SOCIETE GENERALE LUXEMBOURG

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND REPORT

JUNE 2022

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 June 30, 2022

R.C.S. Luxembourg: B 006.061

Société Générale Luxembourg S.A.

Table of contents

As at June 30, 2022

INTERIM CONSOLIDATED MANAGEMENT REPORT

CORPORATE GOVERNANCE STATEMENT

The SG Luxembourg Board of Directors is committed to maintain the standards of corporate governance enforced at the European Union level and at level of the Société Générale Group. SG Luxembourg Group's governance principles and practices are described in the December 31, 2021 Consolidated Financial Statements.

GROUP ACTIVITY AND RESULTS

ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT

(in EUR thousand)	**1st half of 2022**	**1st half of 2021**	**Change in %**	**Change in value**
Net interest margin	182 247	163 760	11.29%	18 487
Net fee margin	143 998	149 064	-3.40%	(5 066)
Net gains and losses on financial transactions	68 630	27 609	148.58%	41 021
Net income from other activities	8 410	14 891	-43.52%	(6 481)
Net banking income	**403 285**	**355 324**	13.50%	47 961
Operating expenses	(219 438)	(219 717)	-0.13%	279
Gross operating income	**183 847**	**135 607**	35.57%	48 240
Cost of risk	(101 924)	2 891	-3625.56%	(104 815)
Operating income	**81 923**	**138 498**	-40.85%	(56 575)
Net income from investments accounted for using the equity method	16 294	18 992	-14.21%	(2 698)
Net income/expense from other assets	40	(8)	-544.44%	49
Earnings before tax	**98 257**	**157 482**	-37.61%	(59 225)
Income tax	(9 100)	(13 756)	-33.85%	4 656
Consolidated Net Income	**89 157**	**143 726**	-37.97%	(54 569)
Non-controlling interests	9	14	-35.71%	(5)
Net income Group share	89 148	143 712	-37.97%	(54 564)

a. Analytical Review

Despite geopolitical tensions and economic uncertainties, Société Générale Luxembourg Group showed in first half of the year 2022 a strong business resiliency combined with a high-cost discipline. As a direct consequence of the Russia crisis however, the cost of risk increased significantly, which drove down the Société Générale Luxembourg Group consolidated Net Income by 38% compared to the first half of the year 2021.

- The net banking income amounted to EUR 403 million, up by 14% compared to H1 21. These performances are mainly driven by an exceptional revenue in the Corporate Center and the increase of USD and GBP interest rates for the Corporate Banking and Cash Management, Private Banking and Securities Services activities.
- Operating expenses stood at EUR 219 million, stable compared to H1 21, confirming the Group cost strategy, despite global inflation.
- Net cost of risk amounted to a net provision of EUR 102 million, compared to a reversal provision of EUR 3 million in H1 21, mainly linked to exposures on Russian clients.

The 14% increase in **revenues** in H1 22 results from a contrasted evolution of the various Group's businesses.

The **Private Banking** activities recorded a good commercial momentum combined with a good net interest margin driven by the increase of USD interest rates.

Securities Services activities had a strong commercial momentum on Custody and Fund administration while also improving its net interest margin driven by the USD interest rate increase.

The **Corporate Banking and Cash Management** continued is highly dynamic activity development, especially with Private Equity and Real Estate clients. The NBI growth was also driven by the USD & GBP interest rates increase.

Global Banking & Advisory activities suffered of the geopolitical context and stopped activities with Russian counterparts which drove down the revenue.

Global Markets activities recorded a slight decrease on its revenue.

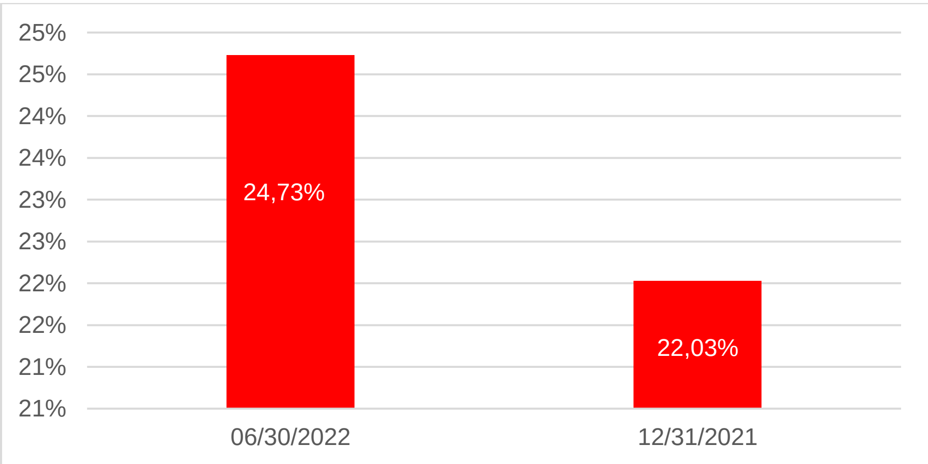
Finally, the **Corporate Center** H1 22 financial performance showed an exceptional positive *Mark to Market* related to economic hedging derivatives.

In a continuing costs discipline model, Société Générale Luxembourg Group maintained its investment strategy to transform its IT and operating model to prepare the future of its business, mainly regarding Private Banking and Securities activities. Overall, costs were stable compared to H1 21 at EUR -219 million.

b. Net cost of risk

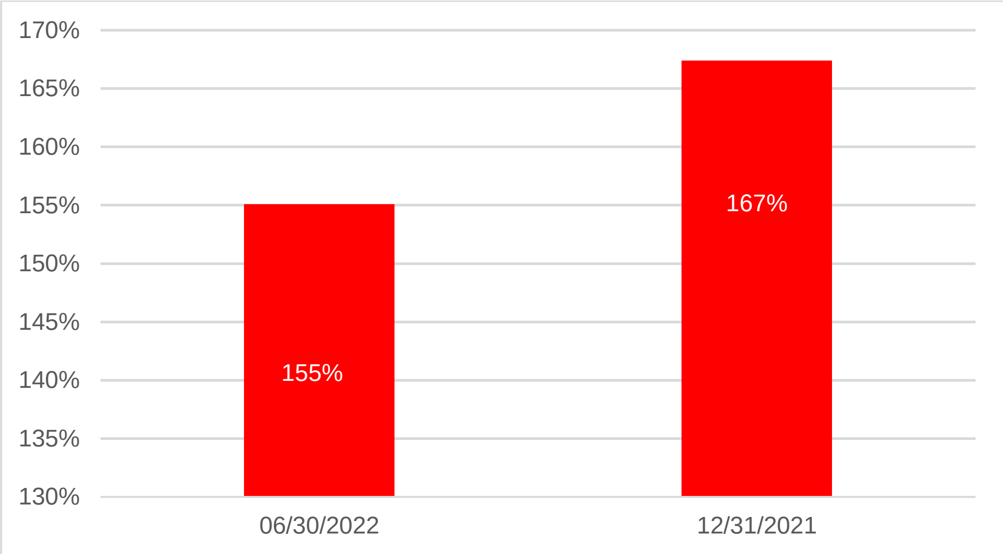
In the first half of 2022, the Net cost of risk (NCR) stood at EUR 101.9 million, a high level, essentially explained by the impact of the war in Ukraine, to be compared to a positive NCR of EUR -2.9 million in H1-21.

c. Capital Ratio



As of June 30, 2022, SG Luxembourg Group Common Equity tier 1 stood at 24.73% (December 31, 2021 : 22.03%), so did the Group Total Capital ratio. As of June 30, 2022, the Group capital ratios are significantly above the minimum regulatory requirements.

d. Liquidity Coverage Ratio



As of June 30 2022, SG Luxembourg Group one-month Liquidity Coverage Ratio (LCR) stood at 155% (December 31, 2021 : 167%), well above the regulatory requirement of 100%.

e. Conclusion

In a Russian-Ukrainian crisis environment impacting the cost of risk, SG Luxembourg's Group businesses continues to develop well. In parallel, SG Luxembourg Group is pursuing its high-pace transformation focused on three priorities – customer centricity,corporate social responsibility and operational efficiency based on digital technologies.

GLOBAL STATEMENT FOR THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the best of our knowledge, the Interim Condensed Consolidated Financial Statements give a true and fair view of the financial position and profit and losses of Société Générale Luxembourg and its consolidated subsidiaries as at June 30, 2022, and its financial performance and cash flows for the period then ended in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union, and the Interim Consolidated Management Report includes a true and fair presentation of the evolution and performance of Société Générale Luxembourg and its consolidated subsidiaries, together with a description of the main risks and uncertainties that Société Générale Luxembourg and its consolidated subsidiaries face.

Arnaud Jacquemin

Société Générale Luxembourg Chief Executive Officer

Luxembourg, September 27, 2022

Ernst & Young
Société anonyme

35E, Avenue John F. Kennedy
L-1855 Luxembourg

Tel: +352 42 124 1

www.ey.com/luxembourg

B.P. 780
L-2017 Luxembourg

R.C.S. Luxembourg B 47 771
TVA LU 16063074

Building a better working world

Report of the "Réviseur d'entreprises agréé" on review of the 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 June 30, 2022, 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 as adopted by the European Union.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Luxembourg, September 28, 2022

Dorian Rigaud

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION- ASSETS

(In EUR thousand)		**06.30.2022**	**12.31.2021**
Cash, due from central banks	Note 3.1	13 042 866	10 966 851
Financial assets at fair value through profit or loss	Notes 3.2, 3.3 and 3.5	1 263 835	1 240 582
Hedging derivatives	Notes 3.3 and 3.5	79 887	5 625
Financial assets at fair value through other comprehensive income	Notes 3.4 and 3.5	2 304 425	2 815 004
Securities at amortised cost	Notes 3.6 and 9.1	8 592 579	8 051 597
Due from banks at amortised cost	Notes 3.6 and 9.1	23 261 636	19 840 378
Customer loans at amortised cost	Notes 3.6 and 9.1	21 847 104	22 817 851
Investments of insurance activities		211 013	371 871
Tax assets	Note 6	4 342	1 560
Other assets	Note 4.3	467 512	481 959
Investments accounted for using the equity method	Note 2.3	78 101	108 560
Tangible and intangible fixed assets and right-of-use assets		136 008	139 945
Total		**71 289 308**	**66 841 783**

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)		**06.30.2022**	**12.31.2021**
Financial liabilities at fair value through profit or loss	Notes 3.2, 3.3, 3.4 and 3.5	589 351	450 051
Hedging derivatives	Notes 3.3 and 3.5	31 634	98 483
Debt securities issued	Note 3.7	28 664	45 084
Due to banks	Note 3.7	23 775 137	24 147 288
Customer deposits	Note 3.7	42 378 863	38 006 508
Tax liabilities	Note 6	120 543	120 757
Other liabilities	Note 4.3	811 648	481 724
Insurance contracts related liabilities		68 053	79 326
Provisions	Note 8.3	61 788	66 010
Total liabilities		**67 865 681**	**63 495 231**
Shareholders' equity			
Shareholders' equity, Group share			
Issued capital	Note 7	1 389 043	1 389 043
Reserves, share premium and retained earnings	Note 7	1 923 589	1 606 797
Net income	Note 7	89 148	303 907
Sub-total		**3 401 780**	**3 299 747**
Unrealised or deferred gains and losses	Note 7	21 748	46 695
Sub-total equity, Group share		**3 423 528**	**3 346 442**
Non-controlling interests		99	110
Total equity		**3 423 627**	**3 346 552**
Total liabilities and equity		**71 289 308**	**66 841 783**

