SOCIETE GENERALE

A French corporation with share capital of 1,025,947,048.75 euros
Registered office: 29 boulevard Haussmann - 75009 PARIS
552 120 222 R.C.S. PARIS

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# SECOND AMENDMENT

## TO UNIVERSAL REGISTRATION DOCUMENT

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## 2023

Universal registration document filed with AMF on 13 March 2023 under N° D.23-0089.

First amendment to the Universal Registration Document filed with AMF on 12 May 2023 under N° D-23-0089-A01.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This second amendment to the Universal Registration Document has been filed on 4 August 2023 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.
The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

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

# SUMMARY

# 1. KEY FIGURES AND PROFILE OF SOCIETE GENERALE

## 1.1 Recent developments and outlook

### Update of the pages 16 and 17 of the 2023 Universal Registration Document

Global activity growth in the second quarter of 2023 was generated only through services. Global manufacturing and international trade are in recession while construction is slowing. Growth momentum is more favorable in services, but this trend is expected to reverse as i) the shock absorbers of excess household savings and corporate profitability fade and (ii) monetary policy tightening is felt .

Economic conditions are expected to be more challenging in the coming quarters. Bank credit and monetary aggregates are already contracting in major advanced economies, which should lead to an increase in business failures. However, this increase in bankruptcies is starting from levels that are still exceptionally low. This process is expected to be gradual, thanks to a multi-year corporate refinancing profile.

The effects of fiscal policies are being felt with some delay and are becoming restrictive. Indeed, the recent agreement on the US debt ceiling and the end of the "safeguard clause" in the EU imply fiscal consolidation at least until 2024. Nevertheless, European stimulus funds and investments linked to the Inflation Reduction Act in the United States could partly offset the effects of future fiscal consolidation.

The inertia of inflation remains a factor of uncertainty. Headline inflation is falling, but core inflation remains high. Fears of a possible price-wage spiral have not yet been completely ruled out. The debate on further rate hikes will therefore remain open in the coming months, but a slowdown in the economy should allow the Fed and the ECB to initiate a first rate cut towards the end of the year

**Focusing on the regulatory landscape, the first semester of 2023 was a confirmation of EU and national authorities' inclination to support households and companies impacted by the difficult economic conjuncture**, consequence of the conflict in Ukraine and of high inflation levels.

- **In 2022, in numerous jurisdictions, authorities relied on fiscal measures to support households and companies impacted by costs pressures on their consumption or investments. Early 2023 confirms this dynamic, although the most global measures are progressively coming to an end, paving the way for more targeted fiscal policies.**

- In response to the shockwaves that rocked **energy derivatives markets** in the spring and summer of 2022, **EU authorities continue to investigate avenues to make trading and clearing on these markets more stable and resilient going forward.**

- **European and national authorities have also proposed regulatory initiatives to help industries to achieve the ecological transition of their activities.** In the EU, the European Commission (EC) proposed the EU Net Zero Industry Act (NZIA) and the EU Critical Raw Materials Act (CRMA) in March 2023. In France, a legislative proposal around the green industrialization is under development. All these initiatives aim to respond to strong and rather protectionist measures enacted in the United States (notably the Infrastructure and Jobs Act of November 2021 and the Inflation Reduction Act of August 2022).

**In this difficult economic context, banks continue to be key stakeholders and enablers for public policies, notably:**

- **The EU has continued in 2023 to impose several restrictive measures in response to the invasion of Ukraine by Russia** (prolongation and eleventh package of sanctions in June 2023).

- **Amid the cost-of-living crisis, many jurisdictions in Europe** (e.g., Spain, Czech Republic, Lithuania) **introduced windfall taxes on banks' earnings. But, in France in particular, parliamentarian debates on bank charges and measures to support the economy brought legislative proposals and banks commitments which impacts remain in check** (e.g., mortgage interest rate cap, cap on fees, support measures). **These debates might however be revived in 2024** (e.g., discussions around taxes on financial transactions and on wealth).

**In parallel, failures of some regional US banks in S1 2023 revived the debate on banks' resilience.** Although these failures did not relate to a European issue in any way, this debate further developed in European forums because of the coincidental acceleration of Credit Suisse's difficulties around the same timing (March 2023).

- **In the US**, federal authorities took a severe stance in their public statements against the poor risk management of these banks, and these statements **might lead to a review of practices and/or regulations**, with potential capital impacts for banks in such situation.

- **However, in the EU**, despite market volatility, **authorities did not initiate or express the need for further additional regulatory developments in addition to CRR3/CRD6 proposals** (these proposals are already at a negotiating stage). Ongoing debates at BCBS (Basel Committee on Banking Supervision) level following the crisis might however initiate some new regulatory proposals. Furthermore, we might see initiatives emerge to reinforce the credit derivatives' transparency framework of the GSIB (Global Systematically Important Banks) in the EU.

**In addition to these measures prompted by the prevailing economic conditions, progress was also made on several structural regulatory projects designed to strengthen the prudential and resolution framework, support environmental and digital transitions, protect consumers, and develop European capital markets:**

- **Negotiations on the CRD6 and CRR3 proposals implementing the Basel Agreements have reached an agreement on 27 June**. **This should enable the implementation of the agreement in the EU by 1 January 2025.** Because the implementation of the Basel Agreements in the US appears well-delayed compared to the EU, some public authorities will likely call to rediscuss the entry in vigor of part of the text within the EU (at least the FRTB (Fundamental Review of the Trading Book) standards). There should be more clarity on this agenda before the formal adoption of the CRD6 and CRR3 legislations before the end of the year.

- **Following the European finance minister's agreement in June 2022, the EC came up with a proposal to reform the crisis management framework (CMDI),** the only initiative of the Banking Union which should progress in the foreseeable months. This proposal aims to enable authorities to organize an orderly market exit for small and medium failing banks, by extending their access to common financing: (i) softening of the conditions to access national deposit guarantee schemes (DGS) in resolution; (ii) authorizing subsidizes by these DGS to reach the conditional threshold for *bail-in* by the Single Resolution Fund.

- **The regulatory framework around sustainability continues to develop in 2023.**
  In addition to climate-related objectives, the EC is consulting on additional criteria in EU taxonomy delegated across the remaining four objectives of the taxonomy (April 2023). Furthermore, banks' trajectory to achieve transition can now rely on sectorial initiatives (Fit for 55 and Green Deal Industrial Plan for the Net Zero Age, the latter comprising the above-mentioned NZIA and CRMA). ESG risks are now part of banks' prudential framework, and, in in the first quarter of 2023, credit institutions published detailed information on their exposure to climate risks (Pilar 3 obligations). The European Parliament made the prudential treatment of banks' exposure to significant GHG-emitting assets part of the CRD6/CRR3 proposal implementing the Basel Accords, abandoning their proposal for punitive treatment in Pillar 1 for additional requirements in Pillar 2. The EBA's conclusions on this issue are expected very soon. Sector-agnostic standards for the Sustainability Reporting Directive (CSRD) are expected to be adopted in the next weeks, while the European Financial Reporting Advisory Group (EFRAG) continues its work on operationalising these standards before submitting its recommendations on additional sector-specific standards.
  In addition to that, the ESG risk management framework is getting more regulated, with negotiations ongoing around due diligence obligations (CS3D).
  With other national and international initiatives fast multiplying, the question of how the EU's legislation will interact with measures introduced outside its borders is more relevant than ever. The EU will want to reassert its role as pioneer in the field and avoid any distortion of competition with non-EU operators.

- **Digital transformation and innovation of financial services remain high on the regulatory agenda of the European Commission, with important proposals in June 2023**. Fundamental discussions are at play surrounding payments and retail banking (such as on the European Payment Initiative and how to generalize instant payments faster). These discussions have just been completed by proposals on *open finance* : the review of the payment services directive (PSD3), a new proposal about financial data sharing (Financial Data Access) and the EU's proposal for a central bank digital currency (digital euro). In parallel, negotiations about the digital identity (e-IDAS) are under way, with the aim to replace strong authentication for payments by an e-IDAS identification. On this last subject, banks will reinforce their role as partners of trust for their customers.
  At the French level, authorities increasingly ask banks to further contribute to the financing of innovating SMEs and start-ups. It could lead to legislative proposals in the coming year.

- **Lastly, post-Brexit, and given the increased financing needs linked to the sustainability and digital transitions, the EC is keen to return to the matter of the Capital Markets Union (CMU).** Initially focused on deepening and integrating European markets, CMU is now also seen as a way to ensure Europe's financial autonomy. Many texts are under negotiation: revisions to the Markets in Financial Instruments Regulation (MiFIR), the Alternative Investment Fund Managers (AIFM) Directive, the European Long Term Investment Funds (ELTIF) Regulation, the European Single Access Point (ESAP) (for financial and non-financial information about EU companies) and the European withholding tax framework. The CE also put forward a series of new proposals to further develop the CMU. These proposals centered on three areas:

- ensuring "safe, robust and attractive" clearing to encourage market participants to start using EU-based clearing houses for their euro-denominated products (revision of EMIR),
- harmonizing corporate insolvency rules, ironing out the disparities that currently discourage cross-border investment both within and from outside the EU,
- simplifying the process for listing on public markets (through a new Listing Act) to make capital markets more attractive to European companies and facilitate access for SME.

With the final aim to increase the retail investor participation in capital markets and protect EU citizens' savings against inflation, the EC has recently proposedits Retail Investment Strategy. This initiative aims to enlarge the access of EU savers to capital markets' products. However, distributers and producers of financial services regret that this proposal comprises consumerist measures with negative and adverse impacts on the ability of European households to invest in capital markets' products.

**Other recent developments**

- In November 2022, Societe Generale and AllianceBernstein, a leading global investment management and research firm, announced plans to form a joint venture combining their respective cash equities and research businesses. Due to the expected timing of certain regulatory approvals, we now expect the closing to occur in the first half of 2024.

- Following the announcement made by Societe Generale on June 8 2023 regarding agreements to sell its subsidiary in Congo, the Republic of Congo exercised its right of pre-emption on July 31 2023, following the usual legal framework, and thus replaces the purchaser retained on the same terms agreed between the parties.

  The completion of this transaction, which should occur before the end of 2023, remains subject to the usual conditions precedent and the validation of the relevant financial and regulatory authorities.

- ALD announced on August 1 2023, it has successfully completed the sale of its subsidiaries in Ireland, Portugal and Norway (with the exception of NF Fleet Norway, a company jointly owned by ALD-LeasePlan and Nordea), as well as LeasePlan's subsidiaries in Luxembourg, Finland and the Czech Republic, to Credit Agricole Consumer Finance and Stellantis.

  The sale has received clearance from all relevant regulatory bodies.

# 2. GROUP MANAGEMENT REPORT

## 2.1 Press release as of 22 May 2023: Closing of the acquisition of LeasePlan by ALD

Societe Generale, the long-term majority shareholder of ALD, announces the closing today by its subsidiary of the acquisition of 100% of LeasePlan from a consortium led by TDR Capital. The combination of the activities of ALD and LeasePlan, two leading players in the sector, aims to create the world leader in sustainable mobility solutions.

This acquisition combines the strengths of two industry leaders with highly complementary expertise to create a new mobility player, ideally positioned to support the sector's transformation. In a growing market, driven by long-term trends, this acquisition represents an opportunity to support the evolution of practices from ownership towards usership, to drive the digital transformation of the mobility sector around the use of data and to accelerate the transition towards sustainable mobility solutions.

The new combined entity will be well positioned to deliver profitable growth drawing on a fleet of around 3.3 million vehicles, including the largest multi-brand electric vehicle fleet worldwide, and a direct presence in 44 countries covering all customer categories. The combined entity will leverage on scale and complementary capabilities to strengthen its competitiveness, while generating substantial synergies. With this unique combination, clients will benefit from an enriched comprehensive offering including leasing, fleet management and mobility solutions, combined with a wider geographical coverage with an optimized organization in terms of operational efficiency and procurement.

The new company will be led by Tim Albertsen, current Chief Executive Officer of ALD Automotive, who has been appointed Chief Executive Officer. He will be supported by two Deputy CEOs as well as an executive committee of 13 members.

The closing of ALD's acquisition of LeasePlan is an important milestone for Societe Generale in its ambition to position itself as a global leader in mobility. This new company will be a strong asset -among the continuum of services the Group is offering in the automotive and mobility sectors - to reinforce Societe Generale's leading positions in sustainable mobility solutions, financing, and insurance. Societe Generale has already developed well-established and complementary franchises in European markets: consumer credit in three main markets (financial lease, floor plan) via CGI Finance, BDK and Fiditalia, respectively No. 1 in France, No. 2 in Germany, and No. 4 in Italy (excluding manufacturers' captives), insurance, wholesale financing, and finally three used car remarketing platforms (ALD CarMarket, Reezocar and Juhu Auto). Bringing the Group's ambition in the mobility area to the next level also reflects its determination to actively support economies and its clients in their transitions.

The completion of the acquisition has been approved by the relevant regulatory authorities and the integration of the two companies into the new entity will now begin. The years 2023 and 2024 will be an intermediate period with the implementation of gradual integration. From 2025, the new entity will transition to the target operating model in particular with the implementation and the stabilization of IT and operational processes.

The impact of this acquisition on the Societe Generale Group's CET1 capital ratio is expected to be 39 basis points.

Societe Generale, ALD and LeasePlan are fully committed to ensuring a smooth implementation of this transaction for the benefit of their clients.

## 2.2 Press release as of 6 June 2023: Societe Generale announces agreements to sell its subsidiaries in Congo, Equatorial Guinea, Mauritania, and Chad as well as the opening of a strategic review on its subsidiary in Tunisia

Societe Generale has signed agreements with two pan African banking groups for the sale of its subsidiaries in Congo and Equatorial Guinea to Vista Group, and its subsidiaries in Mauritania and Chad to Coris Group.

These four agreements plan the total divestment of Societe Generale Group's shares in its local African subsidiaries*: Société Générale Congo, Société Générale de Banques en Guinée Équatoriale, Société Générale Mauritanie, and Société Générale Tchad*, currently 93.5%, 57.2%, 95.5% and 67.8% respectively owned by Societe Generale group.

According to the commitments made, the two pan African banking groups Vista and Coris would take over all activities operated by Societe Generale in Congo, Equatorial Guinea, Mauritania and Chad, as well as all of Societe Generale's clients portfolios and all employees within these entities. Societe Generale group is confident in the ability of Vista Group and Coris Group to pursue the development strategy of these entities, for the benefit of clients, partners, employees and local economies.

The completion of these transactions, which could take place by the end of 2023, is subject to the approval of the entities' governance bodies, the usual conditions precedent and the validation of the relevant financial and regulatory authorities. These disposals would have a positive impact of approximately 5 bps on the Group's CET1 ratio at their completion date.

Africa is a geography with growth potential, where the Group has built a historic presence and intends to focus its resources on markets where it can position itself among the leading banks, in synergy with the Group's other businesses and with a critical size allowing a satisfactory and sustainable contribution to value creation. Societe Generale offers the unique combination of the expertise and know-how of an international bank with the proximity of a locally based bank. The Group also remains fully committed to supporting its large clients on the African continent, through its global corporate and investment banking franchises.

Societe Generale has also launched a strategic review of its 52,34% stake in *Union Internationale de Banques* (UIB), the subsidiary of Societe Generale in Tunisia. This approach aims to explore possible options that would enable UIB to better realize its development potential in the coming years for the benefit of its shareholders, clients and employees. In this context, a non-exclusive process has been initiated.

## 2.3 Press release dated 3 August, 2023: Second quarter and first semester 2023 results

**Update of the 2023 Universal Registration Document, pages 30 – 45**

Paris, 3 August 2023

## QUARTERLY RESULTS

**Underlying revenues of EUR 6.5 billion(1), down -5.4% vs. Q2 22**

**Underlying cost-to-income ratio,** excluding contribution to the Single Resolution Fund, at **65.8%(1)**

**Low cost of risk at 12 basis points in Q2 23,** with limited defaults and a level of provisions for performing loans of EUR 3.7 billion at end-June 2023

**Underlying Group net income of EUR 1.2bn(1)** (EUR 900 million on a reported basis)

**Underlying profitability (ROTE) at 7.6%(1)** (5.6% on a reported basis)

## FIRST HALF 2023 RESULTS

**Underlying Group net income of EUR 2.7 billion(1)** (EUR 1.8 billion on a reported basis)

**Underlying profitability (ROTE) at 9.1%(1)** (5.6% on a reported basis)

## BALANCE SHEET AND LIQUIDITY PROFILE

**CET 1 ratio of 13.1%(2) at end-June 2023,** around 330 basis points above the regulatory requirement

**Liquidity Coverage Ratio at 152% at end Q2 23** and liquidity reserves at EUR 284 billion

## SHARE BUYBACK PROGRAMME

**Launch of the 2022 share buyback programme**, for around EUR 440 million

## MAJOR MILESTONES ACHIEVED

**Merger between the retail banking networks in France,** IT migration completed

**Boursorama,** 5 million clients milestone reached early July 2023, net result of EUR 47 million in Q2 23

**Acquisition of LeasePlan by ALD,** transaction closed on 22 May 2023

**International Retail Banking,** agreements in place to sell subsidiaries in Congo, Equatorial Guinea, Mauritania and Chad, and opening of strategic review on the Tunisian subsidiary

**Slawomir Krupa, the Group's Chief Executive Officer, commented**:
*"During the quarter, commercial activity was good in most businesses. Group revenues contracted due to the decline in the net interest margin in France and in market activities' revenues against a backdrop of gradual normalisation after some particularly favourable years. Operating expenses were contained despite persistent inflationary trends. The cost of risk was very low, reflecting the quality of our origination and our loan portfolio. The Group shows a solid balance sheet with a CET 1 ratio at 13.1% and a robust liquidity profile. In addition, we pursued the execution of our ongoing strategic projects, notably the closing of the LeasePlan acquisition by ALD. The new management team has been fully operational since taking office on 24 May this year and is working to prepare the next chapter of the Group's strategy. I will have the pleasure of presenting the new strategic and financial roadmap on 18 September at our Capital Markets Day to be held in London."*

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*(1) Underlying data (see Methodology note No. 5 for the transition from accounting data to underlying data), (2) Including IFRS 9 phasing, or 13.0% fully-loaded*
*Asterisks* in the document refer to data at constant scope and exchange rates*
*NB: 2022 data in this document was restated, in compliance with IFRS 17 and IFRS 9 for insurance entities*

## 1. GROUP CONSOLIDATED RESULTS

| In EURm | Q2 23 | Q2 22 | Change | | H1 23 | H1 22 | Change | |
|---|---|---|---|---|---|---|---|---|
| Net banking income | 6,287 | 6,901 | -8.9% | -10.3%* | 12,958 | 13,944 | -7.1% | -6.8%* |
| *Underlying net banking income[1]* | *6,527* | *6,901* | *-5.4%* | *-6.8%** | *13,198* | *13,944* | *-5.3%* | *-5.0%** |
| Operating expenses | (4,441) | (4,325) | +2.7% | +1.1%* | (9,498) | (9,456) | +0.4% | +0.7%* |
| *Underlying operating expenses[1]* | *(4,461)* | *(4,450)* | *+0.2%* | *-1.3%** | *(8,662)* | *(8,598)* | *+0.7%* | *+1.0%** |
| Gross operating income | 1,846 | 2,576 | -28.3% | -29.6%* | 3,460 | 4,488 | -22.9% | -22.6%* |
| *Underlying gross operating income[1]* | *2,066* | *2,451* | *-15.7%* | *-16.8%** | *4,536* | *5,346* | *-15.2%* | *-14.7%** |
| Net cost of risk | (166) | (217) | -23.5% | -23.2%* | (348) | (778) | -55.3% | -40.9%* |
| Operating income | 1,680 | 2,359 | -28.8% | -30.2%* | 3,112 | 3,710 | -16.1% | -19.8%* |
| *Underlying operating income[1]* | *1,900* | *2,234* | *-14.9%* | *-16.2%** | *4,188* | *4,568* | *-8.3%* | *-11.5%** |
| Net profits or losses from other assets | (81) | (3,292) | +97.5% | +97.5%* | (98) | (3,290) | +97.0% | +97.0%* |
| *Underlying net profits or losses from other assets[1]* | *(2)* | *11* | *n/s* | *n/s* | *(19)* | *13* | *n/s* | *n/s* |
| Income tax | (425) | (327) | +29.9% | +29.9%* | (753) | (660) | +14.1% | +7.8%* |
| Net income | 1,181 | (1,256) | n/s | n/s | 2,273 | (236) | n/s | n/s |
| O.w. non-controlling interests | 281 | 255 | +10.2% | +1.9%* | 505 | 454 | +11.2% | +6.9%* |
| Reported Group net income | 900 | (1,511) | n/s | n/s | 1,768 | (690) | n/s | n/s |
| *Underlying Group net income[1]* | *1,159* | *1,481* | *-21.7%* | *-22.1%** | *2,667* | *3,019* | *-11.7%* | *-14.5%** |
| ROE | 4.9% | -12.1% | | | 4.9% | -3.5% | | |
| ROTE | 5.6% | -13.7% | | | 5.6% | -4.0% | | |
| *Underlying ROTE[1]* | *7.6%* | *10.2%* | | | *9.1%* | *10.5%* | | |

Societe Generale's Board of Directors, which met on 2 August 2023 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q2 23 and for the first half of 2023.

