash inflow (outflow) related to tangible and intangible fixed assets	(6,500)	(6,466)	(3,440)
Net cash inflow (outflow) related to investment activities (B)	**(2,969)**	**(10,118)**	**(6,380)**
Cash flow from/to shareholders	(2,707)	(4,894)	(1,719)
Other net cash flow arising from financing activities	2,422	1,268	2,068
Net cash inflow (outflow) related to financing activities (C)	**(285)**	**(3,626)**	**349**
Effect of changes in foreign exchange rates on cash and cash equivalents (D)	2,290	2,154	(93)
Net inflow (outflow) in cash and cash equivalents (A) + (B) + (C) + (D)	**6,185**	**8,704**	**(10,150)**
Cash, due from central banks (assets)	179,969	168,179	168,179
Due to central banks (liabilities)	(5,152)	(1,489)	(1,489)
Current accounts with banks (see Notes 3.5 and 4.3)	28,205	26,609	26,609
Demand deposits and current accounts with banks (see Note 3.6)	(12,373)	(11,354)	(11,354)
Cash and cash equivalents at the start of the year	**190,649**	**181,945**	**181,945**
Cash, due from central banks (assets)	183,203	179,969	160,801
Due to central banks (liabilities)	(9,868)	(5,152)	(5,515)
Current accounts with banks (see Notes 3.5 and 4.3)	37,540	28,205	28,147
Demand deposits and current accounts with banks (see Note 3.6)	(14,041)	(12,373)	(11,638)
Cash and cash equivalents at the end of the year	**196,834**	**190,649**	**171,795**
Net inflow (outflow) in cash and cash equivalents	**6,185**	**8,704**	**(10,150)**

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING PRINCIPLES

1. INTRODUCTION

ACCOUNTING STANDARDS

The condensed half-yearly consolidated financial statements of the Societe Generale group ("the Group") regarding the intermediate situation as at 30 June 2022 have been prepared and are presented in accordance with International Accounting Standard 34 (IAS) "Interim Financial Report". The Group comprises the Societe Generale parent company (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 2021 as contained in the 2022 Universal Registration Document. However, the assumptions and estimates used in the preparation of these half-yearly consolidated financial statements have changed compared to those used for the previous yearly closing to take into account the uncertainties regarding the consequences of the war in Ukraine and the aftermath of the Covid-19 pandemic. Furthermore, as the Group's activities are neither seasonal nor cyclical in nature, its first half 2022 results were not affected by these factors.

FINANCIAL STATEMENTS PRESENTATION

As the IFRS accounting framework does not specify a standard model, the format of the primary financial statements used is consistent with the format proposed by the French Accounting Standard Setter, the *Autorité des Normes Comptable* (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 2022. The disclosures provided in these notes focus on information that is both relevant and material to the financial statements of the Societe Generale group, its businesses, and the circumstances in which it conducted its operations during this period.

PRESENTATION CURRENCY

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

The figures presented in the financial statements and in the notes are expressed in millions of euros, unless otherwise specified. The effect of rounding may 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 2022

Amendments to IAS 37 - "Onerous Contracts - Cost of Fulfilling a Contract"
Amendments to IFRS 16 "Property, Plant and Equipment - Proceeds before Intended Use"
Annual Improvements to IFRS (2018-2020 cycle)

AMENDMENTS TO IAS 37 - "ONEROUS CONTRACTS - COST OF FULFILLING A CONTRACT"

These amendments clarify the costs to include to calculate the cost of fulfilling a contract when assessing whether a contract is onerous.
These amendments do not apply to the Group.

AMENDMENTS TO IAS 16 "PROPERTY, PLANT AND EQUIPMENT - PROCEEDS BEFORE INTENDED USE"

These amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to its operating location or preparing that asset for its intended use. Instead, a company will recognise such sales proceeds and related production cost in profit or loss.
These amendments do not apply to the Group.

ANNUAL IMPROVEMENTS TO IFRS (2018-2020 CYCLE)

As part of the annual improvement to IFRS, the IASB published minor changes to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments", IAS 41 "Agriculture" and IFRS 16 "Leases".
These changes have no significant impact on the Group financial statements.

FOLLOW-UP OF THE DECISION OF THE IFRS INTERPRETATIONS COMMITTEE (IFRS IC) DATED 27 APRIL 2021 ON IAS 38

During its 27 April 2021 meeting, the IFRS IC reiterated the accounting rules for customer's costs of configuring or customising the supplier's application software in a Software as a Service arrangement (SaaS).
A study was conducted within the Group. The IFRS IC decision has no significant impact on the processing of the contracts existing as at 30 June 2022. The provisions of this decision will be applied in the Group to account for costs of configuring or customising any new application software in a SaaS arrangement.

3. ACCOUNTING STANDARDS, AMENDMENTS OR INTERPRETATIONS TO BE APPLIED BY THE GROUP IN THE FUTURE

The IASB published accounting standards and amendments, some of which have not been adopted by the European Union as at 30 June 2022. Their application is required for the financial years beginning on or after 1 January 2023 at the earliest or on the date of their adoption by the European Union. They have thus not been applied to the Group as at 30 June 2022.

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

2023

- IFRS 17 "Insurance contracts" / Amendments to IFRS 17 published as at 25 June 2021 and amendments to IFRS 17 and IFRS 9 published as at 9 December 2021 (see paragraph 4)
- 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 IAS 1 "DISCLOSURE OF ACCOUNTING POLICIES"

Adopted by the European Union on 2 March 2022.
The aim of these amendments is to help companies improve the materiality of the information on accounting policies disclosed in the notes to the financial statements and the usefulness of that information to investors and financial statement users.

AMENDMENTS TO IAS 8 "DEFINITION OF ACCOUNTING ESTIMATES"

Adopted by the European Union on 2 March 2022.
The aim of these amendments is to facilitate distinguishing between changes in accounting policies and methods 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 deferred 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 deferred 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, 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 result in the recognition of a deferred tax. This amendment thus has no impact on the Group's consolidated financial statements.

4. PREPARATION FOR THE FIRST-TIME APPLICATION OF IFRS 17 “INSURANCE CONTRACTS” AND OF IFRS 9 “FINANCIAL INSTRUMENTS” TO THE LEGAL ENTITIES OPERATING IN THE INSURANCE SECTOR

CONTEXT

The IFRS 17 standard, published on 18 May 2017 and modified by the amendments adopted on 25 Jun 2020 and 9 December 2021, will supersede the IFRS 4 “Insurance contracts” standard which allows for the recognition of insurance contracts using the methods specified by the local accounting regulation.
On 23 November 2021, the European Commission (EC) published in the Official Journal, Regulation (EU) 2021/2036 of 19 November 2021 adopting IFRS 17 “Insurance Contracts”. This adoption was supplemented with a possibility offered to European companies not to apply the requirement stated in the standard to group certain types of insurance contracts by annual cohort for their measurement; this possibility of exemption will be re-examined by the European Commission no later than 31 December 2027.
The IFRS 17 standard is applicable from 1 January 2023 on. At that same date, the Group subsidiaries operating in the insurance sector will, for the first time, apply the IFRS 9 “Financial Instruments” standard the application of which was deferred for these entities according to the possibilities offered by the amendments to IFRS 17 and IFRS 4 published by the IASB on 25 June 2020 and extended by regulations (EU) 2017/1988 and (EU) 2020/2097 of the European Commission.
On 9 December 2021, the IASB published amendments to IFRS 17 to improve the comparative information on the financial assets presented on the first concomitant application of the IFRS 9 and IFRS 7 standards. The process of adoption of these amendments by the European Union is currently underway.
In order to take account of the changes in presentation of the primary financial statements resulting from the application of IFRS 17 and IFRS 9 to legal entities operating in the insurance sector, the French *Autorité des Normes Comptables* (ANC) adopted on 8 April 2022 a recommendation (n° 2022-01) on the presentation of IFRS consolidated financial statements of entities operating in the banking sector; this recommendation supersedes recommendation n°2017-02 dated 2 June 2017 from the date of first application of IFRS 17 on.

EXPECTED IMPACT ON THE PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

On the consolidated income statement, the profits and losses related to the insurance contracts issued and reinsurance contracts are presented under Net banking income, distinguishing between, on one side:

- the income from the insurance and reinsurance contracts issued;
- the expenses for the services relating to the insurance and reinsurance contracts issued; and
- the income and expenses relating to the reinsurance contracts held;

and on the other side:

- the financial income and expenses from the insurance and reinsurance contracts issued; and
- the financial income and expenses from the reinsurance contracts held.

The expenses for the services relating to the insurance and reinsurance contracts issued as well as the expenses from the reinsurance contracts held will then include the share of operating expenses directly
attributable to the execution of the contracts; this share will thus be deducted from the net banking income and will not impact the total operating expenses in the consolidated income statement anymore.

Many insurance contracts include an investment component in the form of a deposit made by the policyholder and which the insurer is contractually required to repay even if the insured event doesn’t occur. Even if they may take the contractual form of insurance premiums and services, the deposits collection and repayment flows do not constitute either income or expenses in relation to these contracts
The financial income and expenses from the insurance and reinsurance contracts mainly include the variations in value of the groups of contracts relating to the impacts of the time value of money and of the financial risks not taken into account in the estimated flows.
The financial assets representing the investments of insurance companies will be presented on the Group’s balance sheet under the items corresponding to the accounting categories of IFRS 9 and will thus be combined with the other Group financial assets. Likewise, the income and expenses related to these financial assets will be presented in the income statement under the items used for the other financial assets of the Group. Specific information about the Investments of insurance companies will be provided in the Notes to the financial statements.

ORGANISATION OF THE IFRS 17 IMPLEMENTATION PROGRAMME

A “project” structure has been set up under the joint governance of the Group Finance Division and the Insurance Business Line.

This governance is articulated around the following main themes to prepare for the implementation of IFRS 17 by all the insurance entities of the Group, in France and abroad:

- accounting treatments and computational models;
- presentation in the Financial statements and Notes, and financial communication;
- adaptation of the closing process;
- selection and rollout of the IT solution.

In 2019 and 2020, the work was focused on reviewing the different types of contracts, analysing their accounting treatment under IFRS 17 and their presentation in the consolidated financial statements, and, lastly, identifying and selecting solutions in terms of information system, information technology and processes.

In 2021 the work has been devoted to implementing new processes and approving and rolling out the IT solution.

During the first half of 2022, the work entailed improving the reliability of the reporting process and finalising the accounting principles. The second half of the year will focus on preparing the opening balance sheet as at 1 January 2022, the comparative information on this financial year and the information to be provided in the specific statements required by IFRS 17.

At this stage of the IFRS17 implementation project, the consequences of its application to the Group’s financial statements cannot be reasonably estimated.

5. USE OF ESTIMATES AND JUDGMENT

As part of the preparation of the Group’s consolidated accounts, and in application of the accounting principles and methods described in the Notes to the consolidated financial statements, General Management makes assumptions and estimates that may have an impact on the amounts recognised in the income statement or as Unrealised or deferred gains and losses, the valuation of assets and liabilities in the balance sheet, and on the information disclosed in the corresponding Notes.
In order to make these estimates and assumptions, General Management uses the information available on the date of preparation of the consolidated financial statements and may exercise its judgment. Inherently, the valuations based on these estimates involve risk and uncertainties. Therefore, the actual future results may differ from these estimates and have a significant impact on the financial statements.

The assumptions and estimates used in the preparation of these half-yearly consolidated financial statements take into account the uncertainties regarding both the consequences of the war in Ukraine and the aftermath of the Covid-19 pandemic. The impacts of these events on the assumptions and estimates used are detailed in paragraph 6 of the present Note.

Estimates are used in particular to measure the fair value of financial instruments, the depreciation of the assets and provisions recorded on the liability side of the balance sheet, as well as the depreciation of the tax assets and liabilities recognised on the balance sheet and the goodwill. They are also used to analyse the characteristics of the contractual cash flows of financial assets, determine the effective interest rate of financial instruments measured at amortised cost, and assess the control for determining the scope of consolidated entities. The Group also applies judgement to estimate the duration of the leases to be used for the recognition of the rights of use and lease debts as well as to determine the residual value of operating lease assets (specifically the vehicle fleet) and adjust their amortisation plans for the future.

With regard to the measurement of impairment and provisions for credit risk, judgement is exercised and estimates are used in particular to assess the deterioration in credit risk (taking also into account the aggravating factor of the transition climate risk) observed since the initial recognition of the financial assets and the measurement of the expected credit losses on these same financial assets.

BREXIT

The Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union (Brexit) entered into force on 1 January 2021.

Societe Generale has been granted a transitional authorisation to continue its activities in the United Kingdom for two years and is currently in the process of obtaining its permanent licence. Several subsidiaries have also applied for this transitional authorisation. The regulatory authorities of the United Kingdom have until end 2023 to rule on these applications.

The Group continues to monitor the negotiations between the United Kingdom and the European Union regarding financial services. The temporary equivalence status granted to British clearing houses has been extended by the European Commission until 30 June 2025.

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

CLIMATE RISK

The Group continues its work to gradually integrate climate risk in the preparation of its consolidated accounts. Climate change related risks are not a new risk category but rather an aggravating factor for categories already covered by the Group's risk management system. In this regard, the impact of transitional risk on the credit risk of the corporate customers of Societe Generale remains the primary climate risk for the Group.

As at 30 June 2022, the determination of the expected credit losses includes the possible impact of climate risk considered when assessing individual risks and sectoral risks, provided it is compatible with the provisioning horizon; and the impact of the Group's commitment to energy and environmental transition and to regional development are always taken into account in the estimated budgets to determine the recoverable amount of the cash-generating units (CGU) and the recoverability of the deferred tax assets.

In addition, the Group analyses the provisions of the draft ESRS (European Sustainability Reporting Standards) prepared and subjected to public consultation by the EFRAG (European Financial Reporting Advisory Group), in particular those relating to connectivity between these future disclosure requirements and the consolidated financial statements.

6. CRISIS: COVID-19 AND WAR IN UKRAINE

The lifting of the Covid-19-related restrictions in several major economies supports economic activity without, however, excluding the risk of new lockdowns as it has occurred in some geographic areas during the first half-year 2022 (in Hong-Kong for example).

On the other hand, the first half-year 2022 has been strongly impacted, since 24 February, by the war in Ukraine. The conflict, with its human casualties and suffering, has significant economic costs along with considerable uncertainties.

In the euro area, the supply difficulties, the decline in purchasing power with the high inflation expected all through 2022 and the tightening of economic policies are the main bottlenecks constraining growth. If pandemic-related risks have decreased significantly in the short-term, the strong uncertainties related to the war in Ukraine jeopardise these prospects and the scenario of a more pronounced slowdown in 2022 cannot be excluded.

Furthermore, the Group announced in April 2022, the sale of its banking and insurance business in Russia. In May 2022, the Group completed the transfer of Rosbank and its insurance subsidiaries in Russia (see Note 2.1).

In this context, the Group has updated the macroeconomic scenarios selected to prepare the half-yearly consolidated financial statements and has continued applying certain adjustments to its models (adjustments to the GDP as described in Note 3.8).

These macro-economic scenarios are taken into account in the credit loss measurement models including forward-looking data (see Note 3.8) and are also used in some asset impairment tests including goodwill (see Note 2.2) and deferred tax assets (see Note 6).

6.1 MACROECONOMIC SCENARIOS

As at 30 June 2022, the Group has selected three scenarios to factor in the uncertainties relating to the war in Ukraine and the ongoing Covid-19 pandemic. The SG Extended scenario, drafted specifically in the context of the sanitary crisis, has become obsolete owing to the management and evolution of the crisis during the first half-year 2022.
The assumptions selected to draw up the scenarios are listed below:

- The central scenario (SG Central): after a return to a pre-pandemic level at the end of 2021, the risks related to said pandemic have significantly decreased in the short-term (the restrictions related to the pandemic in China would gradually be lifted during the third quarter of 2022). Growth in the euro area will be lower in 2022/2023 owing to inflation (estimated around 7% in 2022, then 2% in 2023) and the likely recession scenario were the energy deliveries from Russia to stop.
- The favourable scenario (SG Favourable) describes an accelerated economic growth compared to the trajectory projected in the central scenario; this growth may result from improved supply conditions owing to a positive shock on productivity or from unexpectedly improved demand conditions (situation observed in several economies in 2021/2022 following releases from lockdowns). In both cases, stronger growth will have a positive impact on employment and/or the profitability of companies.
- The stressed scenario (SG Stress) corresponds to a crisis situation leading to a negative deviation in GDP compared to the central scenario. This scenario may result from a financial crisis (2008 crisis, Euro area crisis…), an exogenous crisis (Covid-19-like pandemic) or a combination of both.

These scenarios are developed by the Economic and Sector Research Division of Societe Generale for all of the Group entities based in particular, on information published by statistical institutes in each country.
Forecasts from institutions (IMF, Global Bank, ECB, OECD…) and the consensus among market economists serve as a reference to ensure the consistency of the scenarios thus constructed.

6.2 FINANCIAL INSTRUMENTS: EXPECTED CREDIT LOSSES

The scenarios provided by the Group economists are incorporated into the credit loss provisioning models over a three-year horizon, followed by a two-year period to return gradually by year 5 to the average probability of default observed during the calibration period. The assumptions made by the Group with a view to develop these macro-economic scenarios are updated to account for the uncertainties about the economic consequences of the war in Ukraine and the remaining uncertainties regarding the Covid-19 pandemic.

VARIABLES

The GDP growth rate, the margin rate of businesses in France, the rates of unemployment, the inflation rate in France and the yield on France 10-year government bonds are the main variables used in the expected credit losses valuation models.

The variables with the stronger impact on the determination of expected credit losses (GDP growth percentage for the major countries in which the Group operates and margin rate of businesses in France) for each scenario are detailed hereinafter:

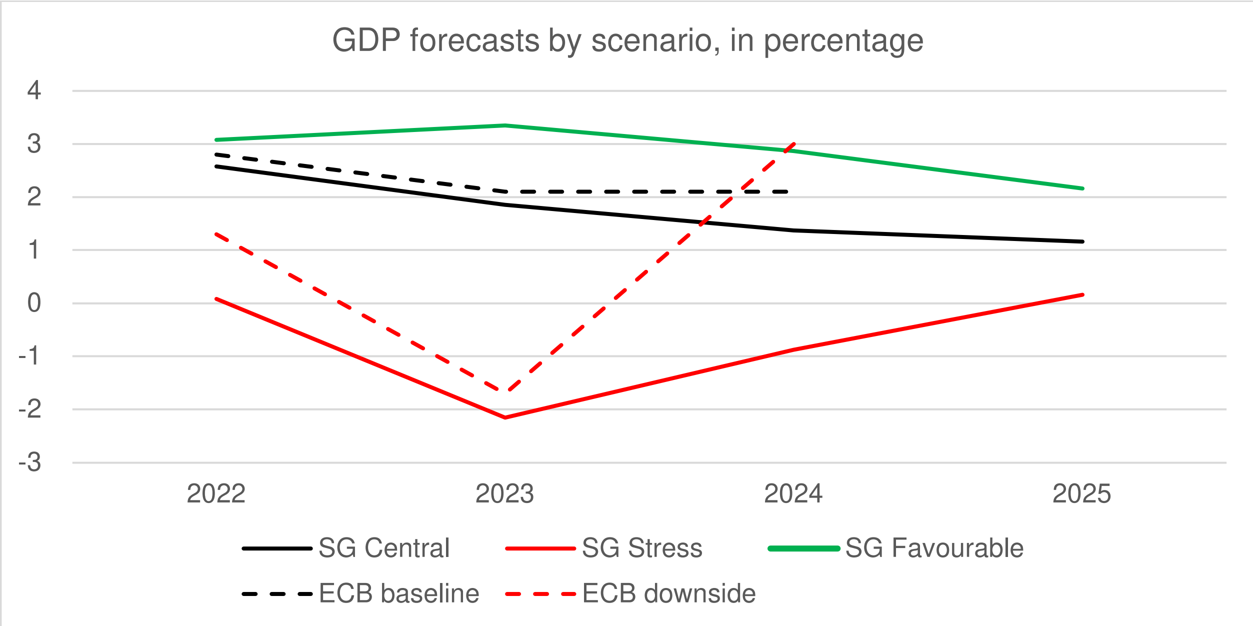
SG Favourable scenario	**2022**	**2023**	**2024**	**2025**	**2026**
France GDP	3,0	3,0	2,8	2,2	1,6
Profit margin of French companies	32,3	32,5	32,7	33,0	32,7
Euro area GDP	3,1	3,4	2,9	2,2	1,6
United States GDP	3,0	3,0	2,3	2,8	2,5
China GDP	4,4	6,0	5,8	5,2	4,8
Czech Republic GDP	2,3	4,1	3,9	3,3	2,8
Romania GDP	3,0	5,0	4,3	3,6	3,1

SG Central scenario	**2022**	**2023**	**2024**	**2025**	**2026**
France GDP	2,5	1,5	1,3	1,2	1,1
Profit margin of French companies	32,0	32,1	32,3	32,5	32,4
Euro area GDP	2,6	1,9	1,4	1,2	1,1
United States GDP	2,5	1,5	0,8	1,8	2,0
China GDP	3,9	4,5	4,3	4,2	4,3
Czech Republic GDP	1,8	2,6	2,4	2,3	2,3
Romania GDP	2,5	3,5	2,8	2,6	2,6

SG Stress scenario	**2022**	**2023**	**2024**	**2025**	**2026**
France GDP	0,0	(2,5)	(0,9)	0,2	0,8
Profit margin of French companies	30,9	29,9	30,1	30,3	31,3
Euro area GDP	0,1	(2,1)	(0,9)	0,2	0,8
United States GDP	0,0	(2,5)	(1,4)	0,8	1,7
China GDP	1,4	0,5	2,0	3,2	4,0
Czech Republic GDP	(0,7)	(1,4)	0,2	1,3	2,1
Romania GDP	0,0	(0,5)	0,6	1,6	2,4

These simulations assume that the historical relationships between the key economic variables and the risk parameters remain unchanged. In practice, these correlations may be impacted by geopolitical or climatic events, changes in behaviour, legal environment or granting policy.

The illustration below compares the GDP previsions in the euro area used by the Group for each scenario with the projections disclosed by the ECB in December 2021.



WEIGHTING OF THE MACROECONOMIC SCENARIOS

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).

In order to better account for a possible reversal of the cycle, the Group supplemented the methodology it uses for weighting scenarios as of 31 December 2021 and assigned a higher weight to the Central scenario when the economy is depressed. Conversely, the methodology provides for a higher weight to be assigned to the Stress scenario when the economy moves towards the peak of the cycle. This methodology will be applied and assessed throughout the current year to be confirmed by 31 December 2022. Accordingly, the weighting applied to the Central scenario is set at 60% as at 30 June 2022 in relation to the cancellation of the SG Extended scenario.

Presentation of the changes in weightings:

	30 June 2022	31 December 2021	30 June 2021
SG Central	60%	50%	65%
SG Extended	NA	10%	10%
SG Stress	30%	30%	15%
SG Favourable	10%	10%	10%

CALCULATION OF EXPECTED CREDIT LOSSES AND SENSITIVITY ANALYSIS

The Cost of risk as at 30 June 2022 amounts to a net expense of 778 million euros, decreasing by 360 million euros (+86%) compared to 30 June 2021 (700 million euros as at 31 December 2021).
Sensitivity tests have been conducted to measure the impact of the changes in weightings on the models. The scope of this exercise concerns the outstanding amounts classified as Stage 1 and Stage 2 subject to a statistical modelling of the impacts of the macro-economic variables (75% of the outstanding amounts in Stage 1 / Stage 2).

The results of these tests, with no impact on the classification of the outstanding amounts concerned, show that, in the event of a 100% weighting:

– of the SG Stress scenario, the impact would be an additional allocation of 251 million euros;
– of the SG Favourable scenario, the impact would be a reversal of 167 million euros;
– of the SG Central scenario, the impact would be a reversal of 98 million euros.

COVID-19 CRISIS: STATE GUARANTEED LOANS (PGE)

As at 30 June 2022, the balance sheet outstanding amount of State Guaranteed Loans granted by the Group is approximately 15.2 billion euros (of which 4.6 billion euros classified as Stage 2 and 1.0 billion euros as Stage 3). The State Guaranteed Loans granted by the French Retail Banking amount, as at 30 June 2022, to 13.2 billion euros (of which 4.2 billion euros classified as Stage 2 and 0.7 billion euros as Stage 3), without predominance of a specific sector; the State guarantee for these loans covers, on average, 90 % of their amount.

The expected credit losses recognised as at 30 June 2022 for PGE (French State Guaranteed Loans) amount to some 157 million euros including 91 million euros booked by the French retail networks (including 35 million euros in Stage 2 and 45 million euros in Stage 3).

A French decree published on 19 January 2022, amending the decree published on 23 March 2020, allows some companies to benefit, under certain conditions, from an extension of their PGE repayment deadlines from 6 to 10 years; these extensions have not had any significant impact on the Group's financial statements as at 30 June 2022.

