30 JUNE 2021

SOCIETE GENERALE LUXEMBOURG

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SOCIETE GENERALE

Société Générale Luxembourg S.A.

11, Avenue Emile Reuter

L-2420 Luxembourg

Interim Condensed Consolidated Financial Statements, Interim Consolidated Management Report and Report of the Independent auditor as at 30 June 2021

R.C.S. Luxembourg: B 006.061

Société Générale Luxembourg S.A.

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As at 30 June 2021

Building a better
working world

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REPORT OF THE "REVISEUR D'ENTREPRISES AGREE" ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
Société Générale Luxembourg S.A.
11, Avenue Emile Reuter
L-2420 Luxembourg

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Société Générale Luxembourg S.A. (the "Group") as of 30 June 2021, which comprise the interim consolidated statement of financial position, the related interim consolidated income statement, the interim consolidated statement of net income and unrealised or deferred gains and losses, the interim consolidated statement of changes in shareholders' equity, the interim consolidated cash flow statement for the six-month period then ended and a summary of significant accounting policies and other explanatory notes.

The Board of Directors is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." 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 International Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Luxembourg, 29 September 2021

Jean-Michel Pacaud

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION- ASSETS

(In EUR thousand)		30.06.2021	31.12.2020
Cash, due from central banks	Note 3.1	10 843 308	9 871 682
Financial assets at fair value through profit or loss	Notes 3.2, 3.3 and 3.5	1 201 826	1 057 591
Hedging derivatives	Notes 3.3 and 3.5	1 264	-
Financial assets at fair value through other comprehensive income	Notes 3.4 and 3.5	3 059 283	3 205 031
Securities at amortised cost	Notes 3.6 and 9.1	8 198 506	7 086 422
Due from banks at amortised cost	Notes 3.6 and 9.1	13 588 148	10 498 243
Customer loans at amortised cost	Notes 3.6 and 9.1	23 612 595	22 980 536
Investments of insurance activities		364 262	442 651
Tax assets	Note 6	4 096	4 781
Other assets	Note 4.3	627 608	648 839
Investments accounted for using the equity method	Note 2.3	88 804	99 419
Tangible and intangible fixed assets and right-of-use assets		144 633	154 457
Total		**61 734 333**	**56 049 652**

The accompanying Notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY

(In EUR thousand)		**30.06.2021**	**31.12.2020**
Financial liabilities at fair value through profit or loss	Notes 3.2, 3.3, 3.4 and 3.5	409 319	534 905
Hedging derivatives	Notes 3.3 and 3.5	135 806	193 687
Debt securities issued	Note 3.7	49 277	64 609
Due to banks	Note 3.7	27 055 478	25 326 267
Customer deposits	Note 3.7	29 356 542	24 995 893
Tax liabilities	Note 6	155 940	156 068
Other liabilities	Note 4.3	1 237 426	1 292 389
Insurance contracts related liabilities		86 373	91 623
Provisions	Note 8.3	76 259	81 680
Total liabilities		**58 562 420**	**52 737 121**
Shareholders' equity			
Shareholders' equity, Group share			
Issued capital	Note 7	1 389 043	1 389 043
Reserves, share premium and retained earnings	Note 7	1 606 654	1 658 308
Net income	Note 7	143 712	229 774
Sub-total		**3 139 409**	**3 277 125**
Unrealised or deferred gains and losses	Note 7	32 423	35 314
Sub-total equity, Group share		**3 171 832**	**3 312 439**
Non-controlling interests		81	92
Total equity		**3 171 913**	**3 312 531**
Total liabilities and equity		**61 734 333**	**56 049 652**

The accompanying Notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED INCOME STATEMENT

(In EUR thousand)		1st half of 2021	1st half of 2020
Interest and similar income	Note 3.8	274 836	338 994
Interest and similar expense	Note 3.8	(111 076)	(178 831)
Fee income	Note 4.1	225 790	218 274
Fee expense	Note 4.1	(76 726)	(83 783)
Net gains and losses on financial transactions		27 609	14 785
o/w net gains and losses on financial instruments at fair value through profit or loss	*Note 3.2*	*27 609*	*14 785*
o/w net gains and losses on financial instruments at fair value through other comprehensive income		-	-
o/w net gains and losses from the derecognition of financial assets at amortised cost		-	-
Net income of insurance activities		14 794	25 572
Income from other activities	Note 4.2	3 770	31 529
Expenses from other activities	Note 4.2	(3 673)	(4 963)
Net banking income		**355 324**	**361 577**
Personnel expenses	Note 5.1	(103 086)	(104 911)
Other operating expenses	Note 8.2	(94 673)	(85 585)
Amortisation, depreciation and impairment of tangible and intangible fixed assets and right-of-use assets		(21 958)	(21 277)
Gross operating income		**135 607**	**149 804**
Cost of risk	Note 3.9	2 891	(37 507)
Operating income		**138 498**	**112 297**
Net income from investments accounted for using the equity method	Note 2.3	18 992	5 252
Net income/expense from other assets		(8)	-
Earnings before tax		**157 482**	**117 549**
Income tax	Note 6	(13 756)	(15 415)
Consolidated net income		**143 726**	**102 134**
Non-controlling interests		*14*	*(90)*
Net income, Group share		*143 712*	*102 224*

The accompanying Notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

(In EUR thousand)	**1st half of 2021**	**1st half of 2020**
Consolidated net income	**143 726**	**102 134**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**(10 548)**	**(8 647)**
Translation differences	805	(555)
Revaluation of debt instruments at fair value through other comprehensive income	(11 687)	(9 291)
Revaluation differences of the year	*32 088*	*(12 731)*
Reclassified into income	*(43 775)*	*3 440*
Revaluation of available-for-sale financial assets	(8 041)	(5 114)
Revaluation differences of the year	*(2 461)*	*(4 932)*
Reclassified into income	*(5 580)*	*(182)*
Revaluation of hedging derivatives	7 773	2 677
Revaluation differences of the year	*7 773*	*2 677*
Reclassified into income	-	-
Unrealised gains and losses of entities accounted for using the equity method	(2 849)	999
Tax related	3 451	2 637
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	**5 231**	**(8 370)**
Actuarial gains and losses on defined benefits plans	6 072	(9 741)
Unrealised gains and losses of entities accounted for using the equity method	-	12
Tax related	(841)	1 359
Total unrealised or deferred gains and losses	**(5 317)**	**(17 017)**
Net income and unrealised or deferred gains and losses	**138 409**	**85 117**
o/w Group share	*138 395*	*85 207*
o/w non-controlling interests	*14*	*(90)*

The accompanying Notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital and associated reserves					Unrealised gains and losses					
(In EUR thousand)	**Issued common stocks**	**Issuing premium and capital reserves**	**Total**	**Retained earnings**	**Net income, Group share**	**that will be reclassified subsequently into income**	**that will not be reclassified subsequently into income**	**Total**	**Shareholders' equity, Group share**	**Non-controlling interests**	**Total consolidated shareholders equity**
Shareholders' equity at 31.12.2019	**1 389 043**	**2 817**	**1 391 860**	**1 378 703**	**283 445**	**31 273**	**(6 602)**	**24 671**	**3 078 680**	**102**	**3 078 782**
Allocation to retained earnings	-	-	-	276 843	(283 445)	-	6 602	6 602	-	-	-
Shareholders' equity at 01.01.2020	**1 389 043**	**2 817**	**1 391 860**	**1 655 546**	**-**	**31 273**	**-**	**31 273**	**3 078 680**	**102**	**3 078 782**
2020 dividends paid	-	-	-	-	-	-	-	-	-	(37)	(37)
Sub-total of changes linked to relations with shareholders	-	-	-	-	-	-	-	-	-	**(37)**	**(37)**
Change in unrealised or deferred gains and losses	-	-	-	-	-	(8 648)	(8 370)	(17 018)	(17 018)	-	(17 018)
1st half of 2020 Net income	-	-	-	-	102 224	-	-	-	102 224	(90)	102 134
Other changes	-	-	-	6	-	-	-	-	6	-	6
Sub-total	-	-	-	**6**	**102 224**	**(8 648)**	**(8 370)**	**(17 018)**	**85 212**	**(90)**	**85 122**
Shareholders' equity at 30.06.2020	**1 389 043**	**2 817**	**1 391 860**	**1 655 552**	**102 224**	**22 625**	**(8 370)**	**14 255**	**3 163 892**	**(25)**	**3 163 867**
Effect of changes of the consolidation scope	-	-	-	-	-	-	-	-	-	-	-
Sub-total of changes linked to relations with shareholders	-	-	-	-	-	-	-	-	-	-	-
Change in unrealised or deferred gains and losses	-	-	-	-	-	15 115	5 944	21 059	21 059	-	21 059
2nd half of 2020 Net income	-	-	-	-	127 550	-	-	-	127 550	117	127 667
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	(61)	-	-	-	-	(61)	-	(61)
Sub-total	-	-	-	**(61)**	**127 550**	**15 115**	**5 944**	**21 059**	**148 548**	**117**	**148 665**
Shareholders' equity at 31.12.2020	**1 389 043**	**2 817**	**1 391 860**	**1 655 491**	**229 774**	**37 740**	**(2 426)**	**35 314**	**3 312 439**	**92**	**3 312 531**

The accompanying Notes are an integral part of the interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements (continued)
For the period ended 30 June 2021

(continued)

	Capital and associated reserves					Unrealised gains and losses					
(In EUR thousand)	Issued common stocks	Issuing premium and capital reserves	Total	Retained earnings	Net income, Group share	that will be reclassified subsequently into income	that will not be reclassified subsequently into income	Total	Shareholders' equity, Group share	Non-controlling interests	Total consolidated shareholders equity
Allocation to retained earnings	-	-	-	227 348	(229 774)	-	2 426	2 426	-	-	-
Shareholders' equity at 01.01.2021	**1 389 043**	**2 817**	**1 391 860**	**1 882 839**	**-**	**37 740**	**-**	**37 740**	**3 312 439**	**92**	**3 312 531**
2021 dividends paid	-	-	-	(279 000)	-	-	-	-	(279 000)	(25)	(279 025)
Sub-total of changes linked to relations with shareholders	**-**	**-**	**-**	**(279 000)**	**-**	**-**	**-**	**-**	**(279 000)**	**(25)**	**(279 025)**
Change in unrealised or deferred gains and losses	-	-	-	-	-	(10 548)	5 231	(5 317)	(5 317)	-	(5 317)
1st half of 2021 Net income	-	-	-	-	143 712	-	-	-	143 712	14	143 726
Other changes	-	-	-	(2)	-	-	-	-	(2)	-	(2)
Sub-total	**-**	**-**	**-**	**(2)**	**143 712**	**(10 548)**	**5 231**	**(5 317)**	**138 393**	**14**	**138 407**
Shareholders' equity at 30.06.2021	**1 389 043**	**2 817**	**1 391 860**	**1 603 837**	**143 712**	**27 192**	**5 231**	**32 423**	**3 171 832**	**81**	**3 171 913**

The accompanying Notes are an integral part of the interim condensed consolidated financial statements.

INTERIM CONSOLIDATED CASH FLOW

(In EUR thousand)		1st half of 2021	1st half of 2020
Consolidated net income (I)		**143 726**	**102 134**
Amortisation expense on tangible and intangible fixed assets (including operational leasing) and on right-of-use assets		21 958	21 277
Depreciation and net allocation to provisions		(1 633)	47 900
Net income/loss from investments accounted for using the equity method		(18 992)	(5 252)
Change in deferred taxes	Note 6.1	(1 981)	3 211
Change in deferred income		(748)	11 286
Change in prepaid expenses		(1 800)	(4 741)
Change in accrued income		(16 581)	(38 356)
Change in accrued expense		(198 441)	285 748
Other changes		6 115	158 112
Non-cash items included in net income and others adjustments excluding income on financial instruments at fair value through profit or loss (II)		**(212 103)**	**479 185**
Income on financial instruments at fair value through profit or loss		79 051	68 617
Interbank transactions		1 231 927	(231 576)
Customers transactions		4 079 035	834 331
Transactions related to other financial assets and liabilities		(36 673)	(604 845)
Transactions related to other non financial assets and liabilities		(2 215)	(175 831)
Income tax paid		(10 606)	(8 069)
Net increase/decrease in cash related to operating assets and liabilities (III)		**5 340 519**	**(117 373)**
Net cash inflow (outflow) related to operating activities (A) = (I) + (II) + (III)		**5 272 142**	**463 946**
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long term investments		(1 107 910)	549 224
Net cash inflow (outflow) related to tangible and intangible fixed assets		(13 637)	(11 918)
Net cash inflow (outflow) related to investment activities (B)		**(1 121 547)**	**537 306**
Dividend paid to equity holders of the parent	Note 7.6	(279 000)	-
Cash inflow related to dividends paid from subsidiaries and associates		-	-
Other net cash flows arising from financing activities		-	-
Net cash inflow (outflow) related to financing activities (C)		**(279 000)**	**-**
Net inflow (outflow) in cash and cash equivalents (A) + (B) + (C)		**3 871 595**	**1 001 252**
Cash due from central banks	Note 3.1	9 871 682	9 262 134
Demand deposits and current accounts with banks	Notes 3.6, 3.7.1	1 625 662	688 584
Cash and cash equivalents at the start of the period		**11 497 344**	**9 950 718**
Cash due from central banks	Note 3.1	10 843 308	10 507 098
Demand deposits and current accounts with banks	Notes 3.6, 3.7.1	4 525 631	444 872
Cash and cash equivalents at the end of the period		**15 368 939**	**10 951 970**
Net inflow (outflow) in cash and cash equivalents		**3 871 595**	**1 001 252**

Additonal information on operational cash flows from interest:

(In EUR thousand)		1st half of 2021	1st half of 2020
Interest paid	Note 3.8	(116 090)	(195 045)
Interest received	Note 3.8	292 942	357 839
Dividend received	Note 3.2	105 990	72 171

The accompanying Notes are an integral part of the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING PRINCIPLES

1. INTRODUCTION

CORPORATE INFORMATION

Société Générale Luxembourg S.A. (the "Group" or the "Bank" or "SG Luxembourg") was formed as Ingéfilux on 11 April 1956. Its name was changed to Luxbanque, Société Luxembourgeoise de Banque S.A. on 7 May 1981. In 1995, the Extraordinary Shareholders' Meeting decided to change the Bank's name to Société Générale Bank & Trust S.A., with effect as of 1 June 1995. Furthermore, as of 27 January 2020 the Bank changed its name to Société Générale Luxembourg S.A..The Bank is governed by Luxembourg banking regulations and in particular the Law of 5 April 1993, as amended, on the financial sector. The Bank was incorporated under a limited liability company ("Société Anonyme") for an unlimited duration.