The various restatements enabling the transition from underlying data to published data are presented in the Methodology notes in Section 9.5.

## Net banking income

**Net banking income decreased in Q2 23 by -8.9% (-10.3%*) vs. Q2 22**, largely due to the decline in the net interest margin in French Retail Banking, a less conducive market environment in Global Banking and Investor Solutions activities and the booking of one-off items under Corporate Centre.

French Retail Banking revenues fell by -13.6% vs. Q2 22 owing mainly to the decrease in the net interest margin, despite solid momentum in fees, a record performance from Private Banking and a strong increase in Boursorama's revenues.

Revenues in International Retail Banking & Financial Services grew by +6.3% (+0.9%*) vs. Q2 22, with a +3.3%* increase in revenues vs. Q2 22 in International Retail Banking, a strong performance by Financial Services that was driven by ALD revenues, up +18.7% vs. Q2 22 following the integration of LeasePlan, and by insurance revenues, which rose by +3.1%* vs. Q2 22.

Global Banking & Investor Services registered revenues down -7.3% in Q2 23 relative to Q2 22 amid a less favourable market environment. Global Markets & Investor Services recorded solid revenues but which were down in comparison to a very strong Q2 22 performance (-12.7%) owing to less conducive market conditions, notably in Fixed Income and Currencies (lower interest rate volatility and slower client activity), while Financing and Advisory continued to post revenue growth, registering an increase of +4.0% vs. Q2 22, driven by a solid performance in the securitisation, investment banking and cash management activities.

**Over the first half of 2023,** net banking income fell by -7.1% vs. H1 22 (-5.3% on an underlying basis).

## Operating expenses

**On a reported basis, operating expenses came to EUR 4,441 million in Q2 23, up +2.7% vs. Q2 22.** It includes LeasePlan operating expenses for EUR 111 million following its consolidation from 22 May 2023. **On an underlying basis, they totalled EUR 4,461 million** (adjusted for IFRIC 21 linearisation, transformation charges and one-off expenses), i.e. stable relative to Q2 22.

One-off expenses totalled EUR 35 million and included litigation payments.

**Over the first half,** operating expenses came to EUR 9,498 million, up +0.4% vs. H1 22 (+0.7% on an underlying basis).

Excluding the Single Resolution Fund contribution, the underlying cost-to-income ratio(2) came to 65.8% in Q2 23.

## Cost of risk

**The cost of risk for Q2 23 was low at 12 basis points,** i.e. EUR 166 million. It breaks down into a provision on non-performing loans of EUR 204 million (~14 basis points) and a reversal on performing loans for EUR -38 million (~-3 basis points).

At end-June 2023, the Group's provisions on performing loans amounted to EUR 3,713 million, down EUR -56 million relative to 31 December 2022.

The non-performing loans ratio amounted to 2.9%(2) at 30 June 2023. The gross coverage ratio on doubtful loans for the Group stood at 46%(3) at 30 June 2023.

Furthermore, the disposal by ALD in April 2023 of its activities in Russia had a limited EUR -79 million impact that was allocated under net losses from other assets in Corporate Centre. The Group retained a residual exposure of around EUR 15 million in Russia relating to the integration of LeasePlan activities by ALD.

Furthermore, the Group's Exposure at Default (EAD) on the Russian offshore portfolio was EUR 1.6 billion at 30 June 2023, i.e. a decrease of -50% since 31 December 2021. This exposure is diversified by sector and in the majority of cases secured by facilities as Pre-Export Finance facilities, facilities that are guaranteed by an Export Credit Agency or Trade Finance facilities. The maximum risk exposure on this portfolio is estimated to be less than EUR 0.5 billion before provision and total provisions stood at EUR 0.4 billion. The Group's residual exposure to Rosbank was extremely limited at less than EUR 0.1 billion.

*(1) Underlying data (see Methodology note No. 5 for the transition from accounting data to underlying data)*
*(2) Ratio calculated according to EBA methodology published on 16 July 2019*
*(3) Ratio of S3 provisions on the gross carrying amount of the loans before offsetting guarantees and collateral*

## Group net income

| In EURm | Q2 23 | Q2 22 | H1 23 | H1 22 |
|---|---|---|---|---|
| Reported Group net income | 900 | (1,511) | 1768 | (690) |
| Underlying Group net income(1) | 1,159 | 1,481 | 2,667 | 3,019 |

| As a % | Q2 23 | Q2 22 | H1 23 | H1 22 |
|---|---|---|---|---|
| ROTE | 5.6% | -13.7% | 5.6% | -4.0% |
| Underlying ROTE(1) | 7.6% | 10.2% | 9.1% | 10.5% |

Earnings per share amounted to EUR 1.73 in H1 23 (EUR -1.17 in H1 22). Underlying earnings per share amounted to EUR 2.45 over the same period (EUR 2.81 in H1 22).

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

## 2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 68.0 billion at 30 June 2023 (vs. EUR 67.0 billion at 31 December 2022). Net asset value per share was EUR 71.5 and tangible net asset value per share was EUR 61.8.

The consolidated balance sheet totalled EUR 1,578 billion at 30 June 2023 vs. EUR 1,485 billion at 31 December 2022. The total funded balance sheet (see Methodology note 11) stood at EUR 966 billion vs. EUR 930 billion at 31 December 2022. The net amount of customer loan outstandings totalled EUR 501 billion. At the same time, customer deposits amounted to EUR 612 billion, up 3.0% vs. 31 December 2022.

At 18 July 2023, the parent company had issued EUR 39.5 billion of medium/long-term debt, having an average maturity of 4.9 years and an average spread of 79 basis points (over 6-month midswaps, excluding subordinated debt). The subsidiaries had issued EUR 1.9 billion. In all, the Group has issued a total of EUR 41.4 billion in medium/long-term debt.

The Liquidity Coverage Ratio (LCR) was well above regulatory requirements at 152% at end-June 2023 (158% on average for the quarter), vs. 141% at end-December 2022. At the same time, the Net Stable Funding Ratio (NSFR) stood at 113% at end-June 2023 vs. 114% at end-December 2022.

The Group's **risk-weighted assets** (RWA) totalled EUR 385.0 billion at 30 June 2023 following LeasePlan integration (vs. EUR 362.4 billion at end-December 2022) according to CRR2/CRD5 rules. Risk-weighted assets in respect of credit risk account for 84.3% of the total, i.e., EUR 324.6 billion, up by 7.3% vs. 31 December 2022.

At 30 June 2023, the Group's **Common Equity Tier 1**[(3)] ratio stood at 13.1%, or around 330 basis points above the regulatory requirement of 9.73%. The CET 1 ratio at 30 June 2023 includes an +6 basis-point impact from the phase-in of IFRS 9. Excluding this impact, the fully-loaded ratio amounts to 13.0%. The Tier 1 ratio stood at 15.9% at end-June 2023 (16.3% at end-December 2022), while the total capital ratio amounted to 18.7% (19.4% at end-December 2022), which is above the respective regulatory requirements of 11.63% and 14.16%.

The **leverage ratio** stood at 4.2% at 30 June 2023, which is above the regulatory requirement of 3.5%.

With an RWA level of 32.1% and leverage exposure of 8.5% at end-June 2023, the Group's TLAC ratio is significantly above the respective Financial Stability Board requirements for 2023 of 22.0% and 6.75%. Likewise, MREL-eligible outstandings, which stood at 33.1% of RWA and 8.75% of leverage exposure at end-June 2023, are also far above the respective regulatory requirements of 25.7% and 5.91%.

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

*([3]) Pro-forma estimation, subject to ECB notification*

## 3. FRENCH RETAIL BANKING

| In EURm | Q2 23 | Q2 22 | Change | H1 23 | H1 22 | Change |
|---|---|---|---|---|---|---|
| Net banking income | 1,924 | 2,228 | -13.6% | 3,850 | 4,393 | -12.4% |
| *Net banking income excl. PEL/CEL* | *1,920* | *2,157* | *-11.0%* | *3,856* | *4,299* | *-10.3%* |
| Operating expenses | (1,443) | (1,490) | -3.2% | (3,101) | (3,182) | -2.5% |
| *Underlying operating expenses(1)* | *(1,548)* | *(1,548)* | *+0.0%* | *(3,078)* | *(3,069)* | *+0.3%* |
| Gross operating income | 481 | 738 | -34.8% | 749 | 1,211 | -38.2% |
| *Underlying gross operating income(1)* | *376* | *680* | *-44.8%* | *772* | *1,324* | *-41.6%* |
| Net cost of risk | (109) | (21) | x 5.2 | (198) | (68) | x 2.9 |
| Operating income | 372 | 717 | -48.1% | 551 | 1,143 | -51.8% |
| Net profits or losses from other assets | (2) | 3 | n/s | 3 | 3 | +0.0% |
| Reported Group net income | 277 | 534 | -48.1% | 415 | 851 | -51.2% |
| *Underlying Group net income(1)* | *200* | *491* | *-59.4%* | *433* | *934* | *-53.7%* |
| RONE | 9.0% | 17.4% | | 6.7% | 14.1% | |
| *Underlying RONE(1)* | *6.5%* | *16.0%* | | *7.0%* | *15.5%* | |

**SG networks**

Average loan outstandings contracted by -2% vs. Q2 22 to EUR 207 billion. Outstanding loans to corporate and professional customers (excluding government-guaranteed PGE loans) were +4.1% higher vs. Q2 22. Home loans decreased by -2.8% vs. Q2 22, in line with the Group's selective origination policy.

Average outstanding deposits, which include all deposits from corporates and professionals clients of the SG network, declined by -2.9% vs. Q2 22 to EUR 239 billion (increase in retail client deposits and decrease in corporate deposits).

The average loan to average deposit ratio stood at 87% in Q2 23.

Life insurance assets under management totalled EUR 111 billion at end-June 2023, which is a +1% improvement over the year (with the unit-linked share accounting for 33%). Gross life insurance inflows amounted to EUR 2.1 billion at Q2 23.

Property & Casualty insurance premiums were up +9% vs. Q2 22, while Personal protection insurance premiums increased +2% vs. Q2 22.

**Boursorama**

With 129,000 new clients during the quarter, Boursorama strengthened its position as the leading online bank in France, and reached nearly 5 million clients at end-June 2023.

Average loan outstandings were stable on the Q2 22 level at EUR 15 billion, which is consistent with the Group's selective loan production. Home loan outstandings were stable relative to Q2 22, while consumer loan outstandings were down -6% vs. Q2 22.

Average outstanding savings including deposits and financial savings were +39% higher vs. Q2 22 at EUR 53 billion. Deposits stand at EUR 31 billion, a strong rise of +36% vs. Q2 22, notably with continued dynamic collection during the quarter (EUR +1.3 billion). Life insurance outstandings increased by +70% vs. Q2 22 (including ING outstandings), with the unit-linked share accounting for 42%.

Boursorama reinforced its day-to-day banking operations, registering growth in volumes of +37% vs. Q2 22.

In Q2 23, Boursorama posted positive net income of EUR 47 million, recording solid profitability of 66%.

**Private Banking**

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

Private Banking activities cover Private Banking activities in and outside of France. Assets under management totalled EUR 143 billion at Q2 23, excluding activities formerly managed by Lyxor. Private Banking's net asset inflows amounted to EUR 2.9 billion at Q2 23. Net banking income stood at EUR 381 million during the quarter, a historical high, representing a +6.7% increase vs. Q2 22. Net banking income for the first half of the year totalled EUR 747 million, up +4.5% vs. H1 22.

### Net banking income

**Revenues for the quarter** totalled EUR 1,920 million, down -11.0% vs. Q2 22, excluding PEL/CEL. Net interest income excluding PEL/CEL was down by -17.4% vs. Q2 22 impacted by higher interest rates on regulated savings schemes, the consequences of the usury rate and the end of the benefit of the TLTRO. Fee income was up by +2.4% relative to Q2 22.

**Revenues for the first half of the year** totalled EUR 3,856 million, down -10.3% vs. H1 22, restated for the PEL/CEL provision. The net interest margin excluding PEL/CEL was down by -17.9% vs. H1 22. Fee income was up by +1.4% relative to H1 22.

### Operating expenses

**Over the quarter**, operating expenses were EUR 1,443 million (-3.2% vs. Q2 22) and EUR 1,548 million on an underlying basis (flat compared to Q2 22). Reported operating expenses include a EUR 60 million one-off provision reversal. The cost-to-income ratio stood at 75% at Q2 23.

**Over the first half**, operating expenses totalled EUR 3,101 million (-2.5% vs. H1 22). The cost-to-income ratio stood at 80.5%.

### Cost of risk

**Over the quarter,** the cost of risk amounted to EUR 109 million or 18 basis points, which was slightly higher than in Q1 23 (14 basis points).

**Over the first half of the year,** the cost of risk totalled EUR 198 million or 16 basis points, which was higher than in H1 22 (6 basis points).

### Group net income

**For the quarter,** the contribution to the Group net income was EUR 277 million in Q2 23, down -48% vs. Q2 22. RONE stood at 9.0% in Q2 23 (6.5% in underlying).

**Over the first half of the year,** the contribution to Group net income was EUR 415 million in Q2 23, down -51% vs. H1 22. RONE stood at 6.7% in H1 23.

## 4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

| In EURm | Q2 23 | Q2 22 | Change | | H1 23 | H1 22 | Change | |
|---|---|---|---|---|---|---|---|---|
| Net banking income | 2,363 | 2,222 | *+6.3%* | *+0.9%** | 4,575 | 4,298 | *+6.4%* | *+7.7%** |
| Operating expenses | (1,167) | (976) | *+19.6%* | *+11.3%** | (2,281) | (2,065) | *+10.5%* | *+11.7%** |
| *Underlying operating expenses(1)* | *(1,190)* | *(1,000)* | *+19.0%* | *+10.9%** | *(2,235)* | *(2,017)* | *+10.8%* | *+12.2%** |
| Gross operating income | 1,196 | 1,246 | *-4.0%* | *-7.1%** | 2,294 | 2,233 | *+2.7%* | *+4.1%** |
| *Underlying gross operating income(1)* | *1,173* | *1,222* | *-4.0%* | *-7.1%** | *2,340* | *2,281* | *+2.6%* | *+3.9%** |
| Net cost of risk | (83) | (97) | *-14.4%* | *-13.2%** | (174) | (422) | *-58.8%* | *-24.3%** |
| Operating income | 1,113 | 1,149 | *-3.1%* | *-6.6%** | 2,120 | 1,811 | *+17.1%* | *+7.4%** |
| Net profits or losses from other assets | 0 | 8 | *n/s* | *n/s* | (1) | 10 | *n/s* | *n/s* |
| Reported Group net income | 587 | 687 | *-14.6%* | *-15.4%** | 1,151 | 1,047 | *+9.9%* | *-0.6%** |
| *Underlying Group net income(1)* | *575* | *674* | *-14.7%* | *-15.6%** | *1,175* | *1,073* | *+9.5%* | *-0.7%** |
| RONE | 22.8% | 26.0% | | | 20.0% | 19.4% | | |
| *Underlying RONE(1)* | *22.3%* | *25.5%* | | | *20.4%* | *19.9%* | | |

**International Retail Banking**'s outstanding loans posted growth of +6.5% vs. Q2 22 to EUR 90.6 billion. Outstanding deposits also advanced, and grew by +3.6% vs. Q2 22 to EUR 83.0 billion.

In Europe, outstanding loans rose by +6.6% compared with end-June 2022 to EUR 65.5 billion, driven by strong momentum in all regions, and particularly in the Czech Republic (+8.2% vs. Q2 22) and Romania (+7.4% vs. Q2 22). Outstanding deposits rose by +2.8% vs. Q2 22 to EUR 55.7 billion, driven by Romania (+7.9% vs. Q2 22) and stabilized over the quarter in the Czech Republic vs. Q2 22.

Commercial performances continued to be steady in Africa, Mediterranean Basin and French Overseas Territories, where loan outstandings rose by +6.4% vs. in Q2 22 to EUR 25 billion. Deposits increased by +5.3% vs. Q2 22 to EUR 27.2 billion. Corporate segment was particularly dynamic with a growth in loans of +6.9% vs. Q2 22 and deposits of +7.3% vs. Q2 22.