CONSEQUENCES OF THE WAR IN UKRAINE

The table below presents the changes in exposures (measured at amortised cost or at fair value through equity) booked by the Group entities located in Russia, on one side, and by the Group entities outside Russia on Russian counterparties or Russian Group entities, on the other side.

	30.06.2022		31.12.2021	
In EUR billion	**Exposure at default**	**Gross outstanding**	**Exposure at default**	**Gross outstanding**
Onshore exposures on consolidated subsidiaries (1)	0.3	0.3	15.4	19.0
Offshore exposures (2)	2.6	2.9	3.2	4.4
Rosbank residual exposures	0.5	0.5	-	-
Total	**3.4**	**3.7**	**18.6**	**23.4**

(1) The onshore exposures correspond to Rosbank, Rosbank Insurance and ALD Automotive OOO Russia.

(2) The offshore exposures (excl. Private Banking and residual exposures relating to the sale of Rosbank) correspond to exposures on Russian counterparties or on Russian Group subsidiaries booked outside Russia.

Russia and Ukraine exposures

In May 2022, the Group sold both its Rosbank subsidiary and its Russian insurance subsidiaries. The impact of these sales on the Group's financial statements are described in Note 2.1.

As at 30 June 2022, the Group is present in Russia through its ALD subsidiaries (see onshore exposures on consolidated subsidiaries). On 11 April 2022, ALD announced that it would no longer conclude any new commercial transactions in Russia, Kazakhstan and Belarus, without challenging the ongoing concern status over the 12 next months of ALD Automotive OOO in Russia and ALD Automotive LLC in Belarus, both entities continuing to serve their customers and manage the existing vehicle fleet without encountering any specific difficulties in relation to business activities.

The Group is also present in Ukraine through its ALD subsidiary whose total balance sheet
as at 30 June 2022 is less than 45 million euros after recording impairment for 29 million euros.

Offshore exposures

Outside Russia, the Group still holds Russian counterparty credit exposures. All of these outstanding amounts (2.9 billion euros) have been classified as "sensitive" (see Note 3.8) and transferred from Stage 2 of impairment for credit risk to Stage 3 when necessary.

The consequences of these different events (sale of Rosbank, classification as "sensitive" of the offshore Russian counterparties) as well as the account taken of the new macroeconomic scenarios to determine the expected credit losses as at 30 June 2022 are described in Note 3.8.

Other information

The Group also holds forward financial instruments contracted with Russian counterparties (currencies, gold and interest rate) as well as Russian securities measured at fair value through profit or loss for less than 100 million euros with a non-material financial residual risk.
Legal, regulatory, statutory or contractual constraints or obligations may restrict the Group's ability to freely transfer assets between Group entities.
In May 2022, Russia published legislation providing for temporary restrictions and a special procedure on cash and capital movements initiated by Russian limited companies in favour of their foreign stakeholders related to "unfriendly countries".

6.3 NON-FINANCIAL ASSETS

GOODWILL

Goodwill are subject to an impairment test whenever there is an indication of a loss in value, and at least once a year. If the war in Ukraine is not in itself evidence of a loss in value (impairment), its consequences on the Group's results and budget forecasts substantiate the need for tests on all the Cash Generating Units (CGU) as part of the preparation of the half-yearly financial statements as at 30 June 2022.

As at 30 June 2022, no impairment was recorded.

The details of these tests (method and assumptions used in relation to the macroeconomic scenarios mentioned above) are specified in Note 2.2.

DEFERRED TAX ASSETS

Deferred tax assets are recognised only if the tax entity (or tax group) concerned are liable to recover these assets within a set time, notably through the deduction of the deductible temporary differences and loss carry-forwards from future taxable benefits. Tax losses carry-forwards are usually subject to an annual review based on a realistic projection of the tax results of the entities concerned. At the end of these tests, the book value of the deferred tax assets already recorded on the balance sheet is reduced whenever there's a risk of non-recovery of part or all of these assets.

As at 30 June 2022, the Group has performed a specific review of the tax losses carry-forwards, and has integrated the consequences and uncertainties generated by the war in Ukraine in the projections of the tax results of the main tax groups concerned. This review confirms that the Group's activated tax loss-carry forwards may likely be used against its future taxable income (see Note 6).

7. HYPERINFLATION IN TURKEY

On 16 March 2022, the International Practices Task Force of the Center for Audit Quality, a standard reference for identifying countries with hyperinflation, published a working paper including Turkey in the list of hyperinflationary economies.

Consequently, as from 1 January 2022 on, the Group applied the provisions of IAS 29 ("Financial Reporting in Hyperinflationary Economies") to prepare the individual financial statements in Turkish lira of the ALD entity located in Turkey (prior to their conversion in euros as part of the consolidation process). However, the financial statements of the SG Istanbul branch have not been restated, as the expected effects are not significant.

In accordance with these provisions, the accounting value of some balance sheet items presented at cost is adjusted, at closing date, with the effects of inflation recorded over the period. In ALD Turkey's accounts, these adjustments were applied to the tangible fixed assets representative of the vehicle fleet, as well as to the various components of equity.

On the date of first application of this hyperinflation treatment (1 January 2022), the impact of these adjustments is recorded in consolidated reserves and non-controlling interests; on that date, the translation differences on the entities concerned shall be reclassified to those same financial aggregates. For the subsequent closing periods, inflation adjustments for the eligible assets and equity items, as well as for expenses and income for the period, are recorded as income or expenses on foreign exchange transactions in the Net gains and losses on financial transactions.

Once restated, the Turkish lira financial statements of ALD Turkey are converted into euro on the basis of the exchange rate applicable at the balance sheet date.

As at 1 January 2022, the total consolidated equity was increased by 41.3 million euros, including a reduction in consolidated reserves of -8.4 million euros after tax for the various adjustments and the reclassification of translation differences recorded on that date.

As at 30 June 2022, a gain of 39.5 million euros was recorded in the Net gains and losses on financial transactions as inflation adjustments for the period. After tax and adjustment of other income and expense lines for the period, the effect of hyperinflation restatements on consolidated net income amounted to +27.5 million euros.

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.
The main change to the consolidation scope as at 30 June 2022, compared with the scope applicable at the closing date of 31 December 2021, is as follow:

SALE OF ROSBANK AND INSURANCE SUBSIDIARIES IN RUSSIA

Societe Generale announced on 18 May 2022 the closing of the sale of Rosbank group and the Group's Russian insurance subsidiaries to Interros Capital.

The financial consequences of this sale are presented below:

- A reduction in the Group's total balance sheet of EUR 16 billion mainly including a decrease in Customers loans at amortised cost of EUR 10 billion and a decrease in Customers deposits of EUR 13 billion.
- A loss on this disposal, reported in Net income / expense from other assets in 2022, of EUR -3.3 billion before tax. This loss includes a translation difference reclassified into income for EUR -0.5 billion, cumulated amount at 18 May after an increase of EUR 0.5 billion following the hike of the ruble since 1 January 2022.

NOTE 2.2 - GOODWILL

The table below shows, by operating segment (Note 8.1), the changes in net value of the cash-generating units (CGU) goodwill over the first half of 2022:

Table 2.2.B

(In EUR m)	Value as at 31.12.2021	Acquisitions and other increases	Disposals and other decreases	Transfers	Impairment	Value as at 30.06.2022
French Retail Banking	**831**	**-**	**-**	**237**	**-**	**1,068**
French Networks *	831	-	-	237	-	1,068
International Retail Banking	**1,475**	**-**	**(1)**	**-**	**-**	**1,474**
Europe	1,361	-	(1)	-	-	1,360
Russia	-	-	-	-	-	-
Africa, Mediterranean Basin and Overseas	114	-	-	-	-	114
Insurance	**335**	**-**	**(1)**	**-**	**-**	**334**
Insurance	335	-	(1)	-	-	334
Financial Services	**806**	**55**	**-**	**-**	**-**	**861**
Equipment and Vendor Finance	228	-	-	-	-	228
Auto Leasing Financial Services	578	55	-	-	-	633
Global Markets and Investor Services	**-**	**-**	**-**	**-**	**-**	**-**
Global Markets and Investor Services	-	-	-	-	-	-
Financing and Advisory	**57**	**-**	**-**	**-**	**-**	**57**
Financing and Advisory	57	-	-	-	-	57
Asset and Wealth Management	**237**	**-**	**-**	**(237)**	**-**	**-**
Asset and Wealth Management *	237	-	-	(237)	-	-
Total	**3,741**	**55**	**(2)**	**-**	**-**	**3,794**

* *Following the steering changes at the end of 2021 resulting from the sale of Lyxor, SG Private Banking has been reporting to the French Retail Banking operating segment since 1 January 2022. The existing synergies between the SG Private Banking and the Retail Banking business also led the Group to combine the two CGUs under the French Networks CGU, SG Private Banking being an extension of Retail Banking to a specific customer segment.*

IMPAIRMENT TEST OF CGU

Goodwill are subject to an impairment test as soon as there is any indication of impairment and at least once a year. The war in Ukraine alone is not an indication of impairment, however, its negative consequences on the Group's results and financial projections justify the performance of tests on all CGUs as part of the preparation of the half-yearly financial statements as at 30 June 2022.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from the Group's other assets or groups of assets. Impairment tests consist into assessing the recoverable value of each CGU and comparing it with its carrying value. An irreversible impairment loss is recorded in the income statement if the carrying value of a CGU, including goodwill, exceeds its recoverable value. This loss is booked under value adjustment on goodwill.
The recoverable amount of a CGU is calculated using the discounted cash flow (DCF) method applied to the entire CGU.
The key principles retained for the implementation of annual tests as at 30 June 2022 for the assessment of the recoverable value of CGUs are as follows:

- In order to take into account the consequences and uncertainties linked to the war in Ukraine, the budget trajectories of the CGUs have been revised in June 2022 on the basis of the SG Central scenario established by the Group's economists and whose underlying assumptions are presented in Note 1.
- For each CGU, estimates of future distributable dividends are determined over a five-year period, on the basis of a four-year budget trajectory (from 2022 to 2025) extrapolated to 2026, the latter year being used to calculate the terminal value.
- These estimates take into account the equity target allocated to each CGU, unchanged compared to 31 December 2021 (11% of the risk-weighted assets of each CGU).
- The growth rates used to calculate the terminal value are determined using forecasts on sustainable long-term economic growth and inflation. These rates are estimated using two main sources, namely the International Monetary Fund and the economic analyses produced by SG Cross Asset Research which provides 2026 forecasts.
- The projected dividends are then discounted on the basis of a rate equal to the risk-free rate grossed up by a risk premium based on the CGU's underlying activities. This risk premium, specific to each activity, is calculated from a series of equity risk premiums published by SG Cross Asset Research and from its specific estimated volatility (beta). Where appropriate, the risk-free rate is also grossed up by a sovereign risk premium, representing the difference between the risk-free rate available in the area of monetary assignment (mainly US dollar area or Euro area) and the interest rate observed on liquid long-term treasury bonds issued (mainly US dollar area or Euro area), in proportion with risk-weighted assets for CGUs covering several countries. The updated discount rates as at 30 June 2022 are detailed below.

The table below presents discount rates and long-term growth rates specific to the CGUs of the Group's three core businesses:

Table 2.2.C

Assumptions as at 30 June 2022	**Discount rate**	**Long-term growth rate**
French Retail Banking		
French Networks	8.3%	1.5%
International Retail Banking		
Retail Banking and Consumer Finance	11% à 13.6%	2% to 3%
Insurance		
Insurance	9.3%	2.5%
Financial Services		
Equipment and Vendor Finance and Auto Leasing Financial Services	9.4%	2.0%
Global Markets and Investor Solutions		
Global Markets and Investor Services	11.7%	2.0%
Financing and Advisory		
Financing and Advisory	9.7%	2.0%

As at 30 June 2022, no impairment has been recorded in the accounts.

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

Table 3.1.A

	30.06.2022		31.12.2021	
(In EUR m)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Trading portfolio	358,882	281,328	319,789	243,112
Financial assets measured mandatorily at fair value through profit or loss	19,863		21,356	
Financial instruments measured at fair value through profit or loss using the fair value option	1,420	62,803	1,569	64,451
Total	**380,165**	**344,131**	**342,714**	**307,563**
o/w securities purchased/sold under resale/repurchase agreements	*134,716*	*114,661*	*81,313*	*84,797*

1. TRADING PORTFOLIO

ASSETS

Table 3.1.B

(In EUR m)	30.06.2022	31.12.2021
Bonds and other debt securities	28,115	22,480
Shares and other equity securities	78,100	108,858
Securities purchased under resale agreements	134,682	81,282
Trading derivatives (1)	110,713	100,355
Loans, receivables and other trading assets	7,272	6,814
Total	**358,882**	**319,789**
o/w securities lent	*11,136*	*14,370*

(1) See Note 3.2 Financial derivatives.

LIABILITIES

Table 3.1.C

(In EUR m)	30.06.2022	31.12.2021
Amounts payable on borrowed securities	48,189	45,821
Bonds and other debt instruments sold short	6,768	3,630
Shares and other equity instruments sold short	1,070	838
Securities sold under repurchase agreements	114,345	84,729
Trading derivatives [1]	107,650	106,607
Borrowings and other trading liabilities	3,306	1,487
Total	**281,328**	**243,112**

(1) See Note 3.2 Financial derivatives.

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

Table 3.1.D

(In EUR m)	30.06.2022	31.12.2021
Bonds and other debt securities	159	193
Shares and other equity securities	2,856	2,769
Loans, receivables and securities purchased under resale agreements	16,848	18,394
Total	**19,863**	**21,356**

The loans and 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 do not reflect the effect of changes in the benchmark interest rate;
- loans that include indexation clauses that do not permit to recognise as basic loans (SPPI).

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

ASSETS

Table 3.1.F

(In EUR m)	30.06.2022	31.12.2021
Bonds and other debt securities	89	4
Loans, receivables and securities purchased under resale agreements	60	58
Separate assets for employee benefits plans	1,271	1,507
Total	**1,420**	**1,569**

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.

Table 3.1.G

	30.06.2022		31.12.2021	
(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	62,803	64,652	64,451	65,547

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 conditions on the markets and the residual maturity of the related liabilities.
Changes in fair value attributable to own credit risk generated an unrealised gain of 1,283 million euros during the first semester of 2022. Up to this date, the total gains attributable to own credit risk amounted to 938 million euros recognised directly in equity.

NOTE 3.2 - FINANCIAL DERIVATIVES

1. TRADING DERIVATIVES

FAIR VALUE

Table 3.2.A

	30.06.2022		31.12.2021	
(In EUR m)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate instruments	56,674	45,972	56,560	51,181
Foreign exchange instruments	31,451	32,322	18,404	19,320
Equities & index instruments	19,766	26,143	24,186	33,779
Commodities instruments	724	693	279	311
Credit derivatives	2,071	1,908	921	1,179
Other forward financial instruments	27	612	5	837
Total	**110,713**	**107,650**	**100,355**	**106,607**

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)

Table 3.2.B

(In EUR m)	30.06.2022	31.12.2021
Interest rate instruments	**10,761,725**	**9,807,443**
Firm instruments	9,004,208	8,155,415
Swaps	*7,480,349*	*7,013,837*
FRAs	*1,523,859*	*1,141,578*
Options	1,757,517	1,652,028
Foreign exchange instruments	**4,604,606**	**3,379,742**
Firm instruments	3,528,103	2,617,178
Options	1,076,503	762,564
Equity and index instruments	**920,665**	**838,749**
Firm instruments	158,512	144,592
Options	762,153	694,157
Commodities instruments	**28,419**	**24,539**
Firm instruments	28,295	24,372
Options	124	167
Credit derivatives	**168,855**	**177,923**
Other forward financial instruments	**29,458**	**31,022**
Total	**16,513,728**	**14,259,418**

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

Table 3.2.C

	30.06.2022		31.12.2021	
(In EUR m)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Fair value hedge	**21,537**	**31,655**	**12,823**	**10,171**
Interest rate instruments	21,536	31,613	12,786	10,141
Foreign exchange instruments	1	29	36	30
Equity and index instruments	-	13	1	-
Cash flow hedge	**211**	**358**	**311**	**61**
Interest rate instruments	160	279	253	26
Foreign exchange instruments	49	40	24	33
Equity and index instruments	2	39	34	2
Net investment hedge	**103**	**120**	**105**	**193**
Foreign exchange instruments	103	120	105	193
Total	**21,851**	**32,133**	**13,239**	**10,425**

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.
For the first half-year 2022, the revaluation differences on macro-hedged fixed-rate assets portfolios and fixed-rate liabilities portfolios have become negative as a result of the interest rate raise observed during the period. On the asset side of the balance sheet, the revaluation difference on portfolios hedged against interest rate risk amounts to -565 million euros as at 30 June 2022 (compared to +131 million euros as at 31 December 2021); and on the liabilities side, the revaluation differences on portfolios hedged against interest rate risk amounts to -6,148 million euros as at 30 June 2022 (against +2,832 million euros as at 31 December 2021).

COMMITMENTS (NOTIONAL AMOUNTS)

Table 3.2.D

(In EUR m)	**30.06.2022**	**31.12.2021**
Interest rate instruments	**1,013,415**	**981,765**
Firm instruments	1,012,875	978,728
Swaps	*828,565*	*696,716*
FRAs	*184,310*	*282,012*
Options	540	3,037
Foreign exchange instruments	**9,411**	**9,245**
Firm instruments	9,411	9,245
Equity and index instruments	**275**	**160**
Firm instruments	275	160
Total	**1,023,101**	**991,170**

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

OVERVIEW

Table 3.3.A

(In EUR m)	30.06.2022	31.12.2021
Debt instruments	42,317	43,180
Bonds and other debt securities	*42,317*	*43,081*
Loans and receivables and securities purchased under resale agreements	-	*99*
Shares and other equity securities	244	270
Total	**42,561**	**43,450**
o/w securities lent	*282*	*241*

1. DEBT INSTRUMENTS

CHANGES OF THE PERIOD

Table 3.3.B

(In EUR m)	2022
Balance as at 1 January	**43,180**
Acquisitions/disbursements	21,756
Disposals/redemptions	(22,108)
Change in scope and others	(434)
Changes in fair value during the period	(1,819)
Change in related receivables	19
Translation differences	1,723
Balance as at 30 June	**42,317**

CUMULATIVE UNREALISED GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

Table 3.3.C

(In EUR m)	30.06.2022	31.12.2021
Unrealised gains	292	334
Unrealised losses	(857)	(200)
Total	**(565)**	**134**

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

Table 3.4.A

	30.06.2022				31.12.2021			
(In EUR m)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Trading portfolio (excluding derivatives)	**95,499**	**147,077**	**5,593**	**248,169**	**119,240**	**95,485**	**4,709**	**219,434**
Bonds and other debt securities	24,874	3,106	136	28,116	19,516	2,584	380	22,480
Shares and other equity securities	70,625	7,474	-	78,099	99,721	9,137	-	108,858
Securities purchased under resale agreements	-	129,311	5,371	134,682	-	77,080	4,202	81,282
Loans, receivables and other trading assets	-	7,186	86	7,272	3	6,684	127	6,814
Trading derivatives	**627**	**104,535**	**5,551**	**110,713**	**371**	**96,018**	**3,966**	**100,355**
Interest rate instruments	43	52,759	3,871	56,673	17	53,860	2,683	56,560
Foreign exchange instruments	584	30,438	429	31,451	354	17,817	233	18,404
Equity and index instruments	-	19,500	266	19,766	-	23,613	573	24,186
Commodity instruments	-	723	1	724	-	276	3	279
Credit derivatives	-	1,088	984	2,072	-	447	474	921
Other forward financial instruments	-	27	-	27	-	5	-	5
Financial assets measured mandatorily at fair value through profit or loss	**143**	**14,870**	**4,850**	**19,863**	**169**	**16,727**	**4,460**	**21,356**
Bonds and other debt securities	-	28	131	159	16	45	132	193
Shares and other equity securities	143	384	2,330	2,857	153	368	2,248	2,769
Loans, receivables and securities purchased under resale agreements	-	14,458	2,389	16,847	-	16,314	2,080	18,394
Financial assets measured using fair value option through profit or loss	**88**	**1,332**	**-**	**1,420**	**-**	**1,565**	**4**	**1,569**
Bonds and other debt securities	88	-	-	88	-	-	4	4
Loans, receivables and securities purchased under resale agreements	-	60	-	60	-	58	-	58
Separate assets for employee benefit plans	-	1,272	-	1,272	-	1,507	-	1,507
Hedging derivatives	**-**	**21,851**	**-**	**21,851**	**-**	**13,239**	**-**	**13,239**
Interest rate instruments	-	21,696	-	21,696	-	13,039	-	13,039
Foreign exchange instruments	-	153	-	153	-	165	-	165
Equity and index instruments	-	2	-	2	-	35	-	35
Financial assets measured at fair value through other comprehensive income	**42,131**	**185**	**245**	**42,561**	**42,798**	**380**	**272**	**43,450**
Bonds and other debt securities	42,131	185	1	42,317	42,798	281	2	43,081
Shares and other equity securities	-	-	244	244	-	-	270	270
Loans and receivables	-	-	-	-	-	99	-	99
Total	**138,488**	**289,850**	**16,239**	**444,577**	**162,578**	**223,414**	**13,411**	**399,403**

2. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

Table 3.4.B

	30.06.2022				31.12.2021			
(In EUR m)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Trading portfolio (excluding derivatives)	**7,831**	**163,474**	**2,373**	**173,678**	**4,494**	**129,989**	**2,022**	**136,505**
Amounts payable on borrowed securities	8	48,020	162	48,190	30	45,630	161	45,821
Bonds and other debt instruments sold short	6,753	1	14	6,768	3,626	1	3	3,630
Shares and other equity instruments sold short	1,070	-	-	1,070	838	-	-	838
Securities sold under repurchase agreements	-	112,152	2,192	114,344	-	82,874	1,855	84,729
Borrowings and other trading liabilities	-	3,301	5	3,306	-	1,484	3	1,487
Trading derivatives	**587**	**101,474**	**5,589**	**107,650**	**400**	**101,390**	**4,817**	**106,607**
Interest rate instruments	23	42,301	3,648	45,972	9	48,750	2,422	51,181
Foreign exchange instruments	563	31,420	338	32,321	390	18,719	211	19,320
Equity and index instruments	-	25,090	1,054	26,144	1	32,124	1,654	33,779
Commodity instruments	-	692	1	693	-	309	2	311
Credit derivatives	-	1,359	548	1,907	-	651	528	1,179
Other forward financial instruments	1	612	-	613	-	837	-	837
Financial liabilities measured using fair value option through profit or loss	**-**	**24,942**	**37,861**	**62,803**	**-**	**27,633**	**36,818**	**64,451**
Hedging derivatives	**-**	**32,133**	**-**	**32,133**	**-**	**10,425**	**-**	**10,425**
Interest rate instruments	-	31,893	-	31,893	-	10,168	-	10,168
Foreign exchange instruments	-	188	-	188	-	255	-	255
Equity and index instruments	-	52	-	52	-	2	-	2
Total	**8,418**	**322,023**	**45,823**	**376,264**	**4,894**	**269,437**	**43,657**	**317,988**

3. VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

Table 3.4.C

(In EUR m)	Balance as at 31.12.2021	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 30.06.2022
Trading portfolio (excluding derivatives)	**4,709**	**3,331**	**(1,670)**	**(993)**	**124**	**(34)**	**177**	**(51)**	**5,593**
Bonds and other debt securities	380	322	(490)	(97)	6	4	11	-	136
Securities purchased under resale agreements	4,202	3,009	(1,180)	(896)	118	(39)	157	-	5,371
Loans, receivables and other trading assets	127	-	-	-	-	1	9	(51)	86
Trading derivatives	**3,966**	**39**	**(7)**	**(1,107)**	**122**	**2,222**	**316**	**-**	**5,551**
Interest rate instruments	2,683	-	-	(871)	65	1,733	261	-	3,871
Foreign exchange instruments	233	1	(1)	(54)	2	240	8	-	429
Equity and index instruments	573	38	(6)	(22)	25	(371)	29	-	266
Commodity instruments	3	-	-	(1)	-	(1)	-	-	1
Credit derivatives	474	-	-	(159)	30	621	18	-	984
Financial assets measured mandatorily at fair value through profit or loss	**4,460**	**319**	**(32)**	**(17)**	**-**	**78**	**146**	**(104)**	**4,850**
Bonds and other debt securities	132	22	(23)	-	-	-	-	-	131
Shares and other equity securities	2,248	53	(9)	-	-	113	29	(104)	2,330
Loans, receivables and securities purchased under resale agreements	2,080	244	-	(17)	-	(35)	117	-	2,389
Financial assets measured using fair value option through profit or loss	**4**	**-**	**(4)**	**(8)**	**-**	**-**	**-**	**8**	**-**
Bonds and other debt securities	4	-	(4)	-	-	-	-	-	-
Loans, receivables and securities purchased under resale agreements	-	-	-	(8)	-	-	-	8	-
Financial assets measured at fair value option through other comprehensive income	**272**	**-**	**(1)**	**-**	**-**	**(26)**	**-**	**-**	**245**
Debt instruments	2	-	(1)	-	-	-	-	-	1
Equity instruments	270	-	-	-	-	(26)	-	-	244
Total	**13,411**	**3,689**	**(1,714)**	**(2,125)**	**246**	**2,240**	**639**	**(147)**	**16,239**

FINANCIAL LIABILITIES

Table 3.4.D

(In EUR m)	Balance as at 31.12.2021	Issues	Redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses	Translation differences	Change in scope and others	Balance as at 30.06.2022
Trading portfolio (excluding derivatives)	**2,022**	**1,343**	**(881)**	**(1,082)**	**95**	**866**	**10**	**-**	**2,373**
Amounts payable on borrowed securities	161	-	-	(1,078)	95	975	9	-	162
Bonds and other debt instruments sold short	3	-	-	-	-	11	-	-	14
Securities sold under repurchase agreements	1,855	1,343	(881)	(1)	-	(125)	1	-	2,192
Borrowings and other trading liabilities	3	-	-	(3)	-	5	-	-	5
Trading derivatives	**4,817**	**222**	**(18)**	**(606)**	**895**	**157**	**122**	**-**	**5,589**
Interest rate instruments	2,422	1	**(1)**	(516)	810	932	-	-	3,648
Foreign exchange instruments	211	1	**-**	(1)	-	129	(2)	-	338
Equity and index instruments	1,654	220	(15)	(29)	44	(924)	104	-	1,054
Commodity instruments	2	-	(2)	-	-	1	-	-	1
Credit derivatives	528	-	-	(60)	41	19	20	-	548
Financial liabilities measured using fair value option through profit or loss	**36,818**	**14,429**	**(10,231)**	**(992)**	**2,061**	**(5,383)**	**1,159**	**-**	**37,861**
Total financial liabilities at fair value	**43,657**	**15,994**	**(11,130)**	**(2,680)**	**3,051**	**(4,360)**	**1,291**	**-**	**45,823**

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

For financial instruments recognised at fair value on the balance sheet, fair value is determined primarily on the basis of the prices quoted in an active market. These prices may be adjusted, if they are not available at the balance sheet date, in order to incorporate the events that have an impact on prices and occurred after the closing of the stock markets but before the measurement date or in the event of an inactive market.
However, due notably to the varied characteristics of financial instruments traded over-the-counter on the financial markets, a large number of financial products traded by the Group does not have quoted prices in the markets.
For these products, fair value is determined using models based on valuation techniques commonly used 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 parameters that reflect 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 derived from observable market data or not, are checked by the Finance Division of Market Activities, in accordance with the methodologies defined by the Market Risk Department.
If necessary, these valuations are supplemented by additional reserves (such as bid-ask spreads and liquidity) determined reasonably and appropriately after an analysis of available information.
Derivatives and security financing transactions are subject to a Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA). The Group includes all clients and clearing houses in this adjustment, which also reflects 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 the 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, with a focus on the use of relevant and observable market data. Since 2021, a system has been in place to identify the new transactions for which CVA/DVA adjustments are significant. These transactions are then classified in Level 3.
Similarly, an adjustment to take into account the costs or profits linked to the financing of these transactions (FVA, Funding Value Adjustment) is also performed.
Observable data must be: independent, available, publicly distributed, based on a narrow consensus and/or 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 not observable. This is the case for the implied volatility used for the valuation of equity options with maturities of more than five years. However, when the residual maturity of the instrument falls below five years, its fair value becomes sensitive to observable inputs.
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 implement a new model in accordance with pertinent available data, similar to methods used by other market players.