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

INTERIM CONSOLIDATED INCOME STATEMENT

(In EUR thousand)		1st half of 2022	1st half of 2021
Interest and similar income	Note 3.8	324 765	274 836
Interest and similar expense	Note 3.8	(142 518)	(111 076)
Fee income	Note 4.1	222 501	225 790
Fee expense	Note 4.1	(78 503)	(76 726)
Net gains and losses on financial transactions		68 630	27 609
o/w net gains and losses on financial instruments at fair value through profit or loss	*Note 3.2*	*68 630*	*27 609*
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		8 570	14 794
Income from other activities	Note 4.2	2 335	3 770
Expenses from other activities	Note 4.2	(2 495)	(3 673)
Net banking income		**403 285**	**355 324**
Personnel expenses	Note 5.1	(103 876)	(103 086)
Other operating expenses	Note 8.2	(95 750)	(94 673)
Amortisation, depreciation and impairment of tangible and intangible fixed assets and right-of-use assdtets		(19 812)	(21 958)
Gross operating income		**183 847**	**135 607**
Cost of risk	Note 3.9	(101 924)	2 891
Operating income		**81 923**	**138 498**
Net income from investments accounted for using the equity method	Note 2.3	16 294	18 992
Net income/expense from other assets		40	(8)
Earnings before tax		**98 257**	**157 482**
Income tax	Note 6	(9 100)	(13 756)
Consolidated net income		**89 157**	**143 726**
Non-controlling interests		*9*	*14*
Net income, Group share		*89 148*	*143 712*

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 2022	1st half of 2021
Consolidated net income	**89 157**	**143 726**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**(21 015)**	**(10 548)**
Translation differences	(1 505)	805
Revaluation of debt instruments at fair value through other comprehensive income	(2 521)	(11 687)
Revaluation differences of the year	*34 235*	*32 088*
Reclassified into income	*(36 756)*	*(43 775)*
Revaluation of available-for-sale financial assets	(22 795)	(8 041)
Revaluation differences of the year	*(22 154)*	*(2 461)*
Reclassified into income	*(641)*	*(5 580)*
Revaluation of hedging derivatives	7 532	7 773
Revaluation differences of the year	*7 532*	*7 773*
Reclassified into income	-	-
Unrealised gains and losses of entities accounted for using the equity method	(8 130)	(2 849)
Tax related	6 404	3 451
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	10 035	**5 231**
Actuarial gains and losses on defined benefits plans	12 857	6 072
Unrealised gains and losses of entities accounted for using the equity method	-	-
Tax related	(2 822)	(841)
Total unrealised or deferred gains and losses	**(10 980)**	**(5 317)**
Net income and unrealised or deferred gains and losses	**78 177**	**138 409**
o/w Group share	*78 168*	*138 395*
o/w non-controlling interests	*9*	*14*

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 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 06.30.2021	**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**
Effect of changes of the consolidation scope	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-total of changes linked to relations with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in unrealised or deferred gains and losses	**-**	**-**	**-**	**-**	**-**	5 536	8 736	**14 272**	**14 272**	**-**	**14 272**
2nd half of 2021 Net income	-	-	**-**	-	160 195	-	-	-	160 195	28	160 223
Changes in accounting policy	-	-	**-**	145	-	-	-	-	145	-	145
Other changes	-	-	-	(2)	-	-	-	-	(2)	1	(1)
Sub-total	**-**	**-**	**-**	**143**	**-**	**-**	**-**	**-**	**143**	**-**	**144**
Shareholders' equity at 12.31.2021	**1 389 043**	**2 817**	**1 391 860**	**1 603 980**	**303 907**	**32 728**	**13 967**	**46 695**	**3 346 442**	**110**	**3 346 552**
Allocation to retained earnings	-	-	-	317 874	(303 907)	-	(13 967)	(13 967)	-	-	-
Shareholders' equity at 01.01.2022	**1 389 043**	**2 817**	**1 391 860**	**1 921 854**	**-**	**32 728**	**-**	**32 728**	**3 346 442**	**110**	**3 346 552**
2022 dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(20)**	**(20)**
Sub-total of changes linked to relations with shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(20)**	**(20)**
Change in unrealised or deferred gains and losses	**-**	**-**	**-**	**-**	**-**	(21 015)	10 035	**(10 980)**	**(10 980)**	**-**	**(10 980)**
1st half of 2022 Net income	-	-	-	-	89 148	-	-	-	89 148	9	89 157
Other changes	-	-	-	(1 082)	-	-	-	-	(1 082)	-	(1 082)
Sub-total	**-**	**-**	**-**	**(1 082)**	**89 148**	**(21 015)**	**10 035**	**(10 980)**	**77 086**	**9**	**77 095**
Shareholders' equity at 06.30.2022	**1 389 043**	**2 817**	**1 391 860**	**1 920 772**	**89 148**	**11 713**	**10 035**	**21 748**	**3 423 528**	**99**	**3 423 627**

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT

(In EUR thousand)		1st half of 2022	1st half of 2021
Consolidated net income (I)		**89 157**	**143 726**
Amortisation expense on tangible and intangible fixed assets (including operational leasing) and on right-of-use assets		19 812	21 958
Depreciation and net allocation to provisions		100 781	(1 633)
Net income/loss from investments accounted for using the equity method		(16 294)	(18 992)
Change in deferred taxes	Note 6.1	1 277	(1 981)
Change in deferred income		5 971	(748)
Change in prepaid expenses		(655)	(1 800)
Change in accrued income		74 589	(16 581)
Change in accrued expense		62 004	(198 441)
Other changes		30 641	6 115
Non-cash items included in net income and others adjustments excluding income on financial instruments at fair value through profit or loss (II)		**278 126**	**(212 103)**
Income on financial instruments at fair value through profit or loss		81 013	79 051
Interbank transactions		(1 550 224)	1 231 927
Customers transactions		4 891 280	4 079 035
Transactions related to other financial assets and liabilities		720 103	(36 673)
Transactions related to other non financial assets and liabilities		24 792	(2 215)
Income tax paid		(10 075)	(10 606)
Net increase/decrease in cash related to operating assets and liabilities (III)		**4 156 889**	**5 340 519**
Net cash inflow (outflow) related to operating activities (A) = (I) + (II) + (III)		**4 524 172**	**5 272 142**
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long term investments		(517 899)	(1 107 910)
Net cash inflow (outflow) related to tangible and intangible fixed assets		(15 331)	(13 637)
Net cash inflow (outflow) related to investment activities (B)		**(533 230)**	**(1 121 547)**
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)		**3 990 942**	**3 871 595**
Cash due from central banks	Note 3.1	10 966 851	9 871 682
Demand deposits and current accounts with banks	Notes 3.6, 3.7.1	9 483 123	1 625 662
Cash and cash equivalents at the start of the period		**20 449 974**	**11 497 344**
Cash due from central banks	Note 3.1	13 042 866	10 843 308
Demand deposits and current accounts with banks	Notes 3.6, 3.7.1	11 398 050	4 525 631
Cash and cash equivalents at the end of the period		**24 440 916**	**15 368 939**
Net inflow (outflow) in cash and cash equivalents		**3 990 942**	**3 871 595**

Additonal information on operational cash flows from interest:

(In EUR thousand)		1st half of 2022	1st half of 2021
Interest paid	Note 3.8	(132 148)	(116 090)
Interest received	Note 3.8	316 662	292 942
Dividend received	Note 3.2	85 557	105 990

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 April 11,1956. Its name was changed to Luxbanque, Société Luxembourgeoise de Banque S.A. on May 7, 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 June 1, 1995. Furthermore, as of January 27, 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 April 5, 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 financing engineering in private banking, securities services, corporate and investment banking. It is active in the insurance activities through the integrated bank-insurance model.

The Group has also treasury and assets liabilities management functions which are responsible for monitoring,managing and hedging structural risks arising from all the business units within SG Luxembourg.

As at June 30, 2022, 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 publishes IFRS, as adopted by the EU, consolidated financial statements since 2005.

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

These interim condensed consolidated financial statements were approved by the Board of Directors of the Bank on September 27, 2022.

ACCOUNTING STANDARDS

The interim condensed consolidated financial statements for the Group for the six-month period ending June 30, 2022 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 December 31, 2021.

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, magnitude and the economic crisis generated by the Covid-19 health crisis, and by the war in Ukraine.

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.

In accordance with the transitional measures provided by IFRS 9, the Group has elected to recognise hedging transactions under IAS 39 as adopted by the European Union, including measures related to macro-fair value hedge accounting (IAS 39 "carve-out").

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 2022. 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 June 30, 2022 are as follows:

	06.30.2022	12.31.2021	06.30.2021
EUR1=	USD 1.0387	USD 1.1326	USD 1.1884
EUR1=	GBP 0.8582	GBP 0.8403	GBP 0.8581
EUR1=	CHF 0.9960	CHF 1.0331	CHF 1.0980
EUR1=	JPY 141.54	JPY 130.38	JPY 131.43

2. NEW ACCOUNTING STANDARDS APPLIED BY THE GROUP AS OF JANUARY 1, 2022

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

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

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

After the Group’s analysis no material impact has been identified as at June 30, 2022.

AMENDMENTS TO IAS 16 " TANGIBLE FIXED ASSETS - PROCEEDS BEFORE INTENDED USE”

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

These amendments prohibit an entity deducting from the cost of a tangible fixed assets any proceeds from selling items produced while bringing that asset to its location or condition necessary for its operating state. Instead, an entity would recognise the proceeds from selling such items, and the cost of producing those items, in profit or loss.

After the Group’s analysis no material impact has been identified as at June 30, 2022.

ANNUAL IFRS IMPROVEMENTS (2018 - 2020 CYCLE)

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

As part of the annual improvement to IFRS, the IASB published minor changes to IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IFRS 9 “Financial Instruments”, IAS 41 “Agriculture” and IFRS 16 “Leases”.

These changes have no significant impact on the Group financial statements as at June 30, 2022.

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 June 30, 2022. They are required to be applied from annual periods beginning on January 1, 2023 at the earliest or on the date of their adoption by the European Union. They were therefore not applied by the Group as at June 30, 2022.

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

2023

- Amendments to IAS 1 " Classification of liabilities"
- 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
- IFRS 17 “Insurance contracts” and IFRS 9 “Financial Instruments” to the legal entities operating in the insurance sector

AMENDMENTS TO IAS 1 "CLASSIFICATION OF LIABILITIES"

Issued by the IASB on January 23, 2020.

On January 23, 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 January 1, 2022.

On July 15, 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 January 1, 2023. The Accounting Standards Board approved this amendment to IAS on October 1, 2020.