**In the Insurance activity**, life insurance outstandings rose by +1.8% on the Q2 22 level to EUR 133.3 billion. The share of unit-linked products was 38%, up +2.8 points over the same period. Net inflows in life insurance remained positive over the first half of the year at EUR 0.6 billion. Protection insurance saw a +5.3% increase vs. Q2 22, with the activity continuing to be driven by a +11.7% rise in P&C insurance over the same period.

**Financial Services** also posted very robust growth. The acquisition of LeasePlan by ALD, the long-term vehicle leasing and fleet management activity, closed on 22 May 2023. The new combined entity now has a fleet of around 3.4 million vehicles. The fleet posted annualised growth of +3.0% vs. end-June 2022 (at constant perimeter and excluding entities held for sale). Equipment Finance outstanding loans grew by +2.8% relative to end-June 2022 to EUR 14.9 billion.

### Net banking income

**Over the quarter,** net banking income amounted to EUR 2,363 million, up by +6.3% vs. Q2 22.
**Over the first half of the year,** revenues climbed by +6.4% vs. H1 22 to EUR 4,575 million.

**International Retail Banking's** net banking income stood at EUR 1,268 million in Q2 23 and was stable vs. Q2 22. Over H1 23, net banking income amounted to EUR 2,530 million, down -2.8% vs. H1 22 and up by +4.9%* at constant scope and exchange rate vs. H1 22.

Revenues in Europe were stable over the second quarter of 2023 vs. Q2 22. The rise in fee income offset mixed trends for the net interest margin during the quarter amid a context of high interest rates.

Revenues increased in all regions across Africa, Mediterranean Basin and French Overseas Territories by +10.1% vs. Q2 22, driven by a strong increase in net interest margin of +16% vs. Q2 22.

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*(4) Underlying data (see Methodology note No. 5 for the transition from accounting data to underlying data)*

The **Insurance business** registered net banking income growth of +2.9% to EUR 175 million vs. Q2 22 under IFRS 17. In H1 23, net banking income grew strongly by +18.4% vs. H1 22 to EUR 328 million.

**Financial Services**' net banking income was significantly higher (+17.3%) vs. Q2 22 at EUR 920 million. This includes LeasePlan revenues which have been integrated since end of May 2023, i.e. around EUR 200 million. At constant perimeter, ALD reported a slight decrease in net banking income, with an unfavourable base effect due to hyperinflation in Turkey in Q2 22. At ALD, income from used-car sales stood at an average EUR 2,614 per vehicle this quarter (excluding the depreciation curve adjustment). In H1 23, Financial Services to Corporates recorded net banking income of EUR 1,717 million, up by +21.1% vs. H1 22.

## Operating expenses

**Over the quarter,** operating expenses amounted to EUR 1,167 million, up by +19.6% vs. Q2 22 (+19.0% in underlying), impacted by LeasePlan operating expenses of EUR 111 million following its consolidation since 22 May 2023 and expenses related to its integration of around EUR 60 million.
**Over the first half,** operating expenses came to EUR 2,281 million, up +10.5% vs. H1 22.

At **International Retail Banking**, the cost increase remained under control over the quarter at +1.0% vs. Q2 22 despite an inflationary context.

In the **Insurance** business, operating expenses increased by +14.8% vs. Q2 22.

At **Financial Services**, operating expenses increased by +63.8% vs. Q2 22, including LeasePlan costs and expenses related to the integration of LeasePlan. At constant rate and perimeter, they increased by +21.1%* on an underlying basis vs. Q2 22.

## Cost of risk

**Over the quarter**, the cost of risk decreased to 24 basis points (or EUR 83 million) vs. 28 basis points in Q2 22.

**Over the first half of the year**, the cost of risk stood at 26 basis points vs. 60 basis points in H1 22.

## Reported Group net income

**Over the quarter,** the contribution to Group net income was EUR 587 million in Q2 23, down -14.6% vs. Q2 22. RONE stood at 22.8% in Q2 23 (22.3% in underlying). RONE was 19.1% in International Retail Banking and 27.2% in Financial Services and Insurance at Q2 23.

**Over the first half of the year,** the contribution to Group net income was EUR 1,151 million, up +9.9% vs. H1 22. RONE stood at 20% vs. 19.4% in H1 22. RONE was 17.5% in International Retail Banking and 22.4% in Financial Services and Insurance in H1 23.

## 5. GLOBAL BANKING & INVESTOR SOLUTIONS

| In EUR m | Q2 23 | Q2 22 | Variation | | H1 23 | H1 22 | Variation | |
|---|---|---|---|---|---|---|---|---|
| Net banking income | 2,375 | 2,563 | -7.3% | -6.2%* | 5,133 | 5,318 | -3.5% | -3.2%* |
| Operating expenses | (1,605) | (1,565) | +2.6% | +3.8%* | (3,648) | (3,737) | -2.4% | -2.1%* |
| *Underlying operating expenses*[1] | *(1,668)* | *(1,755)* | *-4.9%* | *-3.9%** | *(3,271)* | *(3,366)* | *-2.8%* | *-2.5%** |
| Gross operating income | 770 | 998 | -22.8% | -21.9%* | 1,485 | 1,581 | -6.1% | -5.8%* |
| *Underlying gross operating income*[1] | *707* | *808* | *-12.5%* | *-11.2%** | *1,862* | *1,952* | *-4.6%* | *-4.4%** |
| Net cost of risk | 27 | (69) | n/s | n/s | 22 | (263) | n/s | n/s |
| Operating income | 797 | 929 | -14.2% | -13.1%* | 1,507 | 1,318 | +14.3% | +14.8%* |
| Reported Group net income | 638 | 742 | -14.0% | -12.9%* | 1,203 | 1,044 | +15.2% | +15.6%* |
| *Underlying Group net income*[1] | *590* | *596* | *-1.0%* | *+0.6%** | *1,489* | *1,329* | *+12.0%* | *+12.3%** |
| RONE | 18.1% | 20.3% | | | 16.8% | 14.5% | | |
| *Underlying RONE*[1] | *16.7%* | *16.3%* | | | *20.8%* | *18.5%* | | |

### Net banking income

**Global Banking & Investor Solutions** notched up a solid performance in the second quarter, posting revenues of EUR 2,375 million, down -7.3% with respect to a very high Q2 22.

**Over the first half**, revenues dipped slightly by -3.5% vs. H1 22 (EUR 5,133 million vs. EUR 5,318 million).

**Global Markets & Investor Services** recorded revenues of EUR 1,521 million in Q2 23, down by -12.7% in comparison to a very high reference point in Q2 22. Over H1 23, revenues totalled EUR 3,452 million, which was -6.9% vs. H1 22.

Global Markets recorded a good performance, with revenues of EUR 1,342 million, down -11.5% vs. Q2 22 in a slower market. Over H1 23, revenues decreased by -7.0% vs. H1 22 to EUR 3, 063 million.

The Equities business recorded an overall good level of activity, posting Q2 23 revenues of EUR 785 million, down -5.8% vs. Q2 22. Market conditions were less favourable due to lower volumes and weaker volatility. Over H1 23, revenues were down -12.3% vs. H1 22 to EUR 1,616 million.

Amid less conducive market conditions due to weaker interest rate and currency volatility, FIC activities recorded a -18.4% decrease in revenues in Q2 23 vs. Q2 22, to EUR 557 million. Continued strong dynamics in Financing activities despite lower client activity. Over H1 23, revenues remained stable vs. H1 22 to EUR 1,447 million.

Securities Services' revenues contracted by -20.8% over the quarter to EUR 179 million. Excluding the impact of several participations notably in Euroclear in Q2 22, business activity advanced by +12.2% compared with Q2 22. Over H1 23, revenues declined by -6.0% vs. H1 22 and rose by +6.2% excluding participations. Assets under Custody and Assets under Administration totalled EUR 4,702 billion and EUR 587 billion, respectively.

**Financing & Advisory activities** registered a solid performance with Q2 revenues of EUR 854 million, up +4.0% vs. Q2 22. Over H1 23, revenues totalled EUR 1,681 million, a +4.3% increase vs. H1 22.

The Global Banking & Advisory business turned in a solid performance, with revenue decreasing slightly by -4.6% vs. a very high Q2 22 reference point. The activity reaped the benefit of robust momentum in Asset Backed Products and Investment Banking, thanks notably to debt capital market activities and telecommunications, media and technology (TMT) sector financing. Asset Finance platform showed robust performance and Natural Resources activities demonstrated sound resilience. Over H1 23, revenues are down -4.8% vs. H1 22.

Global Transaction and Payment Services once again posted an excellent performance, with revenue growth of +42.4% vs. Q2 22 that took advantage of positive interest rates and sound commercial performances. In H1 23, revenues advanced strongly by +46.5% relative to H1 22.

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

## Operating expenses

**Operating expenses came to EUR 1,605 million over the quarter**, up slightly by +2.6% vs. Q2 22, mainly due to one-off items for a total amount of EUR 95 million. On an underlying basis, excluding the contribution to the Single Resolution Fund (SRF), they contracted by -3.2%. This brought the underlying cost-to-income ratio, excluding the SRF contribution, to 65.2% in Q2 23.

**Over the first half of 2023**, operating expenses fell by -2.4% vs. H1 22 and decreased by -0.8% on an underlying basis excluding SRF, resulting in an underlying cost-to-income ratio, excluding the SRF contribution, of 59.0% in H1 23.

## Cost of risk

**Over the quarter,** the cost of risk improved sharply to -7 basis points (or a reversal EUR -27 million) vs. 1 basis point in Q1 23, notably due to reversals on provisions.

**Over the first half of the year**, the cost of risk stood at -3 basis points vs. 30 basis points in H1 22.

## Group net income

The contribution to Group net income was EUR 638 million on a reported basis and EUR 590 million on an underlying basis, respectively down by -14.0% and -1.0% vs. Q2 22.
The contribution was EUR 1,203 million on a reported basis and EUR 1,489 million on an underlying basis for the first half of the year.

Global Banking & Investor Solutions posted strong profitability with a reported RONE of 18.1% and 16.7% on an underlying basis for the quarter (19.3% on an underlying basis, restated for the impact of the SRF contribution).

**Over the first half**, reported RONE stood at 16.8% and 20.8% on an underlying basis (23.3% on an underlying basis excluding SRF).

## 6. CORPORATE CENTRE

| In EURm | Q2 23 | Q2 22 | H1 23 | H1 22 |
|---|---|---|---|---|
| Net banking income | (375) | (112) | (600) | (65) |
| *Underlying net banking income[(1)]* | (135) | (112) | (360) | (65) |
| Operating expenses | (226) | (294) | (468) | (472) |
| *Underlying operating expenses[(1)]* | *(55)* | *(148)* | *(78)* | *(145)* |
| Gross operating income | (601) | (406) | (1 068) | (537) |
| *Underlying gross operating income[(1)]* | *(190)* | *(260)* | *(438)* | *(210)* |
| Net cost of risk | (1) | (30) | 2 | (25) |
| Net profits or losses from other assets | (79) | (3,303) | (100) | (3,303) |
| *Underlying profits or losses from other assets[(1)]* | - | - | (21) | - |
| Income tax | 103 | 317 | 216 | 336 |
| Reported Group net income | (602) | (3,474) | (1,001) | (3,632) |
| *Underlying Group net income[(1)]* | *(205)* | *(280)* | *(430)* | *(317)* |

The Corporate Centre includes:

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

**The Corporate Centre's net banking income totalled EUR -375 million** in Q2 23 vs. EUR -112 million in Q2 22. It notably included the negative impact from the unwinding of hedges taken out against the TLTRO scheme for around EUR -0.1 billion at Q2 23 (approximately EUR -0.3 billion in 2023) and the negative impact of one-off items for around EUR -240 million. The underlying net banking income stood at EUR -135 million in Q2 23 vs. EUR -112 million in Q2 22.

**Operating expenses totalled EUR -226 million** in Q2 23 vs. EUR -294 million in Q2 22. In particular, they included the Group's transformation costs for a total amount of EUR -184 million relating to French Retail Banking activities (EUR -122 million), Global Banking & Investor Solutions (EUR -8 million) and the Corporate Centre (EUR -54 million). Underlying costs came to EUR -55 million in Q2 23 vs. EUR -148 million in Q2 22.

**Gross operating income totalled EUR -601 million** in Q2 23 vs. EUR -406 million in Q2 22. Underlying gross operating income totalled EUR -190 million in Q2 23 vs. EUR -260 million in Q2 22.

**The Corporate Centre's contribution to Group net income totalled EUR -602 million in Q2 23** vs. EUR -3,474 million in Q2 22. It includes the negative impact from the disposal of ALD's activities in Russia for EUR -79 million, which was recorded under Net profits or losses from other assets. The Corporate Centre's contribution to Group underlying net income totalled EUR -205 million in Q2 23 vs. EUR -280 million in Q2 22.

*([6]) Underlying data (see Methodology note No. 5 for the transition from accounting data to underlying data)*

## 7. 2023 and 2024 FINANCIAL CALENDAR

| 2023 and 2024 financial communications calendar | |
|---|---|
| 18 September 2023 | Capital Markets Day (London) |
| 3 November 2023 | Third quarter and nine-month 2023 results |
| 8 February 2024 | Fourth quarter and full year 2023 results |
| 3 May 2024 | First quarter 2024 results |

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

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

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

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

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

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

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

# 8. APPENDIX 1: FINANCIAL DATA

## GROUP NET INCOME BY CORE BUSINESS

| In EUR m | Q2 23 | Q2 22 | Variation | H1 23 | H1 22 | Variation |
|---|---|---|---|---|---|---|
| French Retail Banking | 277 | 534 | -48.1% | 415 | 851 | -51.2% |
| International Retail Banking and Financial Services | 587 | 687 | -14.6% | 1,151 | 1,047 | +9.9% |
| Global Banking and Investor Solutions | 638 | 742 | -14.0% | 1,203 | 1,044 | +15.2% |
| Core Businesses | 1,502 | 1,963 | -23.5% | 2,769 | 2,942 | -5.9% |
| Corporate Centre | (602) | (3,474) | +82.7% | (1,001) | (3,632) | +72.4% |
| Group | 900 | (1,511) | n/s | 1,768 | (690) | n/s |

## CONSOLIDATED BALANCE SHEET

| In EUR m | 30.06.2023 | 31.12.2022 |
|---|---|---|
| Cash, due from central banks | 215,376 | 207,013 |
| Financial assets at fair value through profit or loss | 496,362 | 427,151 |
| Hedging derivatives | 31,126 | 32,971 |
| Financial assets at fair value through other comprehensive income | 90,556 | 92,960 |
| Securities at amortised cost | 27,595 | 26,143 |
| Due from banks at amortised cost | 83,269 | 68,171 |
| Customer loans at amortised cost | 490,421 | 506,635 |
| Revaluation of differences on portfolios hedged against interest rate risk | (1,925) | (2,262) |
| Investments of insurance companies | 616 | 353 |
| Tax assets | 4,385 | 4,484 |
| Other assets | 73,792 | 82,315 |
| Non-current assets held for sale | 3,590 | 1,081 |
| Investments accounted for using the equity method | 209 | 146 |
| Tangible and intangible fixed assets | 57,535 | 33,958 |
| Goodwill | 5,523 | 3,781 |
| Total | 1,578,430 | 1,484,900 |

| In EUR m | 30.06.2023 | 31.12.2022 |
|---|---|---|
| Due to central banks | 9,468 | 8,361 |
| Financial liabilities at fair value through profit or loss | 380,821 | 304,175 |
| Hedging derivatives | 44,156 | 46,164 |
| Debt securities issued | 151,320 | 133,176 |
| Due to banks | 119,923 | 133,011 |
| Customer deposits | 546,655 | 530,764 |
| Revaluation of differences on portfolios hedged against interest rate risk | (8,367) | (9,659) |
| Tax liabilities | 2,356 | 1,645 |
| Other liabilities | 93,421 | 107,315 |
| Non-current liabilities held for sale | 2,212 | 220 |
| Insurance contract-related liabilities | 138,746 | 135,875 |
| Provisions | 4,577 | 4,579 |
| Subordinated debt | 15,158 | 15,948 |
| Total liabilities | 1,500,446 | 1,411,574 |
| Shareholders' equity | - | - |
| Shareholders' equity, Group share | - | - |
| Issued common stocks and capital reserves | 21,267 | 21,248 |
| Other equity instruments | 10,136 | 9,136 |
| Retained earnings | 34,485 | 34,479 |
| Net income | 1,768 | 1,825 |
| Sub-total | 67,656 | 66,688 |
| Unrealised or deferred capital gains and losses | 351 | 282 |
| Sub-total equity, Group share | 68,007 | 66,970 |
| Non-controlling interests | 9,977 | 6,356 |
| Total equity | 77,984 | 73,326 |
| Total | 1,578,430 | 1,484,900 |

# 9. APPENDIX 2: METHODOLOGY

**1 - The financial information presented for the second quarter and first half 2023 was examined by the Board of Directors on 2 August, 2023** and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. The limited review procedures on the condensed interim financial statements at 30 June 2023 carried by the Statutory Auditors are currently underway.

**2 - Net banking income**

The pillars' net banking income is defined on page 41 of Societe Generale's 2023 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

**3 - Operating expenses**

Operating expenses correspond to the "Operating Expenses" as presented in notes 5 and 8.2 to the Group's consolidated financial statements as at December 31st, 2022. The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 41 of Societe Generale's 2023 Universal Registration Document.

**4 - IFRIC 21 adjustment**

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

The contributions to **Single Resolution Fund ("SRF")** are part of IFRIC 21 adjusted charges, they include contributions to national resolution funds within the EU.