SHARES AND OTHER EQUITY SECURITIES

For listed shares, fair value is taken to be the quoted price on the balance sheet date. For unlisted shares, fair value is determined depending on the type of financial instrument and according to one of the following methods:

- valuation based on a recent transaction involving the issuing company (third party buying into the issuing company's capital, appraisal by a professional valuation agent, etc.);
- valuation based on a recent transaction in the same sector as the issuing company (income multiple, asset multiple, etc.);
- proportion of net asset value held.

For unlisted securities in which the Group has significant holdings, valuations based on the above methods are supplemented by a discounted future cash flow valuation based on business plans or on valuation multiples of similar companies.

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

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 on-balance sheet amounts include changes in the Group's issuer credit risk.

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).

CUSTOMER LOANS

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, for Level 3 instruments, the ranges of values of the most significant unobservable inputs by main product type.

Table 3.4.E

(In EUR m)

Cash instruments and derivatives	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs min.	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	3.2%	196.2%
			Equity dividends	0.0%	20.1%
			Correlations	-80.0%	99.6%
			Hedge fund volatilities	7.6%	20.0%
			Mutual fund volatilities	1.7%	34.6%
Interest rates and Forex	Forex derivatives	Forex option pricing models	Forex volatilities	0.0%	51.0%
Credit	Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	0.0%	100.0%
			Recovery rate variance for single name underlyings	0.0%	100.0%
	Other credit derivatives	Credit default models	Time to default correlations	0,0%	100.0%
			Quanto correlations	-50.0%	40.0%
			Credit spreads	0 bps	1,000 bps
Commodities	Derivatives on commodities baskets	Option models on commodities	Correlations	NA	NA
Long term equity investments	Securities held for strategic purposes	Net Book Value / Recent transactions	Not 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.

Table 3.4.F

	30.06.2022	
(In EUR m)	**Assets**	**Liabilities**
Equities/funds	838	25,952
Rates and Forex	12,329	19,322
Credit	984	548
Commodities	1	1
Long term equity investments	2,087	-
Total	**16,239**	**45,823**

6. SENSITIVITY OF FAIR VALUE FOR LEVEL 3 INSTRUMENTS

Unobservable inputs are assessed carefully, particularly in this persistently uncertain economic environment and market. However, by their very nature, unobservable inputs inject a degree of uncertainty into the valuation of Level 3 instruments.
To quantify this, fair value sensitivity was estimated at 30 June 2022 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 is the standard deviation of consensus prices (TOTEM, etc.) used to measure an input nevertheless considered as unobservable. In case of unavailability of these data, the standard deviation of historic data is used to measure the input.

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

Table 3.4.G

	30.06.2022		31.12.2021	
(In EUR m)	**Negative impact**	**Positive impact**	**Negative impact**	**Positive impact**
Shares and other equity instruments and derivatives	**(30)**	**88**	**(21)**	**78**
Equity volatilities	(2)	13	-	12
Dividends	-	18	-	19
Correlations	(28)	55	(20)	44
Hedge Fund volatilities	-	0	-	0
Mutual Fund volatilities	(0)	2	(1)	3
Rates or Forex instruments and derivatives	**(9)**	**33**	**(6)**	**30**
Correlations between exchange rates and/or interest rates	(3)	27	(3)	27
Forex volatilities	(5)	6	(2)	3
Constant prepayment rates	-	(0)	-	(0)
Inflation/inflation correlations	(1)	0	(1)	0
Credit instruments and derivatives	**-**	**4**	**-**	**8**
Time to default correlations	-	0	-	1
Quanto correlations	-	3	-	4
Credit spreads	-	1	-	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 at the computation date based on a “standardised“ variation in inputs. Future variations in fair value 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 amount remaining 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.

Table 3.4.H

(In EUR m)	2022
Deferred margin at 1 January	**1,191**
Deferred margin on new transactions during the period	437
Margin recorded in the income statement during the period	(443)
o/w amortisation	*(266)*
o/w switch to observable inputs	*(12)*
o/w disposed, expired or terminated	*(165)*
Deferred margin at 30 June	**1,185**

NOTE 3.5 - LOANS, RECEIVABLES AND SECURITIES AT AMORTISED COST

OVERVIEW

Table 3.5.A

(In EUR m)	30.06.2022 Carrying amount	30.06.2022 *o/w impairment*	31.12.2021 Carrying amount	31.12.2021 *o/w impairment*
Due from banks	82,594	*(40)*	55,972	*(36)*
Customer loans	503,718	*(10,711)*	497,164	*(10,980)*
Securities	19,376	*(55)*	19,371	*(57)*
Total	**605,688**	***(10,806)***	**572,507**	***(11,073)***

1. DUE FROM BANKS

Table 3.5.B

(In EUR m)	30.06.2022	31.12.2021
Current accounts	36,262	26,997
Deposits and loans	17,779	18,123
Securities purchased under resale agreements	27,672	10,184
Subordinated and participating loans	96	99
Related receivables	858	585
Due from banks before impairments [(1)]	**82,667**	**55,988**
Credit loss impairments	(40)	(36)
Revaluation of hedged items	(33)	20
Total	**82,594**	**55,972**

(1) As at 30 June 2022, the amount due from banks classified as Stage 3 impairment (credit impaired) is EUR 95 million compared to EUR 46 million at 31 December 2021. 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

Table 3.5.C

(In EUR m)	30.06.2022	31.12.2021
Overdrafts	32,242	27,013
Other customer loans	443,978	438,165
Lease financing agreements	29,333	30,509
Securities purchased under resale agreements	5,772	8,831
Related receivables	3,237	3,399
Customer loans before impairments [1]	**514,562**	**507,917**
Credit loss impairment	(10,711)	(10,980)
Revaluation of hedged items	(133)	227
Total	**503,718**	**497,164**

(1) As at 30 June 2022, the amount due from customers classified as Stage 3 impairment (credit impaired) is EUR 15,995 million compared to EUR 16,261 million at 31 December 2021. 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).

3. SECURITIES

Table 3.5.F

(In EUR m)	30.06.2022	31.12.2021
Government securities	8,493	8,896
Negotiable certificates, bonds and other debt securities	11,052	10,525
Related receivables	155	160
Securities before impairments	**19,700**	**19,581**
Impairment	(55)	(57)
Revaluation of hedged items	(269)	(153)
Total	**19,376**	**19,371**

NOTE 3.6 - DEBTS

1. DUE TO BANKS

Table 3.6.A

(In EUR m)	30.06.2022	31.12.2021
Demand deposits and current accounts	14,041	12,373
Overnight deposits and borrowings	2,044	1,564
Term deposits (1)	127,236	121,708
Related payables	84	47
Revaluation of hedged items	(966)	104
Securities sold under repurchase agreements	5,432	3,381
Total	**147,871**	**139,177**

(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).

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 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 at the outset 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 Group has subscribed through Societe Generale and Crédit du Nord TLTRO III loans through quarterly drawings staggered between December 2019 and December 2021. As at 30 June 2022, the total outstanding amount drawn is EUR 71.9 billion.

As at 31 December 2021, the Group had reached its objective of stability of the outstanding amount of eligible loans, allowing it to benefit from a reduced interest rate as well as from additional temporary bonuses applied from 24 June 2020 to 23 June 2021 and 24 June 2021 to 23 June 2022. The weighted average rate of the TLTRO borrowings has thus been established as early from -0.58% and -0.90% depending on the drawdown dates. The total amount of negative interest on the TLTRO borrowing recorded in the first half of 2022 under Interest and similar income is EUR 0.2 billion.

In January 2021, the IFRS IC received a question relating to the accounting treatment of the TLTRO and has not, in the first half-year, ruled neither on the recognition of transactions under IFRS 9 nor on the possible identification of a subsidy. The topic has been referred to the IFRS 9 Post Implementation Review. The Group remains vigilant with regard to the IFRS IC decision and will take account of any elements of clarification that this decision will provide.

2. CUSTOMER DEPOSITS

Table 3.6.B

(In EUR m)	30.06.2022	31.12.2021
Regulated savings accounts	112,024	109,079
Demand	*86,029*	*83,025*

Term	*25,995*	*26,054*
Other demand deposits [1]	315,689	308,091
Other term deposits [1]	84,264	84,861
Related payables	670	261
Revaluation of hedged items	(154)	103
Total customer deposits	**512,493**	**502,395**
Securities sold to customers under repurchase agreements	6,938	6,738
Total	**519,431**	**509,133**

(1) Including term-deposits linked to governments and central administrations

PARTNERSHIP AGREEMENT WITH ING

On 4 April 2022, Boursorama signed a partnership agreement with ING following its decision to withdraw from the retail banking market in France. Under the terms of this agreement, Boursorama offers ING's online banking clients in France an alternative banking solution with a simplified subscription process and exclusive offers on the products and services subscribed. The proposed offers relate to current accounts, savings plans and means of payment as well as securities accounts; credits, however, are not included within the scope of the agreement.

As at 30 June 2022, Customer deposits on the liabilities side of the balance sheet, include the outstanding amounts of deposits and savings plans transferred to Boursorama for an amount of 1,218 million euros.

In the second half of 2022, the life insurance brokerage activities of ING Direct Vie will be transferred to Boursorama.

3. DEBT SECURITIES ISSUED

Table 3.6.D

(In EUR m)	**30.06.2022**	**31.12.2021**
Term savings certificates	255	276
Bond borrowings	22,979	21,525
Interbank certificates and negotiable debt instruments	112,694	112,819
Related payables	455	574
Revaluation of hedged items	(2,704)	130
Total	**133,679**	**135,324**
o/w floating-rate securities	*60,302*	*62,215*

NOTE 3.7 - INTEREST INCOME AND EXPENSE

Table 3.7.A

(In EUR m)	1st semester of 2022			2021			1st semester of 2021		
	Income	**Expense**	**Net**	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Financial instruments at amortised cost	7,161	(3,104)	4,057	11,574	(4,344)	7,230	5,498	(2,189)	3,309
Central banks	*212*	*(211)*	*1*	*78*	*(308)*	*(230)*	*21*	*(154)*	*(133)*
Bonds and other debt securities	*220*	*(788)*	*(568)*	*428*	*(1,293)*	*(865)*	*214*	*(653)*	*(439)*
Due from/to banks [(1)]	*688*	*(433)*	*255*	*1,107*	*(410)*	*697*	*486*	*(250)*	*236*
Customer loans and deposits	*5,299*	*(1,177)*	*4,122*	*9,680*	*(1,695)*	*7,985*	*4,694*	*(819)*	*3,875*
Subordinated debt	*-*	*(294)*	*(294)*	*-*	*(526)*	*(526)*	*-*	*(264)*	*(264)*
Securities lending/borrowing	*42*	*(6)*	*36*	*10*	*(11)*	*(1)*	*3*	*(2)*	*1*
Repo transactions	*700*	*(195)*	*505*	*271*	*(101)*	*170*	*80*	*(47)*	*33*
Hedging derivatives	4,496	(3,624)	872	7,015	(5,489)	1,526	3,410	(2,537)	873
Financial instruments at fair value through other comprehensive income	207	(289)	(82)	415	-	415	211	-	211
Lease agreements	417	(18)	399	843	(39)	804	436	(19)	417
Real estate lease agreements	*81*	*(18)*	*63*	*166*	*(39)*	*127*	*85*	*(19)*	*66*
Non-real estate lease agreements	*336*	*-*	*336*	*677*	*-*	*677*	*351*	*-*	*351*
Subtotal interest income/expense on financial instruments using the effective interest method	**12,281**	**(7,035)**	**5,246**	**19,847**	**(9,872)**	**9,975**	**9,555**	**(4,745)**	**4,810**
Financial instruments mandatorily at fair value through profit or loss	162	-	162	743	-	743	191	-	191
Total Interest income and expense	**12,443**	**(7,035)**	**5,408**	**20,590**	**(9,872)**	**10,718**	**9,746**	**(4,745)**	**5,001**
o/w interest income from impaired financial assets	*123*	*-*	*123*	*259*	*-*	*259*	*135*	*-*	*135*

(1) Negative interest on TLTRO borrowings is recorded under income due from loans/borrowings from credit institutions (see Note 3.6).

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

MODELS AND PARAMETERS USED TO ESTIMATE EXPECTED CREDIT LOSSES

The methodology applied to calculate impairment charges and provisions for expected credit losses in Stage 1 and Stage 2 was developed using the Basel framework as a basis for selecting the methods for assessing the calculation parameters (probability of default and loss rate for outstanding loans under the Basel advanced approaches - IRBA and IRBF - and provisioning rate for outstanding loans under the standardised approach).
The Group portfolios have been segmented to ensure homogeneity of risk characteristics and better correlation with macroeconomic variables, both local and global. This segmentation makes it possible to address all of the Group's specificities. It is consistent with or similar to the one defined in the Basel framework to ensure the uniqueness of the historical records of losses and defaults.
Expected losses are assessed based on the below-mentioned parameters, supplemented with in-house analyses of the credit quality of each counterparty, performed either individually or statistically.

WAR IN UKRAINE AND COVID-19 CRISES

As at 30 June 2022, to account for the uncertainties related to the continuing sanitary crisis, the Group has maintained the model and post-model adjustments set out since the beginning of the sanitary crisis as described in the 2022 Universal Registration Document.
The Group has reviewed, for the first half-year 2022, the parameters used in the models based on new macroeconomic scenarios (see Note 1) taking into account the specific conditions created by the war in Ukraine.
The impact of the model and post-model adjustments on the assessment of expected credit losses are described hereinafter.

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

GDP adjustment

- **Year 2022**

For each quarter of 2022, the Group has used in its models the average of the changes in GDP over the last eight quarters compared to a base of 100 in 2019. This adjustment has been applied to each of the three scenarios (SG Favourable, SG Central and SG Stress) for the GDP series used to model the expected credit losses (see paragraph 6 of Note 1).
The data presented for 2022, in the table below, correspond to the weighted average of the GDP growth rates of the three scenarios adjusted according to the method described above.

- **Years 2023 to 2026**

The data presented for 2023 to 2026, in the table below, correspond to the weighted average of the GDP growth rates of the three scenarios.

	2022	2023	2024	2025	2026
Euro area	(2.4)	0.8	0.8	1.0	1.0
France	(2.5)	0.4	0.8	1.0	1.1
United States of America	(0.1)	0.5	0.3	1.6	1.9
China	3.2	3.5	3.8	4.0	4.2

Impacts on the expected credit losses

Thus, as at 30 June 2022, the adjustments to the macroeconomic variables and to the probabilities of default have resulted in a 74 million euros increase in the amount of impairments and provisions for credit risk (445 million euros for the fiscal year 2021). The impact of these adjustments is due to:

- 85 million euros increase corresponding to the above-mentioned GDP adjustment;

- 11 million euros decrease attributable to the update of the weights in the macroeconomic scenarios presented in Note 1.

Furthermore, due to the deteriorating macroeconomic conditions related to the war in Ukraine, all of our Russian counterparties (2.9 billion euros) have been classified as “sensitive” (concept of watchlist); accordingly, the corresponding loans outstanding have been transferred to Stage 2. An additional analysis made it possible to identify, within this population, the outstanding amounts requiring a transfer in Stage 3 (0.6 billion euros). The impact of these transfers on the calculation of expected credit losses amounts to 383 million euros as at 30 June 2022 (including overlay described in the section Other Adjustments).

ADJUSTMENTS SUPPLEMENTING THE APPLICATION OF MODELS

Sectoral adjustments

The Group can supplement the models with two types of sectoral adjustments: the first relates to the possible revision of the expected credit loss estimates (with no impact on the classification of loans) of some sectors; the second, implemented since 2020, supplements the analysis of the increase in credit risk and may leads to additional transfers in Stage 2.

Estimate of the expected credit losses

The different models used to estimate the expected credit losses may be supplemented by 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 that have been subject to peaks in default in the past or that are particularly vulnerable to the current crisis and the Group exposure of which exceeds a threshold reviewed and fixed yearly by the Risk division.

These sectoral adjustments are reviewed and updated on a quarterly basis by the Risk division and approved by General Management according to the materiality threshold.

The main sectors concerned are the oil and gas, cruise operators, airline sectors, hotel/restaurant/leisure sectors, commercial real-estate, non-food retail and food industry.

The total sectoral adjustments amount thus to 632 million euros as at 30 June 2022 (536 million euros as at 31 December 2021). These changes stem from the implementation of ratios to take account of the impact of raw material supply issues as a result of the war in Ukraine and the impact of a situation of lasting stagflation on the most exposed sectors.

Additional criterion of transfer to stage 2

Since 2020 and the beginning of the Covid-19 crisis, in addition to the criteria applied at the individual level to classify deteriorated loans as Stage 2 underperforming loans, an additional expert 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 underperforming loans of all loans granted to sectors particularly affected by the Covid-19 crisis and granted before the crisis. For the loans concerned, in addition to these transfers to Stage 2, an estimate of the provision has been made taking account of the sectoral adjustments (described above) which might have been applied.

These adjustments amount to 19 million euros as at 30 June 2022 and remains stable compared to 31 December 2021.

Other adjustments

Adjustments based on expert opinion have also been made to reflect the heightened credit risk on some portfolios, when this heightened risk has not been detectable through a line-by-line analysis of the loans outstanding:

- for the scope of entities lacking developed models for estimating the correlations between the macroeconomic variables and the probability of default; and
- for the scopes on which models are developed and when these models cannot reflect future risk not observed in historical records.

These adjustments amount to 549 million euros as at 30 June 2022 (399 million euros as at 31 December 2021). This increase is mainly explained by the implementation of an adjustment concerning offshore exposures on the portfolio of Russian clients to take into account the specific risk linked to the current geopolitical situation. It is also explained by adjustments concerning the Non-Retail portfolios of Central European subsidiaries in order to capture the risk linked to the economic situation of high interest rates and very high inflation. Indeed, this risk is not taken into account in the models, neither directly as an economic variable, nor at this stage through counterparty ratings.

CONSIDERATION OF THE SUPPORT MEASURES IN THE ASSESSMENT OF THE SIGNIFICANT INCREASE IN CREDIT RISK

The support measures granted are taken into account in the holistic customer analysis in order to assess the significant increase in credit risk.

Despite the absence of actual defaults in a context where most Covid-19 support measures have now come to an end, the Group maintain a conservative provisioning policy in an uncertain environment; in particular in France, with the start of PGE repayments for customers having benefited from a two-year repayment exemption, and in all areas, while the shock from the war in Ukraine is gradually spreading.

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.

Since 2022, the measurement adopted is the accounting outstanding amounts (Balance Sheet and Off-Balance Sheet). For the sake of rationalisation, all the quantitative information related to credit risk is presented in this Note except for the sector breakdown which remains in Note 10.2 (according to the EAD metrics). The sector breakdown will be included in Note 3.8 as of 31 December 2022, using the accounting outstanding amounts metrics and the NACE activity codes.

PRESENTATION OF BALANCE SHEET AND OFF-BALANCE SHEET OUTSTANDING AMOUNTS

In 2022, the Group has refined the identification of the credit-risk bearing financial assets presented in Note 4.4 and has consequently adopted a more granular presentation (Guarantee deposits paid, Other miscellaneous receivables bearing credit risk, Clearing houses bearing credit risk). This revision also made it possible to reduce the "Restatements: excluded items" line. The opening limit as at 31 December 2021 has been restated with no impact on the amount of provisions and impairments for credit risk.

Table 3.8.A

(In EUR m)		30.06.2022	31.12.2021
Debt instruments at fair value through other comprehensive income	Note 3.3	42,317	43,180
Securities at amortised cost	Note 3.5	19,376	19,371
Due from banks at amortised cost	Note 3.5	82,594	55,972
Due from central banks (1)		180,694	177,510
Customer loans at amortised cost	Note 3.5	503,718	497,164
Guarantee deposits paid	Note 4.4	77,293	77,584
Others		4,428	3,756
o/w other miscellaneous receivables bearing credit risk	*Note 4.4*	*4,137*	*3,494*
o/w due from clearing houses bearing credit risk	*Note 4.4*	*291*	*262*
Net value of accounting outstanding amounts (balance sheet)		**910,420**	**874,537**
Impairment of loans at amortised cost	Note 3.8	11,098	11,357
Gross value of accounting outstanding amounts (balance sheet)		**921,518**	**885,894**
Retreatments: items excluded		(1,540)	(1,325)
o/w insurance - Guarantee deposits paid		*(1,540)*	*(1,303)*
Gross value of accounting amounts (balance sheet) after retreatments		**919,978**	**884,569**
Financing commitments		202,730	192,273
Guarantee commitments		84,625	79,095
Gross value of off balance-sheet accounting amounts		**287,355**	**271,368**
Total of accounting amounts (balance-sheet and off-balance sheet)		**1,207,333**	**1,155,937**

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

OUTSTANDING AMOUNTS BY IMPAIRMENT STAGE AND BY ACCOUNTING CATEGORY

Table 3.8.B

	30.06.2022		31.12.2021	
(In EUR m)	**Outstanding amounts**	**Impairment /provisions**	**Outstanding amounts**	**Impairment /provisions**
Financial assets at fair value through other comprehensive income	**42,317**	**8**	**43,180**	**8**
Performing assets outstanding (Stage 1)	42,310	1	43,172	1
Underperforming assets outstanding (Stage 2)	1	1	1	1
Doubtful assets outstanding (Stage 3)	6	6	7	6
Financial assets at amortised cost [(1)]	**877,661**	**11,098**	**841,389**	**11,357**
Performing assets outstanding (Stage 1)	817,128	1,037	781,295	1,148
Underperforming assets outstanding (Stage 2)	43,935	1,846	43,254	1,674
Doubtful assets outstanding (Stage 3)	16,598	8,215	16,840	8,535
o/w lease financing	***29,333***	***853***	**30,508**	***889***
Performing assets outstanding (Stage 1)	*23,557*	*108*	*24,733*	*113*
Underperforming assets outstanding (Stage 2)	*4,335*	*180*	*4,294*	*184*
Doubtful assets outstanding (Stage 3)	*1,441*	*565*	*1,481*	*592*
Financing commitments	**202,730**	**410**	**192,273**	**427**
Performing assets outstanding (Stage 1)	195,589	158	184,412	165
Underperforming assets outstanding (Stage 2)	6,803	211	7,650	231
Doubtful assets outstanding (Stage 3)	338	41	211	31
Guarantee commitments	**84,625**	**434**	**79,095**	**461**
Performing assets outstanding (Stage 1)	80,268	49	74,398	52
Underperforming assets outstanding (Stage 2)	3,620	103	3,926	82
Doubtful assets outstanding (Stage 3)	737	282	771	327
Total of accounting amounts (balance-sheet and off-balance sheet)	**1,207,333**	**11,950**	**1,155,937**	**12,253**

(1) Including Central Banks for EUR 180,694 million as at 30 June 2022 (versus 177,510 million euros as at 31 December 2021)

In order to disclose its exposure to credit risk, the Group has decided to tabulate its assets outstanding and impairment by stage of impairment of the financial assets at amortised cost by Basel category, by geographical area, and by rating of the counterparty. Due to the absence of significant exposure to credit risk at the closing date for assets measured at fair value through other comprehensive income as well as for financing and guarantee commitments, this information is not presented below.