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

AMENDMENTS TO IAS 1 " DISCLOSURE OF ACCOUNTING POLICIES"

Adopted by the European Union March 2, 2022.

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

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

AMENDMENTS TO IAS 8 "DEFINITION OF AN ACCOUNTING ESTIMATE"

Adopted by the European Union March 2, 2022.

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 May 7, 2021.

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

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

Since the date of first application of IFRS 16, the Group has been considering the rights of use and the lease-related debt as a single transaction. Consequently, on the initial recognition date, the amount of deferred tax asset offsets the amount of deferred tax liability. The net temporary differences resulting from later variations in the right of use and lease debt subsequently result in the recognition of a deferred tax. This amendment thus has no impact on the Group's consolidated financial statements.

As such, this amendment has no effect on the Group's consolidated accounts.

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

Issued by the IASB on May 18, 2017, amended on June 25, 2020 and December 9, 2021.

Context

The IFRS 17 standard, published on May 18, 2017 and modified by the amendments adopted on June 25, 2020 and December 9, 2021, will supersede the IFRS 4 "Insurance contracts" standard which allows for the recognition of insurance contracts using the methods specified by the local accounting regulation.

On November 23, 2021, the European Commission (EC) published in the Official Journal, Regulation (EU) 2021/2036 of November 19, 2021 adopting IFRS 17 "Insurance Contracts". This adoption was supplemented with a possibility offered to European companies not to apply the requirement stated in the standard to group certain types of insurance contracts by annual cohort for their measurement; this possibility of exemption will be re-examined by the European Commission no later than December 31, 2027.

The IFRS 17 standard will be applicable from January 1, 2023. At that same date, the Group subsidiaries operating in the insurance sector will, for the first time, apply the IFRS 9 "Financial Instruments" standard the application of which was deferred for these entities according to the possibilities offered by the amendments to IFRS 17 and IFRS 4 published by the IASB on June 25, 2020 and extended by regulations (EU) 2017/1988 and (EU) 2020/2097 of the European Commission.

On December 9, 2021, the IASB published amendments to IFRS 17 to improve the comparative information on the financial assets presented on the first concomitant application of the IFRS 9 and IFRS 7 standards. The process of adoption of these amendments by the European Union is currently underway.

Expected impact on the presentation of the consolidated financial statemetns

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

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

and on the other side:

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

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

Many insurance contracts include an investment component in the form of a deposit made by the policyholder and which the insurer is contractually required to repay even if the insured event doesn't occur. Even if they may take the contractual form of insurance premiums and services, the deposits collection and repayment flows do not constitute either income or expenses in relation to these contracts

The financial income and expenses from the insurance and reinsurance contracts mainly include the variations in value of the groups of contracts relating to the impacts of the time value of money and of the financial risks not taken into account in the estimated flows.

The financial assets representing the investments of insurance companies will be presented on the Group's balance sheet under the items corresponding to the accounting categories of IFRS 9 and will thus be combined with the other Group financial assets. Likewise, the income and expenses related to these financial assets will be presented in the income statement under the items used for the other financial assets of the Group. Specific information about Investments of insurance companies will be provided in the Notes to the financial statements.

Organisation of the IFRS 17 implementation program

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

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

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

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

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

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

At this stage of the IFRS 17 implementation project, the consequences of its application to the Group's financial statements cannot be reasonably estimated.

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 interim condensed consolidated financial statements reflect the current uncertainties that persist about the consequences, duration and magnitude of the economic crisis generated by the war in Ukrainia and the Covid-19 pandemic. The effects of these crisis on the assumptions and estimates used are specified in section 5 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 January 1, 2021.

The Group continues to monitor the negotiations between the United Kingdom and the European Union regarding financial services. As at June 30, 2022, European-only, equivalence for the use of the clearing houses has been extended until June 30,2025.

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. CRISES : COVID-19 AND WAR IN UKRAINE

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

On the other hand, the first half-year 2022 has been strongly impacted, since February 24, by the war in Ukraine. In consequence, this conflict lead to significant economic costs along with considerable uncertainties.

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

In this context, the main impact concerns the provisions for expected credit losses on financial assets.

MACROECONOMIC SCENARIOS

Société Générale Group has updated the macroeconomic scenarios selected to prepare the half-yearly consolidated financial statements and has continued applying certain adjustments to its models.

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

These macro-economic scenarios are taken into account in the credit loss measurement models including forward-looking data.

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

The assumptions selected to draw up the scenarios are listed below:

− The central scenario (SG Central): after a return to a pre-pandemic level at the end of 2021, the risks related to said pandemic have significantly decreased in the short-term (the restrictions related to the pandemic in China would gradually be lifted during the third quarter of 2022). Growth in the euro area will be lower in 2022/2023 owing to inflation (estimated around 7% in 2022, then 2% in 2023) and the likely recession scenario were the energy deliveries from Russia to stop.

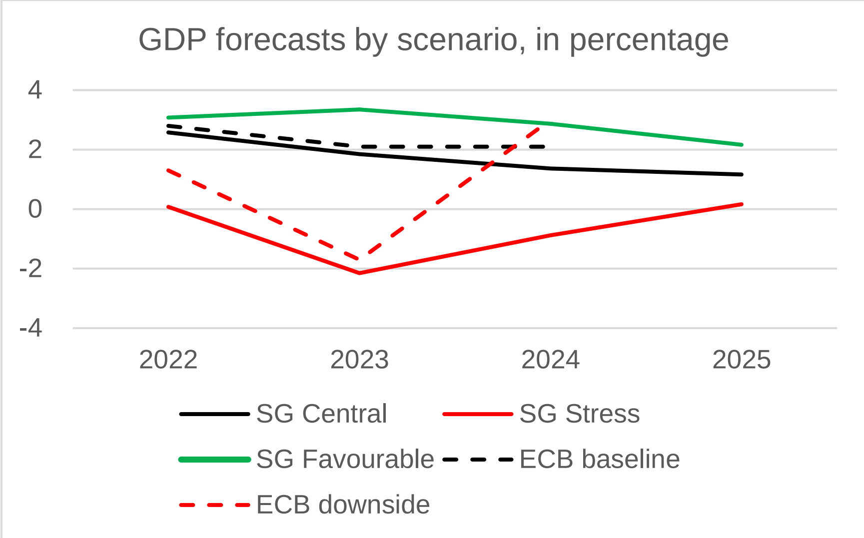
− The favourable scenario (SG Favourable) describes an accelerated economic growth compared to the trajectory projected in the central scenario; this growth may result from improved supply conditions owing to a positive shock on productivity or from unexpectedly improved demand conditions (situation observed in several economies in 2021/2022 following releases from lockdowns). In both cases, stronger growth will have a positive impact on employment and/or the profitability of companies.

− The stressed scenario (SG Stress) corresponds to a crisis situation leading to a negative deviation in GDP compared to the central scenario. This scenario may result from a financial crisis (2008 crisis, Euro area crisis…), an exogenous crisis (Covid-19-like pandemic) or a combination of both.

These scenarios are developed by the Economic and Sector Research Division of Société Générale for all of Société Générale Group entities based in particular on information published by statistical institutes in each country.

Forecasts from institutions (IMF, Global Bank, ECB, OECD…) and the consensus among market economists serve as a reference to ensure the consistency of the scenarios thus constructed.

The illustration below compares the GDP previsions in the euro area used by Societe Generale Group for each scenario with the projections disclosed by the ECB in June 2022.



WEIGHTINGS OF THE MACROECONOMIC SCENARIOS

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

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

Presentation of the changes in weightings as at June 30, 2022 (compared to 2021):

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

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

In 2021, the methodology applied to calculate impairment charges and provisions for expected credit losses in Stage 1 and Stage 2 was developed using the Basel framework as a basis for selecting the methods for assessing the calculation parameters (probability of default and loss rate for outstanding loans under the Basel advanced approaches and provisioning rate for outstanding loans under the standardised approach).

The Group portfolios have been segmented to ensure homogeneity of risk characteristics and better correlation with macroeconomic variables, both local and global. This segmentation makes it possible to address all of the Group's specificities. It is consistent with or similar to the one defined in the Basel framework to ensure the uniqueness of the historical records of losses and defaults.

For the first half-year 2022, Société Générale Group has reviewed, the parameters used in the models based on new macroeconomic scenarios taking into account the specific conditions created by the war in Ukraine.

Expected losses are assessed based on the below-mentioned parameters, supplemented with in-house analyses of the credit quality of each counterparty, performed either individually or statistically.

The impact of the model and post-model adjustments on the assessment of expected credit losses are described hereinafter.

GDP adjustment

- **Year 2022**

For each quarter of 2022, Société Générale Group has used in its models the average of the changes in GDP over the last eight quarters compared to a base of 100 in 2019. This adjustment has been applied to each of the three scenarios (SG Favourable, SG Central and SG Stress) for the GDP series used to model the expected credit losses.

The data presented for 2022, in the table below, correspond to the weighted average of the GDP growth rates of the three scenarios adjusted according to the method described above.

- **Years 2023 to 2026**

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

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

Sectoral adjustments

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

- **Estimate of the expected credit losses**

As described above, the different models used to estimate the expected credit losses may be supplemented by sectoral adjustments that increase or decrease the amount of expected credit losses. These adjustments allow to better anticipate defaults or recoveries in certain cyclical sectors that have been subject to peaks in default in the past or that are particularly vulnerable to the current crisis and Société Générale Group exposure of which exceeds a threshold reviewed and fixed yearly by the Risk division.

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

These changes stem from the implementation of ratios to take account of the impact of raw material supply issues as a result of the war in Ukraine and the impact of a situation of lasting stagflation on the most exposed sectors.

- **Additional criterion of transfer to stage 2**

Since 2020 and the beginning of the Covid-19 crisis, in addition to the criteria applied at the individual level to classify deteriorated loans as Stage 2 underperforming loans, an additional expert analysis has been made on the loan portfolios for which a significant increase in credit risk has been observed since their granting.

The table below summarizes the sectors impacted:

D1	*RAILROAD. AEROSPACE. SHIP MANUFACTURING*
J11	*AIRLINES AND SPACE TRANSPORT*
N1	*LODGING. LEISURES AND GAMING*

For those sectors and although not initially included in IFRS 9 framework, the Group has validated the full transfer to stage 2 of all exposures except:

- Exposures granted after April 1st, 2020, as we have considered that after that date and even though the pandemic situation may have evolved, its potential impact were known and we cannot consider that all contracts in one sector have significantly deteriorated since origination. For these contracts granted after April, the usual criteria apply.
- Exposures already classified in stage 3

IMPACTS ON THE EXPECTED CREDIT LOSSES

The calculation of expected credit losses led the SG Luxembourg Group to record a Net Cost of Risk of 102 million euros as of June 30, 2022.