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

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

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

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

| in EURm | Q2 23 | Q2 22 | H1 23 | H1 22 |
|---|---|---|---|---|
| **Exceptional Net banking income (+)** | **240** | **0** | **240** | **0** |
| One-off items[1] | 240 | 0 | 240 | 0 |
| **Exceptional operating expenses (-)** | **(20)** | **(125)** | **836** | **859** |
| IFRIC linearisation | (239) | (284) | 435 | 557 |
| Transformation costs[1] | 184 | 159 | 366 | 302 |
| *Of which related to French Retail Banking* | *122* | *97* | *262* | *201* |
| *Of which related to Global Banking & Investor Solutions* | *8* | *25* | *19* | *39* |
| *Of which related to Corporate Centre* | *54* | *37* | *85* | *62* |
| One-off items | *35* | *0* | *35* | *0* |
| **Exceptional Net profit or losses from other assets (+/-)** | **79** | **3,303** | **79** | **3,303** |
| Net losses from the disposal of Russian activities[1] | 0 | 3,303 | 0 | 3,303 |
| Net losses from the disposal of ALD Russia[1] | 79 | 0 | 79 | 0 |
| **Total exceptional items (pre-tax)** | **299** | **3,178** | **1,155** | **4,162** |
| **Total exceptional items (post-tax)** | **259** | **2,992** | **899** | **3,709** |
| | | | | |
| Reported Net income - Group Share | 900 | (1,511) | 1,768 | (690) |
| **Total exceptional items - Group share (post-tax)** | **259** | **2,992** | **899** | **3,709** |
| Underlying Net income - Group Share | 1,159 | 1,481 | 2,667 | 3,019 |

*(1) Allocated to Corporate Centre*

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

The cost of risk is defined on pages 42 and 691 of Societe Generale's 2023 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

| In EURm | | Q2 23 | Q2 22 | H1 23 | H1 22 |
|---|---|---|---|---|---|
| French Retail Banking | Net Cost Of Risk | 109 | 21 | 198 | 68 |
| | Gross loan Outstandings | 249,843 | 245,710 | 251,266 | 244,177 |
| | Cost of Risk in bp | 18 | 3 | 16 | 6 |
| International Retail Banking and Financial Services | Net Cost Of Risk | 83 | 97 | 174 | 422 |
| | Gross loan Outstandings | 137,819 | 141,075 | 136,404 | 140,811 |
| | Cost of Risk in bp | 24 | 28 | 26 | 60 |
| Global Banking and Investor Solutions | Net Cost Of Risk | (27) | 69 | (22) | 263 |
| | Gross loan Outstandings | 165,847 | 176,934 | 171,719 | 173,842 |
| | Cost of Risk in bp | (7) | 16 | (3) | 30 |
| Corporate Centre | Net Cost Of Risk | 1 | 30 | (2) | 25 |
| | Gross loan Outstandings | 18,873 | 14,943 | 17,705 | 14,678 |
| | Cost of Risk in bp | 2 | 79 | (2) | 34 |
| Societe Generale Group | Net Cost Of Risk | 166 | 217 | 348 | 778 |
| | Gross loan Outstandings | 572,382 | 578,662 | 577,093 | 573,508 |
| | Cost of Risk in bp | 12 | 15 | 12 | 27 |

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

**7 - ROE, ROTE, RONE**

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 43 of Societe Generale's 2023 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 43 of Societe Generale's 2023 Universal Registration Document.

Group net income used for the ratio numerator is book Group net income adjusted for "interest net of tax payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves" (see methodology note No. 9). For ROTE, income is also restated for goodwill impairment.

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

### ROTE calculation: calculation methodology

| End of period (in EURm) | Q2 23 | Q2 22 | H1 23 | H1 22 |
|---|---|---|---|---|
| Shareholders' equity Group share | 68,007 | 65,023 | 68,007 | 65,023 |
| Deeply subordinated and undated subordinated notes | (10,815) | (8,683) | (10,815) | (8,683) |
| Interest payable to holders of deeply & undated subordinated notes, issue premium amortisation(1) | (28) | (8) | (28) | (8) |
| OCI excluding conversion reserves | 688 | 577 | 688 | 577 |
| Distribution provision(2) | (982) | (1,193) | (982) | (1,193) |
| Distribution N-1 to be paid | (441) | (914) | (441) | (914) |
| ROE equity end-of-period | 56,430 | 54,801 | 56,430 | 54,801 |
| Average ROE equity | 56,334 | 55,009 | 56,203 | 54,887 |
| Average Goodwill | (4,041) | (3,646) | (3,847) | (3,636) |
| Average Intangible Assets | (3,117) | (2,710) | (2,997) | (2,729) |
| Average ROTE equity | 49,176 | 48,653 | 49,359 | 48,522 |
| | | | | |
| Group net Income | 900 | (1,511) | 1,768 | (690) |
| Interest paid and payable to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisation | (216) | (159) | (379) | (278) |
| Cancellation of goodwill impairment | - | - | - | 2 |
| Ajusted Group net Income | 684 | (1,670) | 1,390 | (966) |
| Average ROTE equity | 49,176 | 48,653 | 49,359 | 48,522 |
| ROTE | 5.6% | -13.7% | 5.6% | -4.0% |
| | | | | |
| Underlying Group net income | 1,159 | 1,481 | 2,667 | 3,019 |
| Interest paid and payable to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisation | (216) | (159) | (379) | (278) |
| Cancellation of goodwill impairment | - | - | - | 2 |
| Ajusted Underlying Group net Income | 943 | 1,322 | 2,288 | 2,743 |
| Average ROTE equity (underlying) | 49,435 | 51,645 | 50,257 | 52,231 |
| Underlying ROTE | 7.6% | 10.2% | 9.1% | 10.5% |

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

| In EURm | Q2 23 | Q2 22 | Change | H1 23 | H1 22 | Change |
|---|---|---|---|---|---|---|
| French Retail Banking | 12,338 | 12,296 | +0.3% | 12,365 | 12,058 | +2.5% |
| International Retail Banking and Financial Services | 10,310 | 10,565 | -2.4% | 11,510 | 10,795 | +6.6% |
| Global Banking and Investor Solutions | 14,132 | 14,644 | -3.5% | 14,347 | 14,385 | -0.3% |
| Core Businesses | 36,780 | 37,505 | -1.9% | 38,222 | 37,238 | +2.6% |
| Corporate Center | 19,554 | 17,504 | +11.7% | 17,981 | 17,649 | +1.9% |
| Group | 56,334 | 55,009 | +2.4% | 56,203 | 54,887 | +2.4% |

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

## 8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 45 of the Group's 2023 Universal Registration Document. The items used to calculate them are presented below:

| End of period (in EURm) | H1 23 | Q1 23 | 2022 |
|---|---|---|---|
| Shareholders' equity Group share | 68,007 | 68,747 | 66,970 |
| Deeply subordinated and undated subordinated notes | (10,815) | (10,823) | (10,017) |
| Interest of deeply & undated subordinated notes, issue premium amortisation[1] | (28) | (102) | (24) |
| Book value of own shares in trading portfolio | 134 | 130 | 67 |
| Net Asset Value | 57,298 | 57,952 | 56,996 |
| Goodwill | (4,429) | (3,652) | (3,652) |
| Intangible Assets | (3,356) | (2,878) | (2,875) |
| Net Tangible Asset Value | 49,513 | 51,423 | 50,469 |
| | | | |
| Number of shares used to calculate NAPS[2] | 801,471 | 801,471 | 801,147 |
| Net Asset Value per Share | 71.5 | 72.3 | 71.1 |
| Net Tangible Asset Value per Share | 61.8 | 64.2 | 63.0 |

*(1) Interest net of tax*

*(2) The number of shares considered is the number of ordinary shares outstanding as at end of period, excluding treasury shares and buybacks, but including the trading shares held by the Group.*

## 9 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 44 of Societe Generale's 2023 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. As specified on page 45 of Societe Generale's 2023 Universal Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5 (underlying EPS).
The calculation of Earnings Per Share is described in the following table:

| Average number of shares (thousands) | H1 23 | Q1 23 | 2022 |
|---|---|---|---|
| Existing shares | 822,101 | 829,046 | 845,478 |
| Deductions | | | |
| Shares allocated to cover stock option plans and free shares awarded to staff | 6,845 | 6,899 | 6,252 |
| Other own shares and treasury shares | 13,892 | 20,838 | 16,788 |
| Number of shares used to calculate EPS[(1)] | 801,363 | 801,309 | 822,437 |
| Group net Income (in EUR m) | 1,768 | 868 | 1,825 |
| Interest on deeply subordinated notes and undated subordinated notes (in EUR m) | (379) | (163) | (596) |
| Adjusted Group net income (in EUR m) | 1,390 | 705 | 1,230 |
| EPS (in EUR) | 1.73 | 0.88 | 1.50 |
| Underlying EPS (in EUR) | 2.45 | 1.05 | 5.87 |

**10 - The Societe Generale Group's Common Equity Tier 1 capital** is calculated in accordance with applicable CRR2/CRD5 rules. The phased-in and fully loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. The leverage ratio is also calculated according to applicable CRR2/CRD5 rules including the phased-in following the same rationale as solvency ratios.

## 11 – Funded balance sheet, loan to deposit ratio

The **funded balance sheet** is based on the Group financial statements. It is obtained in two steps:

- A first step aiming at reclassifying the items of the financial statements into aggregates allowing for a more economic reading of the balance sheet. Main reclassifications:

  Insurance: grouping of the accounting items related to insurance within a single aggregate in both assets and liabilities.

  Customer loans: include outstanding loans with customers (net of provisions and write-downs, including net lease financing outstanding and transactions at fair value through profit and loss); excludes financial assets reclassified under loans and receivables in accordance with the conditions stipulated by IFRS 9 (these positions have been reclassified in their original lines).

  Wholesale funding:

  Includes interbank liabilities and debt securities issued.

  Financing transactions have been allocated to medium/long-term resources and short-term resources based on the maturity of outstanding, more or less than one year.

  Reclassification under customer deposits of the share of issues placed by French Retail Banking networks (recorded in medium/long-term financing), and certain transactions carried out with counterparties equivalent to customer deposits (previously included in short term financing).

  Deduction from customer deposits and reintegration into short-term financing of certain transactions equivalent to market resources.

- A second step aiming at excluding the contribution of insurance subsidiaries, and netting derivatives, repurchase agreements, securities borrowing/lending, accruals and "due to central banks".

*(1) The number of shares considered is the average number of ordinary shares outstanding during the period, excluding treasury shares and buybacks, but including the trading shares held by the Group*

The Group **loan/deposit ratio** is determined as the division of the customer loans by customer deposits as presented in the funded balance sheet.

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

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

## 10. APPENDIX 3 : PUBLICATION OF NEW QUARTERLY SERIES

**Societe Generale is releasing restated quarterly statements reflecting the impacts from the merger of Societe Generale and Credit du Nord in France to create a unique brand name, SG.**

Following the completion of the merger of French networks in France, the Group proceeded to some non-material adjustments in its organization with the transfer of Societe des Banques de Monaco and the premium client base from Credit du Nord to private banking operations in France and the transfer of employee savings' activities operated by Services Epargne Entreprises[11] ("S2E") from French networks in France to insurance activities within International retail banking and financial services in order to reinforce already existing synergies with financial savings.

The historical quarterly financial reporting has been restated in compliance with the following changes in governance.

This organisational change comprises some immaterial adjustments to the cost sharing of some activities of Global Markets and Investor Services and Global Banking and Advisory.
All of the above items have no impact on the performance of the Group nor on the Corporate Centre.

The series of 2022 and Q1 23 quarterly results have been adjusted consequently and are available on the Societe Generale website. (The figures included in this press release are unaudited.)

*(1)* S2E manages all middle and back office administrative processing of employee savings accounts on behalf of its four custodial account holder clients (Societe Generale, BNP Paribas, HSBC and AXA). Societe Generale holds a 39.92% stake in the capital of S2E.

## Financial impact in FY 2022 on French Retail Banking, International Retail Banking and Financial Services and Global Banking & Investor Solutions

*In EURm*

| | Group | | | French Retail Banking | | |
|---|---|---|---|---|---|---|
| | Reported 12/05/2023 | Reported 03/08/2023 | Gap | Reported 12/05/2023 | Reported 03/08/2023 | Gap |
| **Net Banking Income** | **27,155** | **27,155** | **-** | **8,706** | **8,684** | **-22** |
| Operating expenses | -17,994 | -17,994 | - | -6,403 | -6,380 | 23 |
| Gross operating income | 9,161 | 9,161 | - | 2,303 | 2,304 | 1 |
| **Group net income** | **1,825** | **1,825** | **-** | **1,399** | **1,400** | **1** |

| | International Retail Banking & Financial Services | | | Global Banking & Investor Solutions | | | Corporate Centre | | |
|---|---|---|---|---|---|---|---|---|---|
| | Reported 12/05/2023 | Reported 03/08/2023 | Gap | Reported 12/05/2023 | Reported 03/08/2023 | Gap | Reported 12/05/2023 | Reported 03/08/2023 | Gap |
| **Net Banking Income** | **8,595** | **8,617** | **22** | **10,082** | **10,082** | **-** | **-228** | **-228** | **-** |
| Operating expenses | -4,009 | -4,032 | -23 | -6,634 | -6,634 | - | -948 | -948 | - |
| Gross operating income | 4,586 | 4,585 | -1 | 3,448 | 3,448 | - | -1,176 | -1,176 | - |
| **Group net income** | **2,226** | **2,225** | **-1** | **2,427** | **2,427** | **-** | **-4,227** | **-4,227** | **-** |

| | Global Markets & Investor Services | | | Financing & Advisory | | | Global Banking & Investor Solutions | | |
|---|---|---|---|---|---|---|---|---|---|
| | Reported 12/05/2023 | Reported 03/08/2023 | Gap | Reported 12/05/2023 | Reported 03/08/2023 | Gap | Reported 12/05/2023 | Reported 03/08/2023 | Gap |
| **Net Banking Income** | **6,708** | **6,708** | **-** | **3,374** | **3,374** | **-** | **10,082** | **10,082** | **-** |
| Operating expenses | -4,705 | -4,708 | -3 | -1,929 | -1,926 | 3 | -6,634 | -6,634 | - |
| Gross operating income | 2,003 | 2,000 | -3 | 1,445 | 1,448 | 3 | 3,448 | 3,448 | - |
| **Group net income** | **1,524** | **1,522** | **-2** | **903** | **905** | **2** | 2,427 | **2,427** | **-** |

## 2.4 Societe Generale main activities

### Update of the pages 28 and 29 of the 2023 Universal Registration Document

**Simplified organisation chart at 30 June 2023**

**Groupe Société Générale**

#### Corporate Centre

**FRANCE**

| | |
|---|---|
| Société Générale* | |
| Généfinance | 100% |
| SG Financial SH | 100% |
| Sogéparticipations | 100% |
| Société Générale SFH | 100% |
| Société Générale SCF | 100% |
| Sogefim Holding | 100% |
| Galybet | 100% |
| Genevalmy | 100% |
| Valminvest | 100% |
| Sogemarché | 100% |
| Sogecampus | 100% |

#### International Retail Banking & Financial Services

**FRANCE**

| | |
|---|---|
| Sogessur | 100% |
| Sogecap | 100% |
| CGL | 99.9% |
| Banque Française Commerciale Ocean Indien | 50% |
| SGEF SA | 100% |
| ALD | 52.6% |

**EUROPE**

| | |
|---|---|
| Hanseatic Bank *Germany* | 75% |
| Komercni Banka A.S *Czech Republic* | 61% |
| BRD-Groupe SG *Roumania* | 60.2% |
| Fiditalia S.P.A *Italy* | 100% |

**AFRICA - MEDITERANEAN**

| | |
|---|---|
| SG Marocaine de Banques *Morocco* | 57.7% |
| Société Générale Algérie | 100% |
| Société Générale Côte d'Ivoire | 73.2% |
| Union Internationale de Banques | 55.1% |

**AMERICA**

**ASIA - AUSTRALIA**

**Groupe Société Générale**

#### French Retail Banking

**FRANCE**

| | |
|---|---|
| Société Générale* | |
| Boursorama | 100% |
| Franfinance | 100% |
| Sogefinancement | 100% |
| Sogelease France | 100% |
| Sogeprom | 100% |
| Société Générale Capital Partenaires | 100% |

**EUROPE**

| | |
|---|---|
| SG Kleinwort Hambros Limited *UK* | 100% |
| SG Private Banking *Switzerland* | 100% |
| SG Private Banking *Monaco* | 100% |

**AFRICA - MEDITERANEAN**

**AMERICA**

**ASIA - AUSTRALIA**

#### Global Banking & Investor Solutions

**FRANCE**

| | |
|---|---|
| Société Générale* | |
| CALIF | 100% |
| Société Générale Factoring | 100% |

**EUROPE**

| | |
|---|---|
| Société Générale Luxembourg *Luxembourg* | 100% |
| SG Investments (U.K.) Ltd *UK* | 100% |
| Société Générale International Ltd Londres *UK* | 100% |
| Société Générale Effekten *Germany* | 100% |
| SG Issuer *Luxembourg* | 100% |
| SGSS Spa *Italy* | 100% |
| Société Générale* branches of: London *UK*, Milan *Italy*, Francfurt *Germany*, Madrid *Spain* | |

**AFRICA - MEDITERANEAN**

**AMERICA**

| | |
|---|---|
| Banco SG Brazil SA *Brasil* | 100% |
| SG Americas, Inc. *US* | 100% |
| SG Americas Securities Holdings, LLC *US* | 100% |
| Société Générale* branches of: New York *US*, Montreal *Canada* | |

**ASIA - AUSTRALIA**

| | |
|---|---|
| Société Générale (China) Ltd *China* | 100% |
| SG Securities Asia International Holdings Ltd *Hong Kong* | 100% |
| SG Securities Korea Co, Ltd *South Korea* | 100% |
| SG Securities Japan Limited *Japan* | 100% |
| Société Générale* branches of: Séoul *South Korea*, Taipei *Taiwan*, Singapour, Mumbaï, Sydney | |

* Parent company

Notes:

- The rates indicated are the Group's interest rates in the subsidiary held.
- The groups have been positioned in the geographical area where they mainly carry out their activity.

## 2.5 Significant new products or services

### 2.5.1 Societe Generale Assurances and Tikehau Capital launch an innovative investment solution contributing to the reduction of greenhouse gas emissions

Press release, 7 February 2023

Societe Generale Assurances and Tikehau Capital, alternative asset manager, announce a partnership for the launch of SG Tikehau Dette Privée. This unit-linked support, unprecedented on the French market, offers individual investors the opportunity to finance selected French and European unlisted companies while supporting the reduction of their greenhouse gas emissions.

An alternative source of financing to traditional bank loans and bond issuances on the financial markets, private debt is a source of financing increasingly used by unlisted companies to support their growth. Initially reserved for institutional investors, this investment strategy is now accessible to individual investors through this innovative support.

The support makes it possible to invest in the debt of French and European SMEs and medium-sized companies with a strong territorial footprint, to support them in their development (growth, acquisition, international deployment, etc.).

By only financing companies making a commitment to reduce their greenhouse gas emissions, SG Tikehau Dette Privée presents an ambitious low-carbon strategy, aligned with the objectives set by the Paris Climate Agreement(1).
In addition, in order to have a concrete influence on the environmental policy of companies:
Each financed company must commit to a decarbonization trajectory based on the SBTi(2) reference methodology proposing a concrete application of the Paris Agreement.
Throughout the financing period, an independent audit will annually assess compliance with this trajectory and, depending on the results, will adjust the financing conditions granted to the company.
Distributed today by Societe Generale Private Banking France, this Article 8 Unit of Account (SFDR)(3) will be available for 24 months on Life Insurance policies insured by Societe Generale Assurances. SG Tikehau Dette Privée is an FCPR(4) offering easy access to institutional quality assets from €5,000 with a risk level of 4 out of 7 (SRI(5)). Its lifespan is 10 years, but the capital invested in unit-linked support is available at any time thanks to liquidity provided by Société Générale Assurances.