The Group provides asset management, investment advisory, financial engineering and depository services, in particular for collective investment undertakings. It is also active on the financial markets and with institutional clients, with a high volume of proprietary cash management transactions and financing operations carried out on behalf of large corporations. Beside, the Group has a limited insurance and reinsurance activity.

As at 30 June 2021, the Bank's capital is wholly-owned by Sogeparticipations, a limited liability company ("Société Anonyme"), incorporated under French law.

The Bank and other entities of the Group are included in Société Générale consolidated financial statements, which is the ultimate parent company of the Group. The consolidated financial statements of Société Générale may be obtained from its registered office at Société Générale, 29 Boulevard Haussmann, 75009 Paris, France.

Société Générale Group is a public limited company (Société Anonyme) established under French law and headquartered in Paris, that prepares and published IFRS, as adopted by the EU, consolidated financial statements since 2005.

The Bank holds a representation office in Germany (launched in 2018) and a branch in Italy from January 2021 (former representation office opened in 2018 and transformed into a branch as of 1 January 2021).

These interim condensed consolidated financial statements were approved by the Board of Directors of the Bank on 28 September 2021.

ACCOUNTING STANDARDS

The interim condensed consolidated financial statements for the Group for the six-month period ending 30 June 2021 were prepared and are presented in accordance with IAS (International Accounting Standard) 34 "Interim Financial Reporting" as adopted by the European Union.

These notes should be read in conjunction with the audited consolidated financial statements for the year ending 31 December 2020.

Furthermore, as the Group's activities are neither seasonal nor cyclical in nature, its first half results were not affected by these factors.

However, the assumptions and the estimates made for the preparation of these interim condensed consolidated financial statements have changed from those used at the previous annual closing to reflect the current uncertainties about the consequences, duration and magnitude of the economic crisis generated by the Covid-19 health crisis, declared as a global pandemic by the World Health Organization (WHO) on 11 March 2020.

FINANCIAL STATEMENTS PRESENTATION

The carrying values of assets and liabilities that are designated as hedged items (fair value hedges) are adjusted to record changes in the fair values attributable to risks that are being hedged in effective hedge relationships. These assets and liabilities would otherwise be carried at amortized cost.

In relation to its insurance activity, the Group has taken the exemption authorized under IFRS 4 not to discount the technical provisions. The Group maintained the decision, to defer the application of IFRS 9 and thus maintain the treatments defined by IAS 39 as adopted in the European Union.

The disclosures provided in the notes to the interim condensed consolidated financial statements relate to events and transactions that are significant to an understanding of the changes in financial position and performance of the Group during the first half of 2021. Interim disclosures provided in these notes focus on information that is both relevant and material to the financial statements of the Group, its activities and the circumstances in which it conducted its operations over the period.

PRESENTATION CURRENCY

The presentation currency of the interim condensed consolidated financial statements is the euro (EUR).

Functional currency for SG Luxembourg and its subsidiairies is EUR except for SGPB Switzerland S.A., where the functional currency is Swiss Franc (CHF).

The figures presented in the interim condensed consolidated financial statements and in the notes are expressed in EUR thousand, unless otherwise specified. The effect of rounding can generate discrepancies between the consolidated figures presented in the financial statements and those presented in the notes.

The statements of financial position of consolidated companies reporting in foreign currencies are translated into Euros at the official exchange rates prevailing at the closing date. The statements of income of these companies are translated into Euros at the monthly average exchange rates.

The main spot exchange rates used as at 30 June 2021 are as follows:

	30.06.2021	31.12.2020	30.06.2020
EUR1=	USD 1.1884	USD 1.2271	USD 1.1198
EUR1=	GBP 0.8581	GBP 0.8980	GBP 0.9124
EUR1=	CHF 1.0980	CHF 1.0802	CHF 1.0651

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

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

Amendments to IFRS 17 and IFRS 4 published by the IASB on 25 June 2020 and Regulation (EU) 2020/2097 published by the European Commission on 15 December 2020.

These amendments allow financial conglomerates as defined by Directive 2002/87/EC to defer, until 1 January 2023, the application of IFRS 9 by their legal entities operating in the insurance sector.

The Group therefore maintained the decision, for its insurance subsidiaries, to defer the application of IFRS 9 and thus maintain the treatments defined by IAS 39 as adopted in the European Union.

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

At its 20 April 2021 meeting, the IFRS IC specified the method for determining the vesting schedule for a defined benefit plan with the following characteristics: staff members are entitled to a lump-sum benefit payment when they reach a specified retirement age, provided they are employed by the entity when they reach that age, and the amount of the retirement benefit depends on the length of employee service with the entity before the retirement age and is capped at a specified number of consecutive years of service.

The IFRS IC specified that, pursuant to IAS 19, the vesting period will be the period of service immediately before the retirement age, possibly capped, and that the total number of years of service cannot be used when greater than the cap used to calculate the benefit. The consecutive decision not to place the issue on the IFRS IC agenda was validated by the IASB on 24 May 2021.

The possible consequences of this decision on the Group's financial statements is currently being analysed, and the work will continue during the second half of 2021. As at 30 June 2021, the terms and conditions chosen by the Group to determine the vesting period for a defined benefit plan remain unchanged.

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

IASB published accounting standards, amendments and interpretations, some of which have not been adopted by the European Union as at 30 June 2021. They are required to be applied from annual periods beginning on 1 January 2022 at the earliest or on the date of their adoption by the European Union. They were therefore not applied by the Group as at 30 June 2021.

These standards are expected to be applied according to the following schedule:

2021

- Amendments to IFRS 16 "Lease contract" due to the Covid-19 crisis - Extension of rent relief related to Covid-19 beyond 30 June 2021.

2022

- Amendments to IAS 37 "Provisions, contingent liabilities and contingent assets" - Onerous contracts - contract execution costs"
- Annual IFRS Improvement (2018-2020 Cycle)

2023

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

AMENDMENTS TO IFRS 16 " LEASE CONTRACT" DUE TO THE COVID-19 CRISIS – EXTENSION OF RENT RELIEF RELATED TO COVID-19 BEYOND 30 JUNE 2021.

Issued by the IASB on 31 March 2021.

The IASB extend by one year the period of application of the amendments related to IFRS 16 "Lease contract" related to the Covid-19 crisis and published on 28 May 2020. The amendments are to allow, as an option, tenants benefiting from rent relief in the context of the Covid-19 pandemic, not to analyze whether the concessions granted to them should be accounted for as modifications to rental contracts. This would imply spreading out the effects of the advantage granted over the term of the contract in profit or loss, they can recognize these reductions as negative variable rents (generating an immediate gain in profit or loss).

Thus, this simplication measure can be applied to rent relief relating to payments due until 30 June 2022.

In the first half of 2021, as in 2020, the Group did not benefit from any rent reduction following the Covid-19 crisis.

AMENDMENTS TO IAS 37 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS "ONEROUS CONTRACTS - CONTRACT EXECUTION COSTS "

Issued by the IASB in May 2020 and adopted by European Union on 2 July 2021.

These amendments specify the costs to be used in determining the costs of performing a contract when analyzing onerous contracts.

At this stage, the Group does not expect any significant impact from these amendments.

ANNUAL IFRS IMPROVEMENTS (2018 - 2020 CYCLE)

Issued by the IASB on 14 May 2020 and adopted by European Union on 2 July 2021.

As part of the annual procedure for improving IFRS, the IASB published minor changes to IFRS 9 “Financial instruments”” and IFRS 16 “Leases”. The IASB also published minor changes to IFRS 1 “First time adoption of International Financial Reporting Standards” and IAS 41 “Agriculture”, which is not applicable to the Group.

The amendment on IFRS 9 “Financial instruments” clarifies which fees an entity includes when performing the “10 per cent” test to assess whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

The amendment to IFRS 16 clarifies the treatment of lease incentives related to reimbursement of leasehold improvements by the lessor. The amendment only relates to an illustrative example.

The Group will integrate this new guidances in its accounting policy. At this stage, the Group does not expect any significant impact from these amendments.

AMENDMENTS TO IAS 1 "CLASSIFICATION OF LIABILITIES"

Issued by the IASB on 23 January 2020

On 23 January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current. More specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.
- The amendments clarify the situations that are considered settlement of a liability.

The new guidance will be effective for annual periods starting on or after 1 January 2022.

On 15 July 2020, the IASB issued Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1) deferring the effective date of the January 2020 amendments to IAS 1 for annual reporting periods beginning on or after 1 January 2023. The Accounting Standards Board approved this amendment to IAS 1 on October 2020.

At this stage, the Group does not expect any significant impact from these amendments.

IFRS 17 "INSURANCE CONTRACTS"

Issued by the IASB on 18 May 2017, amended on 25 June 2020.

This new standard will replace IFRS 4 "Insurance Contracts" that was issued in 2004 and which currently allows entities to use national requirements for the accounting of insurance contracts.

IFRS 17 provides new rules for the recognition, measurement, presentation and disclosure of insurance contracts that belong to its application scope (insurance contracts issued, reinsurance contracts held and investment contracts issued with discretionary participation features). The underwriting reserves currently recognised among liabilities in the statement of financial position will be replaced by a current value measurement of insurance contracts.

The general model provided for the measurement of insurance contracts in the statement of financial position will be based on a building-blocks approach: a current estimate of future cash flows, a risk adjustment and a contractual service margin.

On 25 June 2020, the IASB published the final amendments to IFRS 17 and Extension of the Temporary Exemption from Applying IFRS 9. The purpose of the modifications is to facilitate the implementation of the standard.

These amendments to IFRS 17 include the postponement to 1st January 2023 of its date of first application initially set for 1 January 2021.

In parallel, an amendment to IFRS 4 has also been published to extend until 1 January 2023, the ability for entities whose primary activity is insurance to delay the application of IFRS 9.

In 2020, the work of the project structure set up at Group level under the joint governance of the Group's Finance Division and the Insurance business line focused on reviewing the different types of contracts, analysing their accounting treatment under IFRS 17 and their presentation in the consolidated financial statements and finally study and select solutions in terms of information systems and processes. The Group continues the work in the first half of 2021, notably with the start of tool and process approvals.

AMENDMENTS TO IAS 1 " INFORMATION TO BE PROVIDED ON ACCOUNTING METHODS"

Issued by the IASB on 12 February 2021.

These amendments aim to help companies to improve the relevance of the information on accounting methods provided in the Notes and its usefulness for investors and users of financial statements.

At this stage, the Group does not expect any significant impact from these amendments.

AMENDMENTS TO IAS 8 "DEFINITION OF AN ACCOUTING ESTIMATE"

Issued by the IASB on 12 February 2021.

These amendments aim to facilitate the distinction between changes in accounting policies and changes in accounting estimates.

At this stage, the Group does not expect any significant impact from these amendments.

AMENDMENTS TO IAS 12 " INCOME TAX – DEFERRED TAX FOR ASSETS AND LIABILITIES RELATED TO THE SAME TRANSACTION"

Issued by the IASB on 7 May 2021.

These amendments clarify and narrow the scope of the exemption of not recognize deferred tax during the ignitial recongnition of an assets and a liability, offered by IAS 12. Therefore, lease contracts and decommissioning obligations for which companies record both assets and liabilities are excluded and they will have now to book deferred taxes.

The objective of these amendments is to reduce the heterogeneity in the recognition of deferred tax relating to leases and decommissioning obligations.

Since the implementation of IFRS 16, the Group has considered rights of use and lease debts as a single transaction. Thus, on the date of first recognition, no deferred tax is recognized , as the value of the deferred tax assets generated offsets the value of the deferred tax liability. The differences due to subsequent variations in the right of use and lease liability lead to the recognition of deferred tax. As such, this amendment has no effect on the Group's consolidated accounts.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of the interim condensed consolidated financial statements requires the Board of Directors to make judgments, estimates and assumptions that affect the reported figures recorded in the interim consolidated income statement, on the valuation of assets and liabilities in the interim consolidated statement of financial position, and on information disclosed in the Notes to the interim condensed consolidated financial statements.

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

The assumptions and estimates made for the preparation of these condensed interim consolidated financial statements reflect the current uncertainties that persist about the consequences, duration and magnitude of the economic crisis generated by the Covid-19 pandemic. The effects of this crisis on the assumptions and estimates used are specified in the 5th part of this note.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, the Board of Directors has made the following judgments and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond Group's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognized in the interim condensed consolidated financial statements with substantial management judgment and/or estimates are listed below with respect to judgments/estimates involved.

In the process of applying the Group's accounting policies, the Board of Directors has made the following judgments and estimates, which have the most significant effect on the amounts recognized in the interim condensed consolidated financial statements:

- Fair value of financial instruments not quoted in an active market which are classified as Financial assets and liabilities at fair value through profit or loss, Hedging derivatives or Financial assets at fair value through other comprehensive income (see Notes 3.2, 3.3, 3.4 and 3.5);
- Classification of financial instruments, in particular the analysis of the contractual cash flow characteristics of financial assets (see Notes 3.4 and 3.6);
- The amount of impairment and provisions for credit risk related to financial assets measured at amortised cost, or at fair-value through other comprehensive income, loan commitments granted and guarantee commitments granted measured with models or internal assumptions based on historical, current and prospective data (see Notes 3.9, 8.3 and 9);
- Provisions in particular, provisions for disputes in a complex legal environment (see Note 8.3);
- The assessment of control of the Group over an entity when updating the consolidation scope, mainly when structured entities are concerned (see Note 2);
- The entities excluded from the consolidation scope (see Note 2);
- The assumptions used for the supplemental defined benefit retirement plan (see Note 5.2).