The main evolutions that occurred over the first half of the year are the following at SG Luxembourg Group level:

- the expected credit losses model was updated to consider the impact of the macroeconomic scenarios as described above;
- furthermore, due to the deteriorating macroeconomic conditions related to the war in Ukraine, all of the Group's Russian corporate counterparties have been classified as "sensitive" (watchlist) and transferred accordingly to Stage 2;
- an additional specific provision was defined for Russian credit exposures on the business lines Corporate and Investment Banking and Private banking in Stage 2 (described in the below section "Other credit risk adjustments related to the war in Ukraine");
- default on two clients exposures increased the provision calculated due to their transfer in Stage 3.
- a specific adjustment computed on economic sectors vulnerable to the Russian-Ukrainian crisis to consider three axes: exposure to price effects, persistent supply difficulties and temporary supply difficulties

The table below describes SG Luxembourg Group cost of risk as of June 30, 2022 splited by business lines:

(in EUR million)	2022 NCR		
Business line	**Stage 1 & Stage 2**	**Stage 3**	**Global**
Private Banking	5,29	- 1,01	4,27
Securities services	- 0,05	-	- 0,05
Corporate and Investment Banking	62,83	35,44	98,27
Corporate center	- 0,58	0,00	- 0,58
SG Luxembourg Group	**67,50**	**34,43**	**101,92**

For further details, refer to Note 3.9.

OTHER CREDIT RISK ADJUSTMENTS RELATED TO THE WAR IN UKRAINE

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

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

For corporate clients, this specific adjustment is based on multi-scenarios approach:

- **Business as usual scenario** (probable to 50%): PD and LGD remain unchanged. To date, this scenario is considered the most likely;

- **Intermediate scenario** (probable to 35%): deepening of the crisis. The average rating of the portfolio decreases to 7. LGDs are downgraded, especially as financing is less secure;

- **Extreme scenario** (probable to 15%): default by all counterparties. LGD downgraded, as in the intermediate scenario. This scenario is still considered to have a lower probability.

In consequence, SG Luxembourg Group accounted a specific adjustment for the period, related to the increase of credit risk concerning offshore exposures on the portfolio of Russian counterparties to take into account the specific risk linked to the current geopolitical situation. For more details on such adjustments, refer to Note 3.9.

IMPACTS ON CREDIT EXPOSURES

The tables below present the exposures (measured at amortised cost) on Russian clients:

- **Corporate and Investment Banking perimeter**

	06.30.2022	
(In EUR million)	**Gross outstanding**	**Net outstanding***
Russian clients exposures	801	505

** The net outstanding columns does not take into account the exposures covered by a specific credit insurance.*

- **Private banking perimeter**

	06.30.2022
(In EUR million)	**EAD**
Russian clients exposures	560
*of which restricted clients**	*64*

**The restricted clients correspond to clients with Russian nationality and tax residence outside of European Union.*

All corporate exposures (EUR 801 million) have been classified as “sensitive” and transferred in Stage 2 with an exception for two particular cases, classified in Stage 3.

On Private banking perimeter, as the exposures are fully collateralized by real estate or financial collaterals, a case-by-case analysis has been performed to identify “sensitive” counterparties.

INTEREST RATE BENCHMARK REFORM – IBOR REFORM

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

This note should be read in conjunction with the audited consolidated financial statements for the year ending December 31, 2021.

Until the end of 2021, the Group primarily centred its work on renegotiating transactions with its clients and transitioning the majority of contracts indexed on the benchmarks terminated or not representative any more at the end of 2021.

As of June 30, 2022, the Group has finalised the transition, there is only one contract that has not been transformed as its due date is August 31, 2022.

Regarding the contracts denominated in LIBOR USD or ICE SWAP RATE USD, both indexes having termination at the end of June 2023, the Group is working to finalise the transition by June 2023.

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 June 30, 2022, compared to the scope applicable at the closing date of December 31, 2021, except for the liquidation of Société Générale Hedging DAC.

NOTE 2.3 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

There is no change related to investments accounted for using the equity method in 2022 compared to the scope applicable as of December 31, 2021.

NOTE 3 - FINANCIAL INSTRUMENTS

NOTE 3.1 – CASH, DUE FROM CENTRAL BANKS

(In EUR thousand)	06.30.2022	12.31.2021
Cash	1 059	695
Balances with central banks	13 041 807	10 966 156
Total	**13 042 866**	**10 966 851**
Mandatory reserve	*431 733*	*389 946*

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

	06.30.2022		12.31.2021	
(In EUR thousand)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Trading portfolio	851 076	567 264	831 097	425 086
Financial instruments mandatorily at fair value through profit or loss	412 759	-	409 485	-
Financial instruments at fair value through profit or loss using the fair value option	-	22 087	-	24 965
Total	**1 263 835**	**589 351**	**1 240 582**	**450 051**

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)	06.30.2022	12.31.2021
Bonds and other debt securities	-	-
Shares and other equity securities	2 381	1 402
Loans and receivables and securities purchased under resale agreements	222 457	393 039
Trading derivatives	626 238	436 656
Total	**851 076**	**831 097**
o/w securities lent	-	**-**

LIABILITIES

(In EUR thousand)	06.30.2022	12.31.2021
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	567 264	425 086
Other trading liabilities	-	-
Total	**567 264**	**425 086**

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)	06.30.2022	12.31.2021
Bonds and other debt securities	47 950	48 003
Shares and other equity securities	92 778	84 973
Loans and receivables	272 031	330 564
Total	**412 759**	**409 485**

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

ASSETS

As at June 30, 2022, as well as at December 31, 2021, the Groups does not hold any asset recorded under *Assets at fair value through profit and loss using fair value option*.

LIABILITIES

As at June 30, 2022, the Group holds structured deposits for EUR 22.1 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 2022. As at December 31, 2021 the structured deposits amounted to EUR 24.9 million.

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

(In EUR thousand)	**1st half of 2022**	**1st half of 2021**
Net gain/loss on trading portfolio (excluding derivatives)	(3 075)	207
Net gain/loss on financial instruments mandatorily at fair value through profit or loss *	3 671	34 367
o/w dividend income	*85 557*	*105 990*
Net gain/loss on financial instruments measured using fair value option	-	(1 303)
Net gain/loss on derivative instruments	50 907	(16 526)
Net gain/loss on hedging transactions	(347)	681
Net gain/loss on foreign exchange transactions	17 474	10 183
Total of net gains and losses on financial instruments at fair value through profit or loss	**68 630**	**27 609**

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)	06.30.2022	12.31.2021
Interest rate instruments	98 882	35 218
Foreign exchange instruments	50 702	42 652
Equity and index instruments	470 683	356 666
Other trading instruments	5 971	2 120
Total	**626 238**	**436 656**

BREAKDOWN OF LIABILITIES

(In EUR thousand)	06.30.2022	12.31.2021
Interest rate instruments	43 686	25 636
Foreign exchange instruments	47 985	42 581
Equity and index instruments	469 601	354 748
Other trading instruments(1)	5 992	2 121
Total	**567 264**	**425 086**

(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)	06.30.2022	12.31.2021
Interest rate instruments	**9 656 309**	**7 723 505**
Firm instruments	9 190 122	7 274 356
Swaps	*9 180 724*	*7 195 456*
FRAs	*9 398*	*78 900*
Options	466 187	449 149
Foreign exchange instruments	**18 426 067**	**23 260 983**
Firm instruments	10 845 727	12 486 642
Options	7 580 340	10 774 341
Equity and index instruments	**8 816 337**	**5 093 725**
Firm instruments	1 613 002	242 806
Options	7 203 335	4 850 919
Commodities instruments	**8 686**	**802**
Firm instruments	8 686	802
Options	-	-
Other trading instruments	**403 812**	**591 021**
Total	**37 311 211**	**36 670 036**

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.

BREAKDOWN OF FAIR VALUE OF HEDGING DERIVATIVES

(In EUR thousand)	06.30.2022		12.31.2021	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Fair Value Hedge				
Interest rate instruments				
Swaps	77 420	27 931	5 445	87 623
Equity and index instruments				
Equity and stock index options			-	-
Cash Flow Hedge				
Interest rate instruments				
Swaps	2 459	3 622	-	10 860
Other instruments				
Other forward financial instruments	8	81	180	-
Total	**79 887**	**31 634**	**5 625**	**98 483**

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)	06.30.2022	12.31.2021
Interest rate instruments	2 589 150	3 611 500
Foreign exchange instruments	-	-
Equity and index instruments	-	-
Commodity instruments	-	-
Credit derivatives	-	-
Other forward financial instruments	1 804	1 804
Total	**2 590 954**	**3 613 304**

DERIVATIVE LIABILITIES (NOTIONAL AMOUNT)

(In EUR thousand)	06.30.2022	12.31.2021
Interest rate instruments	2 589 150	3 611 500
Foreign exchange instruments	-	-
Equity and index instruments	-	-
Commodity instruments	-	-
Credit derivatives	-	-
Other forward financial instruments	-	-
Total	**2 589 150**	**3 611 500**

BREAKDOWN OF NET GAINS/LOSSES ON HEDGING TRANSACTIONS

(In EUR thousand)	1st half of 2022	1st half of 2021
Net gain/loss on hedging transactions		
Net gain/loss on fair value hedging derivatives	*123 124*	*44 529*
Revaluation of hedged items attributable to hedged risks	*(123 465)*	*(43 848)*
Ineffective portion of cash flow hedge	*(6)*	*-*
Total of net gains and losses on financial instruments at fair value through profit or loss from hedging transactions	**(347)**	**681**

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)	06.30.2022	12.31.2021
Bonds and other debt securities	2 304 425	2 815 004
Shares and other equity securities	-	-
Total	**2 304 425**	**2 815 004**
o/w unrealized gain/loss through OCI, excluding deferred taxes and allowances for impairment losses	*27 192*	*29 713*
o/w allowances for impairment losses	*3*	*3*

1. DEBT INSTRUMENTS

CHANGES OF THE CARRYING AMOUNT

(In EUR thousand)	1st half of 2022
Balance on January 1, 2022	**2 815 004**
Acquisitions / disbursements	108 760
Disposals / redemptions	(493 949)
Others	-
Changes in fair value during the year	(116 596)
Changes in related receivables	(8 794)
Translation differences	-
Balance on June 30, 2022	**2 304 425**

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

	06.30.2022		
(In EUR thousand)	Cumulated unrealized gains and losses	*"o.w. without adjustments for credit risk"*	*"o.w. adjustments for credit risk"*
Unrealised gains	27 616	27 613	3
Unrealised losses	(421)	(421)	-
Total	**27 195**	**27 192**	**3**

	12.31.2021		
(In EUR thousand)	Cumulated unrealized gains and losses	*"o.w. without adjustments for credit risk"*	*"o.w. adjustments for credit risk"*
Unrealised gains	31 574	31 571	3
Unrealised losses	(1 858)	(1 858)	-
Total	**29 716**	**29 713**	**3**

2. EQUITY INSTRUMENTS

As at June 30, 2022 and December 31, 2021, 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