“We are very pleased with this partnership with Societe Generale, which underlines our pioneering position in private debt and sustainable financing. It is essential that the asset management sector plays its role in directing French savings towards the financing of companies and the real economy. Contributing to the achievement of the objectives set by the Paris Agreement is a priority of our roadmap: it is important for Tikehau Capital to take part in the launch of innovative solutions promoting the reduction of greenhouse gas emissions by companies while providing them with financing to support their growth” says Antoine Flamarion, co-founder of Tikehau Capital.

“Relying on the expertise of Tikehau Capital, Societe Generale Assurances continues to enrich its savings offer. This innovative and liquid investment solution will allow our clients to invest in a selection of around fifty companies and marks a new stage in our desire to democratize access to real assets. The launch of this unique support is, moreover, a new illustration of our desire to take concrete action in favor of ecological transition and regional development. Our development ambitions are strong, given the resolutely committed positioning of this offer in favor of reducing greenhouse gas emissions” adds Philippe Perret, Chief Executive Officer of Societe Generale Assurances.

(1) International treaty on climate change mitigation and adaptation aimed at limiting global warming to below 2°C, preferably 1.5°C, above pre-industrial levels
(2) Science-Based Target initiative (SBTi) is aimed at companies and has set itself the objective of piloting “ambitious climate action” by offering them to make their transition to a low-carbon economy a competitive advantage
(3) The support promotes environmental and social characteristics (“Article 8”) within the meaning of European Regulation (EU) 2019/2088 known as Sustainable Finance Disclosure (SFDR)
(4) Mutual Fund for Risk Investment managed by Tikehau Investment Management, a management company of the Tikehau Capital group, and exclusively accessible within Unit-Linked (UC) life insurance policies
(5) Synthetic Risk Indicator

### 2.5.2 SG teams up with Hello Watt to facilitate the energy renovation of its customers' homes

Press release, 13 February 2023

To meet the support and financing needs of its individual customers, SG is launching a new system, in partnership with Hello Watt(1), to facilitate the energy renovation of their property.
SG has partnered with Hello Watt to develop end-to-end, free support, from the study of the energy project to the financing of the works, including the management of aid as well as the carrying out of the works with a network of certified artisans.
Customers can thus, through their SG adviser or directly on the SG x Hello Watt platform, be put in touch with a Hello Watt renovation expert to:

- Receive a technical and economic study identifying the relevant renovation works for their accommodation, their sizing and their profitability,
- Benefit from a network of certified and audited professionals to carry out the work,
- Entrust the management of State premiums and administrative procedures to this expert,
- And monitor the reduction of their post-work energy consumption directly in the Hello Watt application.

At the same time, the SG advisor offers its clients green financing solutions such as the Expresso Développement Durable loan. This is a reduced rate loan, simple, fast and scalable, to finance work promoting energy savings in their main, secondary or rental residence.
"Thanks to this partnership with Hello Watt, we offer individuals an innovative and integrated offer for the energy renovation of housing, complementary to our financing offers. SG thus confirms its ambition to support the ecological transition and the sustainable development of its customers and regions" says Véronique Loctin, CSR Director of the SG network in France.

"We are delighted to be able to provide SG customers with all of Hello Watt's expertise in energy renovation and self-consumption solar, in a context where energy prices will continue to rise sharply, and where colanders energy sources are gradually becoming prohibited for rental" adds Sylvain Le Falher, Co-founder and CEO of Hello Watt.
(1)Specialist in energy renovation, member of the French Tech Green20 program and supported by the Ministry of Ecological Transition.

### 2.5.3 Cash services, the new ATM service brand

Press release, 15 February 2023

At the end of 2023, BNP Paribas, Credit Mutuel Alliance Federale and Societe Generale will launch CASH SERVICES, a complete range of local banking services common to the four banking brands: BNP Paribas, Credit Mutuel, CIC and SG.
This ATM modernization and pooling project will be operated by 2SF (Societe des Services Fiduciaires), the new company common to these banking groups.
CASH SERVICES will be gradually rolled out to all ATMs from Q4 2023 until the end of 2025, whether they are located in bank branches or in other public spaces (shopping centres, train stations, etc.).
CASH SERVICES will be a service brand specific to ATMs and easily identifiable for customers of the four brands.
CASH SERVICES will guarantee all customers of partner banking brands free access to an expanded range of services to meet 4 objectives:

- Considerably strengthen the local offer for customers of the four brands (up to 3 times) while maintaining the environment and all the services of their bank: the possibility of withdrawing or depositing banknotes and coins, to deposit checks, to consult its balance or to publish an original bank account certificate, etc. ;
- Sustainably perpetuate the self-service banking to which the French are attached, in both urban and rural areas; testifying to the territorial and relational commitment of the four participating brands;
- Respond to the new expectations and new needs of individual, professional and corporate customers, in particular through the modernization of the ATM;
- Reduce the environmental footprint of automats thanks to the optimizations carried out on the geographical locations of automats, particularly in urban centers or with latest generation equipment that consumes less energy.

Key items:

- A unique alliance for the vitality of all territories, rural and urban;
- A large-scale ATM modernization project serving the customers of four major brands;
- 1st project in France of this scale - between 3 major French banking groups;
- 99% of the metropolitan population has a "cash withdrawal" service less than 15 minutes away by car.

(1)Specialist in energy renovation, member of the French Tech Green20 program and supported by the Ministry of Ecological Transition.

### 2.5.4 Citizen Capital and SB Factory launch Citizen cis, the first independent impact contract fund

Press release, 14 March 2023

Impact investment pioneer Citizen Capital is partnering with SB Factory, an expert firm in social innovation, to finance innovative projects led by social and environmental operators, as part of the innovative impact contracts scheme. The fund, endowed with €14 million, is subscribed by the European Investment Fund and SG as well as several foundations, families and private individuals.

The Impact Contract is a partnership between the public and private sectors designed to finance social and environmental projects that respond to a public policy issue such as mental health, sustainable integration into employment to combat recidivism, food waste or waste management, etc. Thanks to the raising of private funds and the involvement of multiple stakeholders, these contracts allow the large-scale development of solutions as close as possible to the needs of the territories, which can contribute to improve public policies.

An approach focused on avoided costs to the community
Currently endowed with €14 million, Citizen CIS will finance projects labeled by the State aiming at predefined impact objectives and measured by an independent evaluator, on the following 3 themes: Equal opportunities with the Ministry of the Economy, Innovation for employment with the Ministry of Labour and Circular Economy with ADEME.

This new funding channel allows the State to develop an approach focused on results and avoided costs for the community rather than on means. The Citizen CIS fund will increase the social and environmental impact of around ten projects through unit investments of up to €1.5 million.

"The fund offers subscribers the opportunity to participate in very high-impact projects in a logic of capital preservation. By benefiting from the reimbursement of their investment, subscribers will be able to reinvest in another project and thus multiply the impact of the euro invested. It is a new path between philanthropy and traditional investment," explains Laurence Méhaignerie, President of Citizen Capital.

The CIS fund is the sixth fund managed by Citizen Capital, whose "pioneering" mission since 2008 is to finance and support projects with a strong social or environmental impact. The co-founders of SB Factory, Pauline Heuzé and Marion de la Patellière stress that "Impact Contracts create a unique space for exchange between project leaders, financiers, public payers and evaluators, they are an accelerator of innovation for the public authorities".

Pooling the best skills to solve societal problems
Citizen CIS is subscribed by a dozen financiers, including the European Investment Fund, SG, the Nexity Foundation, the Indosuez Foundation and the Sycamore Foundation as well as several families and entrepreneurs, including Cédric Sellin, entrepreneur and investor, who considers that "The CIS fund has the very rare opportunity to invent a new partnership model between social and environmental operators, the public sector and the investment world. Its success will be an opportunity to pool the best skills of each actor to solve large-scale societal problems. For me, investing is a risk worth it in the hope of a better world for future generations."

"For 25 years, we have been supporting social economy actors who act directly in the territories. Our investment in the Citizen CIS fund is an important step in our commitment. We are convinced that impact contracts are an effective lever for public transformation. This fund is thus a formidable accelerator of initiatives with impact on the ground," explains Marie-Christine Ducholet, Director of the SG network in France

### 2.5.5 Societe Generale partners with world-leading start-ups to boost sustainable and positive impact finance

Press release, 4 April 2023

Eleven new sustainability-focused start-ups joined Societe Generale’s flagship Global Markets Incubator (GMI) dedicated to developing ground-breaking solutions for the financial industry. From a selection pool of over 140 applicants, these start-ups are addressing some of the finance industry’s biggest ESG concerns, including carbon emissions quantification, impact tracking and measurement, Voluntary Carbon Markets (VCM) and Biodiversity.
Hacina Py, Group Chief Sustainable Officer, explains: “We are proud to welcome within our GMI’s programme these promising start-ups focused on positive impact, which is at the heart of Societe Generale’s ambitions. This cohort reflects the importance of innovation as a leverage for sustainable finance to the benefits of our business and our clients.”
Aspiration, Emmi, BeZero Carbon, Enmacc, Regrow, Net Purpose, Simpl, Greenscope, YvesBlue, Arboretica and allcolibri will participate in a six-month programme to rapidly advance, test, deploy and expose their products and services to

Societe Generale's business environment. The Bank initially launched the GMI programme in 2018 to boost start-ups collaborations, mix expertise and deliver innovative solutions to capital markets.
This year, the Group doubled the number of participants and welcomed its first sustainability-focused cohort, in support of its offering for corporate, financial institution and private investor clients, who will benefit from innovative solutions adapted to their ESG goals.
Isabelle Millat, Head of Sustainability for Global Markets, adds: "In the global markets industry, innovation is crucial to offer new solutions to our clients, customised to their needs that evolve very quickly, specifically regarding ESG concerns. GMI is a powerful accelerator to answer these needs."
Following the programme, successful companies will see their solutions implemented across the bank or exposed to clients, as Societe Generale supports them on their path to growth. Partnerships with upcoming start-ups provide an exciting opportunity to collaborate in effective ways to support positive impact finance in these key areas:

**Financial carbon metrics**

Corporate carbon footprint is currently at the heart of investment decisions. A growing number of companies now reports their greenhouse gas (GHG) emissions and assesses their contribution to climate change risks. Data remain still often complex, non-standardised or incomplete data, and Societe Generale's role is to help investors evaluate the progress that companies make to achieve carbon emissions reduction and deliver an impact.

- With Emmi

**Voluntary Carbon Markets (VCM)**

The Voluntary Carbon Market (VCM) is gaining importance in the transition to net zero to offset non-abatable emissions by offering for example opportunities to develop nature-based solutions projects. The market, however, faces several challenges, like certification methodologies, liquidity and price transparency. Some project developers also still lack access to finance due to market opacity and a low investor risk appetite.

- With Aspiration, BeZero Carbon, Enmacc

**Impact investing and financing**

The search for positive social and environmental impacts is at the heart of the decisions of a growing number of investors or lenders, who aim to accelerate the transition of companies.
Leveraging its own deep sectorial expertise, Societe Generale has strong expectation from these collaborations to allow rapid progress in the areas of risk management, analytics, insights generation and distribution, across all asset classes in listed and private markets.

- With Net Purpose, Simpl, Greenscope, YvesBlue, Arboretica, allcolibri

**Biodiversity**

While net zero commitments represent a big step forward in the decarbonation trajectories, it is also important to bear in mind the major challenges of preserving biodiversity and ecosystems. Societe Generale can take concrete actions in favour of biodiversity through dedicated banking solutions and looks to further develop its offering by proposing innovative services.

- With Regrow

Antoine Connault, Head of Global Markets Incubator, explains: "Whether the challenge is climate change, positive impact or governance-related matters, the GMI's programme offers a very exciting opportunity to work with top-of-the-class companies and develop out-of-the-box thinking. We look forward to building strong partnerships through the programme!"

### 2.5.6 Societe Generale and Lemonway are partnering to support the growth of b2b marketplaces of european large corporates.

<u>Press release, 11 April 2023</u>

Societe Generale, one of the leading european banking groups, and Lemonway, a cross-european payment institution licensed by the ACPR, are signing off a commercial agreement to provide payment services to large west european Corporates that launch their b2b marketplaces. Those 2 key actors with complementary approaches commit themselves to serve a fast-growing market with requirement not yet fully covered.
Numerous companies accelerate their digital transformation, becoming crucial to satisfy customer needs and ensuring their b2b revenue growth. In this context, the launch of b2b marketplace allows to improve the payment experience, to sustain globalization, to create value and optimize the commercialization and distribution of e-commerce.
Societe Generale keeps on supporting its clients in their digital transformation by associating with Lemonway.
As an expert in this sector, Lemonway proposes a modular and turnkey solution for their b2b marketplaces. It includes payment solutions and other strategic services such as identity check, payment account opening and monitoring flows for beneficiaries. Thus, b2b marketplaces actors will be able to manage complex transaction flows, applying with highest regulatory standard. The technical implementation of this partnership will be soon effective in eight european countries (France, Italy, Spain, Belgium, Netherlands, United Kingdom, Swiss and Germany).
This innovating partnership uses Lemonway expertise concerning third party account payment, combined with the strength and security of Societe Generale in terms of cash management. Trustful banking partner for its clients' growth,

Societe Generale completes its e-commerce panel of solutions, through investments or active partnerships. Lemonway consolidates its position towards western european large corporates.
“Societe Generale is proud to announce its commercial partnership with Lemonway, whose expertise and tailor-made approach perfectly match with our DNA. This partnership enables us to accompany their clients in their digital transformation by proposing payment solutions always more comprehensive and innovating, in adequation with large corporates specific needs for their b2b marketplaces. It illustrates the Societe Generale long-time strategy to cooperate with fintechs to innovate to serve our clients”– Alexandre Maymat, head of Global Transactions and payments services at Societe Generale.
“Lemonway is proud of associating with an international bank like Societe Generale. Its service-oriented approach for corporates combined with our payment expertise for third party payments perfectly matches with fast-growing market needs. Together we propose to b2b marketplaces a secured and compliant payment experience that enables our clients to accelerate their development” – Antoine Orsini, Chief Executive Officer at Lemonway.

### 2.5.7 SG launches the solar pack to support its corporate and institutional customers from end to end in the installation of photovoltaic panels

Press release, 27 April 2023

To meet the economic and environmental challenges of companies, associations and local authorities customers, SG Bank is launching the Solar Pack: a solution for the installation of photovoltaic panels. The customer, accompanied by the diagnosis to the realization of his project, can thus use or resell the electricity generated.

As a partner in its clients' energy transition, the bank offered them a solution to measure their carbon footprint in 2022. Today, with the Solar Pack, SG supports them in the installation of photovoltaic panels and advises them throughout the duration of the project:

- The bank identifies the need and estimates the feasibility of the project. Thus, the project managers will use a new tool, resulting from the partnership between SG and namR, a startup specialized in the production of data on buildings and their environment. The tool is based on enriched, precise and usable data (concerning the terrain, the sunshine rate, the materials, the building, etc.) to provide an overall and realistic vision of the project.
- In order to carry out an in-depth study, SG puts the client in touch with partners, selected after a rigorous process, recognized for their expertise and the quality of their services: Apex Energies, Legendre Energie and Sunopée (Léon Grosse Énergies Renouvelables).
- Finally, the SG project manager can offer an Environmental and Social loan to finance the implementation of the operation.

The Solar Pack, which embodies one of the bank's ambitions to support the ecological transition of regions and their ecosystems, allows customers to act on:

- The reduction of the carbon footprint related to the electricity consumption of their buildings,
- which is in line with the objectives of the NLCS (National Low Carbon Strategy).
- The valuation of their real estate assets.
- Securing part of their energy bill thanks to the two possible valuations of photovoltaic electricity: total or partial self-consumption, or injection into the grid to resell their production.
- The compliance of their buildings with all the regulations in force (Tertiary Decree, etc.).

"In line with the ambition of SG, the Solar Pack responds responsibly and innovatively to the expectations of our companies, associations and local authorities customers, who want concrete support in their environmental issues. Thanks to the expertise of our partners, recognized in the field of solar and data, we advise our clients in their CSR approach and the implementation of their energy transition projects," says Véronique LOCTIN, CSR Director of the SG Network in France.

### 2.5.8 Societe Generale takes a participation in Polestar Capital Circular Debt Fund to accelerate its support to the circular economy

Hilversum 29 June 2023 - Polestar Capital announces the acquisition of a stake by Societe Generale Amsterdam in Polestar Capital Circular Debt Fund, the sole debt fund in Europe dedicated to the circular economy. This participation and related commercial partnership will support innovation and help scale up circular economy projects and solutions.

The Polestar Capital Circular Debt Fund (PCDF), launched in 2022 and based in the Netherlands, provides non-dilutive funding to companies with circular economy principles at their core. It targets fast-growing markets addressed by circular models in areas such as biomass waste, biomolecules, plastics pollution processing, and sustainable construction and man-built environment.
Financing circular economy projects, though urgently required, remains a challenge because of applicable regulation, exposure to new technologies and new markets, and the relatively small scale of investments. This partnership aims to

establish a continuity of financing solutions for circular ventures, with a first level of debt support provided by PCDF early on and a smooth transition to Societe Generale for their next stages of development.

Marie-Aimée Boury, Head of Impact Based Finance at Societe Generale Corporate & Investment Banking says: “Supporting the circular economy is crucial in the fight against climate change and biodiversity loss. It also builds long term resilience and cost-effectiveness into our clients’ business models and across their value chains. We’re very happy to partner with Polestar Capital whose expertise will accelerate our involvement in this new market segment and support our clients in their positive impact transformation.”

Jan-Willem König, CEO of Polestar Capital adds: “The fund finances innovative circular breakthrough technologies that require relatively large sums of capital and that take time to realise positive cashflows. Financing such companies is complex within the context of traditional credit processes and banking regulations. In the meantime, we don’t have the luxury to be patient in scaling sustainable circular technologies, as we need to reduce our emissions and pollution rather sooner than later.

We are therefore very pleased with the combined investment of Societe Generale in the fund, as well our partnership for the mutual financing of the further upscaling of circular innovators. This combination allows us to already support circular companies in a phase not yet suitable for traditional bank financing, but also connects the borrowers of the fund with a partner that may finance the roll-out of their circular technology. We believe the partnership is an important step for the further acceleration of the transition to a circular economy, in the Netherlands and beyond.”

### 2.5.9 Franfinance lance Franfipay, une offre innovante de crédit long sur les sites e-commerce

Press release as of 8 June 2023

In order to meet the new challenges of e-commerce, Franfinance, a specialist consumer credit subsidiary of Societe Generale, announces the launch of Franfipay, an innovative fully digital and secure financing solution, accessible by individuals via the site of merchant partners from Franfinance. Franfipay is now one of the fastest solutions on the market for financing online purchases over a period of up to 60 months and for amounts from €100 to €30,000.