ASSETS AT AMORTISED COST: OUTSTANDING AMOUNTS AND IMPAIRMENTS BY BASEL PORTFOLIO

Table 3.8.C

	30.06.2022							
	Assets at amortised cost				Impairment			
(In EUR m)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Sovereign	197,060	392	89	**197,541**	5	3	75	**83**
Institutions	141,557	862	100	**142,519**	10	14	14	**38**
Corporates	283,122	21,413	9,409	**313,944**	589	1,225	4,475	**6,289**
o/w SME	*43,660*	*8,641*	*6,318*	***58,619***	*200*	*392*	*2,128*	***2,720***
Retail	193,922	21,227	6,983	**222,132**	431	602	3,645	**4,678**
o/w VSB	*23,748*	*5,099*	*2,293*	***31,140***	*118*	*221*	*1,332*	***1,671***
Others	1,467	41	17	**1,525**	2	2	6	**10**
Total	**817,128**	**43,935**	**16,598**	**877,661**	**1,037**	**1,846**	**8,215**	**11,098**

The financial assets measured at fair value through other comprehensive income mainly correspond to cash management for own account and to the management of the portfolio of HQLA (High Quality Liquid Assets) securities included in the liquidity reserves. These assets mainly correspond to Sovereigns classified in Stage 1.

The financing and guarantee commitments mainly correspond to outstanding amounts not drawn by Corporate customers. These assets are mainly classified in Stage 1.

ASSETS AT AMORTISED COST: OUTSTANDING AMOUNTS AND IMPAIRMENTS BY GEOGRAPHICAL ZONE

The geographic area chosen corresponds to the country of the counterparty. When this information is unavailable, it is the country of the issuing entity that is used.

Table 3.8.E

	30.06.2022							
	Assets at amortised cost				Impairment			
(In EUR m)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
France	426,053	26,859	7,740	**460,652**	475	1,011	3,411	**4,897**
Western European countries (excl. France)	163,470	5,722	2,195	**171,387**	204	200	886	**1,290**
Eastern European countries EU	58,305	4,048	1,088	**63,441**	156	215	638	**1,009**
Eastern Europe excluding EU	3,155	2,859	526	**6,540**	3	156	101	**260**
North America	78,822	1,227	187	**80,236**	26	90	53	**169**
Latin America and Caribbean	7,803	529	264	**8,596**	5	3	92	**100**
Asia-Pacific	39,152	714	566	**40,432**	16	28	305	**349**
Africa and Middle East	40,368	1,977	4,032	**46,377**	152	143	2,729	**3,024**
Total	**817,128**	**43,935**	**16,598**	**877,661**	**1,037**	**1,846**	**8,215**	**11,098**

Over 80% of all financing and guarantee commitments have Western Europe, North America or France as their country of counterparty.

ASSETS AT AMORTISED COST: OUTSTANDING AMOUNTS AND IMPAIRMENTS BY COUNTERPARTY RATING (1)

Classification in Stage 1 or Stage 2 does not depend on the absolute probability of default but on the elements that make it possible to assess the significant increase in credit risk (see accounting principles), including the relative change in the probability of default since initial recognition. Therefore, there is no direct relationship between the counterparty rating, presented in the table below, and the classification by stage of impairment.

Table 3.8.G

	30.06.2022							
	Assets at amortised cost				Impairment			
(In EUR m)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	54,589	45	-	**54,634**	1	-	-	**1**
2	170,701	145	-	**170,846**	3	2	-	**5**
3	52,102	175	-	**52,277**	8	2	-	**10**
4	84,078	1,094	-	**85,172**	64	7	-	**71**
5	87,429	4,210	-	**91,639**	255	82	-	**337**
6	23,035	10,792	-	**33,827**	191	527	-	**718**
7	3,097	7,727	-	**10,824**	20	481	-	**501**
Default (8, 9, 10)	-	-	9,698	**9,698**	-	-	4,514	**4,514**
Other method	342,097	19,747	6,900	**368,744**	495	745	3,701	**4,941**
Total	**817,128**	**43,935**	**16,598**	**877,661**	**1,037**	**1,846**	**8,215**	**11,098**

(1) The indicative correspondence between the internal rating scale of Societe Generale and the scales of rating agencies is presented in Chapter 4 of Universal Registration Document 2022 (table 15).

2. IMPAIRMENT OF FINANCIAL ASSETS

BREAKDOWN

Table 3.8.I

(In EUR m)	**Amount as at 31.12.2021**	Allocations	Write-backs available	**Net impairment losses**	**Write-backs used**	**Currency and scope effects**	**Amount as at 30.06.2022**
Financial assets at fair value through other comprehensive income							
Impairment on performing outstandings (Stage 1)	1	-	-	-		-	1
Impairment on underperforming outstandings (Stage 2)	1	-	-	-		-	1
Impairment on doubtful outstandings (Stage 3)	6	-	-	-	-	-	6
Total	**8**	**-**	**-**	**-**	**-**	**-**	**8**
Financial assets measured at amortised cost	-	-	-	-	-	-	-
Impairment on performing assets outstandings (Stage 1)	1,148	480	(442)	38		(149)	1,037
Impairment on underperforming assets outstandings (Stage 2)	1,674	1,002	(742)	260		(88)	1,846
Impairment on doubtful assets outstandings (Stage 3)	8,535	1,946	(1,494)	452	(540)	(232)	8,215
Total	**11,357**	**3,428**	**(2,678)**	**750**	**(540)**	**(469)**	**11,098**
o/w lease financing and similar agreements	***889***	***177***	***(165)***	***12***	***(31)***	***(17)***	***853***
Impairment on performing assets outstandings (Stage 1)	*113*	*25*	*(29)*	*(4)*		*(1)*	*108*
Impairment on underperforming assets outstandings (Stage 2)	*184*	*68*	*(62)*	*6*		*(10)*	*180*
Impairment on doubtful assets outstandings (Stage 3)	*592*	*84*	*(74)*	*10*	*(31)*	*(6)*	*565*

VARIATIONS OF PROVISIONS ACCORDING TO CHANGES IN THE AMOUNT OF FINANCIAL ASSETS AT AMORTISED COST

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.

Table 3.8.J

(In EUR m)	Stage 1	*Of which lease financing receivables*	Stage 2	*Of which lease financing receivables*	Stage 3	*Of which lease financing receivables*	**Total**
Amount as at 31.12.2021	1,148	*113*	1,674	*184*	8,535	*592*	**11,357**
Production & Acquisition (1)	219	*18*	54	*5*	51	*2*	**324**
Derecognition (2)	(106)	*(1)*	(92)	*(1)*	(551)	*(89)*	**(749)**
Transfer from stage 1 to stage 2 (3)	(37)	*(4)*	411	*34*	-	-	**374**
Transfer from stage 2 to stage 1 (3)	19	*2*	(182)	*(20)*	-	-	**(163)**
Transfer to stage 3 (3)	(4)	-	(79)	*(5)*	452	*39*	**369**
Transfer from stage 3 (3)	1	-	14	*1*	(73)	*(14)*	**(58)**
Allocations & Write-backs without stage transfer (3)	(66)	*(18)*	53	*(17)*	11	*37*	**(2)**
Currency effect	76	*1*	18	-	200	*1*	**294**
Scope effect	(212)	*(3)*	(24)	*(1)*	(410)	*(3)*	**(646)**
Other variations	(1)	-	(1)	-	-	-	**(2)**
Amount as at 30.06.2022	**1,037**	***108***	**1,846**	***180***	**8,215**	***565***	**11,098**

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

(2) Including repayments, disposals and debt waivers.

(3) The amounts presented in the 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 2022

The amounts presented in the transfers below include variations due to amortisation and new drawdowns on the contracts active during the financial year.
To describe the transfers between steps:

- The starting stage corresponds to the stage of the outstanding balance as on 31 December of the previous year.
- The end stage corresponds to the stage of the outstanding balance at the end of the financial year (even in the event of several changes during the financial year).

Table 3.8.K

	Stage 1		Stage 2		Stage 3		**Stock of outstanding amounts transferred as of June 30**	**Stock of impairment associated with transferred outstanding amounts**
(In EUR m)	Outstanding amounts	Impairment	Outstanding amounts	Impairment	Outstanding amounts	Impairment		
Transfer from Stage 1 to Stage 2	(13,925)	(37)	10,554	411	-	-	**10,554**	**411**
Transfer from Stage 2 to Stage 1	6,796	19	(8,180)	(182)	-	-	**6,796**	**19**
Transfer from Stage 3 to Stage 1	201	1	-	-	(224)	(26)	**201**	**1**
Transfer from Stage 3 to Stage 2	-	-	314	14	(337)	(47)	**314**	**14**
Transfer from Stage 1 to Stage 3	(1,337)	(4)	-	-	1,250	257	**1,250**	**257**
Transfer from Stage 2 to Stage 3	-	-	(1,001)	(79)	931	195	**931**	**195**
Currency effect on contracts that change Stage	286	-	55	-	4	-	**345**	**-**

3. CREDIT RISK PROVISIONS

BREAKDOWN

Table 3.8.L

(In EUR m)	**Amount as at 31.12.2021**	Allocations	Write-backs available	**Net impairment losses**	**Currency and scope effects**	**Amount as at 30.06.2022**
Financing commitments						
Provisions on performing assets outstanding (Stage 1)	165	84	(94)	(10)	3	158
Provisions on underperforming assets outstanding (Stage 2)	231	90	(108)	(18)	(2)	211
Provisions on doubtful assets outstanding (Stage 3)	31	48	(56)	(8)	18	41
Total	**427**	**222**	**(258)**	**(36)**	**19**	**410**
Guarantee commitments						
Provisions on performing assets outstanding (Stage 1)	52	23	(26)	(3)	-	49
Provisions on underperforming assets outstanding (Stage 2)	82	51	(28)	23	(2)	103
Provisions on doubtful assets outstanding (Stage 3)	327	72	(86)	(14)	(31)	282
Total	**461**	**146**	**(140)**	**6**	**(33)**	**434**

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

Table 3.8.M

	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 31.12.2021	165	231	31	**427**	52	82	327	**461**	**888**
Production & Acquisition [1]	43	9	4	**56**	9	2	11	**22**	**78**
Derecognition [2]	(29)	(17)	(1)	**(47)**	(7)	(3)	(43)	**(53)**	**(100)**
Transfer from stage 1 to stage 2 [3]	(6)	29	-	**23**	(1)	5	-	**4**	**27**
Transfer from stage 2 to stage 1 [3]	4	(28)	-	**(24)**	1	(7)	-	**(6)**	**(30)**
Transfer to stage 3 [3]	-	(1)	5	**4**	-	-	10	**10**	**14**
Transfer from stage 3 [3]	-	-	(1)	**(1)**	-	-	(6)	**(6)**	**(7)**
Allocations & Write-backs without stage transfer [3]	(23)	(16)	3	**(36)**	(4)	25	(19)	**2**	**(34)**
Currency effect	4	4	-	**8**	1	2	10	**13**	**21**
Scope effect	-	-	-	**-**	(2)	(3)	(9)	**(14)**	**(14)**
Other variations	-	-	-	**-**	-	-	1	**1**	**1**
Amount as at 30.06.2022	**158**	**211**	**41**	**410**	**49**	**103**	**282**	**434**	**844**

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

(2) Including repayments, disposals and debt waivers.

(3) The 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 2022

The amounts presented in the transfers hereinafter include the variations due to amortisation and new drawdowns on the contracts active during the financial year.
To describe the transfers between steps:

- The starting stage corresponds to the stage of the outstanding balance as on 31 December of the previous year.
- The end stage corresponds to the stage of the outstanding balance at the end of the financial year (even in the event of several changes during the financial year).

Table 3.8.N

	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	**Stock of commitments transferred as of June 30**	**Stock of impairment associated with transferred outstanding amounts**
Transfer from Stage 1 to Stage 2	(1,676)	(6)	1,358	29	-	-	**1,358**	**29**
Transfer from Stage 2 to Stage 1	1,339	4	(1,804)	(28)	-	-	**1,339**	**4**
Transfer from Stage 3 to Stage 1	7	-	-	-	(10)	-	**7**	**-**
Transfer from Stage 3 to Stage 2	-	-	5	-	(8)	(1)	**5**	**-**
Transfer from Stage 1 to Stage 3	(27)	-	-	-	21	1	**21**	**1**
Transfer from Stage 2 to Stage 3	-	-	(18)	(1)	17	4	**17**	**4**
Currency effect on contracts that change Stage	26	-	71	-	-	-	**97**	**-**

Table 3.8.O

	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	**Stock of commitments transferred as of June 30**	**Stock of impairment associated with transferred outstanding amounts**
Transfer from Stage 1 to Stage 2	(732)	(1)	531	5	-	-	**531**	**5**
Transfer from Stage 2 to Stage 1	329	1	(362)	(7)	-	-	**329**	**1**
Transfer from Stage 3 to Stage 1	6	-	-	-	(6)	(2)	**6**	**-**
Transfer from Stage 3 to Stage 2	-	-	9	-	(10)	(4)	**9**	**-**
Transfer from Stage 1 to Stage 3	(110)	-	-	-	106	7	**106**	**7**
Transfer from Stage 2 to Stage 3	-	-	(29)	-	25	3	**25**	**3**
Currency effect on contracts that change Stage	17	-	4	-	-	-	**21**	**-**

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

The variation in credit risk impairment and provisions since 31 December 2021 is mainly linked to:

- Covered losses on Stage 3 loans (EUR 530 million) included in the line Derecognition. This is in line with the Group strategy of non-performing loans (NPL) monitoring, by selling its portfolios of exposures in default situation.

  Uncovered losses amount to EUR 116 million.
- Transfer of loans to Stage 2 due to downgraded ratings, transfer to "sensitive" or 30 days overdue for EUR 12.4 billion. This transfer was linked to the economic environment affected by geopolitical tensions linked to the war in Ukraine and economic uncertainties. It resulted in an increase in impairment and provisions of EUR 401 million mainly including:
  - 37 % on Russian offshore portfolios;
  - 63 % on others.
- Transfer of loans to Stage 3 due to default for EUR 2.4 billion of outstanding amounts. This transfer resulted in an increase in impairment and provisions of EUR 383 million mainly including:
  - 20 % on Russian offshore portfolios;
  - 80% on others.

  Particularly, this variation concerns:
  - EUR 1.4 billion of outstanding amounts for which the impairment and provisions amount to EUR 266 million as at 30 June 2022. These contracts were in Stage 1 as at 31 December 2021;
  - EUR 1.0 billion of outstanding amounts for which the impairment and provisions amount to EUR 202 million as at 30 June 2022. These contracts were in Stage 2 as at 31 December 2021.
- Transfer of loans from Stage 2 to Stage 1, for EUR 8.5 billion. This transfer is particularly linked to the dynamic economic situation in France and Western Europe. This transfer resulted in a decrease in impairment and provisions of EUR 193 million including:
  - 59 % on Corporate portfolio, including 41 % in France;
  - 41 % on Retail portfolio, including 69 % in France.
- The sale of Rosbank and insurance subsidiaries in Russia (see Note 2.1) resulted, excluding currency effect (EUR 217 million in the line Currency effect), a decrease in impairment and provisions of EUR 660 million, included in the line Scope effect.

5. COST OF RISK

Table 3.8.P

(In EUR m)	1st semester of 2022	2021	1st semester of 2021
Net allocation to impairment losses	(750)	(633)	(406)
On financial assets at fair value through other comprehensive income	-	*1*	*1*
On financial assets at amortised cost	*(750)*	*(634)*	*(407)*
Net allocations to provisions	30	9	47
On financing commitments	*36*	*44*	*39*
On guarantee commitments	*(6)*	*(35)*	*8*
Losses not covered on irrecoverable loans	(116)	(193)	(104)
Amounts recovered on irrecoverable loans	62	137	54
Effect from guarantee not taken into account for the calculation of impairment	(4)	(20)	(9)
Total	**(778)**	**(700)**	**(418)**
o/w cost of risk on sound outstanding classified in Stage 1	*(34)*	*(100)*	*(36)*
o/w cost of risk on doubtful loans classified in Stage 2	*(273)*	*350*	*83*
o/w cost of risk on doubtful loans classified in Stage 3	*(471)*	*(950)*	*(465)*

Since 2018 and the application of the IFRS 9 “Financial instruments” standard, the Cost of risk item only includes the income and expenses relating to the recognition of credit risk. Since 2018, the movements affecting provisions for litigations which had previously been allocated to this item have been presented, according to their nature, under the following items: Personnel expenses, Other operating expenses, Interest and similar income and expenses, Income and expenses from other activities or Income taxes.

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

1. FINANCIAL ASSETS MEASURED AT AMORTISED COST

Table 3.9.A

	30.06.2022	
(In EUR m)	**Carrying amount**	**Fair value**
Due from banks	82,594	82,595
Customer loans	503,718	497,593
Debt securities	19,376	18,927
Total	**605,688**	**599,115**

Table 3.9.B

	31.12.2021	
(In EUR m)	**Carrying amount**	**Fair value**
Due from banks	55,972	55,971
Customer loans	497,164	497,336
Debt Securities	19,371	19,203
Total	**572,507**	**572,510**

2. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Table 3.9.C

	30.06.2022	
(In EUR m)	**Carrying amount**	**Fair value**
Due to banks	147,871	147,838
Customer deposits	519,431	519,290
Debt securities issued	133,679	133,688
Subordinated debt	17,074	17,075
Total	**818,055**	**817,891**

Table 3.9.D

	31.12.2021	
(In EUR m)	**Carrying amount**	**Fair value**
Due to banks	139,177	139,186
Customer deposits	509,133	509,067
Debt securities issued	135,324	135,317
Subordinated debt	15,959	15,960
Total	**799,593**	**799,530**

NOTE 4 - OTHER ACTIVITIES

NOTE 4.1 - FEE INCOME AND EXPENSE

Table 4.1.A

(In EUR m)	1st semester of 2022			2021			1st semester of 2021		
	Income	**Expense**	**Net**	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Transactions with banks	**70**	**(48)**	**22**	**161**	**(107)**	**54**	**75**	**(50)**	**25**
Transactions with customers	**1,525**		**1,525**	**3,028**		**3,028**	**1,421**		**1,421**
Financial instruments operations	**1,226**	**(1,225)**	**1**	**2,288**	**(2,379)**	**(91)**	**1,094**	**(1,175)**	**(81)**
Securities transactions	264	(525)	(261)	532	(1,105)	(573)	275	(559)	(284)
Primary market transactions	78		78	213		213	82		82
Foreign exchange transactions and financial derivatives	884	(700)	184	1,543	(1,274)	269	737	(616)	121
Loan and guarantee commitments	**469**	**(187)**	**282**	**894**	**(261)**	**633**	**421**	**(137)**	**284**
Various services	**1,371**	**(596)**	**775**	**2,791**	**(1,095)**	**1,696**	**1,366**	**(534)**	**832**
Asset management fees	155		155	659		659	305		305
Means of payment fees	524		524	921		921	424		424
Insurance product fees	131		131	256		256	132		132
Underwriting fees of UCITS	39		39	93		93	48		48
Other fees	522	(596)	(74)	862	(1,095)	(233)	457	(534)	(77)
Total	**4,661**	**(2,056)**	**2,605**	**9,162**	**(3,842)**	**5,320**	**4,377**	**(1,896)**	**2,481**

NOTE 4.2 - INCOME AND EXPENSE FROM OTHER ACTIVITIES

Table 4.2.A

	1st semester of 2022			2021			1st semester of 2021		
(In EUR m)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Real estate development	31	-	31	79	-	79	42	-	42
Real estate leasing	15	(89)	(74)	40	(56)	(16)	17	(30)	(13)
Equipment leasing [1]	6,161	(4,765)	1,396	11,630	(9,532)	2,098	5,778	(4,810)	968
Other activities	375	(763)	(388)	488	(850)	(362)	223	(341)	(118)
Total	**6,582**	**(5,617)**	**965**	**12,237**	**(10,438)**	**1,799**	**6,060**	**(5,181)**	**879**

(1) The amount recorded under this heading is mainly due to income and expenses related to long-term leasing and vehicle 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

Table 4.3.A

(In EUR m)	30.06.2022	31.12.2021
Underwriting reserves of insurance companies	139,728	151,148
Financial liabilities of insurance companies	3,707	4,140
Financial liabilities at fair value through profit or loss	*519*	*520*
Financial liabilities at fair value through profit or loss (fair value option)	*3,188*	*3,620*
Total	**143,435**	**155,288**

UNDERWRITING RESERVES OF INSURANCE COMPANIES

Table 4.3.B

(In EUR m)	30.06.2022	31.12.2021
Life insurance underwriting reserves for unit-linked policies	41,364	44,138
Other life insurance underwriting reserves	94,322	94,280
Non-life insurance underwriting reserves	2,051	2,020
Deferred profit-sharing booked in liabilities	1,991	10,710
Total	**139,728**	**151,148**
Attributable to reinsurers	(698)	(776)
Deferred profit-sharing booked in assets (1)	(407)	-
Underwriting reserves of insurance net of the share attributable to reinsurers	**138,623**	**150,372**

(1) *In accordance with the CNC Recommendation of 19 December 2008, a recoverability test was carried out on the provisions for deferred profit-sharing booked as assets, to verify that the deduction of this amount from the future profit-sharing of policyholders is highly probable. The accounting method used to determine the deferred profit-sharing booked as assets takes into account the fair value of the assets compared to their historical value. The recoverability test uses cash flow forecasts relying on different economic scenarios based on historical collection and repurchases; this test is conclusive, as the results achieved do not call for the sale of assets with an unrealised loss. Secondly, cash flows projections were carried out based on a scenario in a deteriorated environment in terms of turnover, market conditions and exit rate. Thus, in a scenario of a rate increase (immediate and maintained over the projection horizon) and a fall in turnover of up to more than 50%, the sales of assets necessary to meet liquidity needs on the projection horizon do not generate capital losses based on the inventory situation.*

In accordance with IFRS 4 and Group accounting standards, the Liability Adequacy Test (LAT) was performed as at 30 June 2022. This test assesses whether recognised insurance liabilities are adequate, using current estimates of future cash flows under insurance policies. The result of the test as at
30 June 2022 does not show any insufficiency of technical liabilities.

2. INVESTMENTS OF INSURANCE ACTIVITIES

OVERVIEW

Table 4.3.E

(In EUR m)	30.06.2022	31.12.2021
Financial assets at fair value through profit or loss (trading portfolio)	737	211
Shares and other equity instruments	*13*	*36*
Trading derivatives	*724*	*175*
Financial assets at fair value through profit or loss (fair value option)	76,490	84,448
Bonds and other debt instruments	*30,719*	*34,280*
Shares and other equity instruments	*45,159*	*49,592*
Loans, receivables and repo transactions	*612*	*576*
Hedging derivatives	202	353
Available-for-sale financial assets	80,239	88,486
Debt instruments	*66,225*	*74,084*
Equity instruments	*14,014*	*14,402*
Due from banks (2)	4,346	4,771
Customer loans	76	69
Held-to-maturity financial assets	-	22
Real estate investments	531	538
Total investments of insurance activities (1) (2)	**162,621**	**178,898**

(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 1,278 million of current accounts as at 30 June 2022 after elimination of the intercompany operations versus EUR 1,207 million as at 31 December 2021.

ANALYSIS OF FINANCIAL ASSETS DEPENDING ON THEIR CONTRACTUAL CHARACTERISTICS

The following table shows the carrying value of the financial assets included in Investments from insurance activities, whereby those assets whose contractual conditions give rise to cash-flows on set dates which are solely payments of principal and interest (basic instruments). Basic instruments held among a trading portfolio or those are managed and whose performance is evaluated on a fair value basis *(ie*, financial instruments measured at fair value through profit or loss using fair value option) are presented in the column Other instruments.