	06.30.2022			
(In EUR thousand)	**(L1)**	**(L2)**	**(L3)**	**Total**
Trading portfolio	**2 381**	**848 695**	**-**	**851 076**
Bonds and other debt securities	-	-	-	**-**
Shares and other equity instruments	2 381	-	-	**2 381**
Loans, receivables and repurchase agreements	-	222 457	-	**222 457**
Trading derivatives	-	626 238	-	**626 238**
o/w interest rate instruments	-	*98 882*	-	***98 882***
o/w foreign exchange instruments	-	*50 702*	-	***50 702***
o/w equity and index instruments	-	*470 683*	-	***470 683***
o/w commodity instruments	-	-	-	**-**
o/w other forward financial instruments	-	-	-	**-**
o/w other trading derivatives	-	*5 971*	-	***5 971***
Financial assets measured mandatorily at fair value through profit or loss	**10 451**	**6 230**	**396 078**	**412 759**
Bond and other debt securities	-	-	47 950	***47 950***
Shares and other equity instruments	10 451	6 230	76 097	**92 778**
Loans and receivables	-	-	272 031	**272 031**
o/w loans indexed on commodities instruments	-	-	-	**-**
o/w loans indexed on credit derivatives/securities	-	-	*272 031*	***272 031***
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	**-**	**79 887**	**-**	**79 887**
Interest rate instruments	-	79 879	-	**79 879**
Equity and index instruments	-	-	-	**-**
Other financial assets	-	8	-	**8**
Financial assets at fair value through other comprehensive income	**2 304 425**	**-**	**-**	**2 304 425**
Debt instruments	2 304 425	-	-	**2 304 425**
Total financial assets at fair value	**2 317 257**	**934 812**	**396 078**	**3 648 147**

Notes to the interim condensed consolidated financial statements (continued)
For the period ended June 30, 2022

(In EUR thousand)	12.31.2021 (L1)	(L2)	(L3)	Total
Trading portfolio	**1 402**	**829 695**	**-**	**831 097**
Bonds and other debt securities	-	-	-	**-**
Shares and other equity instruments	1 402	-	-	**1 402**
Loans, receivables and repurchase agreements	-	393 039	-	**393 039**
Trading derivatives	-	436 656	-	**436 656**
o/w interest rate instruments	-	*35 218*	-	***35 218***
o/w foreign exchange instruments	-	*42 652*	-	***42 652***
o/w equity and index instruments	-	*356 666*	-	***356 666***
o/w commodity instruments	-	-	-	**-**
o/w other forward financial instruments	-	-	-	**-**
o/w other trading derivatives	-	*2 120*	-	***2 120***
Financial assets measured mandatorily at fair value through profit or loss	**10 883**	**5 431**	**393 171**	**409 485**
Bond and other debt securities	-	-	48 003	***48 003***
Shares and other equity instruments	10 883	5 431	68 659	**84 973**
Loans and receivables	-	-	276 509	**276 509**
o/w loans indexed on commodities instruments	-	-	-	**-**
o/w loans indexed on credit derivatives/securities	-	-	*276 509*	***276 509***
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	**-**	**5 625**	**-**	**5 625**
Interest rate instruments	-	5 445	-	**5 445**
Equity and index instruments	-	-	-	**-**
Other financial assets	-	180	-	**180**
Financial assets at fair value through other comprehensive income	**2 815 004**	**-**	**-**	**2 815 004**
Debt instruments	2 815 004	-	-	**2 815 004**
Total financial assets at fair value	**2 827 289**	**840 751**	**393 171**	**4 061 211**

2. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

FAIR VALUE HIERARCHY

	06.30.2022			
(In EUR thousand)	**(L1)**	**(L2)**	**(L3)**	**Total**
Trading portfolio	**-**	**567 264**	**-**	**567 264**
Other trading liabilities	-	-	-	**-**
Transaction derivatives	**-**	**567 264**	**-**	**567 264**
o/w interest rate instruments	-	*43 686*	-	***43 686***
o/w foreign exchange instruments	-	*47 985*	-	***47 985***
o/w equity and index instruments	-	*469 601*	-	***469 601***
o/w commodity instruments	-	-	-	**-**
o/w other forward financial instruments	-	-	-	**-**
o/w other trading derivatives	-	*5 992*	-	***5 992***
Financial liabilities at fair value through profit or loss	**-**	**22 087**	**-**	**22 087**
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	-	*22 087*	-	***22 087***
o/w other financial instruments	-	-	-	**-**
Hedging derivatives	**-**	**31 634**	**-**	**31 634**
Interest rate instruments	-	31 553	-	**31 553**
Other financial instruments	-	81	-	**81**
Total financial liabilities at fair value	**-**	**620 985**	**-**	**620 985**

	12.31.2021			
(In EUR thousand)	**(L1)**	**(L2)**	**(L3)**	**Total**
Trading portfolio	**-**	**425 086**	**-**	**425 086**
Other trading liabilities	-	-	-	**-**
Transaction derivatives	**-**	**425 086**	**-**	**425 086**
o/w interest rate instruments	-	*25 636*	-	***25 636***
o/w foreign exchange instruments	-	*42 581*	-	***42 581***
o/w equity and index instruments	-	*354 748*	-	***354 748***
o/w commodity instruments	-	-	-	**-**
o/w other forward financial instruments	-	-	-	**-**
o/w other trading derivatives	-	*2 121*	-	***2 121***
Financial liabilities at fair value through profit or loss	**-**	**24 965**	**-**	**24 965**
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	-	*24 965*	-	***24 965***
o/w other financial instruments	-	-	-	**-**
Hedging derivatives	**-**	**98 483**	**-**	**98 483**
Interest rate instruments	-	98 483	-	**98 483**
Other financial instruments	-	-	-	**-**
Total financial liabilities at fair value	**-**	**548 534**	**-**	**548 534**

3. VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

During the first half of 2022, no transfer of level 3 instruments was observed and no new financial instruments were classified 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 2022 and 2021.

FINANCIAL ASSETS

	06.30.2022								
(In EUR thousand)	**Balance at 01.01.2022**	**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 06.30.2022**
Financial assets measured mandatorily at fair value through profit or loss	**393 171**	**-**	**(969)**	**-**	**-**	**2 083**	**1 797**	**(4)**	**396 078**
Bonds and other debt securi-ties	48 003	-	-	-	-	(49)	-	(4)	**47 950**
Shares and other equity in-struments	68 659	-	(969)	-	-	6 610	1 797	-	**76 097**
Loans and receivables	276 509	**-**	**-**	**-**	**-**	(4 478)	**-**	-	**272 031**
o/w loans indexed on com-modities instruments	**-**	-	-	-	-	-	-	-	**-**
o/w loans indexed on credit derivatives/securities	*276 509*	-	-	-	-	*(4 478)*	-	-	***272 031***
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	-	-	-	-	-	-	-	-	**-**
Total financial assets at fair value	**393 171**	**-**	**(969)**	**-**	**-**	**2 083**	**1 797**	**(4)**	**396 078**

4. VALUATION METHODS OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE 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 symetrically 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 methods:

- 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 June 30, 2022 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	76	-	Equity shares	Discounted cash flows or dividend distribution models	Equity dividends	0%; 20.1%
					Correlations	-80% ; 99.6%
					Illiquidity discount	0% ; 20%
Credit	320	-	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	**396**	**-**				

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

(In EUR thousand)	06.30.2022		12.31.2021	
	Carrying amount	o/w impair-ment	**Carrying amount**	o/w impairment
Due from banks	23 261 636	(723)	19 840 378	*(1 429)*
Customer loans	21 847 104	(191 128)	22 817 851	*(84 247)*
Securities	8 592 579	(98)	8 051 597	*(200)*
Total	**53 701 319**	**(191 949)**	**50 709 826**	***(85 876)***

2. DUE FROM BANKS

(In EUR thousand)	06.30.2022	12.31.2021
Deposits and loans		
Demand and overnights		
Current accounts	7 844 321	7 000 540
Overnight deposits and loans and others	3 831 136	2 554 887
Term		
Term deposits and loans	11 553 987	10 266 716
Subordinated and participating loans	-	-
Loans secured by notes and securities	32 772	19 438
Gross amount	**23 262 216**	**19 841 581**
Impairment		
Allowances for impairment losses	(723)	(1 429)
Revaluation of hedged items	**-**	**-**
Net amount	**23 261 493**	**19 840 152**
Securities purchased under resale agreements	143	226
Total	**23 261 636**	**19 840 378**

3. CUSTOMER LOANS

(In EUR thousand)	06.30.2022	12.31.2021
Unsecured loans(1)	9 173 845	11 140 474
Other collateralized loans	7 320 884	6 698 116
Housing loans	3 118 970	3 075 058
Overdrafts	1 424 643	1 127 422
Lease Financing agreements	271 245	353 161
Subordinated loans	37 000	37 000
Related receivables	46 770	44 438
Doubtful loans	654 266	426 429
Customer loans before impairment	**22 047 623**	**22 902 098**
Impairment	(191 128)	(84 247)
Revaluation of hedged items	**(9 391)**	-
Net customer loans	**21 847 104**	**22 817 851**

(1) Unsecured loans include exposures with related parties, which are guaranteed by Société Générale Group, amounting EUR 6 037 million at as June 30, 2022 (December 31, 2021: EUR 7 223 million).

4. SECURITIES

(In EUR thousand)	06.30.2022	12.31.2021
Negotiable certificates, bonds and other debt securities	8 589 764	8 050 198
Related receivables	2 913	1 599
Securities before impairment	**8 592 677**	**8 051 797**
Impairment	(98)	(200)
Securities	**8 592 579**	**8 051 597**

NOTE 3.7 - DEBTS

1. DUE TO BANKS

(In EUR thousand)	06.30.2022	12.31.2021
Term deposits	22 784 759	23 164 612
Securities sold under repurchase agreements	544 556	890 136
Demand deposits and current accounts	277 407	72 304
Related payables	14 197	6 778
Overnight deposits and borrowings and others	154 218	13 458
Total	**23 775 137**	**24 147 288**

2. CUSTOMER DEPOSITS

(In EUR thousand)	0§.30.2022	12.31.2021
Demand deposits	28 474 917	23 785 664
Term deposits	13 899 751	14 219 578
Related payables	4 195	1 266
Total customer deposits	**42 378 863**	**38 006 508**
Securities sold to customers under repurchase agreements	-	-
Total	**42 378 863**	**38 006 508**

BREAKDOWN OF OTHER DEMAND DEPOSITS BY CUSTOMER TYPE

(In EUR thousand)	06.30.2022	12.31.2021
Non financial corporations	1 927 300	1 951 329
Individual customers	3 484 958	3 348 668
Financial customers	23 062 659	18 485 667
Others	-	-
Total	**28 474 917**	**23 785 664**

3. DEBT SECURITIES ISSUED

(In EUR thousand)	06.30.2022	12.31.2021
Interbank certificates and negotiable debt instruments	28 358	44 779
Related payables	306	305
Total	**28 664**	**45 084**