Long-term financing, the key to the continued development of e-commerce

In its 2022 e-commerce report, the FEVAD (Federation of e-commerce and distance selling) reveals that more than 10,000 merchant sites were created in 2022. The study also indicates that the number of transactions carried out on the internet and the price of the average basket spent online increased by 6.5% and 6.9% respectively compared to 2021. “Consumers expect from e-commerce the same financing facilities as those available in stores for capital goods (large household appliances, home improvement, etc.). Long-term financing is the sine qua none condition for the continued development of e-commerce. Our new Franfipay long-term financing offer is the ideal response to this challenge because it allows e-merchants to offer assigned credit from their website, which meets the strictest regulatory requirements, with remote subscription, to enable their customers to finance their purchases online", explains Frédéric JACOB-PERON, Managing Director of Franfinance.

Franfipay, an innovative financing solution to increase the conversion rate of online sales

With the ambition of becoming the benchmark for long-term e-commerce credit, Franfinance provides Franfipay e-merchants with all the tools to enable them to offer financing adapted to the baskets of their customers:

- payment facilities in 3 and 4 instalments free of charge, for amounts less than €4,000, with implementation in the customer journey of e-commerce sites simplified thanks to the use of API-type technologies;
- a long term credit offer with financing for online purchases over a period of more than 4 months and up to 60 months; and for amounts from €1,000 to €30,000.

Subscription is done in a few minutes and consumers will be able to receive a firm and definitive answer within a short time (on average within 24 working hours and within a maximum of 48 hours). The entire course is completely dematerialized and completely secure. Co-constructed with Franfinance partners and compatible with all e-commerce sites, Franfipay limits the risk of fraud (in particular through the use of facial recognition) and also the risk of non-payment. Finally, the installation of the solution is quick, the simple customer journey adapts to the colors of the merchant site to preserve the customer experience.

This initiative is part of a broader strategy of the Societe Generale group to build a complete and innovative offer for e-merchants.

## 2.6 Analysis of the consolidated balance sheet

**Update of pages 59 and 60 of the 2023 Universal Registration Document**

### 2.6.1 Consolidated balance sheet

**ASSETS**

| In EUR m | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Cash, due from central banks | 215,376 | 207,013 |
| Financial assets at fair value through profit or loss | 496,362 | 427,151 |
| Hedging derivatives | 31,126 | 32,971 |
| Financial assets at fair value through other comprehensive income | 90,556 | 92,960 |
| Securities at amortised cost | 27,595 | 26,143 |
| Due from banks at amortised cost | 83,269 | 68,171 |
| Customer loans at amortised cost | 490,421 | 506,635 |
| Revaluation of differences on portfolios hedged against interest rate risk | (1,925) | (2,262) |
| Investments of insurance companies | 616 | 353 |
| Tax assets | 4,385 | 4,484 |
| Other assets | 73,792 | 82,315 |
| Non-current assets held for sale | 3,590 | 1,081 |
| Investments accounted for using the equity method | 209 | 146 |
| Tangible and intangible fixed assets | 57,535 | 33,958 |
| Goodwill | 5,523 | 3,781 |
| **Total** | **1,578,430** | **1,484,900** |

**LIABILITIES**

| In EUR m | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Due to central banks | 9,468 | 8,361 |
| Financial liabilities at fair value through profit or loss | 380,821 | 304,175 |
| Hedging derivatives | 44,156 | 46,164 |
| Debt securities issued | 151,320 | 133,176 |
| Due to banks | 119,923 | 133,011 |
| Customer deposits | 546,655 | 530,764 |
| Revaluation of differences on portfolios hedged against interest rate risk | (8,367) | (9,659) |
| Tax liabilities | 2,356 | 1,645 |
| Other liabilities | 93,421 | 107,315 |
| Non-current liabilities held for sale | 2,212 | 220 |
| Insurance contract-related liabilities | 138,746 | 135,875 |
| Provisions | 4,577 | 4,579 |
| Subordinated debt | 15,158 | 15,948 |
| **Total liabilities** | **1,500,446** | **1,411,574** |
| **Shareholders' equity** | **-** | - |
| **Shareholders' equity, Group share** | **-** | - |
| Issued common stocks and capital reserves | 21,267 | 21,248 |
| Other equity instruments | 10,136 | 9,136 |
| Retained earnings | 34,485 | 34,479 |
| Net income | 1,768 | 1,825 |
| **Sub-total** | **67,656** | **66,688** |
| Unrealised or deferred capital gains and losses | 351 | 282 |
| **Sub-total equity, Group share** | **68,007** | **66,970** |
| Non-controlling interests | 9,977 | 6,356 |
| **Total equity** | **77,984** | **73,326** |
| **Total** | **1,578,430** | **1,484,900** |

As of 30 June 2023, the Group's consolidated balance sheet totalled EUR 1,578.4 billion, i.e., an increase of EUR 93.5 billion (+6,3%) compared to 31 December 2022 (EUR 1,484.9 billion).

### 2.6.2 Main changes in the scope of consolidation

The main change to the consolidation scope as at 30 June 2023, compared with the scope applicable at the closing date of 31 December 2022, is as follow:

**LEASEPLAN ACQUISTION BY ALD**

On 22 May 2023, following the approval of ALD's Board of Directors and relevant regulatory authorities approvals, ALD acquired 100% of LeasePlan for a consideration of EUR 4,882 million. This amount is subject to a contingent additional consideration of an amount up to EUR 235 million in cash, according to the achievements of objectives related to LeasePlan's regulatory ratios particulary.

The consideration includes:

- A cash component: approximately EUR 1,828 million mainly financed via a capital increase of EUR 1,212 million. Societe Generale held 79.82% of ALD's capital prior to this increase. In accordance with its commitment to remain ALD's majority shareholder in the long term, Societe Generale subscribed to new shares for an amount of EUR 803 million representing 66.26% of the capital increase and held, at the end of 2022, 75.94% of ALD;
- A share component: 251,215,332 new ALD shares have been issued, representing 30.75% of ALD capital after the completion of the acquisition, and before the exercise of warrants (ABSA). The value of this share component amounts to EUR 2,871 million, based on the fair value of ALD's shares of EUR 11.43 at the completion date;
- A warrant component: ALD has issued 26,310,039 warrants attached to ALD's share (ABSA) for the benefit of LeasePlan's selling shareholders, so that their total shareholding could reach 32.91% in case of full exercise of warrants. These warrants were valued EUR 128 million, as at 22 May 2023;
- A contingent consideration: estimated by the Group at its fair value of EUR 55 million, as at the closing date of the transaction. The earn out mechanism will last until 31 December 2024, subject to an additional 6-month period in certain limited circumstances, with potential payments every quarter. In the Group's financial statements the contingent consideration is recorded as Other liabilities as at 30 June 2023.

As a result, after the completion of the LeasePlan acquisition, Societe Generale remains the majority shareholder of ALD with a stake of 52.59%. This stake may be reduced to 50.95% in the event of the exercise of the shares with warrants attached that have been granted to LeasePlan shareholders to allow them to increase their stake up to 32.91% of ALD's social capital. As of 30 June 2023, the former LeasePlan shareholders consortium led by TDR Capital holds 30.75% of the combined entity, while the free float represents 16.66%.

Following the transaction, ALD (combined entity), after the acquisition of LeasePlan, keeps being fully consolidated by the Group.

**SALE OF ALD AUTOMOTIVE O.O.O BY ALD**

On 27 April 2023, ALD SA sold to JSC Tsk all its shares on the Russian subsidiary ALD Automotive O.O.O.

### 2.6.3 Changes in major consolidated balance sheet items

**Cash, due from central banks and due to central banks** increased respectively by EUR 8.4 billion (+4.0%) & EUR 1.1 billion (+13.3%) compared to 31 December 2022. The increase in assets is mainly due to the growth of cash due from Reserve Federal Bank and Bank of France.

**Financial assets at fair value through profit or loss** increased by EUR 69.2 billion (+16.2%) compared to 31 December 2022. This evolution is the result of an increase in securities purchased under resale agreements for EUR +39.1 EUR billion and an upward trend on bonds and equities for EUR +17.4 EUR billion and EUR +10.5 billion respectively.

**Financial liabilities as fair value through profit or loss** increased by EUR 76.6 billion (+25.2%) compared to 31 December 2022. This evolution is mainly due to the rises in securities sold under repurchase agreements and in structured bonds issued by the group for EUR +60.2 billion EUR +15.5 billion respectively.

**Hedging derivatives** decreased by EUR 1.8 billion to assets (-5.6%) and by EUR 2 billion to liabilities (-4.3%) compared with 31 December 2022. This variation is related to the fall in fair value hedging instruments and mainly to the interest rate swaps.

**Due from banks at amortized cost** rose by EUR 15.1 billion (+22.1%) compared to 31 December 2022, due to the increase in current accounts and in the reverse repo transaction with Czech National Bank.

**Customer loans at amortized cost** decreased by EUR 16.2 billion (-3.2%) compared to 31 December 2022, mainly explained by the drop of the overdraft on current accounts for EUR -5.9 billion, and the decline on credit loans for EUR -11.8 billion due to the stagnation of new loans, considering the economic environment.

**Debt securities issued** rose by EUR 18.1 billion (+13.6%) compared to 31 December 2022, explained essentially by the variation on Interbank certificates and negotiable debt instruments for EUR +15.9 billion.

**Customer deposits** increased by EUR 15.9 billion (+3%) compared to 31 December 2022, due essentially to the purchase of LeasePlan and an increase in term client deposits due to the rise of interest rates.

**Due to banks** decreased by EUR 13.1 billion (-9.8%) compared to 31 December 2022. This decrease is explained by the anticipated reimbursement of the TLTRO III by SG Paris for EUR-19.3 billion.

**Other assets** decreased by EUR 8.5 billion (-10.4%) compared to 31 December 2022, mainly due to the decline in deposits paid to the Clearing house for EUR -8.8 billion.

**Other liabilities** decreased by EUR 13.9 billion (-12.9%) compared to 31 December 2022, mainly due to the decline in the forward financial instruments deposits paid by the customers in the energy sector, due to the fall in the price of gasoline.

**Insurance contracts related liabilities** increased by EUR 2.9 billion (+2.1%) compared to 31 December 2022, due to the increase in the valuation of the contracts with participation, linked to the upward trend of the market value on affected assets, booked under IFRS9.

**Tangible and intangible fixed assets** rose by EUR 23.6 billion (+69%) compared to 31 December 2022, linked to the purchase of LeasePlan which has caused an increase in assets leased by specialized financing companies of EUR +20.8 billion.

**Goodwill** grew by EUR 1.7 billion (+46%) compared to 31 December 2022 explained by the acquisition of LeasePlan.

**The Group shareholders' equity** amounted to EUR 68 billion as at 30 June 2023 versus 67 billion as at 31 December 2022. This variation was attributable primarily to the following factors:

- Net income group share for the first semester of 2023: EUR 1.8 billion;
- Issuance of the deeply subordinated notes during the first semester of 2023: EUR 1 billion;
- Distribution of dividends: EUR -1.4 billion.

The rise on the non-controlling interest of EUR 3.6 billion is mainly due to the decrease in the detention rate in ALD group from 75.94% as at 31 December 2022 to 52.59% as at 30 June 2023.

After taking into account the non-controlling interest EUR 10 billion, the Group shareholders' equity totalled EUR 78 billion as at 30 June 2023.

## 2.7 Property and equipment

### Update of pages 62 and 65 of the 2023 Universal Registration Document

The gross book value of the Societe Generale group's tangible operating fixed assets amounted to EUR 79 billion as of 30 June 2023. This figure comprises land and buildings (EUR 5.4 billion), right of use (EUR 3.3 billion), assets leased by specialized financing companies (EUR 63.5 billion), investment property (EUR 0.7 billion) and other tangible assets (EUR 6.1 billion).

The net book value of the tangible operating assets and investment property amounted to EUR 54.2 billion, representing only 3.4% of the consolidated balance sheet as at 30 June 2023.

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

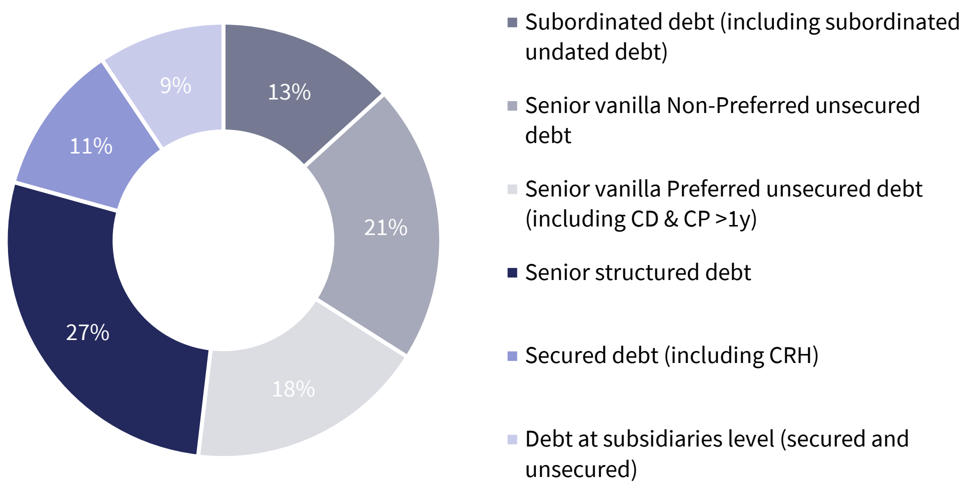
## 2.8 Financial policy

### Group debt policy – Update of pages 62 and 63 of the 2023 Universal Registration Document

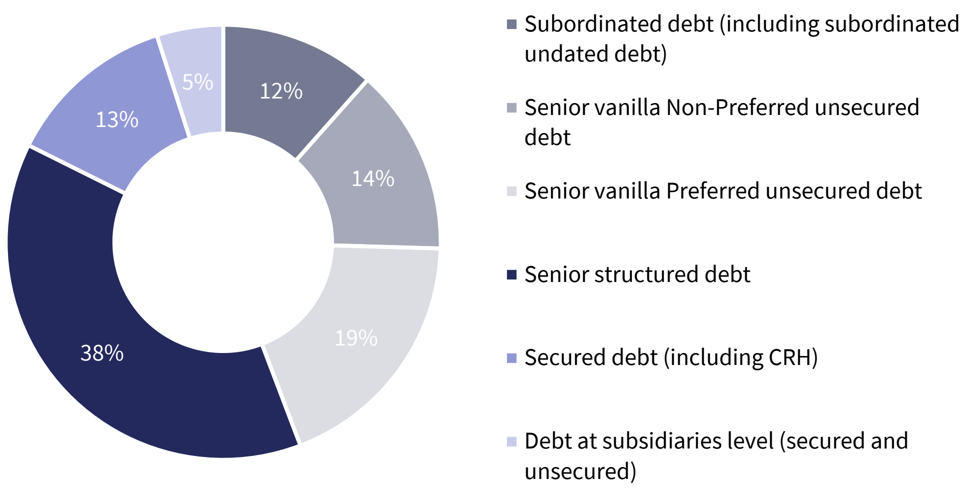
Group short-term and long-term debt totalled EUR 249.8 billion at 30 June 2023, of which:

- EUR 12.8 billion issued by conduits (short term), and
- EUR 50.8 billion related to senior structured issues of small denomination (below EUR 100,000), predominately distributed to retail clients.

**GROUP LONG-TERM SECURITIES DEBT AT 30.06.2023: EUR 204.6bn**




**COMPLETION OF THE FINANCING PROGRAMME AT END-JUNE 2023: EUR 37.7bn**



## 2.9 Major investments and disposals

| Business division | Description of investments |
|---|---|
| **2023** | |
| | Acquisition of 100% capital of LeasePlan by ALD from a consortium led by TDR |
| **2022** | |
| | No acquisition finalised in 2022. |
| **2021** | |
| International Retail Banking and Financial Services | Acquisition of Bansabadell Renting, a subsidiary of Banco Sabadell, in Spain. |
| **2020** | |
| International Retail Banking and Financial Services | Acquisition of Reezocar, a French platform specialised in the online sale of used cars to individuals. |
| French Retail Banking | Acquisition of Shine, neobank specialising in the professional and SME segments. |
| International Retail Banking and Financial Services | Acquisition of Socalfi, entity specialized consumer finance in New-Caledonia. |
| French Retail Banking | Acquisition of ITL through its subsidiary Franfinance, specialised in the environmental, manufacturing and healthcare sectors. |

| Business division | Description of disposals |
|---|---|
| **2023** | |
| International Retail Banking and Financial Services | Disposal of ALD Russia to JSC Tsk. |
| **2022** | |
| International Retail Banking and Financial Services | Disposal of Societe Generale Group’s and Sogecap’s entire stakes in Rosbank and two joint ventures co-held with Rosbank (Societe Generale Strakhovanie LLC and Societe Generale Strakhovanie Zhizni LLC). |
| Corporate Centre | Sale of a 5% stake in Treezor to MasterCard, reinforcing an industrial partnership. |
| International Retail Banking and Financial Services | Disposal of a minority stake in Schufa, a credit rating agency in Germany. |
| **2021** | |
| Global Banking and Investor Solutions | Disposal of Lyxor, a European asset management specialist. |
| **2020** | |
| International Retail Banking and Financial Services | Disposal of SG Finans AS, an equipment finance and factoring company in Norway, Sweden and Denmark |
| International Retail Banking and Financial Services | Disposal of Societe Generale Banque aux Antilles |
| International Retail Banking and Financial Services | Disposal through ALD of its entire participation in ALD fortune (50%), in China |
| Global Banking and Investor Solutions | Disposal of Societe Generale's custody, depository and clearing activities in South Africa |

## 2.10 Statement on post-closing events

### Update of the page 66 of the 2023 Universal Registration Document

Since the end of the last financial period, other than those described in the amendment to the universal registration document filed with the AMF on May 12th, 2023 under n° D-23-0089-A01 and other than described in the amendment to the universal registration document filed with the AMF on August 4th, 2023 under n° D-23-0089-A02, no significant change in the financial performance of the group occurred.

## 2.11 Information about geographic locations and activities at 31 December 2022

### Update of the pages 67 and 68 of the 2023 Universal Registration Document

The article L.511-45 of the Monetary and Financial Code modified by Order No. 2014-158 of 20 February, 2014, require credit institutions to communicate information about the locations and activities of their entities included in their consolidation scope, in each State or territory.