Table 4.3.F

	30.06.2022					
	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	-	77,227	77,227	-	77,227	77,227
Hedging derivatives	-	202	202	-	202	202
Available-for-sale financial assets	62,263	17,976	80,239	62,263	17,976	80,239
Due from banks	2,570	1,776	4,346	2,623	1,803	4,426
Customer loans	76	-	76	76	-	76
Held-to-maturity financial assets	-	-	-	-	-	-
Total financial investments	**64,909**	**97,181**	**162,090**	**64,962**	**97,208**	**162,170**

Table 4.3.G

	31.12.2021					
	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	-	84,659	84,659	-	84,659	84,659
Hedging derivatives	-	353	353	-	353	353
Available-for-sale financial assets	71,537	16,949	88,486	71,537	16,949	88,486
Due from banks	2,559	2,212	4,771	2,717	2,265	4,982
Customer loans	69	-	69	70	-	70
Held-to-maturity financial assets	22	-	22	22	-	22
Total financial investments	**74,187**	**104,173**	**178,360**	**74,346**	**104,226**	**178,572**

FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Table 4.3.H

(In EUR m)	30.06.2022			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss using fair value option	13	719	5	737
Financial assets at fair value through profit or loss using the fair value option	63,417	11,062	2,011	76,490
Hedging derivatives	-	202	-	202
Available-for-sale financial assets	69,261	4,644	6,334	80,239
Total	**132,691**	**16,627**	**8,350**	**157,668**

Table 4.3.I

(In EUR m)	31.12.2021			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss using fair value option	36	174	1	211
Financial assets at fair value through profit or loss using the fair value option	72,819	9,638	1,991	84,448
Hedging derivatives	-	353	-	353
Available-for-sale financial assets	78,236	4,827	5,423	88,486
Total	**151,091**	**14,992**	**7,415**	**173,498**

CHANGES IN AVAILABLE FOR SALE FINANCIAL ASSETS

Table 4.3.J

(In EUR m)	2022
Balance as at 1 January	**88,486**
Acquisitions	7,898
Disposals / redemptions	(7,200)
Transfers to held-to-maturity financial assets	-
Change in scope and others	(609)
Gains and losses on changes in fair value recognised directly in equity during the period	(8,349)
Changes in impairment of debt instruments recorded in profit or loss	-
Impairment on equity instruments recognised in profit or loss	(115)
Translation differences	128
Balance as at 30 June	**80,239**

UNREALISED GAINS AND LOSSES ON AVAILABLE FOR SALE FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME

Table 4.3.K

	30.06.2022		
(In EUR m)	**Capital gains**	**Capital losses**	**Net revaluation**
Unrealised gains and losses of insurance companies	**97**	**(565)**	**(468)**
On available-for-sale equity instruments	*2,556*	*(302)*	*2,254*
On available-for-sale debt instruments and assets reclassified as loans and receivables	*1,851*	*(4,169)*	*(2,318)*
Deferred profit-sharing	*(4,310)*	*3,906*	*(404)*

Table 4.3.L

	31.12.2021		
(In EUR m)	**Capital gains**	**Capital losses**	**Net revaluation**
Unrealised gains and losses of insurance companies	**431**	**(82)**	**349**
On available-for-sale equity instruments	*2,892*	*(70)*	*2,822*
On available-for-sale debt instruments and assets reclassified as loans and receivables	*5,904*	*(292)*	*5,612*
Deferred profit-sharing	*(8,365)*	*280*	*(8,085)*

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.

Table 4.3.N

(In EUR m)	1st semester of 2022	2021	1st semester of 2021
Net premiums	8,057	15,692	7,866
Net income from investments	392	3,540	1,601
Cost of benefits (including changes in reserves) (1)	(7,404)	(16,984)	(8,303)
Other net technical income (expense)	(67)	(10)	(36)
Net income from insurance activities	**978**	**2,238**	**1,128**
Funding costs	(3)	(5)	(3)
Cost of risk	-	-	-
o/w impairment of debt instruments	-	*2*	*2*
o/w deferred profit-sharing products	-	*(2)*	*(2)*

(1) o/w EUR -156 million in respect of deferred profit-sharing at 30 June 2022.

NOTE 4.4 - OTHER ASSETS AND LIABILITIES

1. OTHER ASSETS

Table 4.4.A

(In EUR m)	30.06.2022	31.12.2021
Guarantee deposits paid (1)	77,293	77,584
Settlement accounts on securities transactions	8,927	4,265
o/w due from clearing houses bearing credit risk	*291*	*262*
Prepaid expenses	1,362	1,120
Miscellaneous receivables (2)	12,506	8,473
o/w miscellaneous receivables bearing credit risk (3)	*4,429*	*3,778*
Miscellaneous receivables - insurance	2,168	1,874
Gross amount	**102,256**	**93,316**
Impairments	(432)	(418)
Credit risk (3)	*(292)*	*(284)*
Other risks	*(140)*	*(134)*
Net amount	**101,824**	**92,898**

(1) Mainly relates to guarantee deposits paid on financial instruments, their fair value is assumed 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 999 million as at 30 June 2022.

(3) Net value of miscellaneous receivables bearing credit risk amounts to EUR 4,137 million as at 30 June 2022, compared to EUR 3,494 million as at 31 December 2021 (cf. Note 3.8).

2. OTHER LIABILITIES

Table 4.4.B

(In EUR m)	30.06.2022	31.12.2021
Guarantee deposits received (1)	81,266	72,668
Settlement accounts on securities transactions	9,403	5,343
Expenses payable on employee benefits	2,356	2,754
Lease liability	2,163	2,318
Deferred income	1,354	1,688
Miscellaneous payables (2)	16,513	12,623
Miscellaneous payables - insurance	7,462	8,911
Total	**120,517**	**106,305**

(1) Mainly relates to guarantee deposits received on financial instruments, their fair value is assumed to be the same as their book value net of impairment for credit risk.

(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

Table 5.1.A

(In EUR m)	1st semester of 2022	2021	1st semester of 2021
Employee compensation	(3,646)	(6,785)	(3,361)
Social security charges and payroll taxes	(862)	(1,734)	(866)
Net pension expenses - defined contribution plans	(342)	(764)	(372)
Net pension expenses - defined benefit plans	(35)	(136)	(46)
Employee profit-sharing and incentives	(227)	(345)	(146)
Total	**(5,112)**	**(9,764)**	**(4,791)**
Including net expenses from share - based payments	*(84)*	*(197)*	*(49)*

2. DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

Table 5.2.A

(In EUR m)	**Provisions as at 31.12.2021**	Allocations	Write-backs available	**Net allocation**	**Write-backs used**	**Actuarial gains and losses**	**Currency and scope effects**	**Provisions as at 30.06.2022**
Post-employment benefits	**1,711**	41	(33)	**8**	**(30)**	**(344)**	**19**	**1,364**
Other long-term benefits	**422**	231	(27)	**204**	**(39)**	**-**	**1**	**588**
Termination benefits	**168**	75	(26)	**49**	**(14)**	**-**	**(1)**	**202**
Total	**2,301**	347	(86)	**261**	**(83)**	**(344)**	**19**	**2,154**

3. DESCRIPTION OF THE 2022 SHARE-BASED PAYMENT PLANS

2022 SOCIETE GENERALE FREE SHARES PLAN

The table below presents the 2022 free share allocation plan. This plan does not concern the shares allocated under the specific retention and compensation policy for the categories of personnel whose professional activities have an impact on the Group's risk profile and defined in accordance with the European Directive CRD5 applicable since 1 January 2021 (so-called regulated population).

Date of shareholders' agreement	19.05.2020
Date of Board of Directors' decision	10.03.2022
Number of free shares granted	1,214,267
Number of free shares outstanding at 30.06.2022	1,212,039
Vesting period	10.03.2022 - 31.03.2025
Performance conditions [(1)]	Yes
Fair value (% of the share price as at grant date)	85.68%
Method of valuation	Arbitrage

(1) For all the Group, the performance condition is based on the profitability level of Societe Generale group, the Net income, Group share.

2022 SOCIETE GENERALE PERFORMANCE SHARE PLAN

The table below shows the 2022 performance shares plan under the annual employee long-term incentive 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 Meeting	10.03.2022	
Total number of shares granted	1,881,393	
Vesting dates		
Sub-plan 2	1st instalment	31.03.2025
	2nd instalment	31.03.2026
Sub-plans 3 and 7	1st instalment	28.03.2024
	2nd instalment	31.03.2025
Sub-plan 4		31.03.2025
Sub-plan 5	1st instalment	31.03.2026
	2nd instalment	31.03.2027
Sub-plan 6	1st instalment	31.03.2026
	2nd instalment	31.03.2028
Holding period end dates		
Sub-plan 2	1st instalment	01.10.2025
	2nd instalment	01.10.2026
Sub-plans 3 and 7	1st instalment	01.10.2024
	2nd instalment	01.10.2025
Sub-plan 4		01.10.2025
Sub-plan 5	1st instalment	01.10.2026
	2nd instalment	01.10.2027
Sub-plan 6	1st instalment	01.04.2027
	2nd instalment	01.04.2029
Performance condition (1)	Yes	
Fair Value (in EUR) (2)		
Sub-plan 2	1st instalment	18.38
	2nd instalment	17.42
Sub-plans 3 and 7	1st instalment	19.38
	2nd instalment	18.38
Sub-plan 4		18.38
Sub-plan 5	1st instalment	15.16
	2nd instalment	14.74
Sub-plan 6	1st instalment	9.48
	2nd instalment	9.14

(1) The performance conditions are based on the profitability level of Societe Generale group and its core business or business activity. The specific performance conditions applicable to Executive Board members are yearly detailed in the Universal Registration Document.

(2) The fair value is calculated using the arbitrage method of valuation.

EMPLOYEE SHARE OWNERSHIP PLAN

On 17 May 2022, as part of the Group's employee share ownership policy, Societe Generale offered its employees the opportunity to subscribe to a reserved capital increase at a share price of 18.47 euros, i.e. a 20 percent discount compared to the average market price of the Societe Generale shares during the 20 trading days prior to this date. 12.759.346 shares were subscribed, representing, for the Group, an expense for the financial year 2022 of 44 million euros after taking into account the legal five-year restriction period of the shares.

The valuation model used compares the gain that the employee would have obtained had he immediately received the Societe Generale shares with the notional cost represented for him by the five-year blocking period. The notional cost of this restriction on the disposal of the shares is valuated as the net cost of a cash purchase of Societe Generale shares financed by a five-year open, non-revolving, credit facility, and a five-year forward sale of the same shares. The main market parameters used to valuate this notional restriction cost on the date of attribution are the following:

- average share price of Societe Generale (during the subscription period): EUR 25.08;
- interest rate of a five-year open credit facility applicable to market stakeholders benefiting from the restricted shares: 3.17 %.

The notional cost of the restriction on disposal thus valuated accounts for 12.7 % of the average share price of Societe Generale on the date of attribution.

NOTE 6 - INCOME TAX

1. BREAKDOWN OF THE TAX EXPENSE

Table 6.A

(In EUR m)	1st semester of 2022	2021	1st semester of 2021
Current taxes	(669)	(1,272)	(451)
Deferred taxes	(11)	(425)	(236)
Total	**(680)**	**(1,697)**	**(687)**

RECONCILIATION OF THE DIFFERENCE BETWEEN THE GROUP'S STANDARD TAX RATE AND ITS EFFECTIVE TAX RATE

Table 6.B

	1st semester of 2022		2021		1st semester of 2021	
	%	M EUR	%	M EUR	%	M EUR
Income before tax, excluding net income from companies accounted for using the equity method and impairment losses on goodwill		**491**		**8,143**		**3,244**
Group effective tax rate	**138.38%**		**20.84%**		**21.18%**	
Permanent differences	-2.60%	(13)	0.75%	61	3.54%	115
Differential on securities with tax exemption or taxed at reduced (1)	-120.65%	(593)	1.28%	104	0.14%	5
Tax rate differential on profits taxed outside France	10.76%	53	3.13%	255	3.87%	125
Changes in the measurement of deferred tax assets / liabilities (2)	-0.06%	(0)	2.41%	196	-0.32%	(10)
Normal tax rate applicable to French companies (including 3.3% national contribution)	25.83%		28.41%		28.41%	

(1) In 2022, this amount includes the effect of the tax treatment of the disposal of Rosbank.

(2) In 2021, this amount includes a EUR 130 million decrease in the unrecognised portion of deferred tax assets for the French tax group.

In compliance with the French tax provisions that define the ordinary corporate tax rate, the latter has been lowered to 25% in 2022 (article 219 of the French tax code), plus the existing national contribution (CSB) of 3.3%, which lead to tax rate of 25.83%. Long-term capital gains on affiliates are exempt from this corporate tax, except for a 12% fee on the 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

Table 6.C

(In EUR m)	30.06.2022	31.12.2021
Current tax assets	480	982
Deferred tax assets	3,863	3,830
o/w deferred tax assets on tax loss carry-forwards	*1,693*	*1,719*
o/w deferred tax assets on temporary differences	*2,170*	*2,111*
Total	**4,343**	**4,812**

TAX LIABILITIES

Table 6.D

(In EUR m)	30.06.2022	31.12.2021
Current tax liabilities	738	760
Provisions for tax adjustments	73	76
Deferred tax liabilities	798	741
Total	**1,609**	**1,577**

The Group performs an annual review of its capacity to use tax loss carry-forwards, taking into account the tax system applicable to each tax entity (or tax group) concerned and a realistic forecast of its tax results. For this purpose, the tax results are determined based on the projected performance of the businesses. This performance corresponds to the estimated budget (scenario SG Central) over four years (from 2022 to 2025), extrapolated to 2026, which corresponds to a “normative” year.

As at 30 June 2022, regarding risks due to the war in Ukraine, budget has been revised based on scenario SG Central established by the Group’s economists, assumptions are defined in the note 1.

The tax results also take into consideration the accounting and tax adjustments (including the reversal of the deferred tax assets and liabilities bases on temporary differences) applicable to the entities and jurisdictions concerned. These adjustments are determined on the basis of historical tax results and on the Group's tax expertise. An extrapolation of the tax results is performed from 2026 on and over a timeframe considered reasonable and depending on the nature of the activities carried out within each tax entity.

On principle, the appreciation of the macro-economic factors selected and the internal estimates used to determine the tax results involve risks and uncertainties about their materialisation over the estimated timeframe for the absorption of the losses. These risks and uncertainties are especially related to possible changes in the applicable tax rules (computation of the tax result, as well as allocation rules for tax loss carry-forwards) or materialisation of the assumptions selected. These uncertainties are mitigated by robustness tests of the budgetary and strategic assumptions, in line with the uncertainties related to the war in Ukraine and its economic consequences.

The updated projections show that the Group’s activated tax loss-carry forwards may likely be used against its future taxable income.

3. DEFERRED TAX ASSETS RECOGNISED ON TAX LOSS CARRY-FORWARDS AND DEFERRED TAX ASSETS NOT RECOGNISED

As at 30 June 2022, based on the tax system of each entity and a realistic projection of their tax income, the projected period for deferred tax assets recovery is indicated in the table below:

Table 6.E

(In EUR m)	30.06.2022	Statutory time limit on carry-forwards	Expected recovery period
Total deferred tax assets relating to tax loss carry-forwards	**1,693**	**-**	**-**
o/w French tax group	*1,551*	*Unlimited* [(1)]	*9 years*
o/w US tax group	*129*	*20 years* [(2)]	*7 years*
Others	*13*	-	-

(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.

The main deferred taxes not recognised as assets in the balance sheet by tax group are presented in the table below. They may be recognised in the balance sheet when it becomes probable that a future taxable profit will allow their recovery.

Table 6.F

(In EUR m)	30.06.2022	31.12.2021
French tax group	520	520
US tax group	318	291
SG Singapore	87	82
SG de Banques en Guinée Equatoriale [(1)]	38	40
SG Kleinwort Hambros Limited	30	33

(1) Including EUR 10 million of tax carry forward and EUR 28 million of temporary differences as at 30 June 2022, versus respectively EUR 9 and EUR 31 million as at 31 December 2021.

NOTE 7 - SHAREHOLDERS' EQUITY

NOTE 7.1 - TREASURY SHARES AND SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

1. ORDINARY SHARES AND CAPITAL RESERVES

Table 7.1.A

(In EUR m)	**30.06.2022**	**31.12.2021**
Issued capital	1,046	1,067
Issuing premiums and capital reserves	21,125	21,513
Elimination of treasury stock	(436)	(667)
Total	**21,735**	**21,913**

ORDINARY SHARES ISSUED BY SOCIETE GENERALE S.A.

Table 7.1.B

(Number of shares)	**30.06.2022**	**31.12.2021**
Ordinary shares	837,124,432	853,371,494
Including treasury stock with voting rights [(1)]	*6,079,156*	*22,209,068*
Including shares held by employees	*69,412,078*	*67,299,221*

(1) Excluding Societe Generale shares held for trading purposes or in respect of the liquidity contract.

As at 31 December 2021, 16,247,062 Societe Generale shares were acquired on the market at a cost price of EUR 468 million, for the purpose of cancellation, in accordance with the decision of the General Meeting of 19 May 2021. The capital reduction by cancellation of securities was carried out on 1 February 2022.

As at 30 June 2022, Societe Generale S.A.'s fully paid up capital amounted to EUR 1,046,405,540 and was made up of 837,124,432 shares with a nominal value of EUR 1.25.

As at 17 May 2022, as part of the Group's employee share ownership policy (see Note 5), Societe Generale offered its employees the opportunity to subscribe to a reserved capital increase. 12.759.346 shares were subscribed. The capital increase was carried out on 18 July 2022.

2. TREASURY STOCK

As at 30 June 2022, the Group held 13,397,303 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 1.6% 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 436 million, including EUR 249 million in shares held for trading activities.

The change in treasury stock over 2022 breaks down as follows:

Table 7.1.C

(In EUR m)	**Liquidity contract**	**Trading activities**	**Treasury stock and active management of shareholders' equity**	**Total**
Disposals net of purchases	-	(209)	440	**231**
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	-	(13)	(58)	**(71)**

3. SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

As at 30 June 2022, the amount of equity instruments issued by the Group is EUR 7,534 million. There was no change during the first half of 2022.

NOTE 7.2 - EARNINGS PER SHARE AND DIVIDENDS

1. EARNINGS PER SHARE

Table 7.2.A

(In EUR m)	1st semester of 2022	2021	1st semester of 2021
Net income, Group share	(640)	5,641	2,253
Attributable remuneration to subordinated and deeply subordinated notes	(278)	(586)	(305)
Issuance fees related to subordinated and deeply subordinated notes	-	(4)	(4)
Net income attributable to ordinary shareholders	**(918)**	**5,051**	**1,944**
Weighted average number of ordinary shares outstanding (1)	831,083,824	846,261,490	849,905,108
Earnings per ordinary share *(in EUR)*	**(1.10)**	**5.97**	**2.29**
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	831,083,824	846,261,490	849,905,108
Diluted earnings per ordinary share *(in EUR)*	**(1.10)**	**5.97**	**2.29**

(1) Excluding treasury shares.

2. DIVIDENDS PAID

Table 7.2.B

	1st semester of 2022			2021		
(In EUR m)	**Group Share**	**Non-controlling interests**	**Total**	**Group Share**	**Non-controlling interests**	**Total**
Paid in shares	-	-	-	-	-	-
Paid in cash	(1,371)	(574)	(1,945)	(468)	(193)	(661)
Total	**(1,371)**	**(574)**	**(1,945)**	**(468)**	**(193)**	**(661)**

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.

Table 8.1.A

	1st half of 2022										
		International Retail Banking and Financial Services				Global Banking and Investor Solutions					
(In EUR m)	French Retail Banking *	International Retail Banking	Financial Services	Insurance	Total	Global Markets and Investors Services	Financing and advisory	Asset management *	Total	Corporate Centre (1)	Total Societe générale group
Net banking income	4,444	2,613	1,412	502	4,527	3,707	1,611	-	5,318	57	14,346
Operating expenses (2)	(3,233)	(1,478)	(539)	(211)	(2,228)	(2,692)	(1,045)	-	(3,737)	(589)	(9,787)
Gross operating income	**1,211**	**1,135**	**873**	**291**	**2,299**	**1,015**	**566**	**-**	**1,581**	**(532)**	**4,559**
Cost of risk	(68)	(396)	(26)	-	(422)	3	(266)	-	(263)	(25)	(778)
Operating income	**1,143**	**739**	**847**	**291**	**1,877**	**1,018**	**300**	**-**	**1,318**	**(557)**	**3,781**
Net income from investments accounted for using the equity method	2	(1)	-	-	(1)	3	-	-	3	-	4
Net income / expense from other assets (4)	3	10	-	-	10	-	-	-	-	(3,303)	(3,290)
Value adjustments on goodwill	-	-	-	-	-	-	-	-	-	-	-
Earnings before Tax	**1,148**	**748**	**847**	**291**	**1,886**	**1,021**	**300**	**-**	**1,321**	**(3,860)**	**495**
Income tax	(297)	(193)	(192)	(76)	(461)	(234)	(21)	-	(255)	333	(680)
Consolidated Net Income	**851**	**555**	**655**	**215**	**1,425**	**787**	**279**	**-**	**1,066**	**(3,527)**	**(185)**
Non-controlling interests	(1)	205	125	1	331	22	-	-	22	103	455
Net income, Group Share	**852**	**350**	**530**	**214**	**1,094**	**765**	**279**	**-**	**1,044**	**(3,630)**	**(640)**
Segment assets	**303,865**	**128,611**	**43,258**	**165,855**	**337,724**	**555,183**	**170,441**	**-**	**725,624**	**171,411**	**1,538,624**
Segment liabilities (3)	**312,861**	**92,321**	**15,054**	**154,177**	**261,552**	**695,923**	**70,165**	**-**	**766,088**	**128,013**	**1,468,514**

Table 8.1.B

(In EUR m)	French Retail Banking*	International Retail Banking and Financial Services				Global Banking and Investor Solutions				Corporate Centre [1]	Total Societe Générale group
		Inter-national Retail Banking	Financial Services	Insurance	Total	Global Markets and Investors Services *	Financing and advisory *	Asset manage-ment *	Total *		
	2021										
Net banking income	8,489	5,000	2,154	963	8,117	5,650	2,929	239	8,818	374	25,798
Operating expenses [2]	(6,248)	(2,914)	(916)	(373)	(4,203)	(4,301)	(1,765)	(184)	(6,250)	(889)	(17,590)
Gross operating income	**2,241**	**2,086**	**1,238**	**590**	**3,914**	**1,349**	**1,164**	**55**	**2,568**	**(515)**	**8,208**
Cost of risk	(125)	(429)	(75)	-	(504)	(2)	(63)	-	(65)	(6)	(700)
Operating income	**2,116**	**1,657**	**1,163**	**590**	**3,410**	**1,347**	**1,101**	**55**	**2,503**	**(521)**	**7,508**
Net income from investments accounted for using the equity method	1	-	-	-	-	4	-	-	4	1	6
Net income / expense from other assets [4]	23	18	1	(1)	18	(8)	(1)	-	(9)	603	635
Value adjustments on goodwill	-	-	-	-	-	-	-	-	-	(114)	(114)
Earnings before Tax	**2,140**	**1,675**	**1,164**	**589**	**3,428**	**1,343**	**1,100**	**55**	**2,498**	**(31)**	**8,035**
Income tax	(592)	(405)	(270)	(165)	(840)	(284)	(155)	(13)	(452)	187	(1,697)
Consolidated Net Income	**1,548**	**1,270**	**894**	**424**	**2,588**	**1,059**	**945**	**42**	**2,046**	**156**	**6,338**
Non-controlling interests	(2)	334	169	3	506	27	1	-	28	165	697
Net income, Group Share	**1,550**	**936**	**725**	**421**	**2,082**	**1,032**	**944**	**42**	**2,018**	**(9)**	**5,641**
Segment assets	**299,249**	**135,993**	**41,362**	**181,148**	**358,503**	**505,796**	**149,202**	**315**	**655,313**	**151,384**	**1,464,449**
Segment liabilities [3]	**304,877**	**101,650**	**13,834**	**166,055**	**281,539**	**636,754**	**57,221**	**31**	**694,006**	**113,164**	**1,393,586**

Table 8.1.C

(In EUR m)	1st half of 2021										
	French Retail Banking *	International Retail Banking and Financial Services				Global Banking and Investor Solutions				Corporate Centre (1)	Total Societe Générale group
		Inter-national Retail Banking	Financial Services	Insurance	Total	Global Markets and Investors Services *	Financing and advisory *	Asset manage-ment *	Total *		
Net banking income	4,103	2,418	959	474	3,851	3,040	1,355	104	4,499	53	12,506
Operating expenses (2)	(3,058)	(1,451)	(449)	(200)	(2,100)	(2,395)	(908)	(88)	(3,391)	(306)	(8,855)
Gross operating income	**1,045**	**967**	**510**	**274**	**1,751**	**645**	**447**	**16**	**1,108**	**(253)**	**3,651**
Cost of risk	(137)	(228)	(35)	-	(263)	-	(18)	-	(18)	-	(418)
Operating income	**908**	**739**	**475**	**274**	**1,488**	**645**	**429**	**16**	**1,090**	**(253)**	**3,233**
Net income from investments accounted for using the equity method	3	-	-	-	-	2	-	-	2	-	5
Net income / expense from other assets (4)	4	5	-	1	6	1	-	(1)	-	1	11
Value adjustments on goodwill	-	-	-	-	-	-	-	-	-	-	-
Earnings before Tax	**915**	**744**	**475**	**275**	**1,494**	**648**	**429**	**15**	**1,092**	**(252)**	**3,249**
Income tax	(252)	(183)	(110)	(77)	(370)	(149)	(73)	(3)	(225)	160	(687)
Consolidated Net Income	**663**	**561**	**365**	**198**	**1,124**	**499**	**356**	**12**	**867**	**(92)**	**2,562**
Non-controlling interests	(3)	138	70	2	210	14	-	-	14	88	309
Net income, Group Share	**666**	**423**	**295**	**196**	**914**	**485**	**356**	**12**	**853**	**(180)**	**2,253**
Segment assets	**292,398**	**134,394**	**39,729**	**174,216**	**348,339**	**569,138**	**137,535**	**635**	**707,308**	**144,564**	**1,492,609**
Segment liabilities (3)	**299,089**	**98,944**	**13,623**	**159,783**	**272,350**	**688,753**	**51,504**	**205**	**740,462**	**112,072**	**1,423,973**

* *Following the steering changes at the end of 2021 resulting from the sale of Lyxor, Private Banking is part of the pillar French Retail Banking since 1 January 2022. The 2021 data have been restated mainly to reflect this transfer.*

(1) Income and expenses, as well as assets and liabilities that are not directly related to business line activities are allocated to the Corporate Centre. Corporate Centre income includes, in particular, some consequences of the Group's centralised management of litigation and of transactions leading to changes in the consolidation scope.