NOTE 3.8 - INTEREST INCOME AND EXPENSE

	1st half of 2022			1st half of 2021		
(In EUR thousand)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Financial instruments at amortised cost	303 810	(118 278)	185 532	251 498	(79 487)	172 011
Central banks	-	(20 248)	(20 248)	-	*(19 385)*	*(19 385)*
Bonds and other debt securities	51 470	(458)	51 012	*42 219*	*(1 656)*	*40 563*
Due from/to banks	73 174	(59 613)	13 561	*59 007*	*(40 268)*	*18 739*
Customer loans and deposits	177 037	(37 853)	139 184	*146 838*	*(18 178)*	*128 660*
Securities lending/borrowing	-	(106)	(106)	*1 232*	-	*1 232*
Securities purchased/sold under resale/purchase agreements and borrowings secured by notes and securities	2 129	-	2 129	*2 202*	-	*2 202*
Hedging derivatives	3 825	(24 055)	(20 230)	838	(31 369)	(30 531)
Financial instruments at fair value through other comprehensive income	16 623	-	16 623	20 909	-	20 909
Lease agreement	23	(185)	(162)	40	(220)	(180)
Real estate lease agreements	-	(182)	(182)	-	*(219)*	*(219)*
Non-real estate lease agreements	23	(3)	20	*40*	*(1)*	*39*
Subtotal interest income/expense on financial instruments using the effective interest method	**324 281**	**(142 518)**	**181 763**	**273 285**	**(111 076)**	**162 209**
Financial instruments at fair value through profit or loss	484	-	484	1 551	-	1 551
Total Interest income and expense	**324 765**	**(142 518)**	**182 247**	**274 836**	**(111 076)**	**163 760**
o/w interest income from impaired financial assets	5 139	-	5 139	*4 606*	-	*4 606*

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)	06.30.2022	12.31.2021
Impairment of financial assets at fair value through other comprehensive income	**3**	**3**
Impairment of financial assets at amortised cost	**192 148**	**86 062**
Loans and receivables at amortized cost, including debt securities	*191 949*	*85 876*
Other assets at amortized cost	*199*	*186*
Total impairment of financial assets	**192 151**	**86 065**
Provisions on Financing commitments	1 272	1 610
Provisions on Guarantee commitments	331	895
Total credit risk provisions	**1 603**	**2 505**

1. IMPAIRMENT OF FINANCIAL ASSETS

BREAKDOWN OF FINANCIAL ASSETS IMPAIRMENT

(In EUR thousand)	Amounts at 01.01.2022	Allocations	Reversals available*	Net allocations	Reversals used**	Currency	Amounts at 06.30.2022
Financial assets at fair value through other comprehensive income	**3**	**14**	**(14)**	**-**	**-**	**-**	**3**
Impairment on performing outstandings (Stage 1)	**3**	14	(14)	-	-	-	3
Impairment on under-performing outstandings (Stage 2)	-	-	-	-	-	-	-
Impairment on doubtful outstandings (Stage 3)	-	-	-	-	-	-	-
Financial assets at amortised cost	**86 062**	**113 009**	**(10 142)**	**102 867**	**-**	**3 219**	**192 148**
Impairment on performing outstandings (Stage 1)	17 411	7 010	(4 482)	2 528	-	277	20 216
Impairment on under-performing outstandings (Stage 2)	2 820	66 859	(1 324)	65 535	-	304	68 659
Impairment on doubtful outstandings (Stage 3)	65 831	39 140	(4 336)	34 804	-	2 638	103 273
TOTAL	**86 065**	**113 023**	**(10 156)**	**102 867**	**-**	**3 219**	**192 151**

*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 01.01.2022	Production & Acquisition	Derecognition (among which write-offs) and repayments	Transfer between stages of impairment and model updates	Other variations	Amounts at 06.30.2022
Financial assets at fair value through other comprehensive income	**3**	**14**	**(14)**	**-**	**-**	**3**
Impairment on performing outstandings (Stage 1)	3	14	(14)	-	-	**3**
Impairment on under-performing outstandings (Stage 2)	-	-	-	-	-	**-**
Impairment on doubtful outstandings (Stage 3)	-	-	-	-	-	**-**
Financial assets at amortised cost	**86 062**	**3 280**	**(5 590)**	**104 500**	**3 896**	**192 148**
Impairment on performing outstandings (Stage 1)	17 411	3 280	(2 902)	(1 372)	3 799	**20 216**
Impairment of under-performing outstandings (Stage 2)	2 820	**-**	(28)	65 808	59	**68 659**
Impairment on doubtful outstandings (Stage 3)	65 831	-	(2 660)	40 064	38	**103 273**
TOTAL	**86 065**	**3 294**	**(5 604)**	**104 500**	**3 896**	**192 151**

2. CREDIT RISK PROVISIONS

BREAKDOWN OF PROVISIONS

(In EUR thousand)	Amounts at 01.01.2022	Allocations	Reversals available	Net impairment losses	Currency	Amounts at 06.30.2022
Financing commitments	**1 610**	**651**	**(1 025)**	**(374)**	**36**	**1 272**
Provisions on performing outstandings (Stage 1)	1 119	355	(487)	(132)	36	**1 023**
Provisions on under-performing outstandings (Stage 2)	477	252	(480)	(228)	-	**249**
Provisions on doubtful outstandings (Stage 3)	14	44	(58)	(14)	-	**-**
Guarantee commitments	**895**	**217**	**(786)**	**(569)**	**5**	**331**
Provisions on performing outstandings (Stage 1)	354	202	(353)	(151)	3	**206**
Provisions on under-performing outstandings (Stage 2)	241	15	(133)	(118)	2	**125**
Provisions on doubtful outstandings (Stage 3)	300	-	(300)	(300)	-	**-**
TOTAL	**2 505**	**868**	**(1 811)**	**(943)**	**41**	**1 603**

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

(In EUR thousand)	Amounts at 01.01.2022	Production & Acquisition	Derecognition (among which write-offs) and repayments	Transfer between stages of impairment	Other variations	Amounts at 06.30.2022
Financing and Guarantee commitments						
Provisions on performing outstandings (Stage 1)	1 474	554	(367)	(416)	(16)	**1 229**
Provisions on under-performing outstandings (Stage 2)	717	-	(571)	183	45	**374**
Provisions on doubtful outstandings (Stage 3)	314	-	(300)	-	(14)	**-**
Total	**2 505**	**554**	**(1 238)**	**(233)**	**15**	**1 603**

3. COST OF RISK

(In EUR thousand)	1st half of 2022	1st half of 2021
Credit risk		
Net allocation to impairment losses	**(102 867)**	2 894
On financial assets at fair value through other comprehensive income	-	*6*
On financial assets at amortised cost	(102 867)	*2 888*
Net allocations to provisions	**943**	32
On financing commitments	374	*745*
On guarantee commitments	569	*(713)*
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	**(101 924)**	**2 891**

The negative net cost of risk of EUR 101.9 million is mainly explained by:

- Stage 1: An increase of EUR 4 million linked to :
  - A EUR 3.6 million specific provision on the Private Banking perimeter to better reflect the credit risk deterioration on some portfolios.

- Stage 2: An increase of EUR 63 million mainly linked to :
  - A EUR 60 million additional provision on Russian counterparties on the Corporate and Investment Banking perimeter to take into account the uncertainties related to the war in Ukraine.
  - All corporate Russian counterparties were classified in Watchlist amounting EUR 3.2 million.

- Stage 3 : An increase of EUR 34 million linked to:
  - An increase of provisioning related to credits classified in default: EUR 34 million, mainly due to two Russian clients on the Corporate and Investment Banking perimeter were affected by this provision following sanctions against their shareholders.

NOTE 3.10 – FIDUCIARY ISSUANCE

The Group provides management and representation services to third parties, particularly wealth management services, custody and administration of securities, fiduciary representation, and agent functions.

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

During 2022, the Bank issued 4 fiduciary notes in EUR for a nominal amount of EUR 867.3 million,1 fiduciary note in CHF for a nominal amount of CHF 305.7 million and 1 fiduciary note in USD for a nominal amount of USD 407.9 million, 1 fiduciary note in GBP for a nominal amount of GBP 3.3 million and 1 fiduciary note in SGD for a nominal amount of SGD 7 million.

As at June 30, 2022, the Bank had 77 outstanding notes (December 31,2021: 85), listed on the Luxembourg Stock Exchange, amounting to EUR 8 billion (December 31,2020: 9.6 billion):

- 22 notes in JPY for a nominal amount of JPY 407.4 billion (December 31, 2021: 22 notes in JPY for a nominal amount of JPY 451.74 billion).
- 51 notes in EUR for a nominal amount of EUR 4.4 billion (December 31,2021: 63 notes in EUR for a nominal amount of EUR 6.18 billion).
- 1 note in USD for a nominal amount of USD 407.9 milion.
- 1 note in CHF for a nominal amount of CHF 305.7 million.
- 1 note in SGD for a nominal amount of SGD 7 million.
- 1 note in GBP for a nominal amount of GBP 3.3 million.

The Group fiduciary issuance with the Parent Company Société Générale represents EUR 468 million as of June 30, 2022 (December 31, 2021: EUR 466 million).

NOTE 4 - OTHER ACTIVITIES

NOTE 4.1 - FEE INCOME AND EXPENSE

(In EUR thousand)	1st half of 2022			1st half of 2021		
	Income	**Expense**	**Net**	**Income**	**Expense**	**Net**
Transactions with banks	**233**	**(2 549)**	**(2 316)**	**469**	**(2 448)**	**(1 979)**
Transactions with customers	**37 020**	**-**	**37 020**	**50 877**	**-**	**50 877**
Financial instruments operations	**66 821**	**(30 572)**	**36 249**	**63 042**	**(32 481)**	**30 561**
Securities transactions	41 300	(29 532)	11 768	45 129	(31 176)	13 953
Primary market transactions	18 114	-	18 114	12 725	-	12 725
Foreign exchange transactions and financial derivatives	7 407	(1 040)	6 367	5 188	(1 305)	3 883
Loan and guarantee commitments	**33 462**	**(26 679)**	**6 783**	**34 249**	**(21 605)**	**12 644**
Sundry services	**72 639**	**-**	**72 639**	**62 461**	**-**	**62 461**
Fund administration fees and custody fees	34 060	-	34 060	*28 918*	-	*28 918*
Asset management fees	33 072	-	33 072	*28 431*	-	*28 431*
Means of payment fees	2 118	-	2 118	*1 832*	-	*1 832*
Insurance products fees	1 314	-	1 314	*1 234*	-	*1 234*
Underwriting fees of UCITS	2 075	-	2 075	*2 046*	-	*2 046*
Others	**12 326**	**(18 703)**	**(6 377)**	**14 692**	**(20 192)**	**(5 500)**
Total	**222 501**	**(78 503)**	**143 998**	**225 790**	**(76 726)**	**149 064**

NOTE 4.2 - INCOME AND EXPENSE FROM OTHER ACTIVITIES

(In EUR thousand)	1st half of 2022	1st half of 2021
Income from other activities	2 335	3 770
Expenses from other activities	(2 495)	(3 673)
Total	**(160)**	**97**

NOTE 4.3 - OTHER ASSETS AND LIABILITIES

1. OTHER ASSETS

(In EUR thousand)	06.30.2022	12.31.2021
Guarantee deposits paid [1]	93 491	151 579
Settlement accounts on securities transactions	195 268	100 308
Prepaid expenses	7 148	6 493
Miscellaneous receivables	171 804	223 765
Amounts receivable and prepayments	*100 313*	*188 166*
Other	*71 491*	*35 599*
Gross amount	**467 711**	**482 145**
Impairment	(199)	(186)
Net amount	**467 512**	**481 959**