BREXIT

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

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

The Group remains vigilant about the possible future differences between the local and European regulations, and takes into account the short-/mid-/long-term consequences of the Brexit in the assumptions and estimates used in the preparation of the interim condensed consolidated financial statements.

5. COVID-19 CRISIS IMPACT

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

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

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

SG Luxembourg Group policy relies on SG Group's modelizations for macroeconomic scenarios and analysis of activities.

The details of evolutions to macroeconomic scenarios and their impacts on calculation of Expected Credit Losses (ECL) under IFRS 9, as well, overlays and other model adjustments are presented below.

There was no impact on levelling nor fair value calculation methods (see Note 3.5) due to Covid-19 crisis.

MACROECONOMIC SCENARIOS

For the preparation of the consolidated financial statements, SG Group used macroeconomic scenarios in the expected credit losses measurement models that include forward-looking data.

- **GDP (Gross Domestic Product) adjustment**

The Société Générale Department of Economic and Sector Studies develop these scenarios for all the SG Group entities. A weighting ratio is attributed to each scenario and the outputs from the models correspond to a weighted average of these scenarios.

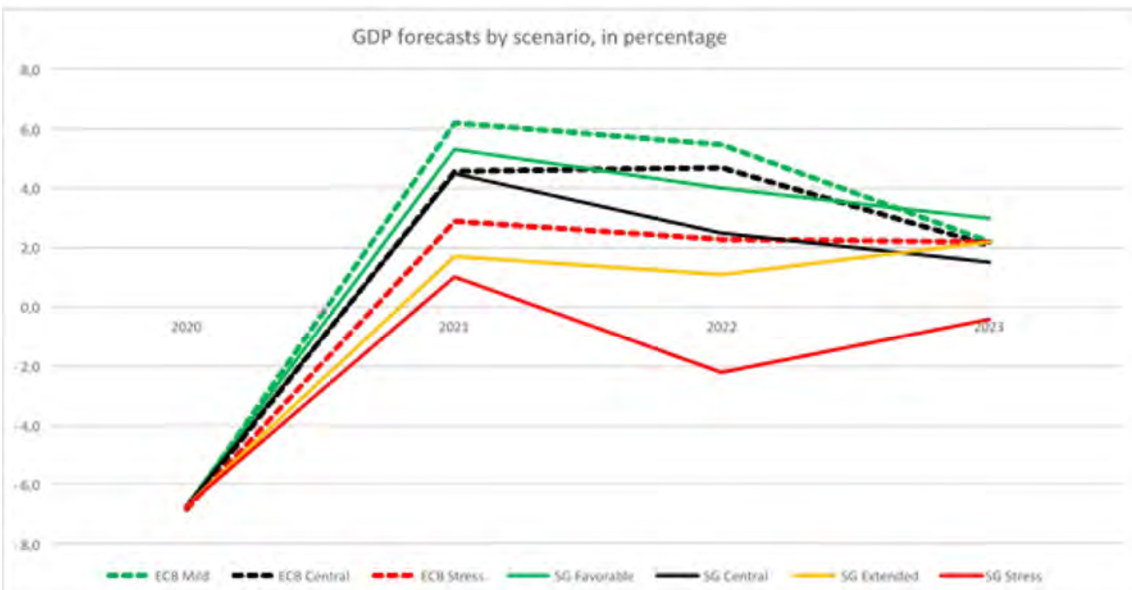
As at 30 June 2021, SG Group has maintained the coexistence of four scenarios:

– the central scenario (*SG Central*) expects, after the significant fall in GDP observed in the countries where SG Group operates, a gradual economic upturn during 2021, considering in particular that the social distancing measures will end at the beginning of 2022;

– a scenario of prolonged health crisis (*SG Extended*) expects that the sanitary crisis extends for another year and the social distancing measures will be lifted only at the beginning of 2023;

– lastly, two additional scenarios, one favourable and one stress, supplement these two scenarios.

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



As performed as at 31 December 2020, for each quarter of 2021 and 2022, SG Group has chosen to use in its models the average of the changes in GDP over the past 8 quarters relative to a basis 100 in 2019. This adjustment has been applied to each of the four scenarios (SG Favourable, SG Central, SG Extended and SG Stress) for the series of GDP used in the expected credit risk models.

The main variables used for each scenario for the markets in which SG Luxembourg Group is exposed, are detailed below:

(in percentage %)

SG Favourable scenario	**2021**	**2022**	**2023**	**2024**	**2025**
France GDP	7.0	3.6	3.0	2.8	2.4
Euro area GDP	5.3	4.0	3.0	2.7	2.3
United States GDP	7.3	5.3	3.5	3.2	2.5

SG Central scenario	**2021**	**2022**	**2023**	**2024**	**2025**
France GDP	6.0	2.0	1.5	1.8	1.9
Euro area GDP	4.5	2.5	1.4	1.7	1.8
United States GDP	6.7	3.7	2.4	2.2	2.0

SG Extended scenario	2021	2022	2023	2024	2025
France GDP	3.0	1.0	2.5	1.8	1.9
Euro area GDP	1.7	1.1	2.2	1.7	1.8
United States GDP	3.5	3.2	3.0	2.2	2.0

SG Stress scenario	2021	2022	2023	2024	2025
France GDP	2.6	(2.5)	(0.3)	0.8	1.7
Euro area GDP	1.0	(2.2)	(0.4)	0.7	1.5
United States GDP	2.9	(0.5)	0.4	1.2	1.7

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

WEIGHTINGS AS AT 30 JUNE 2021

The weightings of the macro-economic scenarios selected as at 30 June 2021 are identical to those used as at 31 December 2020.

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

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

CALCULATION OF EXPECTED CREDIT LOSSES

The main evolutions over half the year concerned are as follows:

- the expected credit losses model update to take into account the impact of the macroeconomic scenarios described above;

- the sector adjustments update and adjustments on the scope of Private Banking entities that use the simplified approach, both adjustments are described below;

- the classification in default of a credit file on Private Banking perimeter (NCR amount of EUR 1.4 million), the reversal of the provision on Global Banking & Advisory perimeter (NCR amount of EUR -1.6 million) following the total reimbursement of the client.

Based on the scenarios and weightings mentioned above, and after taking into account the methodological adjustments, the calculation of expected credit losses led the SG Luxembourg Group to record a positive Net Cost of Risk of EUR -2,9 million at 30 June 2021.

SG Luxembourg Group cost of risk as of 30 June 2021 split by business lines:

(in EUR million)	1st half 2021 NCR		
Business line	**Stage 1 & Stage 2**	**Stage 3**	**Global**
Private Banking	0,7	1,4	2,1
Securities services	0,0	0,0	0,0
Corporate and Investment Banking	-3,1	-1,6	-4,7
Corporate center	-0,3	0,0	-0,3
SG Luxembourg Group	**-2,7**	**0,2**	**-2,9**

Sector adjustments

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

Additional transfer criteria to stage 2

Since the last quarter of 2020, some sectors are considered as having significantly deteriorated due to the crisis. For those sectors, SG Group management has validated the full transfer to stage 2 of all exposures from those sectors in Non Retail, except the exposures granted after April 1st 2020 as SG Group has considered that after that date and even though the pandemic situation may have evolved, its potential impact was known. As such, it cannot be considered that all contracts in one sector have significantly deteriorated since origination. For these contracts granted after April 2020, the usual criteria apply.

The table below summarized the sectors impacted:

D1 - Shipbuilding, Railway and Aeronautical construction
F - Oil and Gas
I22 - Non Food Retail
J11 - Airlines
N1 - Hotel, Restaurant, Leisure

Over the first half of 2021, automotive and shipping transport sectors have been removed from this list and generated a Stage 2 positive NCR of EUR -0.7 million (insignificant impact for automotive sector) in 2021 for SG Luxembourg Group.

Adjustments on the outstanding loans under the simplified approach

For the Private Banking portfolio, PDs (“Probability of default”) have also been recalibrated during the beginning of 2021 to better reflect the deterioration of credit risk on some portfolios.

Simultaneously, the additional coefficient “Forward Looking” has been maintained. Compared to an usual situation, where stage 1 probability of default are made up of the averages over the last 4 quarters of the default rates observed at one year, an additional "Forward Looking" overlay has been defined.

The impact of the recalibration of Private Banking portfolio PDs is estimated at EUR 0,5 million.

COVID-19 SUPPORT MEASURES

Moratoriums have been granted in order to defer for a few months the repayment of loans instalments (principal and interests).

The terms of the moratoriums granted by SG Luxembourg Group to its clients varied from entity to entity.

In Luxembourg, the moratoriums took the form of a 6 months payment deferment on loans granted to corporates and private banking customers (principal and interests), with interests on the deferral charged only on the principal. At the first half of the year, these moratoriums have been fully regularized.

Abroad, various cases have been observed, both over the duration of the moratorium (never exceeding 9 months), and over its terms (interest charged for the deferment for SGPB Monaco, not charged for SGPB Switzerland).

As of 30 June 2021, the approved moratoriums amounts a total commitment of EUR 36.7 million concerning four residual cases in SGPB Monaco.

From an accounting point of view, these moratoriums were not considered as substantial modifications of the contractual cash flows of the loans to which they were applied, and therefore did not result in the derecognition of these loans. Given the low number of moratoriums, the loss relating to the moratoriums recorded in the interest margin amounts is non-material for SG Luxembourg Group.

As recommended by the prudential and supervisory authorities, and repeated over by the IASB in a press release of 27 March 2020, the granting of moratoriums directly related to the cash flow difficulties generated by the occurrence of the Covid-19 crisis did not lead to the automatic transfer of these credit outstanding's into Stage 2, nor into Stage 3. A case-by-case analysis was conducted on the most significant exposures, and on those with increased risks particularly due to their ante-crisis Basel scoring.

6. INTEREST RATE BENCHMARK REFORM – IBOR REFORM

ACCOUNTING STANDARDS

AMENDMENTS TO IFRS 7, IAS 39 AND IFRS 9 IN THE CONTEXT OF THE INTEREST RATE BENCHMARK REFORM (“IBOR REFORM”)

Issued by the IASB on 27 August 2020 and adopted by the European Union on 14 January 2021.

In the context of the interest rate reform – or IBOR reform – currently being implemented, the accounting standards applicable have been amended by the IASB. The first amendments, with objective to enable the continued application of hedge accounting treatments, were implemented by the Group since 31 December 2019.

The second phase of these amendments introduced by the IASB regards the treatment of the changes in financial instruments contracts in the framework of the IBOR reform and were early-applied by the Group in its financial statements as at 31 December 2020.

These supplementary amendments provide for the application of the following treatments:

- changes brought about by the IBOR reform in the determination of the contractual cash flows, when performed on an economically equivalent basis, should be booked as a revision of the variable interest rate when measuring financial assets and liabilities at amortised cost, financial assets at fair value through other comprehensive income and lease liabilities (see Note 3 “Financial instruments” and Note 3.8 Interest income and expense);
- continuation of the hedging relationship when changes are made, in the framework of the IBOR reform, on the hedged item and/or the hedging instrument and leading to a new documentation of the hedge (see Note 3.3.2 Financial instruments – Hedging derivatives).

In view of the arrangements introduced by the amendments of IBOR – Phase 2, the changes in contractual cash flows expected for this rate transition should not generate any significant effect on the Group's interim consolidated financial statements. In fact, the Group, following the recommendations issued by the regulatory authorities and local working groups on rate reform, migrates the contracts with an IBOR index, as a benchmark, on an economically equivalent basis. This usually results in the replacement of the historical reference rate by an alternative reference rate to which is added a fixed spread compensating the interest rate differential between these two rates.

ACCOUNTING TREATMENTS

TREATMENTS OF THE CHANGES IN THE BASIS FOR DETERMINING THE CONTRACTUAL CASH FLOWS OF FINANCIAL ASSETS AND LIABILITIES – IBOR REFORM

The basis for determining the contractual cash flows of a financial asset or liability may be modified:

- either by amending the contractual terms and conditions set during the initial recognition of the financial instrument,
- or by applying the appropriate external dispositions without requiring a change in contractual terms,
- or as a result of the activation of an existing contractual term or condition.

If, in the context of the reference interest rates reform (IBOR reform), there is a change in the basis for determining the contractual cash flows of a financial asset or liability at amortised cost or of a financial asset at fair value through other comprehensive income, the reassessment of the contractual cash flows is regarded as a modification of the effective interest rate applied to determine the future interest income or expense and does not generate a gain or loss in the income statement.

This treatment depends on compliance with the following conditions:

- a change in the basis for determining the contractual cash flows is required and results directly from the IBOR reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the former basis used before the change.

Changes to a financial asset or liability, in addition to those deriving directly from the application of the IBOR reform, are treated as changes to instruments with an income statement impact whenever they are substantial.

METHOD OF ANALYSIS OF CONTRACTUAL CASH FLOWS OF FINANCIAL ASSETS

The procedures established by the Bank for determining if financial assets pass the SPPI test at initial recognition (loans granting, acquisition of securities, etc.) have been adapted. Specifically for the consideration of prepayment compensation as reasonable: in order to assess reasonability, the analysis takes into account the fact that the amount is capped or limited by competitive market practices or the comparison of the amount to the reinvestment of prepaid amount at a rate reflecting the relevant benchmark interest rate.

TREATMENTS OF THE CHANGES IN THE BASIS USED FOR DETERMINING THE CONTRACTUAL CASH FLOWS OF THE COMPONENTS OF A HEDGING RELATIONSHIP – IBOR REFORM

Non-discontinuation of hedging relationships

The documentation of the existing hedging relationships shall be updated to reflect the changes brought about by the reform of the reference interest rate (IBOR reform) on the basis for determining the contractual cash flows of the hedging components.

These updates resulting from the IBOR reform do not cause the discontinuation of the hedging relationship nor the designation of a new accounting hedge if the aim of such updates is only to:

- designate the alternative reference interest rate (contractually or non-contractually specified) as a hedged risk;
- update the description of the hedged item, including a description of the hedged portion of cash flows or of the fair value or update the description of the hedging instrument;
- update the description of the method used to assess the effectiveness of the hedge.