(2) These amounts include Personnel expenses, Other operating expenses and Amortisation, depreciation and impairment of tangible and intangible fixed assets.

Societe Generale group Total (In EUR m)	***1st semester of 2022***	***2021***	***1st semester of 2021***
Personnel expenses	*(5,113)*	*(9,764)*	*(4,791)*
Other operating expenses	*(3,904)*	*(6,181)*	*(3,269)*
Amortisation depreciation and impairment of tangible and intangible fixed assets	*(770)*	*(1,645)*	*(795)*
Operating expenses	***(9,787)***	***(17,590)***	***(8,855)***

(3) Segment liabilities correspond to debts (i.e. total liabilities excluding equity).

(4) The Net income / expense from other assets items for the first semester of 2022 includes the impacts of the sale of Rosbank and the Group's insurance subsidiaries in Russia (see Note 2.1).

NOTE 8.2 - OTHER OPERATING EXPENSES

Table 8.2.A

(In EUR m)	1st semester of 2022	2021	1st semester of 2021
Rentals	(158)	(323)	(144)
Taxes and levies	(1,265)	(993)	(925)
Data & telecom (excluding rentals)	(1,234)	(2,371)	(1,113)
Consulting fees	(628)	(1,157)	(499)
Other	(619)	(1,337)	(588)
Total	**(3,904)**	**(6,181)**	**(3,269)**

CONTRIBUTION TO BANK RESOLUTION MECHANISMS

The European regulatory framework designed to enhance financial stability was updated by 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 SRF, 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.

In 2022, the Group's contributions to the SRF and the NRF were as follows:

- cash contributions (85%) for a total of 863 million of euros (versus 586 million euros in 2021) of which 811 million of euros for the SRF and 52 million of euros 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 142 million of euros related to the SRF (versus 96 million euros in 2021) recorded as an asset in the balance sheet, among Other assets.

NOTE 8.3 - PROVISIONS

OVERVIEW

Table 8.3.A

(In EUR m)	**Provisions as at 31.12.2021**	Allocations	Write-backs available	**Net allocation**	**Write-backs used**	**Currency and others**	**Provisions as at 30.06.2022**
Provisions for credit of risk on off balance sheet commitments (see Note 3.8)	**888**	368	(398)	**(30)**	**-**	**(14)**	**844**
Provisions for employee benefits (see Note 5)	**2,301**	347	(86)	**261**	**(83)**	**(325)**	**2,154**
Provisions for mortgage savings plans and accounts commitments	**316**	-	(95)	**(95)**	**-**	**1**	**222**
Other provisions	**1,345**	603	(243)	**360**	**(26)**	**15**	**1,694**
Total	**4,850**	**1,318**	**(822)**	**496**	**(109)**	**(323)**	**4,914**

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.

- 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, 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. On 2 December 2021, after several years of proceedings and two decisions of the Supreme Court, the Paris Court of Appeal overturned the decision of the French competition authority and ruled that (i) it was not proven that the establishment of the CEIC and the fees for related services on AOCT (cancellation of wrongly cleared transactions) as well as their collection had infringed the provisions of Article L. 420-1 of the French Commercial Code and of Article 101 of the Treaty on the Functioning of the European Union and, (ii) that its decision was giving rise to a right of restitution of the sums paid in execution of the overturned decision, namely approximatively EUR 53.5 million for Societe Generale and approximatively EUR 7 million for Crédit du Nord, together with interests at the legal rate. On 31 December 2021, the French competition authority filed an appeal before the Supreme court against this decision. The new proceeding before the Supreme Court 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 has been completed.
  On 19 January 2022, the US District Court for the Northern District of Texas asked the Judicial Panel for Multidistrict Litigation to remand the case to US District Court for the Southern District of Texas in Houston, where it was originally filed, for further proceedings, including trial. The following day, on 20 January 2022, the US District Court for the Northern District of Texas ruled on the pending motions for summary judgment denying SGPBS's and OSIC's motions. The case was formally remanded to the Southern District of Texas in Houston by order of 28 January 2022, and that court has set February 27, 2023, as the date on which the trial will commence.

- Notwithstanding the agreements reached in 2018 with the US authorities regarding certain London Interbank Offered Rates and the Euro Interbank Offered Rate ("the IBOR matter") the dismissal on 30 November 2021 of the legal proceedings brought by the DOJ in this matter (see chapter 4.11 of the Universal Registration Document), 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 were dismissed by the District Court or voluntarily dismissed by the plaintiffs, except in two putative class actions and one individual action that were effectively stayed. The class plaintiffs and a number of individual plaintiffs appealed the dismissal of their antitrust claims to the United States Court of Appeals for the Second Circuit ("Second Circuit"). On 30 December 2021, the Second Circuit reversed the dismissal and reinstated the antitrust claims. These reinstated claims which have been returned to the District Court include those asserted by a proposed class of over-the-counter (OTC) plaintiffs and by OTC plaintiffs that have filed individual actions. On 21 June 2022, the U.S. Supreme Court denied a petition filed by Societe Generale and other defendants that sought review of the Second Circuit's ruling. Discovery is ongoing.
  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 Second Circuit reversed the dismissal and reinstated the claims. On 30 September 2021, the District Court dismissed certain plaintiffs and all Racketeer Influenced and Corrupt Organizations Act claims but upheld certain antitrust and state law claims against Societe Generale. 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' remaining claims. Plaintiff has appealed to the Second Circuit.
  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 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, were named in three putative antitrust class actions in the US District Court in Manhattan, which were consolidated. Plaintiffs alleged 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 were seeking 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 appealed that ruling. On 6 April 2021, the Second Circuit permitted a new proposed class representative to intervene as a plaintiff in the appeal. The original proposed class representatives withdrew from the action. On 14 February 2022, the Second Circuit dismissed the remaining plaintiff's appeal for lack of standing leaving undisturbed the District Court's dismissal. This litigation is now concluded.

- 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. On 7 November 2018, a group of individual entities that elected to opt out of the 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 was named, along with several other banks, in a UK action alleging collusion in the market for FX instruments. The action has been transferred to the Competition Appeal Tribunal. Societe Generale is defending 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.

  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 an 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. The Court of Luxembourg has confirmed on 12 May 2022 that the "*précompte*" was incompatible with the Parent-Subsidiary Directive.

- Societe Generale, along with 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 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. Societe Generale, along with three other defendants, has reached a settlement to resolve this action for USD 50 million. By order dated 13 January 2022, the Court granted preliminary approval of the settlement. The final fairness hearing has been scheduled for 5 August 2022. Although Societe Generale's share of the settlement is not public, it was not material from a financial perspective. 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. Societe Generale is defending the 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 initiated by clients involved in proceedings against the German tax administration.

- 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). On 16 June 2020, SGAS and twelve other bank defendants reached a final settlement with plaintiffs. Although SGAS's share of the settlement is not public, the amount was not material from a financial statement perspective. 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 in June 2021, 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 Bankruptcy Court for further proceedings. The SG defendants filed a motion to dismiss on April 29, 2022.

- 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. The court granted Societe Generale's motion to dismiss on 22 December 2021 but permitted plaintiffs to replead their claims. On 25 February 2022, plaintiffs filed an amended complaint, and on 11 April 2022, Societe Generale filed its motion to dismiss.

- 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, which was granted by the court on 24 November 2021. The court permitted plaintiffs to replead their claims. On 4 February 2022, plaintiffs filed an amended complaint, and on 14 March 2022, Societe Generale filed its motion to dismiss.

- 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. On 1 November 2021, a motion to dismiss on a variety of grounds was filed. Thereafter, the parties stipulated to the voluntary dismissal with prejudice of the action, with each party bearing its own costs. By order dated 2 December 2021, the court dismissed the action.

- On 15 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 11 October 2021, Societe Generale and Vestia reached an agreement to put an end to this dispute without any admission of liability for Societe Generale.

- On 1 June 2021, a shareholder of Societe Generale 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 Général’), Mr. Frédéric Oudéa. 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 convention judiciaire d’intérêt public of May 24, 2018 between Societe Generale and the Financial Public Prosecutor (the "CJIP") and the Deferred Prosecution Agreement of June 5, 2018 between Societe Generale and the United States Department of Justice (the "DPA").

  Societe Generale voluntarily joined these proceedings at the first procedural hearing in order to seek the dismissal of the claims made by the plaintiff. Thereafter, the plaintiff filed a brief asking the court to dismiss the case with prejudice, and the parties asked the court to put an end to these proceedings. By order dated February 15, 2022, the Commercial Court of Paris therefore took note of the termination of the proceedings. This matter is now definitively over.
- In the context of the sale of its Polish subsidiary Euro Bank to Bank Millennium on 31 May 2019 and of the indemnity granted to the latter against certain risks, Societe Generale continues to monitor the evolution of court cases related to CHF-denominated or CHF-indexed loans issued by Euro Bank.

- Like other operators in the Paris marketplace, Societe Generale is subject to a tax review of its equity market transactions. Discussions with the administration are continuing.

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 2022.

NOTE 10.1 - REFORM OF INTEREST RATE BENCHMARKS

Presentation of the reform

The interest rate benchmark reform (IBOR: InterBank Offered Rates), initiated by the Financial Stability Board in 2014, aims at replacing these benchmark rates with alternative rates, in particular the Risk-Free Rates (RFR). This reform accelerated on 5 March 2021, when the Financial Conduct Authority, the supervisor of LIBOR, announced the official dates for the cessation and loss of representativeness of these benchmarks:

- EUR and CHF LIBOR (all terms); GBP and JPY LIBOR (terms: overnight, one week, two months and twelve months); USD LIBOR (terms: one week and two months): the publication of these benchmark settings contributed by a panel of banks has permanently ceased as of 1 January 2022;
- LIBOR GBP and JPY (terms: one, three and six months): these settings have not been contributed by a panel of banks since 1 January 2022 and are now published in a synthetic form; thus, their use is restricted to the wind-down of legacy positions;
- USD LIBOR (terms: overnight, one, three, six and twelve months): the cessation of the publication of these benchmark settings contributed by a panel of banks is scheduled for end June 2023.

In parallel, other indices based on swaps referencing USD LIBOR will be phased out at end 2023: ICE SWAP RATE USD, MIFOR (India), PHIREF (Philippines), SOR (Singapore) and THBFIX (Thailand).

Besides, regarding the major interest rate benchmark indices of the euro area:

- EURIBOR: EMMI (European Money Markets Institute), administrator of the index, does not plan to cease its publication. The EURIBOR will thus be maintained in the coming years;
- EONIA: its publication definitively ceased on 3 January 2022. The successor rate recommended by the European Central Bank working group on the euro area interest rates is the €STR on which the EONIA had been based since end 2019.

More recently, the cessation dates of the MosPrime (Russia, 31 December 2022) and TRLIBOR (Turkey, 30 June 2022) rates have been announced. Regulators and local administrators continue clarifying the roadmap and issuing recommendations to minimize the risks associated with these transitions.

Impact of the reform for the Societe Generale group

The Societe Generale roup supports these reforms and takes an active part in the working groups set up by the central banks of the currencies concerned. The Group is actively preparing for these changes, through a specific transition program put in place in Summer 2018 and supervised by the Finance division.
For this purpose, the Group has undertaken active awareness and communication campaigns for its customers, supplemented by a monthly newsletter and a Questions-and-Answers kit on the IBOR transition publicly available on the Societe Generale website.
To prepare for the announced cessation dates of LIBOR and other transitioning benchmarks, the public authorities and the working groups set up by the central banks issued recommendations to the banking industry. These recommendations aim at stopping the production of new contracts referencing these indices as well as at migrating the existing contracts referencing said indices to alternative benchmark rates.
To ensure a consistent approach throughout the Societe Generale group, an internal Committee has been formed. Its role is to issue periodical orientations reflecting the market trends and recommendations from regulators and their working groups. At the time of writing of this note, fourteen internal guidelines have been issued and cover four main themes:

- strengthening of the new contracts through the inclusion of fallback clauses and risk warnings;
- cessation of the production of new transactions referencing ceasing benchmarks (with some exceptions provided for by regulators on USD LIBOR) and use of alternative solutions;
- fair and homogenous treatment of customers through the involvement of the compliance teams in the renegotiations of contracts.
- Reporting obligation and restrictions related to the use of certain interest rates as alternatives to LIBOR.

At this stage, all directives are applied and widely circulated among the Group staff.

In order to acquire the capacity to deal on products referencing RFRs or some term RFRs and thus ensure the continuity of its business after the disappearance of IBOR, the Societe Generale group updated its tools and processes in line with the major calculation methods recommended by the relevant working groups or professional associations. Nevertheless, the Group continues monitoring the developments in the use of RFRs and other alternative rates in order to implement any new conventions and meet its customers' needs

LIBOR GBP, CHF, EUR, JPY LIBOR and EONIA migration

Until the end of 2021, the Group primarily centred its work on renegotiating transactions with its clients and transitioning all the contracts indexed on the benchmarks terminated or not representative any more at the end of 2021.
At the end of Q2 2022, the Group has finalised the transition of these contracts. The remaining workload corresponds to few transactions using synthetic LIBOR pending the completion of the negotiation in 2022.

USD LIBOR and ICE SWAP RATE migration

Concerning the main contracts of LIBOR USD or ICE SWAP RATE USD : indexes have a cessation at the end of June 2023. While the Societe Generale group has not yet embarked on the massive migration of its stock, it aims to finalise it by June 2023.
From now on, the Group takes advantage of interactions with its customers to offer a proactive transition to alternative solutions.

The Group customers most concerned by the transition of their contracts are, primarily, customers of the investment banking and financing and advisory activities and, to a lesser extent, some customers of the French and International retail networks.
The identification of the contracts concerned and the strategy for transitioning the transactions indexed on USD LIBOR have been finalised for all products:

- loans and credit lines will mostly be transitioned through a bilateral negotiation, and so will the related hedging instruments, in order to maintain their effectiveness.
- Interest rate derivatives migration is scheduled to be implemented in large part in the first half of 2023, in line with the key milestones set by the clearing houses for the conversion of the interest rate derivatives contracts, or by the activation of fallback clauses (ISDA Protocol to which Societe Generale adheres since October 2020). However, some derivatives contracts will be renegotiated through bilateral renegotiation.
- Current accounts and other similar cash products will be transitioned through an update of their general conditions.

The operational transition of the contracts referencing the USD LIBOR will make use of the processes and tools already developed for the transition of contracts on IBOR interest rates ceasing by end 2021.

Other benchmark rates migration (MIFOR, PHIREF, SOR, THBFIX, MosPrime and TRLIBOR),
For these rates the identification of the customers and transactions has been completed. The impact is much smaller than for USD LIBOR.

At the level of the Societe Generale group, these benchmark transitions concern almost entirely investment banking customers.
The migration strategies are similar to those applicable to the USD LIBOR as described above.

The Societe Generale group keeps monitoring the announcements from regulators and administrators in other jurisdictions in order to react proactively and adapt its migration strategy accordingly.

Risks associated with the rate reform
The risks related to the IBOR reform are now mainly limited to USD LIBOR for the period running until June 2023. They remain managed and monitored within the governance framework dedicated to the IBOR transition. They have been identified as follows:

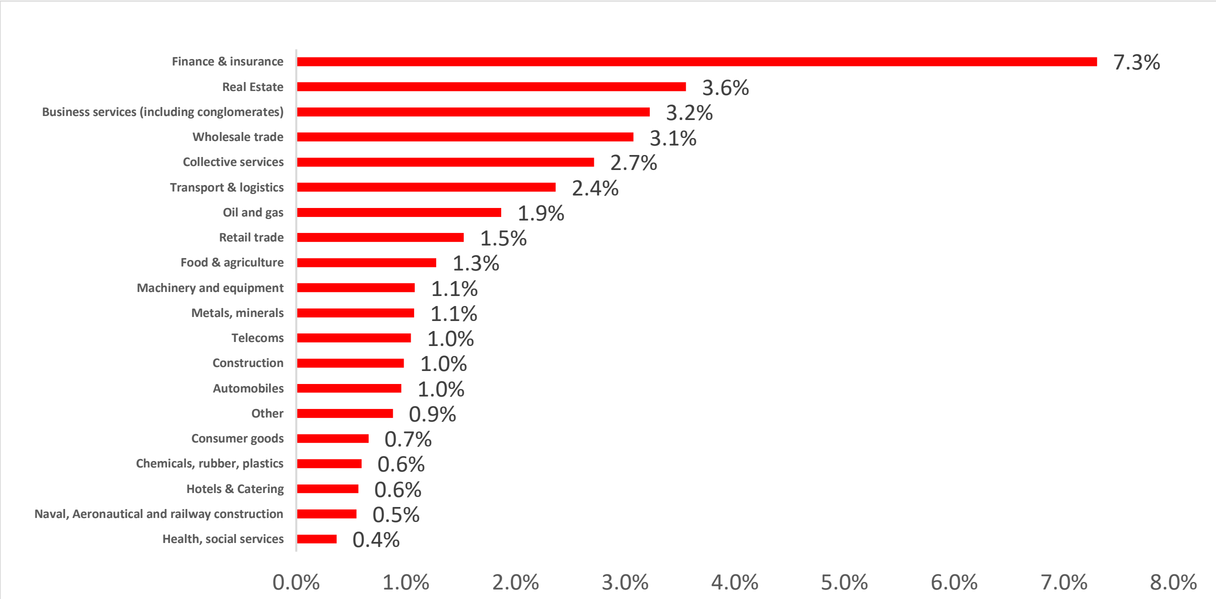
– program governance and execution risk, liable to cause delays and loss of opportunities, is monitored as part of the work of regular committees and arbitration bodies;
– legal documentation risk, liable to lead to post-transition litigations, is managed through fallback clauses inserted in the contracts depending on the availability of market standards;
– market risk, with the creation of a basis risk between the rate curves associated with the different indexes, is the subject of close monitoring and supervision;
– operational risks in the execution of the transition of transactions, depending in particular on the willingness and preparedness of our counterparties, the volume of transactions to be migrated and their spread over time; monitoring through coordination committees take place.
– liquidity risk related to increased drawdowns in a context of increased credit costs which will be included in the drawdown models;
– regulatory risk managed according to the Group guidelines which are in line with the recommendations of the regulators and working groups on the LIBOR transition;

- conduct risk, related to the end of LIBOR, notably managed through:
  - specific guidelines on the appropriate conduct detailed by business line,
  - training of the teams,
  - communications to customers (conferences, events, bilateral discussions in particular with the less informed customers) are organised on the transition-related risks, the alternative solutions that may be implemented, 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.

SECTOR BREAKDOWN OF "GROUP CORPORATE" EXPOSURE AS AT 30 JUNE 2021 (BASEL PORTFOLIO)



The 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 2022, the "Corporate" portfolio amounted to EUR 399 billion out of a total of EUR 1,118 billion for the group (on- and off-balance sheet exposures measured in EAD). The Group's exposure to its ten largest "Corporate" counterparties accounts for 5% of this portfolio.

5.2 Statutory Auditors' Review Report on the Half-yearly financial information

Société Générale

Period from January 1 to June 30, 2022

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, 2022;
- the verification of the information presented in the half-yearly management report.

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, 2022

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES		ERNST & YOUNG et Autres	
Jean-Marc Mickeler	Maud Monin	Micha Missakian	Vincent Roty

6. SHARE, SHARE CAPITAL AND LEGAL INFORMATION

6.1 Information on share capital

Breakdown of capital and voting rights*

	At 30 June 2022[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]	57,255,038	6.84%	112,077,497	12.24%	12.32%
BlackRock, Inc.	64,033,233	7.65%	64,033,233	6.99%	7.04%
The Capital Group Companies, Inc.	26,356,908	3.15%	26,356,908	2.88%	2.90%
Amundi	46,330,868	5.53%	46,330,868	5.06%	5.09%
Caisse des Dépôts et Consignations	18,635,217	2.23%	24,330,937	2.66%	2.68%
BNPP AM	23,114,297	2.76%	23,179,899	2.53%	2.55%
Float	595,299,715	71.11%	613,182,161	66.97%	67.42%
Share buybacks	6,099,156	0.73%	6,099,156	0.67%	0.00%
Total	837,124,432	100%	915,590,659	100%	100%
Calculation base		837,124,432		915,590,659	909,491,503

* including double voting rights (article 14 of by-laws)

(1) At 30 June 2022, the share of European shareholders in the capital is estimated at 45 %.
(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 anc 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 exercise units forming fractional rights, by the Supervisory Board of this fund

The table above lists the shareholders which have made a legal threshold crossing declaration and those who have recently made a statutory threshold crossing declaration (since 19 May 19 May 2020).

Press release dated 18 July 2022- Success of the 2022 Global Employee Share Ownerhip Programme

Societe Generale announces that the 29th capital increase reserved for employees and retired former employees has been successfully completed
The capital increase, reserved for employees and retired former employees under the framework of the Global Employee Share Ownerhip Programme deployed in 43 countries, has been completed.
More than 118 000 employees and retired former employees have subscribed to this transaction.
This capital increase amounts to EUR 235.7m, the highest amount since 2009, and will generate the creation of 12,759,346 new shares.
Following the completion of the capital increase today, the share capital stands at EUR 1,062,354,722.50 and comprises 849,883,778 shares with a nominal value of EUR 1.25 per share.
The impact on the CET 1 ratio will be around +6 basis point and will be accounted for in Q3 22.
Details related to the number of voting rights and shares will be updated and available under « monthly reports on total amount of voting rights and shares »: https://investors.societegenerale.com/en/financial-and-non-financial-information/regulated-information.

Voting rights

As a consequence, on 18 July 2022, the theoretical number of voting rights (gross) was 928,347,053.

6.2 By-laws

Article 4

4.1 SHARE CAPITAL

The article 4.1 “The share capital amounts to EUR 1,046,405,540. It is divided into 837,124,432 fully paid-up shares, each with a nominal value of EUR 1.25” is replaced by “The share capital amounts to EUR 1,062,354,722.50. It is divided into 849,883,778 fully paid-up shares, each with a nominal value of EUR 1.25”.

6.3 Internal rules of Board of Directors

Preamble:

The Board of Directors collectively represents all shareholders and acts in the corporate interest of Societe Generale (the "Company"), 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 listed on a regulated market, Societe Generale is subject to the provisions of the regulations, directives and other European texts applicable to the banking and financial sectors, the French Commercial Code, the French Monetary and Financial Code and the recommendations or guidelines of the European Banking Authority (the "EBA") included in national law, the French Prudential Supervisory and Resolution Authority (the "ACPR") and the Autorité des Marchés Financiers (the "AMF").

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 "Internal Rules").

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) Directions for the Group's activity

The Board of Directors determines the directions of the Group's activity, ensures their implementation by General Management and reviews them at least once a year; these directions incorporate the values and the Code of Conduct of the Group, which it approves, as well as the main thrusts of the policy adopted with respect to social and environmental responsibility, human resources, information systems and organisation;

b) Strategic operations

- approves the plans for strategic operations, in particular acquisitions or disposals, that may have a significant impact on the Group's earnings, its balance sheet structure or its risk profile.