Société Générale publishes below the information relative to staff and the financial information by countries or territories.

| Country | Staff (*) | NBI (*) | Earnings before corporate tax (*) | Corporate tax (*) | Deferred corporate tax (*) | Other taxes (*) | Subventions (*) |
|---|---|---|---|---|---|---|---|
| South Africa | - | 0 | (0) | (0) | - | - | - |
| Algeria | 1,621 | 169 | 72 | (19) | (1) | (7) | - |
| Germany | 2,983 | 1,082 | 322 | (124) | 17 | (2) | - |
| Australia | 62 | 42 | 8 | (4) | 0 | (1) | - |
| Austria | 83 | 26 | 5 | (3) | (0) | (0) | - |
| Belarus | 3 | 2 | 1 | (0) | 0 | - | - |
| Belgium | 358 | 123 | 58 | (6) | (7) | (1) | - |
| Benin | 229 | 25 | 12 | (1) | (3) | (1) | - |
| Bermuda (1) | - | 1 | 1 | - | - | - | - |
| Brazil | 371 | 82 | 37 | (7) | (8) | (14) | - |
| Bulgaria | 38 | 6 | 4 | (0) | 0 | - | - |
| Burkina Faso | 284 | 60 | 27 | (6) | (1) | (3) | - |
| Cameroon | 657 | 138 | 50 | (16) | 1 | (4) | - |
| Canada | 64 | 36 | 9 | (4) | 0 | (1) | - |
| Chile | 37 | 5 | 0 | - | 0 | (0) | - |
| China | 269 | 76 | 29 | (4) | 4 | (0) | - |
| Colombia | 29 | 4 | 2 | (1) | 2 | (0) | - |
| Congo | 144 | 29 | 8 | (2) | (0) | (1) | - |
| South Korea | 107 | 103 | 36 | (20) | 7 | (3) | - |
| Cote d'Ivoire | 1,403 | 315 | 145 | (26) | (2) | (8) | - |
| Croatia | 49 | 11 | 7 | (1) | 0 | (0) | - |
| Curacao (2) | - | - | - | - | - | - | - |
| Denmark | 131 | 43 | 24 | (4) | 1 | - | - |
| United Arab Emirates | 58 | 3 | (13) | - | - | (0) | - |
| Spain | 683 | 367 | 229 | (56) | (7) | (2) | - |
| Estonia | 13 | 3 | 2 | (1) | - | (0) | - |
| United States | 1,969 | 1,869 | 703 | (11) | (116) | (7) | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Finland | 123 | 55 | 38 | (8) | 1 | - | - |
| France | 52,253 | 13,537 | (1,824) | 11 | (139) | (1,638) | - |
| Ghana | 543 | 77 | 25 | (13) | 5 | (0) | - |
| Gibraltar | 38 | 5 | 1 | - | (0) | (1) | - |
| Greece | 46 | 8 | 4 | - | (1) | (0) | - |
| Guinea | 302 | 78 | 24 | (15) | 4 | (2) | - |
| Equatorial Guinea | 236 | 16 | 6 | (2) | - | (1) | - |
| Hong Kong | 1,069 | 700 | 257 | (30) | (0) | (1) | - |
| Hungary | 99 | 18 | 12 | (2) | (0) | (0) | - |
| Îles Caïmans [3] | - | - | - | - | - | - | - |
| Isle of Man | - | - | - | - | - | - | - |
| Guernsey | 61 | - | - | - | - | - | - |
| India(4) | 10,616 | 42 | 66 | (55) | (0) | (1) | - |
| Ireland | 188 | 113 | 50 | (10) | 0 | (0) | - |
| Italy | 2,014 | 932 | 457 | (76) | (33) | (3) | - |
| Japan | 214 | 235 | 93 | (30) | 1 | (2) | - |
| Jersey | 194 | 18 | 5 | (2) | 0 | - | - |
| Latvia | 21 | 4 | 2 | (0) | - | - | - |
| Lithuania | 13 | 5 | 4 | (1) | (0) | (0) | - |
| Luxembourg | 1,357 | 758 | 317 | (34) | 9 | (29) | - |
| Madagascar | 1,032 | 81 | 37 | (8) | 0 | (5) | - |
| Malaysia | 16 | 0 | (3) | - | 0 | - | - |
| Malta [2] | - | - | - | - | - | - | - |
| Morocco | 3,667 | 527 | 195 | (71) | (8) | (18) | - |
| Mauritius | - | - | (0) | - | - | - | - |
| Mauritania | 190 | 29 | 11 | (1) | (3) | (2) | - |
| Mexico | 128 | 30 | 20 | (10) | (1) | (0) | - |
| Monaco | 321 | 130 | 25 | (11) | 1 | (0) | - |
| Norway | 66 | 17 | 4 | - | (1) | - | - |
| New Caledonia | 305 | 80 | 41 | (12) | (1) | (0) | - |
| Netherlands | 299 | 143 | 88 | (13) | (11) | (0) | - |
| Peru | 26 | 4 | 2 | (1) | (0) | - | - |
| Poland | 497 | 101 | 49 | (11) | 1 | (3) | - |
| French Polynesia | 262 | 52 | 26 | (13) | (1) | (1) | - |
| Portugal | 129 | 37 | 27 | (5) | (2) | - | - |
| Czech Republic | 7,887 | 1,625 | 910 | (157) | (12) | (53) | - |
| Romania | 9,003 | 713 | 361 | (61) | (2) | (17) | - |
| United Kingdom | 2,892 | 1,878 | 879 | (219) | 39 | (12) | - |
| Russian Federation | 115 | 393 | 114 | (21) | (4) | (7) | - |
| Senegal | 920 | 112 | 39 | (16) | (0) | (8) | - |
| Serbia | 32 | 10 | 8 | (2) | 0 | (0) | - |
| Singapore | 216 | 161 | 66 | (4) | (0) | (0) | - |
| Slovakia | 116 | 32 | 25 | (4) | (1) | (0) | - |
| Slovenia | 19 | 5 | 4 | (1) | 0 | (0) | - |
| Sweden | 165 | 85 | 43 | (9) | 0 | (0) | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Switzerland | 550 | 264 | 59 | (13) | 0 | (0) | - |
| Taiwan | 44 | 33 | (6) | (1) | 5 | (2) | - |
| Chad | 212 | 29 | 4 | (3) | 0 | (2) | - |
| Thailand | 3 | 0 | (0) | - | - | - | - |
| Togo | 48 | 6 | 5 | (0) | - | (0) | - |
| Tunisia | 1,400 | 154 | 59 | (27) | 3 | (5) | - |
| Turkey | 105 | 103 | 98 | (0) | (24) | (0) | - |
| Ukraine | 45 | 4 | 1 | (1) | (2) | - | - |
| **Total** | **111,742** | **28,059** | **4,507** | **(1,274)** | **(286)** | **(1,867)** | **-** |

* **Staff:** *Full-time equivalent (FTE) as at closing date. Staff members of entities accounted for by the equity method and entities removed during the year are excluded.*

**NBI:** *Net banking income by territorial contribution to the consolidated statement, in millions of euros, before elimination of intragroup reciprocal transactions. Net income from companies accounted for by the equity method is directly recorded in the earnings before tax, there is no contribution from them.*

**Earning before tax:** *Earning before tax by territorial contribution to the consolidation statement, in millions of euros, before elimination of intragroup reciprocal transactions.*

**Corporate taxes:** *Such as presented in the consolidated statement in accordance with the IFRS standards and by distinguishing the current taxes of the deferred taxes, in millions of euros.*

**Other taxes:** *Other taxes include among others payroll taxes, the C3S, the contribution to the SRF, CET taxes and local taxes. The data arise from the consolidated reporting and from management report, in millions of euros.*

**Public subsidies received:** *Non-matching or non-refundable subsidies granted by a public entity on a one-off or renewable basis to complete a clearly defined project.*

*(1) Income from the entity located in Bermuda is taxed in France.*

*(2) The entity located in Curacao was liquidated in 2022.*

*(3) Income from the entity located in Cayman Islands is taxed in the United States.*

*(4) Most of the staff located in India is assigned to a shared services centre, the re-invoicing income of which is recorded in general and administrative expenses and not in NBI.*

# 3. CORPORATE GOVERNANCE

## 3.1 Combined General Meeting on 23 May 2023

The General Meeting of shareholders of Societe Generale was held on 23 May 2023 at Maison de la Mutualité - 24 rue Saint-Victor - 75005 Paris and was chaired by Mr. Lorenzo Bini Smaghi.
Quorum was established at 53. 45% (vs 54.83% in 2022):

- 681 shareholders participated by attending the General Meeting in person at the place where it was held on 23 May 2023;
- 914 shareholders were represented at the General Meeting on the day it was held by a person other than the Chairman;
- 11605 shareholders voted online;
- 2 754 shareholders voted by post;
- 9 839 shareholders, including 7 244 online, representing 1.01% of the share capital, gave proxy to the Chairman;
- A total of 25 793 shareholders were, in accordance with the regulations, present or represented and thus participated in the vote.

The agenda item, with no vote, was an opportunity to present and discuss with shareholders the Group's energy transition plan and social and environmental responsibility.
In addition, 13 shareholders sent written questions prior to the General Meeting. The answers were made public before the General Meeting on the institutional website.
All the resolutions put forward by the Board of Directors were adopted, in particular:

- The 2022 annual company accounts and annual consolidated accounts;
- The dividend per share was set at EUR 1.70. It shall traded ex-dividend on 30 May 2023 and paid from 1st June 2023;
- The appointment of four directors for 4 years: Mr. Slawomir Krupa, Mrs. Béatrice Cossa-Dumurgier, Mrs. Ulrika Ekman and Mr. Benoît de Ruffray;
- The compensation policy for the Chairman, Chief Executive Officer, the Deputy Chief Executive Officers and the Directors;
- The components composing the total compensation and the benefits of any kind paid or awarded for the 2022 financial year to the Chairman and the Chief Executive Officer and the Deputy Chief Executive Officers;
- A favorable opinion was issued on the remuneration paid in 2022 to regulated persons;
- The authorisation granted to the Board of Directors to purchase ordinary shares of the Company was renewed for 18 months up to 10% of the share capital;
- The authorisation for capital increases, enabling the issue of shares in favour of employees within the framework of a company or group saving plan, was renewed for 26 months;
- The amendments to the By-laws relating to the four-year term limit for Directors elected by employees and the capping at 74 of the Chairman’s age limit.

6-The detailed voting result is available this day on the Company's website in the item "Annual General Meeting".

## 3.2 Board of Directors

Following the four appointments of directors decided by the General Meeting of 23 May 2023, the Board of Directors has the following composition:

- Mr. Lorenzo Bini Smaghi, Chairman;
- Mr. Slawomir Krupa, Director;
- Mr. William Connelly, Director ;
- Mr. Jérôme Contamine, Director;
- Mrs. Béatrice Cossa-Dumurgier, Director ;
- Mrs. Diane Côté, Director;
- Mrs. Ulrika Ekman, Director;
- Mrs. France Houssaye, Director elected by employees;
- Mrs. Annette Messemer, Director ;
- Mr. Henri Poupart-Lafarge, Director;
- Mr Johan Praud, Director elected by employees;
- Mrs. Lubomira Rochet, Director;
- Mr. Benoît de Ruffray, Director ;
- Mrs. Alexandra Schaapveld, Director;
- Mr. Sébastien Wetter, Director representing employees shareholders.
- Mr. Jean-Bernard Lévy, Non-voting Director ("censeur").

At the end of the General Meeting of 23 May 2023, on the proposal of the Nomination and Corporate Governance Committee, the Board of Directors unanimously appointed Mr. Slawomir Krupa as Chief Executive Officer. The functions of Chairman and Chief Executive Officer will continue to be separated in accordance with Article L. 511-58 of the French Monetary and Financial Code. Lorenzo Bini Smaghi, Chairman of the Board of Directors, said: "The Board of Directors expresses its warm gratitude to Frédéric Oudéa and to the General Management whose term of office has come to an end. It commends Frédéric Oudéa's actions during his 15 years of General Management, during which he demonstrated the Bank's ability to withstand crises and adapt its business model before launching or expanding major strategic initiatives such as the merger of Societe Generale and Crédit du Nord retail banking networks in France, the development of Boursorama, the acquisition of LeasePlan by ALD, the joint venture with Alliance Bernstein or the exit from Russia. The entire Board also joins me in warmly congratulating Slawomir Krupa on his appointment as Chief Executive Officer. It will be up to him, with the new General Management, to pursue these initiatives and further transform the Group for the greater benefit of its shareholders, customers and all its teams respecting its corporate purpose (raison d'être) 'Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions'." After consulting the Nomination and Corporate Governance Committee, the Board of Directors unanimously approved the proposal made by the Chief Executive Officer, in compliance with the regulations in force, to appoint Philippe Aymerich and Pierre Palmieri as Deputy Chief Executive Officers as of 23 May 2023, as announced in the press release dated 9 March 2023 (Hyperlink). The Chief Executive Officer and the Deputy Chief Executive Officers are effective managers ("dirigeants effectifs") within the meaning of banking regulations (Article L.511-13 of the French Monetary and Financial Code). The Board of Directors has adopted the terms and conditions of employment of the new Chief Executive Officer and Deputy Chief Executive Officers. The Board of Directors is now made up of 50% women and more than 90% (11/12) independent directors if we exclude from the calculations the three directors representing the employees in accordance with paragraph 1 of Article L. 225-23 of the Commercial Code, paragraph 2 of Article L. 225-27 of the Commercial Code and the AFEP-MEDEF code. The Board of Directors held after the General Meeting has decided that, as of 23 May 2023, the Board committees will be composed as follows:

• Audit and Internal Control Committee: Mrs. Alexandra Schaapveld (chairwoman), Mr. Jérôme Contamine, Mrs. Diane Côté, Mrs. Ulrika Ekman and Mr. Sébastien Wetter;

• Risk Committee: Mr. William Connelly (chairman), Mrs. Béatrice Cossa Dumurgier as from 2024 and guest during the period, Mrs. Diane Côté, Mrs.Ulrika Ekman, Mrs. Annette Messemer and Mrs. Alexandra Schaapveld ;

• Compensation Committee: Mr. Jérôme Contamine (chairman), Mr. Benoit de Ruffray, Mrs. France Houssaye and Mrs. Annette Messemer;

• Nomination and Corporate Governance Committee: Mr. Henri Poupart-Lafarge (chairman), Mr. William Connelly, Mr. Benoit de Ruffray and Mrs. Lubomira Rochet.

**Biographies**

Mr Slawomir KRUPA, born on 18 June 1974, of French and Polish nationalities, is graduated from the Institut d'Études Politiques de Paris. he has acquired a 27 years experience in banking, particularly international banking. He joined the Societe Generale group in 1996 as part of the General Inspection Department. As from 2007, he moved to Corporate and Investment Banking, where he took on a range of responsibilities. In 2007, he was Head of Strategy and Development, then Head of Central and Eastern Europe, Middle East and Africa (CEEMEA) in 2009 and Deputy Head of Financing in 2012. He was appointed CEO of SG Americas in January 2016. In January 2021, he joined the Group's General Management team as Deputy Chief Executive Officer in charge of Global Banking and Investor Solutions. He holds a directorship at Societe Generale FORGE, a French unlisted subsidiary of the Group. Professional address : Tours Société Générale, 17, cours Valmy, CS 50318, 92972 La Défense cedex

Ms. Béatrice COSSA-DUMURGIER, born on 14 November 1973, of French nationality, is graduated from École Polytechnique (1997), Corps des Ponts et Chaussées (2000), and holds a Master of Science from Massachussetts Institute of Technology (Boston, 2000). She began her career at McKinsey in France and the US, before joining the French Ministry of Finance in 2000, first in the Treasury Department and later in the Agence des participations de l'État (French State Investment Agency). She joined BNP Paribas Group in 2004 and held various strategic, operational and executive positions within G100 until 2019, the last being Chief Executive Officer of the online brokerage subsidiary and member of Domestic Markets' Executive Committee. In 2019, she joined BlaBlaCar as Chief Operating Officer, CEO of BlaBlaBus and as a member of the Executive Committee. She has been Deputy General Manager (employee not corporate officer) of Believe since September 2022. She is also an independent director of Peugeot Invest, SPAC Transition and Casino Guichard-Perrachon. Mrs. Béatrice Cossa-Dumurgier has declared to the Board that these last two terms of office will end, at the latest, at the General Meetings approving the 2023 financial statements. Professional address : 24 rue Toulouse Lautrec - 75017 Paris.

Ms. Ulrika EKMAN, born on 6 October 1962, of American and Swedish nationality, holds a J.D. from the New York University School of Law, an M.A. in History from New York University and a B.S. in Foreign Service from Georgetown University. She was a partner in the US and international law firm Davis Polk LLP, where she represented clients in complex domestic and cross-border transactions across a wide range of sectors, including mergers, acquisitions, spin-offs, disposals and reorganisations (1990-2004). Ulrika Ekman was a member of the Management Committee of Greenhill & Co., a leading independent investment bank that provides financial advisory services for mergers, acquisitions, restructurings, financing and fundraising to companies, institutions and governments from its multiple offices across five continents (2004-2012). She is currently an independent member of the Board of Directors of Greenhill & Co., where she chairs the Nomination and Governance Committee and sits on the Compensation Committee. Professional address : Tours Société Générale, 17, cours Valmy, CS 50318, 92972 La Défense cedex

Mr Benoît de RUFFRAY, born on 4 June 1966, of French nationality, is graduated from École Polytechnique and École Nationale des Ponts et Chaussées, and holds a Master's degree from Imperial College in London. He began his career in 1990 upon joining the Bouygues group. After leading major international projects, he became Head of Latin America in 2001. From 2003 to 2007, he was Chief Executive Officer of Dragages Hong Kong, and later, in 2008, Deputy CEO of Bouygues Bâtiment International. He became CEO of Soletanche Freyssinet group (Vinci group) in 2015. Benoît de Ruffray was appointed Chairman and Chief Executive Officer of Eiffage on 18 January 2016. He is also Director of Getlink since 27 Avril 2023. Professional address: 3-7 place de l'Europe, 78140.