These updates are performed as and when changes are made to the hedged items or the hedging instruments; an accounting hedge may be updated several successive times. Changes not directly resulting from the application of the IBOR reform and impacting the basis used for determining the contractual cash flows of the hedging relationship components or the hedging documentation are analysed beforehand in order to confirm compliance with the qualifying criteria for hedge accounting.

Specific accounting treatments

Regarding fair value hedges and cash flow hedges, the applicable accounting requirements remain unchanged for the recognition of gains and losses resulting from the reassessment of the hedged component and the hedging instrument taking into account the changes described above.

For the purpose of the retrospective effectiveness assessment, the cumulative fair value changes may be reset to zero on a case by case basis for each hedging relationship modified.

The amounts of gains or losses recognised in equity (as unrealised or deferred gains and losses), for the cash flow hedges that have been discontinued prospectively after a change in the reference interest rate used as a basis for the future cash flows hedged are kept in equity until the hedged cash flows are recorded on the income statement.

An alternative reference interest rate used as a risk component not specified by an agreement (example, a 3-month alternative reference interest rate used to determine the fixed rate of a loan and for which the Group intends to hedge the changes in value) may be used, provided it is, as reasonably expected, separately identifiable (i.e., quoted on a sufficiently liquid market) in the 24 months after its first use.

The notional amounts of the hedging instruments affected by the amendments to IAS 39 introduced in the context of the rate reform and aimed at not taking into account the uncertainties associated with the reform in order to meet certain criteria required in terms of hedge accounting, amounted to the following:

	30.06.2021			
(In EUR million)	**Fair value hedge**	**Average maturity fair value hedge (years)**	**Cash flow hedge**	**Average maturity cash flow hedge (years)**
Eonia	**-**		**600**	**less than 1 year**
Euribor	**2 621**	**4 years**	**154**	**2 years**
Ester	**-**		**1 025**	**1 year**
Libor	**-**		**-**	
of which : Libor USD	**-**		**-**	
of which : Libor GBP	**-**		**-**	
Total	**2 621**		**1 779**	

NOTE 2 - CONSOLIDATION

NOTE 2.1 - CONSOLIDATION SCOPE

The consolidation scope includes subsidiaries and structured entities under the Group's exclusive control, 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.

NOTE 2.2 – MATERIAL CHANGES IN CONSOLIDATION SCOPE

There is no changes to the consolidation scope as at 30 June 2021, compared to the scope applicable at the closing date of 31 December 2020, except for the liquidation of Société Générale Hedging DAC.

CHANGE IN CONSOLIDATION METHOD OF SG ISSUER S.A.

Following the change in consolidation method on 30 November 2020, SG Luxembourg accounts its interest in SG Issuer S.A. ("SGIS") using the equity method.

When on 30 June 2020 the revenues from SGIS were fully included in the income statement, on 30 June 2021, the result of SGIS is presented in the income statement into the caption "*Net income from investments accounted for using the equity method*" for an amount of EUR 13 589 thousand.

NOTE 2.3 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

There is no change related to investments accounted for using the equity method in 2021 compared to the scope applicable as of 31 December 2020.

NOTE 3 - FINANCIAL INSTRUMENTS

NOTE 3.1 – CASH, DUE FROM CENTRAL BANKS

(In EUR thousand)	30.06.2021	31.12.2020
Cash	1 262	1 122
Balances with central banks	10 842 046	9 870 560
Total	**10 843 308**	**9 871 682**
Mandatory reserve	*261 147*	*289 732*

NOTE 3.2 - FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

1. OVERVIEW OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.06.2021		31.12.2020	
(In EUR thousand)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Trading portfolio	745 123	379 768	609 498	534 905
Financial instruments mandatorily at fair value through profit or loss	456 703	-	448 093	-
Financial instruments at fair value through profit or loss using the fair value option	-	29 551	-	-
Total	**1 201 826**	**409 319**	**1 057 591**	**534 905**

2. TRADING PORTFOLIO

Trading portfolio includes all the financial assets held for trading purpose regardless of the characteristics of their contractual cash flows.

ASSETS

(In EUR thousand)	30.06.2021	31.12.2020
Bonds and other debt securities	-	-
Shares and other equity securities	6 017	3 885
Loans and receivables and securities purchased under resale agreements	348 046	63 922
Trading derivatives	391 060	541 691
Total	**745 123**	**609 498**
o/w securities lent	-	**-**

LIABILITIES

(In EUR thousand)	**30.06.2021**	**31.12.2020**
Amounts payable on borrowed securities	-	-
Bonds and other debt instruments sold short	-	-
Shares and other equity instruments sold short	-	-
Borrowings and securities sold under repurchase agreements	-	-
Trading derivatives	379 768	534 905
Other trading liabilities	-	-
Total	**379 768**	**534 905**

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

Only non-SPPI financial assets that are not held for trading are classified amongst Financial assets measured mandatorily at fair value through profit or loss.

BREAKDOWN OF FINANCIAL ASSETS MEASURED MANDATORILY AT FAIR VALUE THROUGH PROFIT OR LOSS

(In EUR thousand)	**30.06.2021**	**31.12.2020**
Bonds and other debt securities	48 408	48 003
Shares and other equity securities	76 944	69 526
Loans and receivables	331 351	330 564
Total	**456 703**	**448 093**

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

ASSETS

As at 30 June 2021, as well as at 31 December 2020, the Groups does not hold any asset recorded under *Assets at fair value through profit and loss using fair value option*.

LIABILITIES

As at 30 June 2021, the Group holds structured deposits for EUR 29.5 million in liabilities at fair value through profit and loss using fair value option due to the reassement of a structured deposit during the first half of 2021, as at 30 June 2020 the Group did not hold such structured bonds .

5. NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(In EUR thousand)	1st half of 2021	1st half of 2020
Net gain/loss on trading portfolio (excluding derivatives)	207	3 590
Net gain/loss on financial instruments mandatorily at fair value through profit or loss *	34 367	(11 651 090)
o/w dividend income	*105 990*	*72 171*
Net gain/loss on financial instruments measured using fair value option*	(1 303)	11 643 200
Net gain/loss on derivative instruments	(16 526)	1 062
Net gain/loss on hedging transactions	681	(209)
Net gain/loss on foreign exchange transactions	10 183	18 232
Total of net gains and losses on financial instruments at fair value through profit or loss	**27 609**	**14 785**

*For SGIS change in consolidation method impacts, please refer to Note 2.2.

Insofar as income and expenses recorded 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. It should be noted that the income shown here does not include the refinancing cost of these financial instruments, which is shown under interest expense and interest income.

NOTE 3.3 - FINANCIAL DERIVATIVES

1. TRADING DERIVATIVES

Trading derivatives are mainly used by the Group for transactions with customers in back to back transactions and for economic hedge warrants issued.

BREAKDOWN OF ASSETS

(In EUR thousand)	30.06.2021	31.12.2020
Interest rate instruments	39 701	85 911
Foreign exchange instruments	20 984	25 449
Equity and index instruments	328 502	423 339
Other trading instruments	1 873	6 992
Total	**391 060**	**541 691**

BREAKDOWN OF LIABILITIES

(In EUR thousand)	30.06.2021	31.12.2020
Interest rate instruments	28 937	76 784
Foreign exchange instruments	22 979	27 184
Equity and index instruments	325 969	423 933
Other trading instruments[1]	1 883	7 004
Total	**379 768**	**534 905**

(1) Other trading instruments are mainly composed of structured optional products (back to back activities).

BREAKDOWN OF TRADING DERIVATIVES COMMITMENTS (NOTIONAL AMOUNTS)

(In EUR thousand)	30.06.2021	31.12.2020
Interest rate instruments	**7 114 572**	**6 667 578**
Firm instruments	6 659 784	6 211 584
Swaps	*5 645 686*	*6 211 584*
FRAs	*1 014 098*	-
Options	454 788	455 994
Foreign exchange instruments	**17 201 237**	**17 483 252**
Firm instruments	10 872 102	10 483 712
Options	6 329 135	6 737 332 *
Equity and index instruments	**5 811 399**	**4 911 872**
Firm instruments	176 344	64 390
Options	5 635 055	4 847 482
Commodities instruments	**818**	**772**
Firm instruments	818	772
Options	-	-
Other trading instruments	**656 698**	**514 680 ***
Total	**30 784 724**	**29 315 946**

(*) modified figures compared to December 2020.

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 held (equities and similar securities) are not eligible for hedge accounting regardless of their accounting classification.

In the context of Covid-19 crisis, the Group has not observed any ineffectiveness or disappearance of hedged items that could lead to the termination of its hedging relationships.

BREAKDOWN OF FAIR VALUE OF HEDGING DERIVATIVES

(In EUR thousand)	30.06.2021		31.12.2020	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Fair Value Hedge				
Interest rate instruments				
Swaps	1 200	117 899	-	166 902
Equity and index instruments				
Equity and stock index options	-	-	-	-
Cash Flow Hedge				
Interest rate instruments				
Swaps	-	17 814	-	26 394
Other instruments				
Other forward financial instruments	64	93	-	391
Total	**1 264**	**135 806**	**-**	**193 687**

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.

Through some of its 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.

BREAKDOWN OF HEDGING DERIVATIVES COMMITMENTS (NOTIONAL AMOUNTS)

DERIVATIVE ASSETS (NOTIONAL AMOUNT)

(In EUR thousand)	30.06.2021	31.12.2020
Interest rate instruments	4 398 500	4 820 000
Foreign exchange instruments	-	-
Equity and index instruments	-	-
Commodity instruments	-	-
Credit derivatives	-	-
Other forward financial instruments	2 189	1 845
Total	**4 400 689**	**4 821 845**

DERIVATIVE LIABILITIES (NOTIONAL AMOUNT)

(In EUR thousand)	30.06.2021	31.12.2020
Interest rate instruments	4 398 500	4 820 000
Foreign exchange instruments	-	-
Equity and index instruments	-	-
Commodity instruments	-	-
Credit derivatives	-	-
Other forward financial instruments	-	-
Total	**4 398 500**	**4 820 000**

BREAKDOWN OF NET GAINS/LOSSES ON HEDGING TRANSACTIONS

(In EUR thousand)	1st half of 2021	1st half of 2020
Net gain/loss on hedging transactions		
Net gain/loss on fair value hedging derivatives	*44 529*	*(1 749)*
Revaluation of hedged items attributable to hedged risks	*(43 848)*	*1 540*
Ineffective portion of cash flow hedge	-	-
Total of net gains and losses on financial instruments at fair value through profit or loss from hedging transactions	**681**	**(209)**

NOTE 3.4 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

OVERVIEW OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(In EUR thousand)	30.06.2021	31.12.2020
Bonds and other debt securities	3 059 283	3 205 031
Shares and other equity securities	-	-
Total	**3 059 283**	**3 205 031**
o/w unrealized gain/loss through OCI, excluding deferred taxes and allowances for impairment losses	*22 959*	*34 640*
o/w allowances for impairment losses	*1*	*7*

1. DEBT INSTRUMENTS

CHANGES OF THE CARRYING AMOUNT

(In EUR thousand)	1st half of 2021
Balance on 1 January 2021	**3 205 031**
Acquisitions / disbursements	332 500
Disposals / redemptions	(414 000)
Others	(975)
Changes in fair value during the year	(55 456)
Changes in related receivables	(7 817)
Translation differences	-
Balance on 30 June 2021	**3 059 283**

BREAKDOWN OF CUMULATED UNREALISED GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY AND THAT WILL BE RECLASSIFIED SUBSEQUENTLY INTO INCOME

(In EUR thousand)	30.06.2021 Cumulated unrealized gains and losses	*"o.w. without adjustments for credit risk"*	*"o.w. adjustments for credit risk"*
Unrealised gains	25 588	25 587	1
Unrealised losses	(2 628)	(2 628)	-
Total	**22 960**	**22 959**	**1**

(In EUR thousand)	31.12.2020 Cumulated unrealized gains and losses	*"o.w. without adjustments for credit risk"*	*"o.w. adjustments for credit risk"*
Unrealised gains	37 337	*37 330*	7
Unrealised losses	(2 690)	*(2 690)*	-
Total	**34 647**	***34 640***	**7**

2. EQUITY INSTRUMENTS

As at 30 June 2021 and 31 December 2020, the Group did not apply the fair value through other comprehensive income option to any equity instruments.