This prior approval process concerns:

- organic growth transactions of a unit amount higher than €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 €500 million or higher than €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 €250 million;
- partnership transactions with a compensation (*soulte*) of an amount higher than €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.

c) Risk management and control

The Board of Directors:

- approves the overall strategy and the appetite in terms of risks of any kind[3] and controls the implementation, including outsourced activities. 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 Group is or could be exposed;

    - ensures, in particular, the adequacy and effectiveness of the risk management systems;

    - approves, each year, the Group Risk Appetite Statement and the Group Risk Appetite Framework. It approves the overall risk limits;

    - approves the result of the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP);

    - ensures the effectiveness of the corrective measures taken in the event of a failure and implements a specific process organising its information and, where applicable, its referral if risk limits are exceeded or in case of non-compliance with the action plans implemented in accordance with the rules described in the Group Risk Appetite Statement and the Group Risk Appetite Framework;

- approves the business continuity and operational resilience plans;

- adopts the preventive recovery plan communicated to the European Central Bank (ECB) and deliberates on any similar plan requested by another supervisory authority;

- draws up the elements necessary for the establishment of the resolution plan communicated to the competent supervisory authorities.

- determines the orientations and controls the implementation by the Effective Senior Managers[4] of the oversight systems in order to ensure effective and prudent management of the institution, in particular the separation of functions within the organisation of the Company and the prevention of conflicts of interest;

- has all relevant information on developments in risks of any kind incurred by the Company, including in relation to anti-money laundering and financing of terrorism. To do so, it determines, where applicable, with the assistance of its Committees, the volume, form and frequency of the information submitted to it;

- examines at least twice a year the activity and the results of internal control, in particular compliance control based on the information sent to it for this purpose by the Effective Senior Managers and the Heads of the second-level control and audit functions;

- approves the audit plan, as well as its amendments, after having heard a presentation by the Head of inspection and Audit and the recommendations of the Audit and Internal Control Committee;

- is the recipient of the annual report on internal control and debates it;

- concerning anti-money laundering and terrorism financing (AML-FT), it:

[3] The typology of risks is that mentioned in the Group Risk Appetite Statement.
[4] This legal classification of "Effective Senior Managers" is understood only within the meaning of the banking regulations falling within the remit of the ECB and the ACPR. For Societe Generale, on the date of the last update of the Internal Rules, this is the Chief Executive Officer and the Deputy Chief Executive Officers.

  - regularly reviews the policy, risk classification, systems and procedures, and their effectiveness;
  - is informed, at least once a year, of the activity and results of the internal controls in terms of AML-FT, incidents and shortcomings, as well as the corrective measures taken;
  - approves the annual report on the internal control of AML-FT systems;

- ensures the implementation of a system to prevent and detect corruption and influence peddling. It receives all of the necessary information for this purpose;

- approves the IT strategy;

- approves the information system security policy, including cybersecurity;

- approves outsourcing policies;

- approves the Group's investment services policy;

- examines, as necessary, the Group's draft responses to follow-up letters from supervisors;

- is informed of the system put in place concerning "whistleblowers" and developments in the system;

- examines, in accordance with regulations and the Group Risk Appetite Framework and the Group Risk Appetite Statement, compliance incidents and the corresponding action plans;

- approves the annual statement on modern slavery and human trafficking, reiterating key actions taken to prevent them, a statement established under the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018;

- carries out controls and verifications that it deems appropriate based on the Group's internal audit or by drawing on external consultants.

d) Financial statements, financial communication and financial projections

The Board of Directors, after having heard the Statutory Auditors as necessary:

- approves and 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, including the Non-Financial Performance Statement and the due diligence plan;

- controls the publication and communication process, the quality and reliability of the financial and non-financial information to be published and communicated by the Company;

- approves the budget and the financial trajectory.

e) Governance

The Board of Directors;

- appoints the Chairman;

- where applicable, a "lead" director;

- appoints the Chief Executive Officer and, at the latter's proposal, the Deputy Chief Executive Officer(s);

- appoints the Effective Senior Managers;

- sets any limitations on the powers of the Chief Executive Officer and, on the proposal of the latter, the Deputy Chief Executive Officer(s);

- establishes once a year the succession plan for Executive Officers *(dirigeants mandataires sociaux)*;

- reviews the Group's internal governance system, ensuring a clear organisation with well-defined responsibilities that respect the independence of the control functions, and to this end becomes aware of the Group's legal, organisational and operational structure and ensures its compatibility with the Group's strategy; it periodically evaluates its effectiveness;

- deliberates on changes to the Group's management structures prior to their implementation and is informed of the main changes to its organisation;

- ensures that Executive Officers implement a policy of non-discrimination and diversity, particularly with regard to the balanced representation of women and men in the Group's management bodies;

- ensures the existence of a selection and appointment procedure for holders of key functions and is informed of the appointment of the Heads of Business Units or Service Units. Their succession plan is communicated to it.

- deliberates at least once a year on its operation and that of its Committees, on the skills, aptitudes and availability of its members and on the conclusions of their periodic assessment;

- regularly reviews the Internal Rules of the Board of Directors;

- prepares the corporate governance report presented to the General Meeting;

f) Relations with control functions

- ensures compliance with its obligations in terms of internal control, including compliance with banking and financial regulations on internal control and, in particular, reviews the activity and results of internal control at least twice a year;

- at least once a year, devotes an item on its agenda to each of the internal control functions (risk, compliance, audit) and hears their head;

  if necessary, in the event of changes in the risks affecting or likely to affect the Company, the Chief Risk Officer, the Head of Compliance and the Head of inspection and Audit may each report directly to the Board of Directors, without referring to the Effective Senior Managers.

- gives its opinion prior to the appointment of the Head of inspection and Audit, the Chief Risk Officer and the Head of Compliance;

- gives its opinion prior to the dismissal of the Head of inspection and Audit, the Chief Risk Officer and the Head of Compliance;

- gives its consent prior to the dismissal of the Chief Risk Officer;

- validates the audit charter;

- ensures the existence of standards documentation applicable within the Group and regularly updated.

g) Compensation of corporate officers (mandataires sociaux) and wage policy

The Board of Directors;

- distributes the overall amount of the Directors' compensation in accordance with article 18 of these Internal Rules;

- determines, without prejudice to the powers of the General Meeting, the compensation of the Executive Officers, in particular their fixed and variable compensation, including benefits in kind, awards of performance shares or any compensation instrument, as well as post-employment benefits;

- regularly draws up and reviews the principles of the compensation policy applicable in the Group, in particular with regard to:

  a. the categories of personnel whose activities have a significant impact on the Group's risk profile and ensures that the internal control systems make it possible to verify that these principles comply with the regulations and professional standards and are aligned with the risk control objectives;

b. as well as employees who, in view of their overall income, are in the same compensation bracket as those whose professional activities have an impact on the Group's risk profile;

- validates each year, after consulting the Compensation Committee, the compensation of the heads of internal control functions (Head of inspection and Audit, Chief Risk Officer and Head of Compliance);
- deliberates once a year on the Company's policy regarding professional and wage equality between men and women;
- carries out the award of free performance shares, determines the identity of the beneficiaries and the number of shares awarded to each of them, and sets the conditions and criteria for the award of said shares;
- draws up, where applicable, the principle and terms of a capital increase reserved for members of one of the company savings plans within the Group.

Article 2 : <u>Composition of the Board of Directors</u>

2.1. The composition of the Board of Directors aims to achieve a balance between professional and international experience, skills and independence, while respecting gender equality, diversity and a balance in terms of age and length of service within the Board. The composition of the Board of Directors reflects the increasingly international scope of the Group's activities and of its shareholding through the presence of a significant number of directors of foreign nationality.

2.2. As such, among the directors appointed by the General Meeting, the Board of Directors ensures compliance with a minimum proportion of 50% independent directors[5]. To this end, the Board of Directors, in the report of its Nomination and Corporate Governance Committee, conducts an annual review of the situation of each of its members with regard to the independence criteria defined in the AFEP-MEDEF Code.

2.3. The Board of Directors verifies that the candidates proposed for renewal or appointment meet the conditions of competence and suitability and have the time necessary to perform their duties. The Board of Directors strives to comply with all of the conditions laid down by the EBA and the ECB as part of the "fit and proper" reviews.

2.4. The candidates, proposed by the Board of Directors at the General Meeting, have been selected beforehand by the Nomination and Corporate Governance Committee and have been interviewed as necessary.

2.5. The objectives set by the Board of Directors with regard to its composition and that of the Committees are reviewed each year by the Board of Directors and the Nomination and Corporate Governance Committee based on an annual assessment, the results of which are presented in the corporate governance report.

Article 3 : <u>Skills and aptitudes of the members of the Board of Directors</u>

3.1. 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.

3.2. Each Director undertakes to improve his/her knowledge of the Company and its sector of activity on an ongoing basis.

Article 4 : <u>Availability of the members of the Board of Directors</u>

4.1. The members of the Board of Directors shall devote sufficient time to the performance of their functions. Directors participate actively and attentively in meetings of the Board of Directors and the Committees.

4.2. The employee directors have a fifteen-hour preparation time per meeting of the Board of Directors or of the Committee in question.

4.3. Under the conditions defined by the legislation in force, the directors may hold, within any legal entity, only one executive directorship and two non-executive directorships or four non-executive directorships. For the purpose of this rule, directorships held within the same group are considered to be a single directorship. The ECB may authorise a member of the Board of Directors to perform an additional non-executive directorship.

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[5] Societe Generale applies the rule of the AFEP-MEDEF Code, which excludes directors elected by employees and the director representing employee shareholders from the calculation.

4.4. Any Director holding an executive directorship in the Group must obtain the opinion of the Board of Directors before accepting a corporate office position in a company; the Director must comply with the procedure set out in article 8 "Conflicts of interest".

4.5. 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 or of a Supervisory 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 directorships.

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.

The Universal Registration Document reports on the attendance of Directors at meetings of the Board of Directors and the Committees.

4.6. The Directors shall attend the General Meetings of Shareholders.

Article 5 : Ethics of the members of the Board of Directors

5.1. The director takes note of the general or specific obligations incumbent on him/her, in particular legal or regulatory texts, the By-laws, the recommendations of the AFEP-MEDEF code and the Internal Rules of the Board of Directors.

5.2. The Director keeps, in all circumstances, his/her independence of analysis, judgement, decision and action. He/she freely expresses his/her positions, possibly minority positions, on the subjects discussed in the session.

5.3. He/she undertakes not to seek, accept or receive any benefit or service likely to compromise his/her independence

5.4. Each member of the Board of Directors is bound by a duty of care as to the retention, use and, where applicable, return of the tools, documents and information made available.

5.5. Each Director must comply with the provisions of the rules on market abuse, in particular those relating to the communication and the use of inside information with regard to Societe Generale shares, debt securities and derivative 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.

5.6. 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 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.

5.7. 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.

5.8. The director informs the Chairman of the Board of Directors of any criminal or civil conviction, administrative or disciplinary sanction, any indictment, incrimination and/or public sanction, in particular for fraud or giving rise to a prohibition to manage or administer against him/her, as well as of any bankruptcy, receivership, liquidation or placement of companies under judicial administration in which he/she has been or is likely to be associated with or be the subject of. He/she shall inform him/her of any dismissal for professional misconduct or of any revocation of a corporate office position of which he/she is subject. He/she also informs him/her of any legal, administrative or disciplinary proceedings brought against him/her if he/she is likely to potentially undermine the regulatory requirement of good repute or that of probity.

Article 6 : Confidentiality

6.1. Each Director and any person involved in the work of the Board of Directors are bound by an absolute obligation of confidentiality with regard to the content of the discussions and deliberations of the Board of Directors and its Committees, as well as the information and documents presented or communicated to them, in any form whatsoever.

6.2. They are prohibited from communicating to anyone outside the Board of Directors any information that is not made public by the Company.

6.3. They shall assume an obligation of vigilance, circumspection and confidentiality.

Article 7 : Duty of loyalty

7.1. Each Director has a duty of loyalty to the Company. Under no circumstances must he/she act for his/her own interest against the interest of the Company.

7.2. This loyalty implies absolutely that the Director does not act against the Company in the interest of a person or entity with which he/she would be bound, for example as parent, shareholder, creditor, employee, corporate officer or permanent representative.

7.3. This loyalty implies transparency with regard to the members of the Board of Directors, in order to ensure compliance with the essential principle of collegiality of this body.

Article 8 : <u>Conflicts of interest</u>

8.1. The Director shall inform the Secretary of the Board of Directors by letter or email of any conflict of interest, including potential, in which he/she may be directly or indirectly involved. He/she shall refrain from participating in any discussion and voting on such matters.

8.2. 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 that 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.

8.3. The Director shall inform, by letter or email, the Chairman of the Board of Directors and the Chairman of the Nomination and Corporate Governance Committee of his/her intention to accept a new corporate office position, including his/her participation in a Committee in a company not belonging to a group of which he/she is director or officer, in order to enable the Board of Directors, based on the proposal of the Nomination and Corporate Governance Committee, to decide where appropriate that such an appointment would be inconsistent with the directorship in Societe Generale.

8.4. Each Director shall make a sworn statement as to the existence or otherwise of the situations referred to in 5.8 and 8.1: (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.

8.5. In accordance with article L. 511-53-1 of the French Monetary and Financial Code, Societe Generale and the entities of the Societe Generale group keep up to date and at the disposal of the ACPR the appropriate documentation concerning all of the loans granted by Societe Generale or an entity of the Group to each director and their related parties. In addition to the legal provisions, where applicable, relating to regulated agreements requiring prior authorisation from the Board of Directors in which the interested party does not take part, an internal procedure within the Group dedicated to loans granted to these persons is established and reviewed by the Nomination and Corporate Governance Committee; its effective implementation is subject to internal controls and information from the Board of Directors when anomalies are identified.

Article 9 : <u>The Chairman of the Board of Directors</u>

9.1. 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.

9.2. 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.

9.3. 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.

9.4. He/she may ask the Chief Executive Officer or any manager, and in particular the heads of the control functions, for any information likely to inform the Board of Directors and its Committees in the performance of their mission.

9.5. He/she may hear the Statutory Auditors with a view to preparing the work of the Board of Directors.

9.6. He/she ensures that the Directors are in a position to fulfil their missions and ensures that they are properly informed.

9.7. 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.

9.8. He/she devotes his/her best efforts to promote in all circumstances the values and the image of the Company. In consultation with 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.

9.9. He/she has the material resources necessary for the performance of his/her missions.

9.10. The Chairman has no executive responsibilities, these responsibilities being exercised by 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 10 : The Secretary of the Board of Directors

10.1. Pursuant to article 11 of the By-laws, the secretary of the Board of Directors shall be a member of the management appointed by the Chairman as Secretary of the Board of Directors.

10.2. In the absence of the Secretary of the Board of Directors, the Chairman appoints a member of the Board of Directors or a third party to replace him/her.

10.3. The Secretary of the Board of Directors assists the Chairman in the performance of his/her duties, in particular in the organisation of the work of the Board of Directors and the definition of the timetable and agenda of the meetings of the Board of Directors.

10.4. The Secretary of the Board of Directors:

- ensures compliance with the procedures relating to the functioning of the Board of Directors;
- with the assistance of General Management, ensures the quality and production, within sufficient time, of the files submitted to the Board of Directors;
- is responsible for sending the work files sent to the directors and ensures that they are complete and transmitted within the appropriate time limits in accordance with article 11 of the Internal Rules;
- is responsible for the secure IT platform made available to the directors;
- attends meetings, executive sessions and seminars of the Board of Directors;
- ensures the keeping of an attendance register, signed by the directors participating in the meeting of the Board of Directors and which mentions the names of the directors deemed present pursuant to article 11 of the Internal Rules;
- is authorised to issue and certify as true copies or extracts of minutes;
- keeps the document on the status of requests made by the Board of Directors up to date.

10.5. The Secretary of the Board of Directors shall set up, in accordance with the guidelines of the Nomination and Corporate Governance Committee, the annual assessment of the work of the Board of Directors.

10.6. The Secretary of the Board of Directors shall organise, in conjunction with the Chairman, the preparation of the Annual General Meeting of Shareholders with the assistance of the General Secretariat.

10.7. He/she is available to the directors for any request for information concerning their rights and obligations, the functioning of the Board of Directors or the everyday operations of the Company.

10.8. The Secretary of the Board of Directors relies on the General Secretariat in the performance of his/her mission, including the following topics:
- review of the legal and regulatory obligations of the Board of Directors;
- collecting the necessary information relating to corporate officers required by French or foreign regulations and the implementation of the corresponding procedures;
- calculation and payment of Directors' compensation, input of Single Tax Statements;

10.9. The secretarial services of each Committee are provided, under the supervision of the Chairman of each of the Committees, by the Secretary of the Board of Directors or a person designated by the latter.

Article 11 : <u>Meetings of the Board of Directors</u>

11.1. Timetable, agenda, duration

a) *The Board of Directors meets as often as required by the corporate interest and at least eight times per year.*

b) *Except in exceptional circumstances, the provisional dates of meetings are set no later than twelve months before the start of the year.*

c) *The provisional agenda of the meetings of the Board of Directors for the year shall be set no later than 1rst January.*

d) *The agenda of each meeting and the duration devoted to each subject are subject to prior approval by the Chairman.*

e) *In order to establish the agenda, priority is given to issues requiring a decision by the Board of Directors, in particular strategic points and risk management. The Chairman shall ensure that subjects that have only an informative purpose are, if possible, addressed either during seminars or during training.*

f) *The frequency and duration of meetings of the Board of Directors must be such that they enable a review and discussion of each of the topics or dashboards falling within the competence of the Board of Directors, including when preparation work has been done by a Committee.*

11.2. Quorum

a) *In accordance with article 11 of the By-laws, in all cases, Board of Directors decisions shall only be deemed valid where at least half of the members are present.*

b) *Directors who participate in a 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 unless, after the last date on which these Internal Rules are updated, new legal provisions come into force authorising in these cases participation in meetings of the Board of Directors by video conference or telecommunication means.

A director who participates by video conference or telecommunications shall ensure that the confidentiality of the debates is preserved.

c) In accordance with the By-laws, every Director may give his/her proxy to another Director, but a Director may act as proxy for only one other Director and a proxy can only be given for one specific meeting of the Board of Directors.

11.3. Notification of Board Meetings

The possible authors of a notice of a Board of Directors meeting are defined in article 10 of the By-laws.

Convening notices, which may be transmitted by the Secretary of the Board of Directors, are sent by letter, fax, email or by any other means, including verbally.

The delegate of the Central Social and Economic Committee attends the meetings of the Board of Directors under the conditions provided for by the regulations.

At the 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. These persons are subject to the same rules of ethics, confidentiality, loyalty and ethics as Directors.

11.4. Preparation of the Board of Directors' files

The files, previously validated by General Management under the conditions it determines, are, except in an emergency, sent by the Secretary of the Board of Directors no later than seven calendar days before the meeting of the Board of Directors.

The files sent to the Board of Directors contain:

i. the indication that the file is sent for debate, guidance or decision;
ii. the name of the member of the General Management who validated it and the BU/SU author of the document;
iii. where applicable, the legal or regulatory references justifying the review by the Board of Directors;
iv. a summary;
v. an indication of the points to which the attention of the Board of Directors is particularly drawn;
vi. information on the social and environmental issues to be taken, where applicable, into consideration by the Board of Directors;
vii. where applicable, the text of the draft decision of the Board of Directors;
viii. relevant supporting document in appendix

A file template is available from the Secretary of the Board of Directors.

When a subject requires a formal opinion from the risk, compliance or audit function, this opinion must be the subject of a separate note added as an appendix to the file. As part of the preparation, the Chairman of the Board of Directors may hear the heads of the control functions.

11.5. Holding of meetings

In accordance with article 11 of the By-laws, board meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by a Director designated for this purpose at the beginning of the meeting.

At the beginning of the meeting, the Chairman of the meeting:

- mentions, where applicable, the Director responsible for introducing a file on the agenda;
- systematically indicates the nature of the conclusion following the consideration of each item on the agenda (for discussion, orientation, or decision); and
- in the event of a request for approval by the Board of Directors, indicates whether there will be a formal vote.

On each item on the agenda, the Chairman leaves each Director the necessary speaking time in accordance with the indicative time provided for in the agenda.

In accordance with article 11 of the By-laws, resolutions are adopted by a majority vote of the directors present or represented. In the event of a tie, the Chairman holds a casting vote.

11.6. Minutes

Each of the deliberations of the Board of Directors is reported in minutes drawn up by the Secretary of the Board of Directors. The minutes include a summary of the discussions and deliberations. They mention the questions raised or the reservations stated by the participants, grouping them together by theme if possible. They specify the guidelines or decisions adopted by the Board of Directors.

Each set of minutes of the Board of Directors are approved at a subsequent meeting of the Board of Directors.

They are then transcribed in a special register in accordance with the legislation in force.

11.7. Statement of requests from the Board of Directors

When the Board of Directors sends requests, they are formalised in a document, which contains an expected target response date and, where applicable, the BU(s) or SU concerned for each request.

This document is regularly updated and sent to the Board of Directors at each of its meetings.

It compiles the previous requests that have not yet received a response and mentions the requests that have received a response, indicating the date of the response sent.

Article 12 : <u>Executive session</u>

The Directors meet at least twice a year in an executive sessions, with the exception of Executive Officers and Directors who have an employee status.

It is up to the Chairman to assess, in view of the subject(s) addressed, whether the Chief Executive Officer can be convened to participate in all or part of an executive session.

It is also up to the Chairman to assess, in view of the subjects addressed, whether Directors with employee status may be convened to an executive session for all or part of this session, particularly if the performance of the Executive Officers is assessed at this meeting.

This meeting is convened and chaired by the Chairman of the Board of Directors if he/she has the status of independent director or, failing that, by the lead director.

This meeting includes an agenda decided by the Chairman, who leaves room for various matters at the directors' initiative.

Article 13 : <u>Seminar</u>

13.1. At least once a year, the Board of Directors shall meet in working sessions, which may be held either on the premises or outside the Company's premises. In addition to the members of the Board of Directors, the General Management, the Head of Strategy and the Chief Financial Officer participate in this seminar. The heads of BU/SU are present where necessary.

13.2. The purpose of this seminar is notably to review the banking environment, the Group's main business lines and its competitive environment. Where applicable, a summary of the guidelines is drawn up and submitted for approval at the next Board meeting.

Article 14 : <u>Information of the Board of Directors</u>

14.1. Tools

The Chairman or the Chief Executive Officer shall provide each Director and non-voting Director ("*censeur*") with all of the 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/her but also for his/her access.

14.2. Information received

Effective Senior Managers shall inform the Board of Directors of all significant risks, risk management policies and changes made to them.

Meetings of the Board of Directors and the Committees are preceded by the online 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.

14.3. Information requested

In order to contribute effectively to the meetings of the Board of Directors and to enable it to make an informed decision, each Director may request to be provided by the Chairman or the Chief executive officer all of documents and information necessary for the performance of his/her mission, as long as they are useful for decision-making and related to the powers of the Board of Directors.

Requests are sent to the Chairman, who directly relays the requests either to the Chief Executive Officer or through the Secretary of the Board of Directors.

When the Chief Executive Officer considers it preferable, for reasons of confidentiality, the documents thusly made available to the Director and to any person attending the meetings of the Board of Directors are consulted with the Secretary of the Board of Directors or with the relevant Group employee.

Article 15 : Training of Directors

15.1. Training of all Directors

The Company devotes the necessary human and financial resources to the training of the Directors, particularly in the banking and financial field. Annual training is provided by the Company, during which the members of the Board of Directors meet the managers of the topics presented . The seminars mentioned in article 13 are also an opportunity to supplement the directors' training, particularly on subjects relating to changes in the environment of the Group's activity.

Two types of training are held each year:

- training related to the specifics of the bank's business lines, the regulations applicable to them (banking, prudential and financial); and
- training relating to risks, including emerging risks.

Several training sessions are held each year, with a number of hours adapted to the Directors' needs and with a minimum of five sessions of two hours.

Each Director may, on his/her appointment or throughout his/her term of office, receive any training that he/she deems necessary for the performance of the corporate office position. He/she submits a request to the Secretary of the Board of Directors.

These training sessions shall be organised by the Company, which shall bear their costs.

15.2. Training of employee Directors

This enables the acquisition and improvement of the knowledge and techniques necessary for the performance of their corporate office position.

It focuses on the role and functioning of the Board of Directors, the rights and obligations of the Directors and their responsibilities, and the organisation and activities of the Company.

Employee Directors receive 40 hours of training per year (including training time dedicated to the entire Board of Directors).

The time spent on training is deducted from actual working time and remunerated as such on the normal expiry date.

The Secretary of the Board of Directors reports on, for validation by the Board of Directors during the first half of the year of the beginning of the term of office of each of the employee Directors:

- the content of the training programme after obtaining the opinion of the employee Director; and
- the entities responsible for providing the training.

At the end of the training, the training centre chosen by the Board of Directors must issue a certificate of attendance that the employee Director must submit to the Secretary of the Board of Directors.

Article 16 : Annual assessment

The Board of Directors annually reviews its operations in the form of an assessment. As part of this process, an annual assessment of each of the Directors is also carried out.