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

2. OTHER LIABILITIES

(In EUR thousand)	06.30.2022	12.31.2021
Guarantee deposits received	163 639	37 786
Settlement accounts on securities transactions	103 053	58 655
Expenses payable on employee benefits	20 213	29 625
Lease liability	75 014	81 911
Deferred income	22 728	16 757
Miscellaneous payables[1]	427 001	256 990
Other securities transactions	*25*	*23*
Amounts payables and sundry creditors	*426 976*	*256 967*
Total	**811 648**	**481 724**

(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 2022	1st half of 2021
Employee compensation	(86 861)	(86 782)
Social security charges and payroll taxes	(7 660)	(7 312)
Net pension expenses - defined contribution plans	(1 679)	(2 238)
Net pension expenses - defined benefit plans	(7 676)	(6 754)
Employee profit-sharing and incentives	-	-
Total	**(103 876)**	**(103 086)**
Including net expenses from share-based payments	(1 091)	*(1 269)*

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 01.01.2022	Alloca-tions	Reversals/ utilization	Net allo-ca-tion	Actuarial gains and losses	Other	Provisions at 06.30.2022
Provisions for em-ployee benefits	**58 175**	**4 485**	**(3 314)**	**1 171**	**(12 857)**	**30**	**46 519**
Provisions for retirement plans	*45 355*	*3 909*	*(2 940)*	*969*	*(12 857)*	*(20)*	*33 447*
Provisions for other long-term benefits	*11 166*	*417*	*(179)*	*238*	-	*44*	*11 448*
Other provisions for em-ployee benefits	*1 654*	*159*	*(195)*	*(36)*	-	*6*	*1 624*

NOTE 6 - INCOME TAX

1. INCOME TAX

(In EUR thousand)	1st half of 2022	1st half of 2021
Current taxes	(7 823)	(15 737)
Deferred taxes	(1 277)	1 981
Total taxes	**(9 100)**	**(13 756)**

2. TAX ASSETS AND LIABILITIES

TAX ASSETS

(In EUR thousand)	06.30.2022	12.31.2021
Current tax assets	2 189	1 543
Deferred tax assets	2 153	17
o/w deferred tax assets on tax loss carryforward	-	-
o/w deferred tax assets on temporary differences	2 153	17
Total	**4 342**	**1 560**

TAX LIABILITIES

(In EUR thousand)	06.30.2022	12.31.2021
Current tax liabilities	20 897	23 149
Deferred tax liabilities and provision from income tax adjustments	99 646	97 608
Total	**120 543**	**120 757**

NOTE 7 - SHAREHOLDERS' EQUITY

(In EUR thousand)	06.30.2022	12.31.2021
Share capital	1 389 043	1 389 043
Share premium	2 817	2 817
Consolidation reserve	570 558	516 634
Revaluation reserve	21 748	46 695
Legal reserve	138 905	138 905
Special reserve for Net Wealth Tax reduction	249 965	239 022
Retained earnings	961 344	709 419
Net income for the year	89 148	303 907
Total	**3 423 528**	**3 346 442**

1. SHARE CAPITAL

As at June 30, 2022 and December 31, 2021, 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)	06.30.2022	12.31.2021
Translation reserve	(5 886)	(4 381)
Revaluation of debt instruments at fair value through other comprehensive income	27 195	29 716
Revaluation reserve of available-for-sale financial assets	(1 118)	21 677
Revaluation of hedging derivatives	1 630	(5 902)
Unrealized gains and losses of entities accounted for using the equity method	(4 178)	3 952
Tax related	(5 930)	(12 334)
Unrealized or deferred gains (losses) that may be reclassified subsequently to profit or loss	**11 713**	**32 728**
Actuarial gains (losses) on defined benefits plans	12 857	16 223
Unrealised gains and losses of entities accounted for using the equity method	-	-
Revaluation of equity instruments at fair value through other comprehensive income	-	-
Tax related	(2 822)	(2 256)
Unrealized or deferred gains (losses) that will not be reclassified subsequently to profit or loss	**10 035**	**13 967**
Total Revaluation reserve	**21 748**	**46 695**

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 June 30, 2022 and December 31, 2021 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 December 31, 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 January 1, of the year following the year in which the Net Wealth Tax has been reduced.

(In EUR thousand)	**06.30.2022**	**12.31.2021**
2016	-	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	42 738
2022	41 924	-
Total	**249 965**	**239 022**

6. DIVIDENDS PAID

In the first half of 2022, following the General meeting held on May 31, 2022, SG Luxembourg did not pay any dividends.

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 2022

(In EUR thousand)	**Private Banking**	**Securities Services**	**Corporate and Investment Banking**	**Insurance activities**	**Corporate center**	**Total**
Interest margin	69 869	22 108	94 491	(151)	(4 070)	**182 247**
Net fees income	65 894	53 278	24 293	(374)	907	**143 998**
Net income from other activity	1 257	(316)	(729)	-	(372)	**(160)**
Total income on financial instruments	11 855	723	(8 409)	-	64 461	**68 630**
Net income of insurance activities	-	-	-	8 570	-	**8 570**
Internal remuneration	886	397	3 058	-	(4 341)	**-**
Net banking income	**149 761**	**76 190**	**112 704**	**8 045**	**56 585**	**403 285**
Operating expenses	(119 490)	(56 884)	(40 733)	(497)	(1 834)	**(219 438)**
Gross operating income	**30 271**	**19 306**	**71 971**	**7 548**	**54 751**	**183 847**
Cost of risk	(4 232)	30	(98 232)	-	510	**(101 924)**
Operating income	**26 039**	**19 336**	**(26 261)**	**7 548**	**55 261**	**81 923**
Net income from investments accounted for using the equity method	-	-	10 597	5 697	-	**16 294**
Net income/expense from other assets	-	-	(1)	41	-	**40**
Consolidated Net Income before tax	**26 039**	**19 336**	**(15 665)**	**13 286**	**55 261**	**98 257**
Tax expenses	(2 412)	(1 791)	1 451	(1 230)	(5 118)	**(9 100)**
Consolidated net income	**23 627**	**17 545**	**(14 214)**	**12 056**	**50 143**	**89 157**

06.30.2022

(In EUR thousand)	Private Banking	Securities Services	Corporate and Investment Banking	Insurance activities	Corporate center	Total
Total assets	**49 571 273**	**889 705**	**20 225 776**	**185 904**	**416 650**	**71 289 308**
o/w customer loans and securities at amortised cost (Note 3.6)	*14 639 841*	*180 594*	*15 535 205*	*-*	*84 043*	*30 439 683*
Total liabilities and equity	**42 118 726**	**7 261 403**	**17 053 667**	**185 904**	**4 669 608**	**71 289 308**
o/w customer deposits (Note 3.7)	*23 060 262*	*6 133 301*	*10 589 750*	*-*	*2 595 550*	*42 378 863*

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**

12.31.2021

(In EUR thousand)	Private Banking	Securities Services	Corporate and Investment Banking	Insurance activities	Corporate center	Total
Total assets	**45 213 253**	**1 094 376**	**19 894 259**	**359 471**	**280 424**	**66 841 783**
o/w customer loans and securities at amortised cost (Note 3.6)	*15 552 104*	*270 986*	*14 977 588*	*-*	*68 769*	*30 869 447*
Total liabilities and equity	**37 231 047**	**7 745 830**	**17 111 119**	**359 471**	**4 394 316**	**66 841 783**
o/w customer deposits (Note 3.7)	*18 963 159*	*6 316 604*	*10 432 234*	*-*	*2 294 511*	*38 006 508*

NOTE 8.2 - OTHER OPERATING EXPENSES

(In EUR thousand)	1st half of 2022	1st half of 2021
VAT and other taxes (1)	(29 558)	(25 304)
Re-charge fees (2)	(24 800)	(24 994)
IT expenses	(16 471)	(16 377)
Professional fees	(9 683)	(14 274)
Service and maintenance	(4 807)	(4 694)
Data provider fees	(3 525)	(3 142)
Telecommunication expenses	(1 974)	(1 851)
Other operating expenses	(1 915)	(1 570)
Marketing, advertising and public relations	(947)	(796)
Premises and equipment leases	(748)	(507)
Administrative expenses	(461)	(476)
Insurance fees	(547)	(472)
Training	(314)	(216)
Total	**(95 750)**	**(94 673)**

(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 May 15, 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 July 15, 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)	2022	2021
Net contribution paid	31 316	25 220
IPC deposit (15% of net contribution)	(4 697)	(3 783)
Total	**26 619**	**21 437**

NOTE 8.3 - PROVISIONS

BREAKDOWN OF PROVISIONS

(In EUR thousand)	**Provisions at 01.01.2022**	**Allocations**	**Reversals available**	**Net allo-cation**	**Actuarial Gain and Losses**	**Currency and others**	**Provisions at 06.30.2022**
Provisions for credit of risk on off statement of financial commitments (see Note 3.9)	2 505	868	(1 811)	(943)	-	41	1 603
Provisions for employee benefits (see Note 5.2)	58 175	4 485	(3 314)	1 171	(12 857)	30	46 519
Other provisions(1)	5 330	189	(50)	139	-	8 197	13 666
Total	66 010	5 542	(5 175)	367	(12 857)	8 268	61 788

(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

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 in Other provisions part of the liability "Provisions" item.

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, Société Générale 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), holding deposits at SIBL and/or holding Certificates of Deposit issued by SIBL as of February 16, 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 be 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 in April 2015, ultimately permitted the substantial majority of the claims to proceed.

On November 7, 2017, the District Court denied the plaintiffs' motion for class certification. On May 3, 2019, several hundred individual plaintiffs filed motions to intervene in the pending OSIC action seeking to recover their own losses in their Stanford investments. By order of September 18, 2019 the court denied the motions to proceed. One group of plaintiffs appealed the denial, which was rejected by the court of appeal on February 3, 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 February 12, 2021, all parties in the litigation filed motions for summary judgment. SGPBS seeks dismissal of all pending claims, and OSIC, renewing a prior unsuccessful motion for summary judgement seeks return of a USD 95 million transfer to SGPBS in 2008. Discovery has been completed.

On January 19, 2022, the US District Court for the Northern District of Texas asked the Judicial Panel for Multidistrict Litigation to remand the case to US District Court for the Southern District of Texas in Houston, where it was originally filed, for further proceedings, including trial. The following day, the US District Court for the Northern District of Texas ruled on the pending motions for summary judgment denying SGPBS's and OSIC's motions. The case was formally remanded to the Southern District of Texas in Houston by order of January 28, 2022, and that court has set February 27, 2023, as the date on which the trial will begin.

Société Générale 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 their position in the action. In decisions dated November 22 , 2016 and October 3, 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 February 25, 2019, the Second Circuit vacated the judgements and remanded for further proceedings. On June 1, 2020, the United States Supreme Court denied Defendant-Appellees' petition for a writ of certiorari.