NOTE 3.5 - FAIR VALUE OF FINANCIAL INSTRUMENTS

1. FINANCIAL ASSETS MEASURED AT FAIR VALUE

FAIR VALUE HIERARCHY

	30.06.2021			
(In EUR thousand)	**(L1)**	**(L2)**	**(L3)**	**Total**
Trading portfolio	**6 017**	**739 106**	**-**	**745 123**
Bonds and other debt securities	-	-	-	**-**
Shares and other equity instruments	6 017	-	-	**6 017**
Loans, receivables and repurchase agreements	-	348 046	-	**348 046**
Trading derivatives	-	391 060	-	**391 060**
o/w interest rate instruments	-	*39 701*	-	***39 701***
o/w foreign exchange instruments	-	*20 984*	-	***20 984***
o/w equity and index instruments	-	*328 502*	-	***328 502***
o/w commodity instruments	-	-	-	**-**
o/w other forward financial instruments	-	-	-	**-**
o/w other trading derivatives	-	*1 873*	-	***1 873***
Financial assets measured mandatorily at fair value through profit or loss	**11 038**	**4 668**	**440 997**	**456 703**
Bond and other debt securities	-	-	48 408	***48 408***
Shares and other equity instruments	11 038	4 668	61 238	**76 944**
Loans and receivables	-	-	331 351	**331 351**
o/w loans indexed on commodities instruments	-	-	-	-
o/w loans indexed on credit derivatives/securities	-	-	*331 351*	***331 351***
o/w loans indexed on equity and index securities	-	-	-	-
o/w loans indexed on foreign exchange instruments/securities	-	-	-	-
o/w loans indexed on interest rate instruments/securities	-	-	-	-
o/w other financial instruments	-	-	-	-
Financial assets measured using fair value option through profit or loss	-	-	-	**-**
Hedging derivatives	**-**	**1 264**	**-**	**1 264**
Interest rate instruments	-	1 200	-	**1 200**
Equity and index instruments	-	-	-	**-**
Other financial assets	-	64	-	**64**
Financial assets at fair value through other comprehensive income	**3 059 283**	**-**	**-**	**3 059 283**
Debt instruments	3 059 283	-	-	**3 059 283**
Total financial assets at fair value	**3 076 338**	**745 038**	**440 997**	**4 262 373**

(In EUR thousand)	31.12.2020 (L1)	(L2)	(L3)	Total
Trading portfolio	**3 885**	**605 613**	**-**	**609 498**
Bonds and other debt securities	-	-	-	**-**
Shares and other equity instruments	3 885	-	-	**3 885**
Loans, receivables and repurchase agreements	-	63 922	-	**63 922**
Trading derivatives	-	541 691	-	**541 691**
o/w interest rate instruments	-	*85 911*	-	***85 911***
o/w foreign exchange instruments	-	*25 449*	-	***25 449***
o/w equity and index instruments	-	*423 339*	-	***423 339***
o/w commodity instruments	-	-	-	**-**
o/w other forward financial instruments	-	-	-	**-**
o/w other trading derivatives	-	*6 992*	-	***6 992***
Financial assets measured mandatorily at fair value through profit or loss	**11 697**	**4 539**	**431 857**	**448 093**
Bond and other debt securities	-	-	48 003	**48 003**
Shares and other equity instruments	11 697	4 539	53 290	**69 526**
Loans and receivables	-	-	330 564	**330 564**
o/w loans indexed on commodities instruments	-	-	-	**-**
o/w loans indexed on credit derivatives/securities	-	-	*330 564*	***330 564***
o/w loans indexed on equity and index securities	-	-	-	**-**
o/w loans indexed on foreign exchange instruments/securities	-	-	-	**-**
o/w loans indexed on interest rate instruments/securities	-	-	-	**-**
o/w other financial instruments	-	-	-	**-**
Financial assets measured using fair value option through profit or loss	**-**	**-**	**-**	**-**
Hedging derivatives	**-**	**-**	**-**	**-**
Interest rate instruments	-	-	-	**-**
Equity and index instruments	-	-	-	**-**
Other financial assets	-	-	-	**-**
Financial assets at fair value through other comprehensive income	**3 205 031**	**-**	**-**	**3 205 031**
Debt instruments	3 205 031	-	-	**3 205 031**
Total financial assets at fair value	**3 220 613**	**610 152**	**431 857**	**4 262 622**

2. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

FAIR VALUE HIERARCHY

	30.06.2021			
(In EUR thousand)	**(L1)**	**(L2)**	**(L3)**	**Total**
Trading portfolio	**-**	**379 768**	**-**	**379 768**
Other trading liabilities	-	-	-	**-**
Transaction derivatives	**-**	**379 768**	**-**	**379 768**
o/w interest rate instruments	-	*28 937*	-	***28 937***
o/w foreign exchange instruments	-	*22 979*	-	***22 979***
o/w equity and index instruments	-	*325 969*	-	***325 969***
o/w commodity instruments	-	-	-	**-**
o/w other forward financial instruments	-	-	-	**-**
o/w other trading derivatives	-	*1 883*	-	***1 883***
Financial liabilities at fair value through profit or loss	**-**	**29 551**	**-**	**29 551**
o/w commodities instruments	-	-	-	**-**
o/w credit derivatives/securities	-	-	-	**-**
o/w equity and index securities	-	-	-	**-**
o/w foreign exchange instruments/securities	-	-	-	**-**
o/w interest rate instruments/securities	-	*29 551*	-	***29 551***
o/w other financial instruments	-	-	-	**-**
Hedging derivatives	**-**	**135 806**	**-**	**135 806**
Interest rate instruments	-	135 713	-	**135 713**
Other financial instruments	-	93	-	**93**
Total financial liabilities at fair value	**-**	**545 125**	**-**	**545 125**

	31.12.2020			
(In EUR thousand)	**(L1)**	**(L2)**	**(L3)**	**Total**
Trading portfolio	**-**	**534 905**	**-**	**534 905**
Other trading liabilities	-	-	-	-
Transaction derivatives	**-**	**534 905**	**-**	**534 905**
o/w interest rate instruments	-	*76 784*	-	***76 784***
o/w foreign exchange instruments	-	*27 184*	-	***27 184***
o/w equity and index instruments	-	*423 933*	-	***423 933***
o/w commodity instruments	-	-	-	**-**
o/w other forward financial instruments				
o/w other trading derivatives	-	*7 004*	-	***7 004***
Financial liabilities at fair value through profit or loss	**-**	**-**	**-**	**-**
o/w commodities instruments	-	-	-	**-**
o/w credit derivatives/securities	-	-	-	**-**
o/w equity and index securities	-	-	-	**-**
o/w foreign exchange instruments/securities	-	-	-	**-**
o/w interest rate instruments/securities	-	-	-	**-**
o/w other financial instruments	-	-	-	**-**
Hedging derivatives	**-**	**193 687**	**-**	**193 687**
Interest rate instruments	-	193 296	-	193 296
Other financial instruments	-	391	-	391
Total financial liabilities at fair value	**-**	**728 592**	**-**	**728 592**

3. VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

During the first half of 2021, no transfer of level 3 instruments were observed and no new financial instruments were classifier in level 3.

The following table shows a reconciliation of the opening and closing amounts of Level 3 which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. There were no such transfer in 2021 and 2020.

FINANCIAL ASSETS

	30.06.2021								
(In EUR thousand)	Balance at 01.01.2021	Issuances	Redemp-tions	Transfer to Level 2	Transfer from Level 2	Gains and losses due to changes in fair value	Translation differences	Other changes	Balance at 30.06.2021
Financial assets measured mandatorily at fair value through profit or loss	**431 857**	-	-	-	-	8 108	321	711	**440 997**
Bonds and other debt securi-ties	48 003	-	-	-	-	-	-	405	**48 408**
Shares and other equity in-struments	53 290	-	-	-	-	7 321	321	306	**61 238**
Loans and receivables	330 564	-	-	-	-	787	-	-	**331 351**
o/w loans indexed on com-modities instruments	-	-	-	-	-	-	-	-	-
o/w loans indexed on credit derivatives/securities	-	-	-	-	-	-	-	-	-
o/w loans indexed on equity and index securities	-	-	-	-	-	-	-	-	-
o/w loans indexed on foreign exchange instruments/secu-rities	-	-	-	-	-	-	-	-	-
o/w loans indexed on inter-est rate instruments/securi-ties	-	-	-	-	-	-	-	-	-
o/w other financial instru-ments	*330 564*	-	-	-	-	*787*	-	-	***331 351***
Total financial assets at fair value	**431 857**	-	-	-	-	**8 108**	**321**	**711**	**440 997**

4. VALUATION METHODS OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BAL-ANCE SHEET

Derivatives and security financing transactions are subject to a Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA).

The CVA is determined on the basis of 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 symetri-cally 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.

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.

BONDS & OTHER DEBT SECURITIES

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.

SHARES AND OTHER EQUITY INSTRUMENTS

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 meth-ods:

- Discounted Cash Flows method based on business plans
- Discounted Dividend Method based on business plans

LOANS AND RECEIVABLES

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).

FINANCIAL DERIVATIVES

The fair value of these financial instruments is determined based on the quoted price on the balance sheet date or prices provided by brokers on the same date, when available. For unlisted financial instruments, fair value is determined using valuation techniques.

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).

DUE FROM BANKS & 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.

5. ESTIMATES OF MAIN UNOBSERVABLE INPUTS

According to the fair value hierarchy established by IFRS 13, Level 3 (L3) comprises products valued using inputs that are not based on observable market data (referred to as unobservable inputs).

The following table provides the valuation of level 3 instruments on the balance sheet as at 30 June 2021 and the range of values of the most significant unobservable inputs by main product type.

(in EUR million)

Type of underlyings	Assets	Liabilities	Main products	Valuation techniques used	Significant unobservable inputs	Range of unobservable inputs Min & Max
Equities/funds	61 238	-	Equity shares	Discounted cash flows or dividend distribution models	Equity dividends	0%; 13.6%
					Correlations	-95.3% ; 100%
					Illiquidity discount	0% ; 20%
Credit	379 759	-	Loans with embedded derivatives, convertible bonds	Recovery and base correlation projection models	Time to default correlations	0%; 100%
					Recovery rate variance for single name underlyings	0%; 100%
					Credit spreads	0 bps ; 1 000 bps
Total	**440 997**	**-**				

Unobservable inputs add a degree of uncertainty in the valuation of Level 3 instruments.

However, by the nature of its activities (mainly private banking, securities services, corporate credit) the Group has very limited market risk exposure.

NOTE 3.6 - LOANS, RECEIVABLES AND SECURITIES AT AMORTISED COST

1. OVERVIEW OF FINANCIAL ASSETS AT AMORTISED COST

	30.06.2021		31.12.2020	
(In EUR thousand)	**Carrying amount**	o/w impair-ment	**Carrying amount**	o/w impairment
Due from banks	13 588 148	(444)	10 498 243	(575)
Customer loans	23 612 595	(81 852)	22 980 536	(84 701)
Securities	8 198 506	(592)	7 086 422	(471)
Total	**45 399 249**	**(82 888)**	**40 565 201**	**(85 747)**

2. DUE FROM BANKS

(In EUR thousand)	30.06.2021	31.12.2020
Deposits and loans		
Demand and overnights		
Current accounts	1 030 518	373 673
Overnight deposits and loans and others	3 535 519	1 311 738
Term		
Term deposits and loans	9 010 147	8 791 515
Subordinated and participating loans	-	-
Loans secured by notes and securities	12 180	21 572
Gross amount	**13 588 364**	**10 498 498**
Impairment		
Allowances for impairment losses	(444)	(575)
Revaluation of hedged items	**-**	**-**
Net amount	**13 587 920**	**10 497 923**
Securities purchased under resale agreements	228	320
Total	**13 588 148**	**10 498 243**

3. CUSTOMER LOANS

(In EUR thousand)	30.06.2021	31.12.2020*
Housing loans	3 073 844	2 895 310
Other collaterized loans	7 427 030	6 899 295
Lease Financing agreements	360 407	107 809
Unsecured loans(1)	11 499 665	11 726 643
Subordinated loans	37 750	37 750
Overdrafts	821 745	828 957
Related receivables	38 923	35 522
Doubtful loans	435 062	533 857
Customer loans before impairment	**23 694 426**	**23 065 143**
Impairment	(81 852)	(84 701)
Revaluation of hedged items	**21**	**94**
Net customer loans	**23 612 595**	**22 980 536**

** Reclassified figures.*

(1) Unsecured loans include exposures with related parties, which are guaranteed by Société Générale Group, amounting EUR 8 445 million at as 30 June 2021 (31 December 2020: EUR 8 451 million).

4. SECURITIES

(In EUR thousand)	30.06.2021	31.12.2020
Negociable certificates, bonds and other debt securities	8 196 324	7 081 143
Related receivables	2 774	5 750
Securities before impairment	**8 199 098**	**7 086 893**
Impairment	(592)	(471)
Securities	**8 198 506**	**7 086 422**

NOTE 3.7 - DEBTS

1. DUE TO BANKS

(In EUR thousand)	30.06.2021	31.12.2020
Demand deposits and current accounts	40 406	59 749
Overnight deposits and borrowings and others	133 503	2 612
Term deposits	25 987 709	24 568 074
Related payables	5 326	10 946
Securities sold under repurchase agreements	888 534	684 886
Total	**27 055 478**	**25 326 267**

2. CUSTOMER DEPOSITS

(In EUR thousand)	30.06.2021	31.12.2020
Demand deposits	17 035 664	13 484 313
Term deposits	12 318 278	11 509 594
Related payables	2 600	1 986
Total customer deposits	**29 356 542**	**24 995 893**
Securities sold to customers under repurchase agreements	-	-
Total	**29 356 542**	**24 995 893**

BREAKDOWN OF OTHER DEMAND DEPOSITS BY CUSTOMER TYPE

(In EUR thousand)	30.06.2021	31.12.2020
Non financial corporations	1 929 916	1 779 289
Individual customers	3 175 514	3 038 748
Financial customers	11 919 299	8 663 574
Others	10 935	2 702
Total	**17 035 664**	**13 484 313**

3. DEBT SECURITIES ISSUED

(In EUR thousand)	**30.06.2021**	**31.12.2020**
Interbank certificates and negotiable debt instruments	49 226	64 550
Related payables	51	59
Total	**49 277**	**64 609**

NOTE 3.8 - INTEREST INCOME AND EXPENSE

	1st half of 2021			**1st half of 2020**		
(In EUR thousand)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Financial instruments at amortised cost	251 498	(79 487)	172 011	309 543	(142 465)	167 078
Central banks	*-*	*(19 385)*	*(19 385)*	*-*	*(13 807)*	*(13 807)*
Bonds and other debt securities	*42 219*	*(1 656)*	*40 563*	*38 271*	*(2 110)*	*36 161*
Due from/to banks	*59 007*	*(40 268)*	*18 739*	*93 202*	*(81 965)*	*11 237*
Customer loans and deposits	*146 838*	*(18 178)*	*128 660*	*175 981*	*(44 563)*	*131 418*
Securities lending/borrowing	*1 232*	*-*	*1 232*	*1 692*	*(20)*	*1 672*
Securities purchased/sold under resale/purchase agreements and borrowings secured by notes and securities	*2 202*	*-*	*2 202*	*397*	*-*	*397*
Hedging derivatives	838	(31 369)	(30 531)	2 081	(36 121)	(34 040)
Financial instruments at fair value through other comprehensive income	20 909	-	20 909	25 928	-	25 928
Lease agreement	40	(220)	(180)	-	(245)	(245)
Real estate lease agreements	*-*	*(219)*	*(219)*	*-*	*(242)*	*(242)*
Non-real estate lease agreements	*40*	*(1)*	*39*	*-*	*(3)*	*(3)*
Subtotal interest income/expense on financial instruments using the effective interest method	**273 285**	**(111 076)**	**162 209**	**337 552**	**(178 831)**	**158 721**
Financial instruments at fair value through profit or loss	1 551	-	1 551	1 442	-	1 442
Total Interest income and expense	**274 836**	**(111 076)**	**163 760**	**338 994**	**(178 831)**	**160 163**
o/w interest income from impaired financial assets	*4 606*	*-*	*4 606*	*1 093*	*-*	*1 093*