This assessment is carried out every three years by a specialised external consultant.

In other years, this assessment is carried out based on:

- individual interviews with the Chairman of the Board of Directors and the Chairman of the Nomination and Corporate Governance Committee; and
- questionnaires prepared by the Nomination and Corporate Governance Committee

The Board debates the views and opinions stated. It draws conclusions from this in order to improve the conditions under which its work and the work of its Committees is prepared and organised.

The findings of the review are made public in the assessment part of the corporate governance report.

Article 17 : The Committees of the Board of Directors

17.1. In certain areas, the Board of Directors' deliberations are prepared by specialised Committees composed of Directors appointed by the Board of Directors, which examine the subjects within their remit and submit their opinions and proposals to the Board of Directors. Apart from the Audit and Internal Control Committee, regarding the selection of Statutory Auditors and on the authorisation of services other than the certification of the financial statements, they never have decision-making power. Each file presented mentions the nature of the decision to be taken by the Board of Directors.

17.2. These Committees are comprised 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.

17.3. The Chairman of the Nomination and Corporate Governance Committee is appointed by the Board of Directors.

The Chairmen of the other Committees are appointed by the Board of Directors at the proposal of the Nomination and Corporate Governance Committee.

All Committee chairs are appointed from among the independent Directors.

17.4. These Committees may decide, as necessary, to involve other Directors without voting rights in their meetings.

17.5. They have the necessary resources to carry out their duties and act under the responsibility of the Board of Directors.

17.6. In the exercise of their respective powers, they may request the communication of any relevant information, hear the Chief Executive Officer, the Deputy Chief Executive Officers and the Group's management executives and, after informing the Chairman, request the conduct of external technical studies, at the Company's expense. They subsequently report on the information obtained and the advice collected.

17.7. Each Committee defines its annual work programme validated by the Chairman of the Committee. The frequency and duration of Committee meetings must be such that they enable an in-depth review and discussion of each of the subjects or dashboards within the competence of the Committees. The agendas and the duration devoted to each subject are subject to prior approval by the Chairman.

17.8. As for meetings of the Board of Directors, the timetable and agenda of the meetings shall be set by the Chairman of the Committee at the latest, except in exceptional circumstances, on 1 January, with the ability to add meetings and items to the agenda of the meetings as necessary. The minimum number of meetings of each of the Committees is specified in their respective charters.

17.9. There are four standing Committees:

- the Audit and Internal Control Committee;
- the Risk Committee;
- the Compensation Committee,
- the Nomination and Corporate Governance Committee.

The Risk Committee also acts as a US Risk Committee. A dedicated Charter appended to these Internal Rules defines its mission, composition, organisation and operation. The Chairman of the Risk Committee reports on his/her work to the Board of Directors, which validates this work.

17.10. By decision of the Chairmen of the Committees concerned, joint meetings between the Committees may be organised on topics of common interest. These meetings are co-chaired by the Chairmen of the Committees.

17.11. The Board may create one or more "ad hoc" committees.

17.12. The Risk Committee, the Compensation Committee and the Nomination and Corporate Governance Committee may perform their missions for Group companies on a consolidated or sub-consolidated basis.

17.13. The secretarial services of each Committee are provided by the Secretary of the Board of Directors or a person appointed by the Secretary of the Board of Directors.

The Secretary of the Committee shall prepare the minutes of the meetings, which are kept in the archives specific to each Committee.

17.14. The Chairman of each Committee produces a detailed report for the Board of Directors, stating the subjects examined by the Committee, the issues discussed and the recommendations made with the decisions of the Board of Directors in mind. A written report of the Committees' work is made available to the members of the Board of Directors.

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.

17.15. The missions, composition, organisation and functioning of each Committee are defined by a dedicated charter. These charters are appended hereto. The subjects that may be dealt with jointly by the Risk Committee and the Audit and Internal Control Committee are indicated by an asterisk (*).

Article 18 : <u>Directors' compensation</u>

18.1. 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.

18.2. The Chairman and the Chief Executive Officer, when he/she is also a Director, do not receive this compensation.

18.3. As from 1 May 2018, the amount of allocated compensation is reduced by a sum equal to €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 €130,000 distributed between the Chairman of the Audit and Internal Control Committee and the Chairman of the Risk Committee.

18.4. The balance is divided into 50% fixed, 50% variable. The number of fixed portions per Director is 6. Additional fixed units are allocated as follows:

- 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 portions;
- Member of the Audit and Internal Control Committee or of the Risk Committee: 1 portion.

Fixed shares may be reduced in proportion to the actual attendance when the attendance over the year is below 80%.

18.5. 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.

Executive sessions, work seminars and training are not counted as meetings of the Board of Directors and do not give rise to the award of any specific compensation.

Article 19 : Personally-owned shares

Each Director appointed by the General Meeting (whether in his/her own name or as a permanent representative of a legal entity) must hold at least 1,000 Societe Generale shares. Each Director has a six-month timeframe to hold the 600 shares provided for by the By-laws and an additional six-month timeframe to increase his/her holding to 1,000 shares.

The Board of Directors sets a minimum number of shares that the Executive Officers must hold in registered form, until the end of their duties. This decision shall be reviewed at least upon each renewal of their term of office. Until this share holding objective is achieved, the Executive Officers dedicate for this purpose a share of the exercise of options or performance share awards as determined by the Board of Directors. This information is included in the corporate governance report.

Each corporate officer shall refrain from hedging his/her shares.

Article 20 : Directors' expenses

20.1. 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 reviews the statement of Directors' expenses in respect of the previous year and, as necessary, makes proposals or recommendations.

20.2. As to the Chairman, the Company also pays the expenses necessary for the performance of his/her duties.

20.3. 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 21 : Non-voting Director

The non-voting Director attends meetings, executive sessions and seminars of the Board of Directors and can participate in the meetings of the specialised committees, in a consultative capacity. He/she is subject to the same rules of ethics, confidentiality, conflicts of interest and ethics as the Directors.

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 the Directors pursuant to article 18 of the Internal Rules, with the exception of the compensation paid to the Chairmen of the Committees and to the Director members of the US Risk Committee. This compensation takes into account his/her attendance. His/her expenses may be reimbursed under the same conditions as for the Directors.

List of Appendices to the Internal Rules of the Board of Directors of Societe Generale

Appendix 1 - Charter of the Audit and Internal Control Committee of Societe Generale

Article 1 : Content of the Policy

This Charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this Charter shall be governed by the Internal Rules, and the terms used are defined in the Internal Rules.

The subjects that may be addressed jointly by the Audit and Internal Control Committee and the Risk Committee are indicated by an asterisk (*) in each of the charters.

Article 2 : Role

Without prejudice to the detailed list of missions referred to in article 5, the Audit and Internal Control Committee's mission is to monitor issues concerning the preparation and control of accounting, financial and non-financial information, as well as the monitoring of the effectiveness of internal control, measurement, monitoring and risk control systems. It conducts the procedure for selecting the Statutory Auditors. It approves the services provided by the Statutory Auditors other than the certification of the financial statements.

Article 3 : Composition

The Audit and Internal Control Committee is comprised of at least four directors, appointed by the Board of Directors, who have appropriate financial, accounting, statutory audit or non-financial expertise. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code.

The heads of the control functions (risk, compliance, audit), the CFO and the Secretary General are present at all meetings, unless otherwise decided by the Chairman of the Committee.

The Statutory Auditors shall be invited to the meetings of the Audit and Internal Control Committee, unless the Committee decides otherwise. They may also be consulted outside meetings and without the presence of Executive Officers and any employee of the company.

When the Committee reviews the financial statements, this is preceded by a meeting with the Statutory Auditors, without the presence of the Executive Officers and any employee of the company.

The Executive Officer in charge of supervising internal control is present at the Committee's meetings when it examines the report on internal control.

The Executive Officers may also, from time to time, assist the work of the Committee at its request.

Article 4 : Meetings

The Audit and Internal Control Committee meets as often as required by the corporate interest and at least four times per year.

Article 5 : Missions

In particular, it is responsible for:

a) ensuring the monitoring of the process for the production of financial and non-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; it examines the scope of the consolidated companies and, where applicable, the reasons why companies would not be included therein; it also examines the implementation procedures adopted for the application of the main accounting standards applicable to the Group, particularly with regard to the provisioning rules*;

c) submitting to the Board of Directors its opinion on these financial statements and the corresponding financial communication, after having heard the opinion of the Statutory Auditors;

d) reporting regularly to the Board of Directors on the results of the audit of the accounts, the manner in which this mission has contributed to the integrity of the financial and non-financial information and the role it has played in this process. It informs the Board of Directors without delay of any difficulty encountered;

e) 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) no. 537/2014 dated 16 April 2014, concerning their appointment or renewal as well as their compensation;

f) ensuring the independence of the Statutory Auditors in accordance with the regulations in force;

g) 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 said Code after analysing the risks to the Statutory Auditor's independence and the safeguard measures applied by the latter;

h) 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;

i) ensuring the monitoring of the effectiveness of internal control and audit systems, in particular with regard to procedures for the preparation and processing of accounting, financial and non-financial information. To this end, the Committee is responsible primarily for:

   - reviewing the Group's permanent control quarterly dashboard;
   - reviewing the internal control and risk control of the business segments, divisions and main subsidiaries;
   - reviewing the Group's annual and multi-year periodic monitoring programmes, as well as their amendments, prior to their approval by the Board of Directors;
   - monitoring the implementation of the audit plan for the year and is systematically informed in the event of a delay or postponement of the missions;
   - giving its opinion on the organisation and functioning of the internal control departments*;
   - reviewing the follow-up letters from the banking and markets supervisors and issuing an opinion on draft replies to these letters;

j) familiarising itself with the reports prepared to comply with regulations on internal control and in particular the audit reports;

k) concerning anti-money laundering and financing of terrorism (AML-FT), it prepares the discussions of the Board of Directors when it:

   - reviews the policy, mechanisms and procedures, and their effectiveness*;
   - is informed, at least once a year, of the activity and results of the internal controls in terms of AML-FT, incidents and shortcomings, as well as the corrective measures taken;
   - approves the annual report on the internal control of AML-FT systems;

l) examining the system put in place concerning "whistleblowers" and developments in the system;

m) examining compliance incidents, as well as the corresponding action plans;

n) examining the system put in place to prevent and detect corruption and influence peddling. It receives all of the necessary information for this purpose;

o) giving its opinion to the Board of directors prior to the appointment and dismissal of the Head of inspection and Audit and the Head of Compliance.

The Audit and Internal Control Committee or its Chairman hears the Directors in charge of the internal control functions (risk, compliance, audit), as well as the Chief Financial Officer, possibly at their request and, where necessary, the managers responsible for the preparation of accounts, internal control, risk control, compliance control and periodic control; each quarter, prior to the session examining the report of the Head of the Inspection and Audit, the Committee hears him in a meeting without the presence of any other senior manager.

The Audit and Internal Control Committee sends its opinion to General Management on the objectives and assessment of the heads of risk control, compliance control and periodic control.

The Audit and Internal Control Committee provides an annual update on matters related to:

- customer protection;
- market integrity:
- the implementation of the obligations arising from the GDPR (General Data Protection Regulation);
- the Group's tax policy and management*.

The Audit Committee monitors sales and acquisitions annually. It receives a *post-mortem* appraisal of the most significant transactions.

At each meeting of the Board of Directors subsequent to the holding of an Audit Committee meeting, the Chairman of the Committee produces a detailed report reiterating the subjects examined, the issues discussed and the recommendations made with the decisions of the Board of Directors in mind.

Appendix 2 - Charter of the Risk Committee of Societe Generale

Article 1 : Content of the Policy

This Charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this Charter shall be governed by the Internal Rules, and the terms used are defined in the Internal Rules. The type of risks falling within the scope of the Committee's competence is that mentioned in the Group's Risk Appetite Statement.

The subjects that may be dealt with jointly by the Risk Committee and the Audit and Internal Control Committee are indicated by an asterisk (*) in each of the charters.

Article 2 : Role

The Risk Committee prepares the Board of Directors' work on the Group's overall strategy and appetite for risks of all kinds[6], both current and future, [and assists it when the controls reveal difficulties in their implementation].

Article 3 : Composition

The Risk Committee is composed of at least four 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.

The heads of the control functions (risk, compliance, audit), the CFO and the Secretary General are present at all meetings, unless otherwise decided by the Chairman of the Committee.

The Executive Officer in charge of supervising the control functions is present at the Committee's meetings when it examines the assessment of these functions. He/she may also participate from time to time in the Committee's work at its request.

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.

Article 4 : Meetings

The Risk Committee meets as often as required by the corporate interest and at least four times per year.

Article 5 : Missions

In particular, it is responsible for:

a) assisting the Board of Directors in determining the overall strategy and risk appetite of all kinds. It assists the Board of Directors and prepares the discussions on the annual approval of the Group Risk Appetite Statement, as well as the Group Risk Appetite Framework. It is regularly informed of developments in the context of risks, in particular to enable it to inform the Board of Directors. It examines and prepares the discussions of the Board of Directors, which approves the risk limits and in particular market risk limits;

b) undertaking a regular review of the strategies, policies, procedures and systems used to detect, manage and monitor risks of all kinds[7] and communicating its conclusions to the Board of Directors; *

c) reviewing the risk control procedures and is consulted for the setting of overall risk limits;

d) studying the results of the annual risk, compliance and audit function assessment exercises. At this time, it is informed of significant changes to the organisation of the control functions and, on an annual basis, to their budgets and resources. When assessing the audit function*, it draws on the information received from the Audit and Internal Control Committee;

e) expressing an opinion on the Group's overall policy and level of provisioning, as well as on specific provisions of a significant amount; *

[6] The typology of risks is that mentioned in the Group Risk Appetite Statement.
[7] The typology of risks falling within the scope of the Committee's competence is found in the chapter of the Universal Registration Document on risks.

f) reviewing the reports prepared to comply with the banking regulations on risks;

g) reviewing the policy concerning risk control and the monitoring of off-balance sheet commitments, especially in light of the memoranda prepared to this end by the Finance Division, the Risk Division and the Statutory Auditors; *

h) <u>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;</u>

i) <u>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;</u>

j) <u>reviewing the risks associated with the Group's implementation of the guidelines on social and environmental responsibility, including climate risks and indicators relating to culture and conduct;</u>

k) 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;

l) reviewing, at least every six months, the risks related to financial security, the anti-money laundering and financing of terrorism policy referred to in article L. 561-4-1 of the French Monetary and Financial Code, the systems and procedures put in place to comply with the provisions of II of article L. 561-36-1 of the same code 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; *

m) examining the documents and preparing the discussions and decisions of the Board of Directors on the ICAAP (internal capital adequacy assessment process) and the ILAAP (internal liquidity adequacy assessment process);

n) regularly reviewing risk dashboards of all kinds, including concerning reputation and compliance. It also examines the dashboards on operations. It receives all of the information provided for by the regulations or the Risk Appetite Framework on breaches of limits and corrective measures;

o) reviewing the follow-up of the recommendations of supervisors in its area of competence;

p) reviewing the business continuity and operational resilience plans;

q) reviewing the preventive recovery plan communicated to the ECB and deliberating on any similar plan requested by other authorities;

r) reviewing the elements necessary for the establishment of the resolution plan communicated to the competent supervisory authorities;

s) reviewing the risks related to the information system security policy, including cybersecurity, IT strategy and outsourced activities;

t) reviewing significant incidents that may affect the institution with regard to the risks arising from the mapping and associated with reputation, compliance, operations and regulatory projects. In particular, it examines environmental risks or risks related to the implementation of ESG, the quality of data, in particular as provided for by the BCBS 239, and dispute management;

u) submitting to the Compensation Committee an opinion on the consideration of risks in the compensation system for regulated persons (market professionals and others);

v) regularly reviewing the important points from the new product committees;

w) giving its opinion prior to the appointment and dismissal of the Chief Risk Officer and the Head of Compliance to the Board of Directors.

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.

The Committee is kept informed by General Management of the appointment of the managers of the second-level internal control and periodic control functions.

Appendix 3 - Charter of the Compensation Committee of Societe Generale

Article 1 : Content of the Policy

This Charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this Charter shall be governed by the Internal Rules, and the terms used are defined in the Internal Rules.

Article 2 : Role

The Compensation Committee prepares the decisions of the Board of Directors concerning compensation, especially those related to the compensation of Executive Officers, as well as of persons that have an impact on the risk and the management of risks in the Company.

Article 3 : Composition

It is comprised of at least four 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 AFEP-MEDEF Code[8]. Its composition enables it to assess the compensation policies and practices with regard to the management of the Company's risks, equity and liquidity.

Article 4 : Meetings

The Compensation Committee meets as often as required by the corporate interest and at least four times per year.

Article 5 : Missions

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 Executive Officers, 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 whose professional activities have a significant impact on the risk profile of the Company or the Group, as well as any employee who, in view of their overall income, is in the same compensation bracket.

It prepares the control by the Board of Directors of the compensation of the Chief Risk Officer, the Head of Compliance and the Head of inspection and Audit, following the opinion of the Audit and Internal Control Committee and the Risk Committee, each as far as it is concerned.

It receives all information necessary for its mission.

It examines the annual reports sent to the supervisory authorities.

It shall hear, as necessary, General Management, the heads of Business Units and Service Units and the heads of the control functions.

It may be assisted by the internal control services or by external experts.

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 Executive Officers, and especially the criteria for determination, the structure and the amount of this compensation, including allowances and benefits in kind, insurance or retirement and compensation of any kind received from all Group companies; it ensures their application;

[8] For the calculation of the rate of independents within the committees, the AFEP-MEDEF Code does not take employees into account.

b) prepares the annual performance assessment of the Executive Officers;

c) proposes to the Board of Directors the policy on performance shares;

d) prepares the decisions of the Board of Directors concerning employee savings and employee share ownership.

Appendix 4 - Charter of the Nomination and Corporate Governance Committee of Societe Generale

Article 1 : Content of the Policy

This Charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this Charter shall be governed by the Internal Rules, and the terms used are defined in the Internal Rules.

Article 2 : Role

The Nomination and Corporate Governance Committee prepares the decisions of the Board of Directors regarding the selection of Directors, the appointment of Executive Officers, succession plans, the composition of management bodies and the proper functioning of the Board of Directors, in particular the application of the governance rules described in the Internal Rules.

Article 3 : Composition

It is comprised of at least four 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 4 : Meetings

The Nomination and Corporate Governance Committee meets as often as required by the corporate interest and at least four times per year.

Article 5 : Missions

The Nomination and Corporate Governance Committee:

a) 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 conducting 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;

b) periodically reviews the Board of Directors' policies concerning the selection and appointment of the Executive Officers and makes recommendations in this area;

c) is responsible for making proposals to the Board of Directors for the appointment of Directors, non-voting Directors ("*censeurs*") and Committee members. 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[9];

d) in carrying out its missions, it seeks to comply with all of the conditions laid down by the EBA and the ECB as part of the "fit and proper" reviews;

e) prepares and reviews, each year, the succession plan for corporate officers, particularly in the event of an unforeseeable vacancy, after carrying out the useful studies;

f) ensures the existence of an appointment selection procedure for holders of key functions and is informed of the appointment of the Heads of Business Units or Service Units. Their succession plan is communicated to it and it reports on this plan to the Board of Directors;

g) gives its opinion to the Board of Directors on the appointment and dismissal of the Chief Risk Officer, the Head of Compliance and the Head of inspection and Audit, after notifying:
    - the Risk Committee regarding the Chief Risk Officer; and
    - the Audit and Internal Control Committee regarding the Head of inspection and Audit and the Head of Compliance;

[9] 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) no. 575/2013 dated 26 June 2013.

h) 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.

i) prepares the work of the Board of Directors relating to the governance of the subsidiaries in order to ensure compliance with the general principles applicable to the Group;

j) prepares the work of the Board of Directors in the event of a revision of the Company's By-laws or the Internal Rules of the Board of Directors;

k) It proposes to the Board of Directors the distribution of directors' compensation.

Appendix 5 - Charter of the US Risk Committee of the Board of Directors of Societe Generale

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 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:

The USRC is formed pursuant to Article 17.9 of the Internal Rules of the SG Board of Directors, as amended from time to time (the "Internal Rules"), which forms the USRC and this Charter forms part of and supplements the Internal Rules. 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. 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 enterprise-wide 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 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
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 2022

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
and Mr. Vincent Roty

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
and Mrs. Maud Monin

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 2022 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	1st Amendment	2nd Amendment
1	**PERSONS RESPONSIBLE**			
1.1	Name and function of the persons responsible	646	39	197
1.2	Declaration by the persons responsible	646	39	197
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	656	40	198
2	**STATUTORY AUDITORS**			
2.1	Names and addresses of the auditors	646	40	198
2.2	Resignation, removal or non-reappointment of the auditors	NA	NA	NA
3	**RISK FACTORS**	148-160	**30-32**	**41-56**
400	**INFORMATION ABOUT THE ISSUER**			
4.1	Legal and commercial name of the issuer	625	1	1
4.2	Place of registration, registration number and legal entity identifier (LEI) of the issuer	625	NA	NA
4.3	Date of incorporation and the length of life of the issuer	625	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	625	1	1
5	**BUSINESS OVERVIEW**			
5.1	Principal activities	8-10 ; 47-49	NA	28
5.2	Principal markets	8-15 16-25 ; 28-29 ; 482-487	7-27	6-27
5.3	Important events in the development of the business	6-7 ; 14-25	5-27	6-27
5.4	Strategy and objectives	11-15 ; 30-31	3-4	3-5
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	7-27	6-27
5.7	Investments	55 ; 266-347 ; 377-381	NA	37
6	**ORGANISATIONAL STRUCTURE**			
6.1	Brief description of the Group	8-10 ; 28-29	NA	NA
6.2	List of the significant subsidiaries	28-29 ; 495-532	NA	28
7	**OPERATING AND FINANCIAL REVIEW**			
7.1	Financial condition	30-46 ; 50-54	7-28	6-36
7.2	Operating results	30-46	7-28	6-36
8	**CAPITAL RESOURCES**			
8.1	Information concerning the issuer's capital resources	52 ; 351-355 ; 476-481 ; 586-589	11;21;25-27;33	9;21;25-27;57;72;148-149
8.2	Sources and amounts of the issuer's cash flows	355	NA	NA

8.3	Information on the borrowing requirements and funding structure of the issuer	53-54	28	36-37
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect the issuer's operations	615	NA	NA
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	52-54 ; 56	NA	36-37
9	**REGULATORY ENVIRONMENT**	12 ; 14-15 ; 41 ; 46 ; 180	**3;4;30-34**	**3-4;41-60**
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.	56-57	3-27	3-27
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	64-95	29	38-40
12.2	Administrative, management and supervisory bodies and General Management conflicts of interests	142	NA	NA
13	**REMUNERATION AND BENEFITS**			
13.1	Amount of remuneration paid and benefits in kind	97-137	NA	40
13.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	464-471	NA	NA
14	**BOARD AND GENERAL MANAGEMENT PRACTICES**			
14.1	Date of expiration of the current term of office	65-66 ; 71-79 ; 91-92 ; 98	NA	NA
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	83-89	NA	39-40
14.4	Statement as to whether or not the issuer complies with the corporate governance regime	63	NA	39-40
14.5	Potential material impacts on the corporate governance, including future changes in the board and committees composition	64-66	NA	NA
15	**EMPLOYEES**			
15.1	Number of employees	314	NA	3
15.2	Shareholdings and stock options of company officers	65 ; 71-79 ; 91-92 ; 97-137	NA	166
15.3	Description of any arrangements for involving the employees in the capital of the issuer	464 ; 471 ; 560 ; 569 ; 583 ; 621 ; 626	NA	NA
16	**MAJOR SHAREHOLDERS**			
16.1	Shareholders holding more than 5% of capital or voting rights	621-622	NA	166
16.2	Different voting rights held by the major shareholders	621-622 ; 625-626	NA	166
16.3	Control of the issuer	621-622 ; 624	NA	166
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**	142-143 ; 464-465	**NA**	**NA**
18	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**			
18.1	Historical financial information	10 ; 30-51 ; 146 ; 349-615	5-28	6-35
18.2	Interim and other financial information	NA	NA	NA
18.3	Auditing of historical annual financial information	538-543 ; 609-615	NA	165
18.4	Pro forma financial information	NA	NA	NA
18.5	Dividend policy	12 ; 620	NA	NA

18.6	Legal and arbitration proceedings	259 ; 534-537 ; 606-608	37-38	156-160
18.7	Significant change in the issuer's financial position	56	3-27	3-35
19	**ADDITIONAL INFORMATION**			
19.1	Share capital	140-141 ; 621-627	1	1;166
19.2	Memorandum and Articles of Association	627-632	**NA**	**NA**
20	**MATERIAL CONTRACTS**	56	**NA**	**NA**
21	**DOCUMENTS AVAILABLE**	14-15	**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 2022	68-165
Interim management report	6-37
▪ 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	41-56
▪ Major related-party transactions	N/A
Statement by the person responsible	197
Statutory auditor's report on the financial information for the first half-year 2022	165