The case is now before the Bankruptcy Court for further proceedings. The SG defendants filed a motion to dismiss on April 29, 2022.

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 done in accordance with the model for estimating expected credit losses introduced by IFRS 9 and the breakdown 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)	06.30.2022				12.31.2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Sovereign	6 242	-	-	**6 242**	8 188	-	-	**8 188**
Institutions	23 938 644	29 945	-	**23 968 589**	20 371 008	-	-	**20 371 008**
Corporates	28 305 353	939 530	588 735	**29 833 618**	29 629 945	517 777	359 082	**30 506 804**
Retail	3 720 543	99 089	65 531	**3 885 163**	3 522 773	46 307	67 896	**3 636 976**
Total	**55 970 782**	**1 068 564**	**654 266**	**57 693 612**	**53 531 914**	**564 084**	**426 978**	**54 522 976**

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

	06.30.2022				12.31.2021			
(In EUR thousand)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Luxembourg	8 982 280	41 925	228 786	**9 252 991**	10 414 562	43 632	238 381	**10 696 575**
Africa and Middle East	2 202 461	106 756	9 555	**2 318 772**	2 170 088	136 295	14 792	**2 321 175**
Asia Pacific	477 322	-	-	**477 322**	626 994	-	-	**626 994**
Eastern Europe (excluding EU)	41 921	403 820	230 384	**676 125**	701 119	4 802	-	**705 921**
Eastern Europe EU	24 405	4	-	**24 409**	22 818	11 001	-	**33 819**
Latin America and Caribbean	2 841 230	82 731	-	**2 923 961**	2 538 719	83 273	1	**2 621 993**
North America	2 002 459	-	-	**2 002 459**	1 671 386	-	-	**1 671 386**
Western Europe (excluding Luxembourg)	39 398 704	433 328	185 541	**40 017 573**	35 386 228	285 081	173 804	**35 845 113**
Total	**55 970 782**	**1 068 564**	**654 266**	**57 693 612**	**53 531 914**	**564 084**	**426 978**	**54 522 976**

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

	06.30.2022				12.31.2021			
(In EUR thousand)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Sovereign	1	-	-	**1**	1	-	-	**1**
Institutions	651	86	-	**737**	1 556	-	-	**1 556**
Corporates	14 934	68 128	88 574	**171 636**	12 859	3 322	51 779	**67 960**
Retail	5 862	732	14 586	**21 181**	4 469	139	14 256	**18 864**
Total	**21 448**	**68 946**	**103 160**	**193 554**	**18 885**	**3 461**	**66 035**	**88 381**

Table 4: Geographical breakdown of provisions and impairment for credit risk based on the tax residency

	06.30.2022				12.31.2021			
(In EUR thousand)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Luxembourg	2 876	524	26 483	**29 883**	2 789	614	28 356	**31 759**
Africa and Middle East	790	82	7 433	**8 305**	844	242	7 145	**8 231**
Asia Pacific	129	-	-	**129**	146	-	-	**146**
Eastern Europe (excluding EU)	28	46 972	39 209	**86 209**	556	3	-	**559**
Eastern Europe EU	14	-	-	**14**	34	-	-	**34**
Latin America and Caribbean	495	108	-	**603**	548	44	-	**592**
North America	336	-	-	**336**	373	-	-	**373**
Western Europe (excluding Luxembourg)	16 780	21 260	30 035	**68 075**	13 595	2 558	30 534	**46 687**
Total	**21 448**	**68 946**	**103 160**	**193 554**	**18 885**	**3 461**	**66 035**	**88 381**

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

	06.30.2022							
	Provisioned outstandings				Impairment and Provisions			
(in EUR thousand)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	-	-	-	**-**	-	-	-	**-**
2	920 963	-	-	**920 963**	21	-	-	**21**
3	28 413 786	**-**	-	**28 413 786**	689	-	-	**689**
4	3 447 733	130 303	-	**3 578 036**	778	91	-	**869**
5	2 268 410	124 927	-	**2 393 337**	1 463	1 218	-	**2 681**
6	85 238	87 505	-	**172 743**	1 154	41 381	-	**42 535**
7	341	9 714	-	**10 055**	-	507	-	**507**
Default (8,9,10)	-	-	654 266	**654 266**	-	-	103 160	**103 160**
Other method [(1)]	20 834 311	716 114	-	**21 550 425**	17 343	25 749	-	**43 092**
TOTAL	**55 970 782**	**1 068 563**	**654 266**	**57 693 611**	**21 448**	**68 946**	**103 160**	**193 554**

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

	12.31.2021							
	Provisioned outstandings				Impairment and Provisions			
(in EUR thousand)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1	-	-	-	-	-	-	-	-
2	1 034 937	-	-	1 034 937	17	-	-	17
3	25 068 906	-	-	25 068 906	517	-	-	517
4	3 549 346	41 504	-	3 590 850	931	37	-	968
5	2 751 059	139 502	-	2 890 561	3 073	484	-	3 557
6	87 360	193 748	-	281 108	84	2 281	-	2 365
7	262 283	2 784	-	265 067	26	155	-	181
Default (8,9,10)	-	-	426 978	426 978	-	-	66 035	66 035
Other method [(2)]	20 778 023	186 546	-	20 964 569	14 237	504	-	14 741
TOTAL	**53 531 914**	**564 084**	**426 978**	**54 522 976**	**18 885**	**3 461**	**66 035**	**88 381**

(2) Other method corresponds to the retail methodology described in Note 9.1 and the rest is non retail methodology.

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

	06.30.2022							
	Provisioned outstandings				Impairment and Provisions			
(in EUR thousand)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Central administrations	6 242	-	-	**6 242**	1	-	-	**1**
Credit institutions	23 938 644	29 945	-	**23 968 589**	651	86	-	**737**
Other financial corporations	12 999 485	9 629	10 007	**13 019 121**	1 909	514	502	**2 925**
Non-financial corporations(1)	15 305 868	929 901	578 728	**16 814 497**	13 025	67 614	88 072	**168 711**
Retail customers	3 720 543	99 089	65 531	**3 885 163**	5 862	732	14 586	**21 180**
TOTAL	**55 970 782**	**1 068 564**	**654 266**	**57 693 612**	**21 448**	**68 946**	**103 160**	**193 554**

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

(in EUR thousand)	06.30.2022
Mining and quarrying	644 142
Manufacturing	2 508 908
Electricity, gas, steam and air conditioning suply	433 176
Water suply	-
Construction	109 954
Wholesale and retail trade	331 422
Transport and storage	1 328 180
Accomadation and food service activities	270 505
Information and communication	226 559
Real estate activities	544 247
Professional, scientific and technical activities	254 237
Administrative and support service activities	6 531 105
Others services	3 632 062
Total	**16 814 497**

	12.31.2021							
	Provisioned outstandings				Impairment and Provisions			
(in EUR thousand)	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Central administrations	8 188	-	-	**8 188**	1	-	-	**1**
Credit institutions	20 371 008	-	-	**20 371 008**	1 556	-	-	**1 556**
Other financial corporations	12 789 807	1 692	11 793	**12 803 292**	1 543	29	589	**2 161**
Non-financial corporations(1)	16 840 138	516 085	347 288	**17 703 511**	11 316	3 293	51 190	**65 799**
Retail customers	3 522 773	46 307	67 897	**3 636 977**	4 469	139	14 256	**18 864**
TOTAL	**53 531 914**	**564 084**	**426 978**	**54 522 976**	**18 885**	**3 461**	**66 035**	**88 381**

(1) Detail of non-financial corporations :

(in EUR thousand)	**12.31.2021**
Mining and quarrying	654 941
Manufacturing	1 648 235
Electricity, gas, steam and air conditioning suply	382 382
Water suply	2
Construction	58 331
Wholesale and retail trade	595 245
Transport and storage	1 319 503
Accomodation and food service activities	263 429
Information and communication	168 383
Real estate activities	565 146
Professional, scientific and technical activities	197 819
Administrative and support service activities	7 557 566
Others services	4 292 529
Total	**17 703 511**

Table 7: Provisioning of doubtful loans

(In EUR thousand)	**06.30.2022**	**12.31.2021**
Gross book outstandings	57 693 612	54 522 976
Doutbful loans	654 266	426 978
GROSS DOUBTFUL LOANS RATIO	**1.1%**	**0.8%**
Stage 1 provisions	21 448	18 885
Stage 2 provisions	68 946	3 461
Stage 3 provisions	103 160	66 035
GROUP GROSS DOUBTFUL LOANS COVERAGE RATIO (STAGE 3 PROVISIONS / DOUBTFUL LOANS)	**16%**	**15%**

Scope: customer loans, amounts due from banks, operating leases, 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+ to AA-	AA1 to AA3	AA+ to AA-	[0.01% -0.03%]
3	A+ to A-	A1 to A3	A+ to A-	[0.03% -0.09%]
4	BBB+ to BBB-	BAA1 to BAA3	BBB+ to BBB-	[0.09% -0.74%]
5	BB+ to BB-	BA1 to BA3	BB+ to BB-	[0.74% -3.88%]
6	B+ to B-	B1 to B3	B+ to B-	[3.88% -12.79%]
7	CCC+ to CCC-	CAA1 to CAA3	CCC+ to CCC-	[12.79% -100%]
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 June 30, 2022 and 2021, the breakdown of EAD by the Basel method is as follows:

	06.30.2022	12.31.2021
IRBA	97%	97%
Standard	3%	3%
Total	**100%**	**100%**

PAST DUE AND IMPAIRED LOANS AND ADVANCES

06.30.2022

(In EUR thousand)	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
	≤ 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	12 003	-	-	10 023	-	-	-	**22 026**	10 023	21 502
Non financial Corporations	40 192	48 898	286 212	193 624	2 008	74 806	21 969	**667 709**	578 619	470 072
Households	21 812	48 852	22 423	11 320	-	21 273	10 607	**136 287**	65 624	102 834
Total	**74 007**	**97 750**	**308 635**	**214 967**	**2 008**	**96 079**	**32 576**	**826 022**	**654 266**	**594 408**

12.31.2021

(In EUR thousand)	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
	≤ 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	1 956	49	10 041	1 752	-	-	-	**13 798**	11 793	13 099
Non financial Corporations	22 860	24 381	238 020	1 502	9 284	81 557	16 676	**394 280**	347 039	342 228
Households	56 900	9 439	33 628	7 323	6 296	9 742	10 608	**133 936**	67 596	117 400
Total	**81 716**	**33 869**	**281 689**	**10 577**	**15 580**	**91 299**	**27 284**	**542 014**	**426 428**	**472 727**

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

(in EUR thousand)	06.30.2022	12.31.2021
Past due	171 757	115 586
Impaired	654 266	426 428
Total	**826 023**	**542 014**

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)	06.30.2022	12.31.2021
Cash	-	-
Securities	-	-
Mortgage	-	92 886
Total	**-**	**92 886**

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)	06.30.2022	12.31.2021
Non-performing restructured debt	223 344	231 772
Performing restructured debt	92 561	96 699
Total	**315 905**	**328 471**

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

Since the end of June 30, 2022 , no subsequent significant event occurred.