These interest expenses include the refinancing cost of financial instruments at fair value through profit or loss, which results are classified in net gains or losses on these instruments. 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 3.9 - IMPAIRMENT AND PROVISIONS

OVERVIEW OF IMPAIRMENT AND PROVISIONS

(In EUR thousand)	30.06.2021	31.12.2020
Impairment of financial assets at fair value through other comprehensive income	**1**	**7**
Impairment of financial assets at amortised cost	**83 054**	**85 916**
Loans and receivables at amortized cost, including debt securities	*82 888*	*85 747*
Other assets at amortized cost	*166*	*169*
Total impairment of financial assets	**83 055**	**85 923**
Provisions on Financing commitments	2 919	3 596
Provisions on Guarantee commitments	1 128	415
Total credit risk provisions	**4 047**	**4 011**

1. IMPAIRMENT OF FINANCIAL ASSETS

BREAKDOWN OF FINANCIAL ASSETS IMPAIRMENT

(In EUR thousand)	Amounts at 01.01.2021	Allocations	Reversals available*	Net allocations	Reversals used**	Currency	Amounts at 30.06.2021
Financial assets at fair value through other comprehensive income	**7**	**-**	**(6)**	**(6)**	**-**	**-**	**1**
Impairment on performing outstandings (Stage 1)	7	-	(6)	(6)	-	-	1
Impairment on under-performing outstandings (Stage 2)	-	-	-	-	-	-	-
Impairment on doubtful outstandings (Stage 3)	-	-	-	-	-	-	-
Financial assets at amortised cost	**85 916**	**9 168**	**(12 056)**	**(2 888)**	**(251)**	**277**	**83 054**
Impairment on performing outstandings (Stage 1)	17 223	4 941	(5 391)	(450)	-	13	16 786
Impairment on under-performing outstandings (Stage 2)	8 747	2 082	(3 986)	(1 904)	-	90	6 933
Impairment on doubtful outstandings (Stage 3)	59 946	2 145	(2 679)	(534)	(251)	174	59 335
TOTAL	**85 923**	**9 168**	**(12 062)**	**(2 894)**	**(251)**	**277**	**83 055**

*Reversals available correspond to reversal of impairment
**Reversals used correspond to utilisation of impairment previously recorded

VARIATION OF IMPAIRMENT ACCORDING TO CHANGES IN THE CARRYING AMOUNT OF FINANCIAL ASSETS

(In EUR thousand)	Amounts at 01.01.2021	Production & Acquisition	Derecognition (among which write-offs) and repayments	Transfer between stages of impairment and model updates	Other variations	Amounts at 30.06.2021
Financial assets at fair value through other comprehensive income	7	-	(6)	-	-	**1**
Impairment on performing outstandings (Stage 1)	7	-	(6)	-	-	**1**
Impairment on under-performing outstandings (Stage 2)	-	-	-	-	-	**-**
Impairment on doubtful outstandings (Stage 3)	-	-	-	-	-	**-**
Financial assets at amortised cost	85 916	3 102	(7 333)	1 389	(20)	**83 054**
Impairment on performing outstandings (Stage 1)	17 223	3 092	(2 058)	(1 315)	(156)	**16 786**
Impairment of under-performing outstandings (Stage 2)	8 747	10	(2 201)	193	184	**6 933**
Impairment on doubtful outstandings (Stage 3)	59 946	-	(3 074)	2 511	(48)	**59 335**
TOTAL	**85 923**	**3 102**	**(7 339)**	**1 389**	**(20)**	**83 055**

2. CREDIT RISK PROVISIONS

BREAKDOWN OF PROVISIONS

(In EUR thousand)	Amounts at 01.01.2021	Allocations	Reversals available	Net impairment losses	Currency	Amounts at 30.06.2021
Financing commitments	**3 596**	**663**	**(1 407)**	**(744)**	**67**	**2 919**
Provisions on performing outstandings (Stage 1)	765	549	(448)	101	7	**873**
Provisions on under-performing outstandings (Stage 2)	2 831	114	(959)	(845)	60	**2 046**
Provisions on doubtful outstandings (Stage 3)	-	-	-	-	-	**-**
Guarantee commitments	**415**	**908**	**(195)**	**713**	**-**	**1 128**
Provisions on performing outstandings (Stage 1)	400	444	(184)	260	-	**660**
Provisions on under-performing outstandings (Stage 2)	15	164	(11)	153	-	**168**
Provisions on doubtful outstandings (Stage 3)	-	300	-	300	-	**300**
TOTAL	**4 011**	**1 571**	**(1 602)**	**(31)**	**67**	**4 047**

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

(In EUR thousand)	Amounts at 01.01.2021	Production & Acquisition	Derecognition (among which write-offs) and repayments	Transfer between stages of impairment	Other variations	Amounts at 30.06.2021
Financing and Guarantee commitments						
Provisions on performing outstandings (Stage 1)	1 165	304	(82)	(249)	395	**1 533**
Provisions on under-performing outstandings (Stage 2)	2 846	-	(122)	(586)	76	**2 214**
Provisions on doubtful outstandings (Stage 3)	-	-	-	300	-	**300**
Total	**4 011**	**304**	**(204)**	**(535)**	**471**	**4 047**

3. COST OF RISK

(In EUR thousand)	1st half of 2021	1st half of 2020
Credit risk		
Net allocation to impairment losses	2 894	(35 771)
On financial assets at fair value through other comprehensive income	*6*	*31*
On financial assets at amortised cost	*2 888*	*(35 802)*
Net allocations to provisions	33	(1 736)
On financing commitments	*745*	*(1 503)*
On guarantee commitments	*(713)*	*(233)*
Losses not covered on irrecoverable loans	(35)	-
Amounts recovered on irrecoverable loans	-	-
Income from guarantee not taken into account for the calculation of impairment	-	-
Other risks	-	**-**
Total	**2 891**	**(37 507)**

The positive net cost of risk of EUR -2.9 million is explained by :

- Stage 1 : A decrease of EUR -0,1 million linked to :
  - The increase in provisions on Private Banking perimeter (EUR 0,7 million), mainly due to adjustments performed to better reflect the credit risk deterioration on some portfolios (see Note 1.5).
  - The favourable risk parameters recalibration (PD, forward-looking and sectorial coefficients) and the variations of provisioning basis (reimbursements, amortizations) and maturity on non-retail perimeter for EUR -0.8 million.

- Stage 2 : A decrease of EUR -2,6 million mainly due to :
  - The reversal of provision on Shipping sector deals for EUR -0.7 million. During the first half of the year, Shipping has been removed from the list of sector identified as vulnerable and automatically transferred to stage 2 (see Note 1.5).
  - The favourable risk parameters recalibration (PD, forward-looking and sectorial coefficients) and the variations of provisioning basis (reimbursements, amortizations) and maturity on non-retail perimeter for EUR -1.9 million.

- Stage 3 : A reversal in doubtful credit for EUR -0,2 million following :
    - The total provision reimbursement on a Corporate and Investment Banking client for EUR -1,6 million (SGBT Finance Ireland).
    - The additional provisioning of Private Banking real estate files (SG Luxembourg).

NOTE 3.10 – FIDUCIARY ISSUANCE

A fiduciary issuance program has been launched by Société Générale Luxembourg in 2017, according to the Luxembourg Law of the 27th March 2003 on fiduciary operations.

As at 30 June 2021, the Group had 78 outstanding notes (31 December 2020:69), listed on the Luxembourg Stock Exchange, amounting to EUR 8.9 billion (31 December 2020: 6.7 billion):

- 21 notes in JPY, for a nominal amount of JPY 458 billion (31 December 2020: 21 notes in JPY, for a nominal amount of JPY 509.5 billion);

- 57 notes in EUR, for a nominal amount of EUR 5.4 billion (31 December 2020: 48 notes in EUR for a nominal amount of EUR 2.64 billion).

The Group fiduciary issuance with the Parent Company Société Générale represents EUR 1.4 billion as of 30 June 2021 (December 2020: EUR 622 million).

NOTE 4 - OTHER ACTIVITIES

NOTE 4.1 - FEE INCOME AND EXPENSE

	1st half of 2021			1st half of 2020 *		
(In EUR thousand)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Transactions with banks	**469**	**(2 448)**	**(1 979)**	**275**	**(11 976)**	**(11 701)**
Transactions with customers	**50 877**	**-**	**50 877**	**34 908**	**-**	**34 908**
Financial instruments operations	**63 042**	**(32 481)**	**30 561**	**88 203**	**(37 100)**	**51 103**
Securities transactions	45 129	(31 176)	13 953	*55 750*	*(36 468)*	*19 282*
Primary market transactions	12 725	-	12 725	*24 470*	-	*24 470*
Foreign exchange transactions and financial derivatives	5 188	(1 305)	3 883	*7 983*	*(632)*	*7 351*
Loan and guarantee commitments	**34 249**	**(21 605)**	**12 644**	**23 702**	**(19 694)**	**4 008**
Sundry services	**62 461**	**-**	**62 461**	**46 417**	**-**	**46 417**
Fund administration fees and custody fees	*28 918*	-	*28 918*	*16 006*	-	*16 006*
Asset management fees	*28 431*	-	*28 431*	*26 272*	-	*26 272*
Means of payment fees	*1 832*	-	*1 832*	*1 605*	-	*1 605*
Insurance products fees	*1 234*	-	*1 234*	*1 078*	-	*1 078*
Underwriting fees of UCITS	*2 046*	-	*2 046*	*1 456*	-	*1 456*
Others	**14 692**	**(20 192)**	**(5 500)**	**24 769**	**(15 013)**	**9 756**
Total	**225 790**	**(76 726)**	**149 064**	**218 274**	**(83 783)**	**134 491**

** New subline item has been integrated and the figures were reclassified as at 30 June 2021.*

NOTE 4.2 - INCOME AND EXPENSE FROM OTHER ACTIVITIES

(In EUR thousand)	1st half of 2021	1st half of 2020
Income from other activities	3 770	31 529
Expenses from other activities	(3 673)	(4 963)
Total	**97**	**26 566**

Income from 1st half of 2020 is mainly related to non-recurring insurance reimbursement (EUR 28 500 thousand).

NOTE 4.3 - OTHER ASSETS AND LIABILITIES

1. OTHER ASSETS

(In EUR thousand)	30.06.2021	31.12.2020
Guarantee deposits paid [1]	221 832	343 559
Settlement accounts on securities transactions	133 053	87 358
Prepaid expenses	9 551	7 751
Miscellaneous receivables	263 338	210 340
Amounts receivable and prepayments	*227 880*	*166 175*
Other	*35 458*	*44 165*
Gross amount	**627 774**	**649 008**
Impairment	(166)	(169)
Net amount	**627 608**	**648 839**

(1) Mainly relates to guarantee deposits paid on financial instruments.

2. OTHER LIABILITIES

(In EUR thousand)	30.06.2021	31.12.2020
Guarantee deposits received	26 196	9 345
Settlement accounts on securities transactions	162 591	71 537
Expenses payable on employee benefits	23 362	21 405
Lease liability	87 130	93 252
Deferred income	18 078	18 826
Miscellaneous payables[1]	920 069	1 078 024
Other securities transactions	*14*	*12*
Amounts payables and sundry creditors	*920 055*	*1 078 012*
Total	**1 237 426**	**1 292 389**

(1) Miscellaneous payables primarily include other securities transactions, amounts payable and sundry creditors.

NOTE 5 - PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

NOTE 5.1 - PERSONNEL EXPENSES

PERSONNEL EXPENSES

(In EUR thousand)	1st half of 2021	1st half of 2020
Employee compensation	(86 782)	(86 530)
Social security charges and payroll taxes	(7 312)	(8 580)
Net pension expenses - defined contribution plans	(2 238)	(1 965)
Net pension expenses - defined benefit plans	(6 754)	(7 836)
Employee profit-sharing and incentives	-	-
Total	**(103 086)**	**(104 911)**
Including net expenses from share-based payments	*(1 269)*	*(977)*

NOTE 5.2 - EMPLOYEE BENEFITS

Group entities in Luxembourg and abroad, may award their employees:

- post-employment benefits, such as pension plans or retirement benefits;
- termination benefits.

DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

(In EUR thousand)	Provisions at 01.01.21	Alloca-tions	Reversals/ utilization	Net allocation	Actuarial gains and losses	Other	Provisions at 30.06.2021
Provisions for employee benefits	**71 606**	**4 739**	**(3 593)**	**1 146**	**(6 072)**	**(619)**	**66 061**
Provisions for retiment plans	*60 525*	*3 900*	(3 215)	*685*	(6 072)	(309)	*54 829*
Provisions for other long-term benefits	*9 915*	*374*	(303)	*71*	-	(21)	*9 965*
Other provisions for em-ployee benefits	*1 166*	*465*	(75)	*390*	-	(289)	*1 267*

NOTE 6 - INCOME TAX

1. INCOME TAX

(In EUR thousand)	1st half of 2021	1st half of 2020
Current taxes	(15 737)	(12 204)
Deferred taxes	1 981	(3 211)
Total taxes	**(13 756)**	**(15 415)**

2. TAX ASSETS AND LIABILITIES

TAX ASSETS

(In EUR thousand)	30.06.2021	31.12.2020
Current tax assets	4 096	4 781
Deferred tax assets	-	-
o/w deferred tax assets on tax loss carryforward	-	-
o/w deferred tax assets on temporary differences	-	-
Total	**4 096**	**4 781**

TAX LIABILITIES

(In EUR thousand)	30.06.2021	31.12.2020
Current tax liabilities	21 914	16 783
Deferred tax liabilities and provision from income tax adjustments	134 026	139 285
Total	**155 940**	**156 068**

NOTE 7 - SHAREHOLDERS' EQUITY

(In EUR thousand)	30.06.2021	31.12.2020
Share capital	1 389 043	1 389 043
Share premium	2 817	2 817
Consolidation reserve	516 491	513 239
Revaluation reserve	32 423	35 314
Legal reserve	138 905	138 905
Special reserve for Net Wealth Tax reduction	239 022	247 708
Retained earnings	709 419	755 639
Net income for the year	143 712	229 774
Total	**3 171 832**	**3 312 439**

1. SHARE CAPITAL

As at 30 June 2021 and 31 December 2020, the fully subscribed share capital amounted to EUR 1 389 042 648 divided into 11 024 148 registered shares with a nominal value of EUR 126 each.

2. CONSOLIDATION RESERVE

Consolidation reserves represent the contribution of the subsidiaries to the Group reserves.

3. REVALUATION RESERVE

Revaluation reserve is composed of translation reserves, change in fair value of assets available-for-sale, change in fair value of hedging derivatives, change in fair-value of debt instruments at fair value through other comprehensive income, change in gains and losses on entities accounted for using the equity method and actuarial gains and losses on post-employment defined benefits plans. If the instruments are sold, the associated unrealised or deferred gains and losses are reclassified to Retained earnings at the opening of the next financial year.

(In EUR thousand)	**30.06.2021**	**31.12.2020**
Translation reserve	(1 355)	(2 160)
Revaluation of debt instruments at fair value through other comprehensive income	22 960	34 647
Revaluation reserve of available-for-sale financial assets	22 464	30 505
Revaluation of hedging derivatives	(11 964)	(19 737)
Unrealized gains and losses of entities accounted for using the equity method	4 563	7 412
Tax related	(9 476)	(12 927)
Unrealized or deferred gains (losses) that may be reclassified subsequently to profit or loss	**27 192**	**37 740**
Actuarial gains (losses) on defined benefits plans	6 072	(2 889)
Unrealised gains and losses of entities accounted for using the equity method	-	77
Revaluation of equity instruments at fair value through other comprehensive income	-	-
Tax related	(841)	386
Unrealized or deferred gains (losses) that will not be reclassified subsequently to profit or loss	**5 231**	**(2 426)**
Total Revaluation reserve	**32 423**	**35 314**

4. LEGAL RESERVE

In accordance with legal requirements, 5% of the net income for the period must be allocated to a legal reserve. This allocation is no longer required once this reserve reaches 10% of the subscribed and paid-up share capital. The legal reserve cannot be used for dividend payments.

As at 30 June 2021 and 31 December 2020 the legal reserve reached 10% of the capital and amounted to EUR 138 905 thousand.

5. SPECIAL RESERVE FOR NET WEALTH TAX REDUCTION

For the reporting periods ended 31 December 2016 to 2020, the Group reduced its Net Wealth Tax charge in accordance with the tax legislation; i.e. by setting up an unavailable reserve in an amount equal to five times the amount of the Net Wealth Tax reduction. The lock-in period on this reserve is five years starting on 1 January of the year following the year in which the Net Wealth Tax has been reduced.

(In EUR thousand)	**30.06.2021**	**31.12.2020**
2014	-	49 939
2015	-	1 485
2016	30 981	30 981
2017	41 356	41 356
2018	42 525	42 525
2019	41 283	41 283
2020	40 139	40 139
2021	42 738	-
Total	**239 022**	**247 708**

6. DIVIDENDS PAID

As a reminder, in accordance with the European Central Bank's recommendation of 27 March 2020 relative to dividends distribution policies during the Covid-19 crisis, SG Luxembourg did not pay dividends during the year 2020.

In the first half of 2021, SG Luxembourg paid EUR 279 million on its ordinary shares related to the 2020 net results.

NOTE 8 - ADDITIONAL DISCLOSURES

NOTE 8.1 - SEGMENT REPORTING

SEGMENT REPORTING BY OPERATING SEGMENTS

Amounts by division incorporate the organizational structure of Group activities.

1st half of 2021

(In EUR thousand)	Private Banking	Securities Services	Corporate and Investment Banking	Insurance activities	Corporate center	Total
Interest margin	67 449	15 862	88 434	(1 239)	(6 746)	**163 760**
Net fees income	58 915	49 281	43 897	(715)	(2 314)	**149 064**
Net income from other activity	399	(37)	(338)	-	73	**97**
Total income on financial instruments	12 282	581	5 774	-	8 972	**27 609**
Net income of insurance activities	-	-	-	14 794	-	**14 794**
Internal remuneration	1 498	414	3 620	-	(5 532)	**-**
Net banking income	**140 543**	**66 101**	**141 387**	**12 840**	**(5 547)**	**355 324**
Operating expenses	(121 194)	(55 587)	(38 712)	(296)	(3 928)	**(219 717)**
Gross operating income	**19 349**	**10 514**	**102 675**	**12 544**	**(9 475)**	**135 607**
Cost of risk	(2 176)	6	4 802	-	259	**2 891**
Operating income	**17 173**	**10 520**	**107 477**	**12 544**	**(9 216)**	**138 498**
Net income from investments accounted for using the equity method	-	-	13 589	5 403	-	**18 992**
Net income/expense from other assets	-	-	(8)	-	-	**(8)**
Consolidated Net Income before tax	**17 173**	**10 520**	**121 058**	**17 947**	**(9 216)**	**157 482**
Tax expenses	(1 500)	(919)	(10 574)	(1 568)	805	**(13 756)**
Consolidated net income	**15 673**	**9 601**	**110 484**	**16 379**	**(8 411)**	**143 726**

Notes to the interim condensed consolidated financial statements (continued)
For the period ended 30 June 2021

30.06.2021

(In EUR thousand)	Private Banking	Securities Services	Corporate and Investment Banking	Insurance activities	Corporate center	Total
Total assets	**40 859 137**	**41 696**	**18 524 650**	**395 582**	**1 913 268**	**61 734 333**
o/w customer loans and securities at amortised cost (Note 3.6)	*16 285 966*	*12 191*	*14 926 525*	-	*586 419*	*31 811 101*
Total liabilities and equity	**39 860 080**	**1 655 134**	**14 860 874**	**395 581**	**4 962 664**	**61 734 333**
o/w customer deposits (Note 3.7)	*17 152 493*	*642 614*	*9 633 131*	-	*1 928 303*	*29 356 542*

1st half of 2020

(In EUR thousand)	Private Banking	Securities Services	Corporate and Investment Banking	Insurance activities	Corporate center	Total
Interest margin	67 601	13 401	87 005	(1 452)	(6 393)	**160 163**
Net fees income	63 309	51 525	22 030	(515)	(1 858)	**134 491**
Net income from other activity	(809)	(1 164)	(30)	(2)	28 571	**26 566**
Total income on financial instruments	5 199	414	(9 708)	-	18 880	**14 785**
Net income of insurance activities	-	-	-	25 572	-	**25 572**
Internal remuneration	1 280	535	3 175	-	(4 990)	**-**
Net banking income	**136 580**	**64 711**	**102 472**	**23 603**	**34 210**	**361 576**
Operating expenses	(106 728)	(62 991)	(31 938)	(274)	(9 842)	**(211 773)**
Gross operating income	**29 852**	**1 720**	**70 534**	**23 329**	**24 368**	**149 803**
Cost of risk	(13 164)	(48)	(22 548)	-	(1 747)	**(37 507)**
Operating income	**16 688**	**1 672**	**47 986**	**23 329**	**22 621**	**112 297**
Net income from investments accounted for using the equity method	-	-	-	5 252	-	**5 252**
Net income/expense from other assets	-	-	-	-	-	**-**
Consolidated Net Income before tax	**16 688**	**1 672**	**47 986**	**28 581**	**22 621**	**117 549**
Tax expenses	(1 292)	(128)	(5 514)	(5 380)	(3 101)	**(15 415)**
Consolidated net income	**15 396**	**1 544**	**42 472**	**23 201**	**19 520**	**102 134**

31.12.2020

(In EUR thousand)	Private Banking	Securities Services	Corporate and Investment Banking	Insurance activities	Corporate center	Total
Total assets	**39 042 324**	**38 460**	**16 146 307**	**483 646**	**338 915**	**56 049 652**
o/w customer loans and securities at amortised cost (Note 3.6)	*16 333 206*	*12 562*	*13 607 918*	-	*113 272*	*30 066 958*
Total liabilities and equity	**32 599 388**	**1 337 247**	**15 960 406**	**483 646**	**5 668 965**	**56 049 652**
o/w customer deposits (Note 3.7)	*14 222 902*	*456 429*	*8 380 544*	-	*1 936 018*	*24 995 893*

NOTE 8.2 - OTHER OPERATING EXPENSES

(In EUR thousand)	1st half of 2021	1st half of 2020
VAT and other taxes [(1)]	(25 304)	(19 568)
Re-charge fees [(2)]	(24 994)	(25 286)
IT expenses	(16 377)	(15 318)
Professional fees	(14 274)	(12 117)
Service and maintenance	(4 694)	(4 677)
Data provider fees	(3 142)	(2 937)
Telecommunication expenses	(1 851)	(1 929)
Other operating expenses	(1 570)	(1 270)
Marketing, advertising and public relations	(796)	(1 295)
Premises and equipment leases	(507)	(90)
Administrative expenses	(476)	(573)
Insurance fees	(472)	(450)
Training	(216)	(75)
Total	**(94 673)**	**(85 585)**

(1) Other taxes include the contribution to bank resolution mechanisms paid by the Group.

(2) Mainly reinvoiced personnel fees from SG Group and allocated share of headquarter expenses.

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), represented in Luxembourg by the “Fonds de Résolution Luxembourgeois” (Luxembourg Resolution Fund). In addition to this instrument, the “Fonds Nationaux de Résolution” (National Resolution Funds) exists for institutions subject to this resolution mechanisms, but that have no SRF.

The Single Resolution Fund, established in January 2016, shall receive annual contributions from the participating European financial institutions. By the end of 2023, the available financial means of the Fund shall reach at least 1% of the amount of covered deposits of all these participating financial institutions. A share of the annual contributions can be provided through irrevocable payment commitments (IPC).

Please find below the detailed amount paid by the Bank for the Single Resolution Fund contribution:

(In EUR thousand)	2021	2020
Net contribution paid	25 220	18 613
IPC deposit (15% of net contribution)	(3 783)	(2 792)
Total	**21 437**	**15 821**

NOTE 8.3 - PROVISIONS

BREAKDOWN OF PROVISIONS

(In EUR thousand)	Provisions at 01.01.2021	Allocations	Reversals available	Net allo-cation	Actuarial Gain and Losses	Currency and others	Provisions at 30.06.2021
Provisions for credit of risk on off statement of financial commitments (see Note 3.9)	4 011	1 571	(1 602)	(31)	-	67	**4 047**
Provisions for employee benefits (see Note 5.2)	71 606	4 739	(3 593)	1 146	(6 072)	(619)	**66 061**
Other provisions[(1)]	6 063	-	(88)	(88)	-	176	**6 151**
Total	**81 680**	**6 310**	**(5 283)**	**1 027**	**(6 072)**	**(376)**	**76 259**

(1) Other provisions include provisions for commercial litigation and provisions for future repayment of funds in connection with customer financing transactions.

NOTE 8.4 – INFORMATION ON RISK AND LITIGATION

SG Luxembourg operates in a regulatory and legal environment that, by nature, has an element of litigation risk inherent in its operations. As a result, the Group is involved in various litigations, in various jurisdictions in the ordinary course of its business. The Group has implemented formal controls and policies for managing legal claims. Based on professional legal advice, the Group provides and/or discloses amounts in accordance with its accounting policies described in Note 1.

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.

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.

Societe Generale and certain of its subsidiaries including Société Générale Luxembourg and SGPBS 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 at the District Court for further proceedings.

During the year ended 31 December 2020, SG Issuer, as the Issuer of Notes linked to the credit risk of a French corporate, and Société Générale, as the Guarantor, were brought before the Courts of Paris (alongside other French financial institutions) by end investors to obtain compensation for the financial loss they suffered on their investment in these securities. The French corporate was the subject of a “safeguard procedure”, which constitutes a credit event under the terms of the Notes which had a strong impact on the value of the Notes. These investors rely on unfounded allegations according to which SG Issuer and Société Générale were aware of the difficulties of the French corporate when setting up and marketing these Notes and that in doing so, they failed to meet their regulatory obligations (to act in an honest, fair and professional manner, to provide information on the product risks and to determine the suitability of the Notes for retail investors).

On 27 July 2021, the Company received a new letter from end investors in order to obtain compensation for the financial loss they suffered on their investment in securities issued by the Company. This letter relates to the same litigation described above.

For this litigation, along with any other litigation relating to securities issued by SG Issuer, SG Issuer is entitled to an indemnification by Société Générale in respect of any sum due by SG Issuer regarding potential damages or attorneys' fees.

NOTE 9 - CREDIT RISK

ANALYSIS OF GROSS OUTSTANDINGS AND PROVISIONS FOR CREDIT RISK

The following tables detail the provisioned outstandings (balance sheet and off-balance sheet) subject to impairment and provisions in accordance with the model for estimating expected credit losses introduced by IFRS 9 and the impairment and provisions by stage.

The scope of these tables includes:

- securities at amortised cost (excluding securities received under repurchase agreements), customer loans and due from banks measured at amortised cost;
- financing and guarantee commitments.

Table 1: Basel portfolio breakdown of provisioned outstandings

(In EUR thousand)	30.06.2021				31.12.2020			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Sovereign	10 118	-	-	**10 118**	12 034	-	-	**12 034**
Institutions	14 507 247	-	-	**14 507 247**	11 275 930	-	-	**11 275 930**
Corporates	31 152 603	727 358	343 536	**32 223 497**	29 082 234	1 064 057	404 410	**30 550 701**
Retail	3 283 668	39 669	91 826	**3 415 163**	3 064 241	22 765	134 224	**3 221 230**
Total	**48 953 636**	**767 027**	**435 362**	**50 156 025**	**43 434 439**	**1 086 822**	**538 634**	**45 059 895**

Institutions are credit institutions (such as banks) or an investment firms (professional entities of financial sector).
Sovereign means nations and governments as well as agencies and entities owned by governments and central banks.
Corporates are companies and entities with legal personality and a defined purpose among various activity sectors, and different from institutions.
Retail are single persons, group of persons or small or medium size entreprise acting for their own.

Table 2: Geographical breakdown of provisioned outstandings

(In EUR thousand)	30.06.2021				31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Luxembourg	11 901 033	74 717	224 934	**12 200 684**	12 035 414	74 270	248 688	**12 358 372**
Africa and Middle East	1 819 101	252 989	11 844	**2 083 934**	1 495 558	203 502	14 962	**1 714 022**
Asia Pacific	626 827	801	-	**627 628**	403 550	-	-	**403 550**
Eastern Europe (excluding EU)	956 628	13 770	504	**970 902**	865 892	-	-	**865 892**
Eastern Europe EU	30 436	1 999	-	**32 435**	110 826	65	-	**110 891**
Latin America and Caribbean	1 255 163	5 009	1	**1 260 173**	1 029 824	90 218	32 952	**1 152 994**
North America	2 767 640	-	-	**2 767 640**	2 379 249	-	-	**2 379 249**
Western Europe (excluding Luxembourg)	29 596 808	417 742	198 079	**30 212 629**	25 114 126	718 767	242 032	**26 074 925**
Total	**48 953 636**	**767 027**	**435 362**	**50 156 025**	**43 434 439**	**1 086 822**	**538 634**	**45 059 895**

Table 3: Basel portfolio breakdown of provisions and impairment for credit risk

(In EUR thousand)	30.06.2021				31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Sovereign	1	-	-	**1**	1	-	-	**1**
Institutions	641	-	-	**641**	731	-	-	**731**
Corporates	13 408	8 947	47 551	**69 906**	13 580	11 272	49 131	**73 983**
Retail	4 269	136	11 981	**16 386**	4 076	256	10 711	**15 043**
Total	**18 319**	**9 083**	**59 532**	**86 934**	**18 388**	**11 528**	**59 842**	**89 758**

Table 4: Geographical breakdown of provisions and impairment for credit risk

(In EUR thousand)	30.06.2021				31.12.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Luxembourg	1 989	861	27 754	**30 604**	2 006	1 391	28 016	**31 413**
Africa and Middle East	793	982	6 471	**8 246**	1 118	709	6 606	**8 432**
Asia Pacific	140	-	-	**140**	223	-	-	**223**
Eastern Europe (excluding EU)	1 014	7	-	**1 021**	1 050	-	-	**1 050**
Eastern Europe EU	13	-	-	**13**	102	-	-	**102**
Latin America and Caribbean	730	32	-	**762**	1 109	152	-	**1 260**
North America	822	-	-	**822**	240	-	-	**240**
Western Europe (excluding Luxembourg)	12 818	7 201	25 307	**45 326**	12 540	9 276	25 220	**47 038**
Total	**18 319**	**9 083**	**59 532**	**86 934**	**18 388**	**11 528**	**59 842**	**89 758**

Table 5: Provisioned outstandings, provisions and impairment for credit risk by rating of counterparty

	30.06.2021							
	Provisioned outstandings				Impairment and Provisions			
(in EUR thousand)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	-	-	-	-	-	-	-	-
2	878 319	-	-	878 319	13	-	-	13
3	20 701 885	123 487	-	20 825 372	619	179	-	798
4	4 312 944	42 938	-	4 355 882	1 239	46	-	1 285
5	2 732 462	254 898	-	2 987 360	1 816	5 620	-	7 436
6	84 630	237 180	-	321 810	584	2 782	-	3 366
7	307	261	-	568	-	-	-	-
Default (8,9,10)	-	-	435 362	435 362	-	-	59 532	59 532
Other method [(1)]	20 243 089	108 263	-	20 351 352	14 048	456	-	14 504
TOTAL	**48 953 636**	**767 027**	**435 362**	**50 156 025**	**18 319**	**9 083**	**59 532**	**86 934**

(1) Other method corresponds to the retail methodology for which no internal ratings are available.

	31.12.2020							
	Provisioned outstandings				Impairment and Provisions			
(in EUR thousand)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	-	-	-	-	-	-	-	-
2	511 028	-	-	511 028	7	-	-	7
3	17 964 492	124 932	-	18 089 424	1 341	275	-	1 616
4	4 043 235	117 994	-	4 161 229	2 208	351	-	2 559
5	2 404 130	347 145	-	2 751 275	2 900	5 391	-	8 291
6	141 437	199 185	-	340 622	435	2 891	-	3 326
7	201	22 073	-	22 274	-	2 165	-	2 165
Default (8,9,10)	-	-	538 635	538 635	-	-	59 842	59 842
Other method [(1)]	18 369 916	275 492	-	18 645 408	11 496	455	-	11 951
TOTAL	**43 434 439**	**1 086 821**	**538 635**	**45 059 895**	**18 388**	**11 528**	**59 842**	**89 758**

Table 6: Provisioned outstandings, provisions and impairment for credit risk by sector

	30.06.2021							
	Provisioned outstandings				Impairment and Provisions			
(in EUR thousand)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Central administrations	10 118	-	-	**10 118**	1	-	-	**1**
Credit institutions	14 507 247	-	-	**14 507 247**	641	-	-	**641**
Other financial corporations	12 156 170	20 782	-	**12 176 952**	2 289	55	-	**2 344**
Non-financial corporations(1)	18 996 433	706 576	343 536	**20 046 545**	11 119	8 892	47 551	**67 562**
Retail customers	3 283 668	39 669	91 826	**3 415 163**	4 269	136	11 981	**16 386**
TOTAL	**48 953 636**	**767 027**	**435 362**	**50 156 025**	**18 319**	**9 083**	**59 532**	**86 934**

(1) Detail of non-financial corporations *:*

(in EUR thousand)	30.06.2021
Mining and quarrying	497 675
Manufacturing	2 811 859
Electricity, gas, steam and air conditioning suply	334 816
Water suply	13 334
Construction	94 986
Wholesale and retail trade	595 107
Transport and storage	1 356 671
Accomadation and food service activities	260 416
Information and communication	217 924
Real estate activities	646 694
Professional, scientific and technical activities	233 543
Administrative and support service activities	8 743 199
Others services	4 240 321
Total	**20 046 545**

	31.12.2020							
	Provisioned outstandings				Impairment and Provisions			
(in EUR thousand)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Central administrations	12 034	-	-	**12 034**	2	-	-	**2**
Credit institutions	11 435 573	-	-	**11 435 573**	730	-	-	**730**
Other financial corporations	10 518 903	198 307	20 628	**10 737 838**	1 653	231	280	**2 164**
Non-financial corporations(1)	18 403 688	865 750	383 782	**19 653 220**	11 927	11 041	48 851	**71 819**
Retail customers	3 064 241	22 765	134 224	**3 221 230**	4 076	256	10 711	**15 043**
TOTAL	**43 434 439**	**1 086 822**	**538 634**	**45 059 895**	**18 388**	**11 528**	**59 842**	**89 758**

(1) Detail of non-financial corporations *:*

(in EUR thousand)	**31.12.2020**
Mining and quarrying	372 492
Manufacturing	2 835 031
Electricity, gas, steam and air conditioning suply	309 857
Water suply	13 346
Construction	219 261
Wholesale and retail trade	605 640
Transport and storage	838 277
Accomodation and food service activities	282 082
Information and communication	87 231
Real estate activities	703 277
Professional, scientific and technical activities	376 113
Administrative and support service activities	8 772 716
Others services	4 237 897
Total	**19 653 220**

Table 7: Provisioning of doubtful loans

(In EUR thousand)	**30.06.2021**	**31.12.2020**
Gross book outstandings	50 156 025	45 059 895
Doutbful loans	435 362	538 634
GROSS DOUBTFUL LOANS RATIO	**0,9%**	**1.2%**
Stage 1 provisions	18 319	18 388
Stage 2 provisions	9 083	11 424
Stage 3 provisions	59 532	59 946
GROUP GROSS DOUBTFUL LOANS COVERAGE RATIO (STAGE 3 PROVISIONS / DOUBTFUL LOANS)	**14%**	**11%**

Scope: customer loans, amounts due from banks, operating leases, guarantee commitments, financing commitments, lease financing and similar agreements.

ANALYSIS OF RISK EXPOSURE BY RATING

The Group manages the credit quality of financial assets using internal risk ratings. It is the Group's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk.

All internal risk ratings are tailored to the various categories and are derived in accordance with the Group's rating policy.

Internal rating is based on a detailed analysis of qualitative and financial information of the counterparty, the economic, sector or juridical background, etc.

The internal ratings are regularly assessed and reviewed by the Risk Division, at least once a year.

The rating determines the level of probability of default of the counterparty and is directly influenced by the level of risk weight. There's a correspondence between internal and external ratings (see table hereafter).

Counterparty internal rating	Indicative equivalent FitchRatings	Indicative equivalent Moody's	Indicative equivalent S&P	Probability of Default (one year)
1	AAA	AAA	AAA	0.01%
2	AA+ à AA-	AA1 à AA3	AA+ à AA-	[0.01% -0.03%]
3	A+ à A-	A1 à A3	A+ à A-	[0.03% -0.06%]
4	BBB+ à BBB-	BAA1 à BAA3	BBB+ à BBB-	[0.13% -0.50%]
5	BB+ à BB-	BA1 à BA3	BB+ à BB-	[1.10% -3.26%]
6	B+ à B-	B1 à B3	B+ à B-	[4.61% -11.42%]
7	CCC+ à CCC-	CAA1 à CAA3	CCC+ à CCC-	[14.33% -27.25%]
8,9 and 10	CC and below	CA and below	D and below	100%

For private banking, the approach is based on the collateral and the Group's operational capacity to track changes in each loan's collateral. Loan to Value is determined by applying discounts to the value of the surety based on its quality, liquidity, volatility, and the diversity of its assets. The Group implemented a monitoring mechanism for detecting collateral downgrading and defining, with its clients, measures for making up insufficient margins.

As at 30 June 2021 and 2020, the breakdown of EAD by the Basel method is as follows:

	30.06.2021	31.12.2020
IRBA	97%	82%
Standard	3%	18%
Total	**100%**	**100%**

PAST DUE AND IMPAIRED LOANS AND ADVANCES

30.06.2021

	Past due but not impaired assets		Credit impaired assets					Total Past Due but not impaired and Credit Impaired Assets	Gross carrying amount of individually impaired financial assets	Guarantees held for past due or individually impaired assets and debt instruments
(In EUR thousand)	≤ 30 days	> 30 days ≤ 90 days	Unlikely to pay or ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year ≤ 5 years	> 5 years			
Credit Institutions	-	-	-	-	-	-	-	-	-	-
Other financial corporations	5 087	1 769	1	-	-	-	-	6 857	1	6 794
Non financial Corporations	20 830	4 848	239 940	2 332	47 587	36 408	17 269	369 214	343 535	314 873
Households	38 239	7 955	54 990	7 430	2 811	15 687	10 607	137 719	91 525	123 567
Total	**64 156**	**14 572**	**294 931**	**9 762**	**50 398**	**52 095**	**27 876**	**513 790**	**435 061**	**445 234**

31.12.2020

	Past due but not impaired assets			Credit impaired assets						
(In EUR thousand)	≤ 30 days	> 30 days ≤ 90 days	Unlikely to pay or ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year ≤ 5 years	> 5 years	Total Past Due but not impaired and Credit Impaired Assets	Gross carrying amount of individually impaired financial assets	Guarantees held for past due or individually impaired assets and debt instruments
Credit Institutions	-	-	-	-	-	-	-	-	-	-
Other financial corporations	1 438	-	19 653	-	-	975	-	22 066	20 629	8 252
Non financial Corporations	39 381	8 054	268 789	45 106	15 398	37 675	16 813	431 216	383 781	174 302
Households	10 328	21 253	9 699	22 048	20 860	75 415	1 426	161 029	129 447	149 762
Total	**51 147**	**29 307**	**298 141**	**67 154**	**36 258**	**114 065**	**18 239**	**614 311**	**533 857**	**332 316**

GUARANTEES HELD FOR PAST DUE OR INDIVIDUALLY IMPAIRED ASSETS AND DEBT INSTRUMENTS

(in EUR thousand)	30.06.2021	31.12.2020
Past due	78 728	80 454
Impaired	435 061	533 857
Total	**513 789**	**614 312**

COLLATERAL OR OTHER CREDIT ENHANCEMENTS OBTAINED BY TAKING POSSESSION OF THE GUARANTEE HELD

The carrying value of assets obtained during the period by taking possession of the guarantees held is:

(in EUR thousand)	30.06.2021	31.12.2020
Cash	-	-
Securities	-	-
Mortgage	49 998	-
Total	**49 998**	**-**

RESTRUCTURED DEBT

For the Group “restructured” debt refers to loans whose amount term or financial conditions have been contractually modified due to the borrower’s insolvency (whether insolvency has already occurred or will definitely occur unless the debt is restructured). The Group aligned its definition of restructured loans with the EBA definition.

Restructured debt does not include commercial renegotiations involving customers for which the Group has agreed to renegotiate the debt in order to retain or develop a business relationship in accordance with credit approval rules in force and without giving up any of the principal or accrued interest.

Any situation leading to debt restructuring entails placing the customers in question in the Basel default category and classifying the loans themselves as impaired.

The customers whose loans have been restructured are kept in the default category for as long as the Group remains uncertain of their ability to meet their future commitments and for a minimum of one year.

(in EUR thousand)	30.06.2021	31.12.2020
Non-performing restructured debt	231 705	12 604
Performing restructured debt	107 571	127 421
Total	**339 276**	**140 025**

NOTE 10 - EVENTS AFTER THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATE

Since the end of the last financial period, no subsequent significant event occurred.