M. Philippe AYMERICH, born on 12 August 1965, of French nationality, is graduated from France's École des Hautes Études Commerciales (HEC). He joined Societe Generale in 1987, first in the Inspection Division where he performed audit and advisory work in a range of areas until 1994, at which time he was appointed Chief Inspector. In 1997, he moved to Societe Generale Corporate & Investment Banking where he was appointed Deputy Managing Director of SG Spain, in Madrid. From 1999 until 2004, he served in New York, first as Deputy Chief Operating Officer and later, from 2000, as Chief Operating Officer for SG Americas' Corporate & Investment Banking arm. In 2004, he was appointed Head of the Automotive, Chemicals & General Industries Group in the Corporate & Institutions Division. In December 2006, he was appointed Deputy Chief Risk Officer for Societe Generale Group. Philippe Aymerich was appointed Chief Executive Officer of Crédit du Nord in January 2012. He has been Deputy Chief Executive Officer of Societe Generale since May 2018. He has also been director and Chairman of the board of directors of Boursorama and Franfinance, French unlisted companies of the Group. Professional address: Tours Société Générale, 17, cours Valmy, CS 50318, 92972 La Défense cedex

M. Pierre PALMIERI, born on 11 November 1962, of French nationality, is graduated from the École Supérieure de Commerce in Tours. He began his career at Societe Generale Corporate and Investment Banking in 1987 within the Export Finance department where he became, in 1989, Head of the finance engineering team. He joined the Agence Internationale's team in 1994, where he created the Commodity Finance global business line. He was appointed Global Head of Structured Commodity Finance in 2001. In 2006, he created and co-headed the Natural Resources and Energy global business line. He was appointed Deputy Head of Global Finance in 2008, became Head of Global Finance in 2012 before widening his scope of responsibilities to the whole Global Banking and Advisory activities in 2019. He holds a directorship of Societe Generale Marocaine de Banques, unlisted company of the Group. Mr. Pierre Palmieri is proposed for the position of Director of ALD at the General Meeting of this company scheduled on 24 May 2023. Professional address: Tours Société Générale, 17, cours Valmy, CS 50318, 92972 La Défense cedex

**Declarations**
As all other Directors, the new Directors, as well as the Chief Executive Officer and the Deputy Chief Executive Officers have made the regulatory declarations on the absence of conflicts of interest and the absence of convictions mentioned on page 158 of the Universal Registration Document filed by Societe Generale on 13 March 2023 with the French market authority (AMF) under number D.23-0089

## 3.3 General Management

### Press Release dated 24 May 2023

Appointed Chief Executive Officer by the Board of Directors after the General Meeting on May 23, 2023, Slawomir Krupa establishes the new management team of the Group, and announces that the presentation of the Group's new strategic and financial roadmap will take place on September 18, 2023.
Effective today, the new management team, led by Slawomir Krupa, will be comprised of two Deputy Chief Executive Officers, Philippe Aymerich and Pierre Palmieri, and a newly created Executive Committee.

The mission of this management team, is, together with all Societe Generale staff, to further pursue the development of the Group, while serving its 25 million customers in France and abroad and making a purposeful and responsible contribution to sustainable development goals.

The new strategic and financial roadmap will be presented to investors on September 18, 2023 at a Capital Markets Day in London.

As announced on March 9, management has defined three priority objectives:

The efficient stewardship of the capital entrusted to the Group by its shareholders;
The quality of execution of the Group's long-term roadmap, starting with our ongoing strategic projects: the full implementation of the new SG retail bank in France, Boursorama's development, ALD's integration of LeasePlan, the joint venture with AllianceBernstein, and the roll-out of the Group ESG strategy; and
The structural improvement of the Group's operational performance and profitability.
Slawomir Krupa, Chief Executive Officer of Societe Generale Group, said: "I am very happy and proud to be leading Societe Generale Group to which I have dedicated most of my entire professional life since 1996. But above all, I feel a great responsibility - toward our employees, our clients and our shareholders - in opening this new chapter in the Group's 160-year history, while being mindful of the challenges but also of the many opportunities. We are here to serve our clients and support their endeavors with passion, professionalism, and commitment. They deserve our best. So do our shareholders, whose capital we manage and whose trust we shall earn and preserve day in and day out. The broader society and the communities of which we are part deserve from us the highest standards in terms of conduct and responsibility and that our activities will make a positive impact. This much we pledge, my team and I."

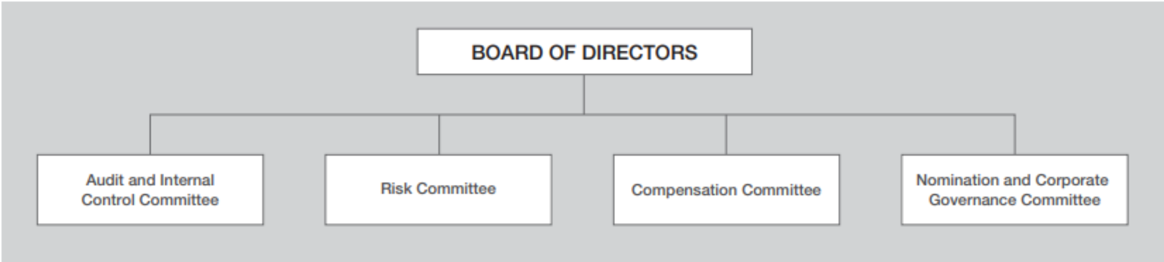
The new General Management is composed of Slawomir Krupa, Chief Executive Officer, two Deputy Chief Executive Officers Philippe Aymerich and Pierre Palmieri, and a new Executive Committee with talented women and men recognized in their area of expertise:

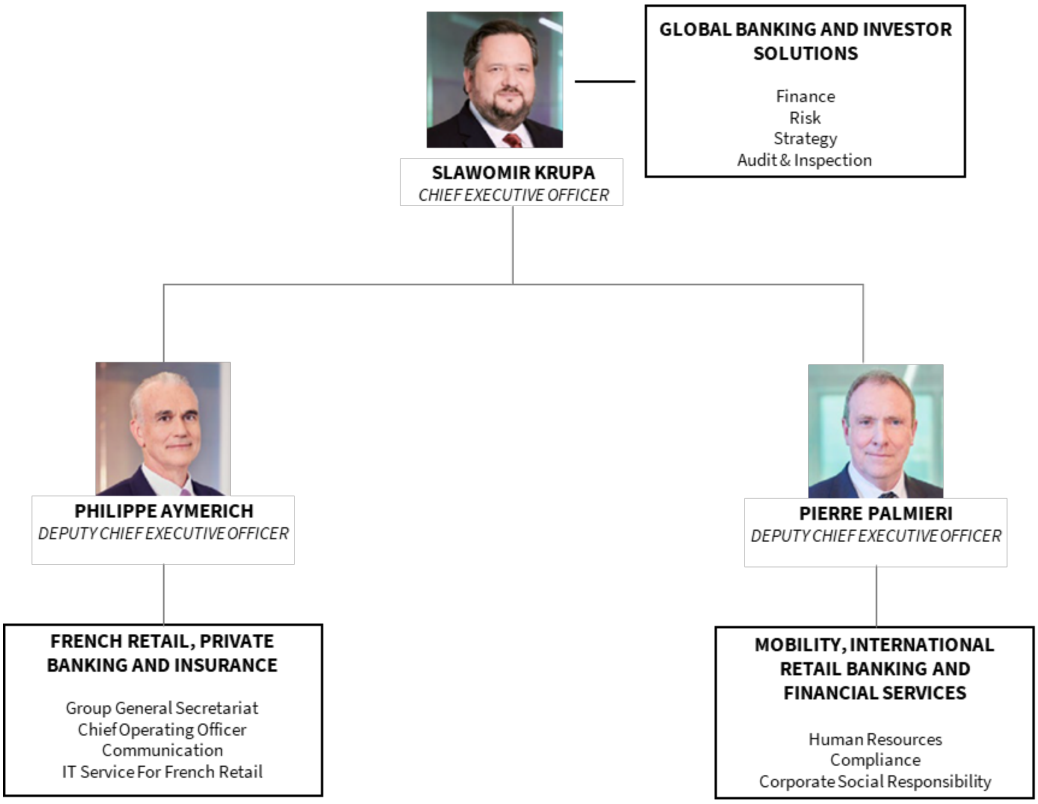
- Anne-Christine Champion, Co-Head of Global Banking and Investor Solutions
- Anne-Sophie Chauveau-Galas, Group Chief Human Resources Officer
- Marie-Christine Ducholet, Head of the SG French Retail Banking Network
- Claire Dumas, Group Chief Financial Officer
- Alexandre Fleury, Co-Head of Global Banking and Investor Solutions
- Delphine Garcin-Meunier, Head of Mobility, International Retail Banking & Financial Services
- Stéphane Landon, Group Chief Risk Officer
- Laura Mather, Group Chief Operating Officer
- Laetitia Maurel, Group Chief Communication Officer
- Grégoire Simon-Barboux, Group Chief Compliance Officer

## Presentation of the organization since May 2023

### Update of page 70 of the 2023 Universal Registration Document ("URD")

**Presentation of the organisation**
**(since May 2023)**




Update of page 71 of the 2023 Universal Registration Document, « Organisation of the governance » is amended as follows:

**Organisation of the governance**
(since 23 May 2023)

On 15 January 2015, the Board of Directors decided that, in accordance with Article L. 511-58 of the French Monetary and Financial Code (Code monétaire et financier), the offices of Chairman and Chief Executive Officer would be separated following the General Meeting of 19 May 2015.
Lorenzo Bini Smaghi was appointed Chairman of the Board of Directors on 19 May 2015 and has been reappointed Chairman on 17 May 2022.
On 23 May 2023, the Board of Directors appointed Mr Slawomir Krupa as Chief Executive Officer in place of M. Frédéric Oudéa. He is assisted by two Deputy Chief Executive Officers. Their scopes of supervision are described on the next page of this URD updated by this 2nd amendment.

Update of page 105 of the 2023 Universal Registration Document:
**Organisation of General Management since May 2023**
(since 23 mai 2023)

General Management oversees the Company and acts as its representative with respect to third parties. It comprises the Chief Executive Officer, Slawomir Krupa, who is assisted by two Deputy Chief Executive Officers:

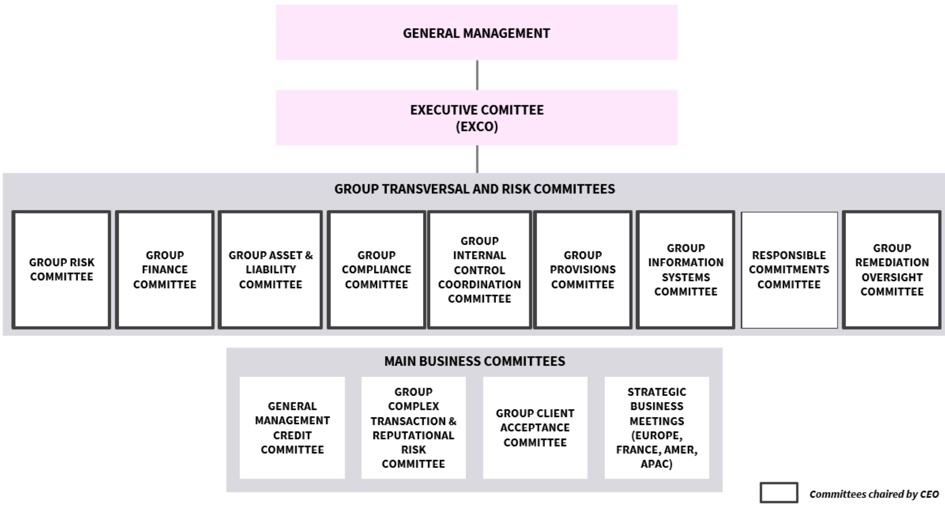
- Slawomir Krupa is in charge of supervising the risk control function, in addition to Inspection and Audit, Finance function and Global Banking & Investor Solutions businesses;

- Philippe Aymerich, Deputy Chief Executive Officer, in office since 14 May 2018, has been, since 23 May 2023, more specifically in charge of supervising the Group's resources, other than human resources, the General Secretariat, Communication, Retail Banking activities in France, including Innovation, Technologies & IT (ITIM), Private Banking and Insurance;

- Pierre Palmieri, Deputy Chief Executive Officer, has been in office since 23 May 2023, specifically in charge of supervising the compliance control function, Corporate Social Responsibility, Human Resources, International Retail Banking activities and Financial Services.

Update of pages 106 and 107 of the 2023 Universal Registration Document:
**Presentation of the members of General Management**
Information about Frédéric Oudéa and Diony Lebot are no more relevant as they left their respective offices as Chief Executive Officer and Deputy Chief Executive Officer following the Board of Directors of 23 May 2023.
Details on the new members of the General Management are provided in the press release on the General Meeting and the Board of Directors dated 23 May 2023, excerpts of which are in this 2nd amendment to the URD

**Update of page 108 of the 2023 Universal Registration Document**
**Governance bodies**




## GROUP EXECUTIVE COMMITTEE (GROUP EXCO)

The **Group Executive Committee** is the senior executive management governance body. It assists General Management in the oversight and management of SG's business, operations, functions, and affairs.

The Group Executive Committee is composed of:

- Slawomir **KRUPA**, Chief Executive Officer
- Philippe AYMERICH, Deputy Chief Executive Officer
- Pierre **PALMIERI**, Deputy Chief Executive Officer
- Anne-Christine **CHAMPION**, Co-Head of Global Banking and Investor Solutions
- Anne-Sophie **CHAUVEAU-GALAS**, Group Chief Human Resources Officer
- Marie-Christine **DUCHOLET**, Head of the SG French Retail Banking Network
- Claire **DUMAS**, Group Chief Financial Officer
- Alexandre **FLEURY**, Co-Head of Global Banking and Investor Solutions

- Delphine **GARCIN-MEUNIER**, Head of Mobility, International Retail Banking & Financial Services
- Stéphane **LANDON**, Group Chief Risk Officer
- Laura **MATHER**, Group Chief Operating Officer
- Laetitia **MAUREL**, Group Chief Communication Officer
- Grégoire **SIMON-BARBOUX**, Group Chief Compliance Officer

In addition to the Group-level committees chaired by General management, there are also **other committees chaired by the Group heads of Service Units** that review **Group-level topics and complement the risk management framework** established by General Management.

**Update of page 109 and 110 of the 2023 Universal Registration Document**

## GENERAL MANAGEMENT COMMITTEE (AS OF 1ST JULY 2023)

The **Group General Management** committee comprises 61 executives belonging to the Service Units and Business Units. They are all appointed by the Chief Executive Officer. The Group Management committee meets at least once every quarter. During its meeting Committee members discuss strategy and issues of general interest to the Group.
The list of participants is described below:

| Name | Main function within the Societe Generale Group |
|---|---|
| **Group General Management Committee members** | |
| **Slawomir KRUPA*** | Chief Executive Officer |
| **Philippe AYMERICH*** | Deputy Chief Executive Officer |
| **Pierre PALMIERI*** | Deputy Chief Executive Officer |
| **David ABITBOL** | Head of Global Transaction and Payment Services |
| **Stéphane ABOUT** | Chief Executive Officer of Societe Generale Americas |
| **Tim ALBERTSEN** | Chief Executive Officer of ALD Automotive |
| **Philippe AMESTOY** | Deputy Head of International Retail Banking for Africa, the Mediterranean Basin & Overseas |
| **Thierry D'ARGENT** | Group Country Head for the United Kingdom and Ireland and CEO of Societe Generale London Branch |
| **Pascal AUGÉ** | Advisor to the Head of the Inspection and Audit division |
| **Cécile BARTENIEFF** | Chief Executive Officer for Societe Generale Asia Pacific |
| **François BLOCH** | Chief Executive Officer of BRD |
| **Ingrid BOCRIS** | Deputy Chief Executive Officer of Societe Generale Assurances |
| **Gilles BRIATTA** | Group General Secretary |
| **Claire CALMEJANE** | Group Chief Innovation Officer |
| **Sylvain CARTIER** | Co-Head of Global Markets and Head of Fixed Income, Credit and Currencies |
| **Anne-Christine CHAMPION*** | Co-Head of Global Banking and Investor Solutions |
| **Anne-Sophie CHAUVEAU-GALAS*** | Group Chief Compliance Officer |
| **Bertrand COZZAROLO** | Head of Societe Generale Private Banking |
| **Antoine CREUX** | Chief Security Officer |
| **Geoffroy DALLEMAGNE** | Global Head of Permanent Control and Internal Control Coordination |
| **Bruno DELAS** | Chief Operating Officer of SG Retail Banking Network and Head of ITIM (Innovation, Technologies & IT) |
| **Jean-François DESPOUX** | Deputy Head of Risk |
| **Marie-Christine DUCHOLET*** | Head of the SG French Retail Banking Network |
| **Claire DUMS*** | Group Chief Financial Officer |
| **Alexandre FLEURY*** | Co-Head of Global Banking and Investor Solutions |
| **Delphine GARCIN-MEUNIER*** | Head of Mobility, International Retail Banking & Financial Services |
| **Aurore GASPAR COLSON** | Deputy Head of SG French Retail Banking Network |
| **Carlos GONÇALVES** | Global Chief Information Officer |

| Name | Main function within the Societe Generale Group |
|---|---|
| **Donato GONZALES-SANCHEZ** | Head of Corporate & Investment Banking, Securities Services and Group Country Head for Spain and Portugal |
| **Laurent GOUTARD** | Head of International Retail Banking for Africa, the Mediterranean Basin & Overseas |
| **Benoît GRISONI** | Chief Executive Officer of Boursorama |
| **Eric GROVEN** | Head of the Real Estate division of SG French Retail Banking Network |
| **Alvaro HUETE** | Deputy Head of Global Banking and Advisory |
| **Arnaud JACQUEMIN** | Group Country Head for Luxembourg and CEO of Societe Generale Luxembourg |
| **Jan JUCHELKA** | Chairman of the Board and CEO of Komerční banka and Group Country Head for the Czech Republic and Slovakia |
| **Stéphane LANDON*** | Group Chief Risk Officer |
| **Christophe LATTUADA** | Chief Operating Officer of Global Banking & Investor Solutions |
| **Christophe LEBLANC** | Head of the Group Operational Resilience Mission |
| **Diony LEBOT** | Advisor to the General Management |
| **Véronique LOCTIN** | Head of CSR for SG French Retail Banking Network |
| **Xavier LOFFICIAL** | Deputy Chief Financial Officer of the Group |
| **Michala MARCUSSEN** | Group Chief Economist and Head of Economic and Sectorial Research |
| **Anne MARION-BOUCHACOURT** | Group Country Head for Switzerland and Chief Executive Officer of Societe Generale Zurich |
| **Laura MATHER*** | Chief Operating Officer du Groupe |
| **Laetitia MAUREL*** | Group Chief Operating Officer |
| **Alexandre MAYMAT** | Head of the Inspection and Audit division |
| **Hatem MUSTAPHA** | Co-Head of Global Markets and Head of Equities et Equity Derivatives |
| **Yann DE NANTEUIL** | Deputy Head of SG French Retail Banking Network |
| **Mai NGUYEN** | Deputy Chief Executive Officer of Societe Generale Assurances |
| **Philippe PERET** | Head of the Insurance businesses |
| **Ilya POLYAKOV** | Deputy Head of Global Banking and Advisory |
| **Hacina PY** | Group Chief Sustainability Officer |
| **John SAFRETT** | Deputy Chief Executive Officer of ALD Automotive |
| **Odile DE SAIVRE** | Chief Executive Officer of Societe Generale Equipment Finance |
| **Demetrio SALORIO** | Head of Global Banking and Advisory |
| **Grégoire SIMON-BARBOUX*** | Group Chief Communication Officer |
| **Giovanni-Luca SOMA** | Head of International Retail Banking for Europe |
| **Mathieu VEDRENNE** | Head of Societe Generale Private Banking France |
| **Alain VOIMENT** | Chief Technology Officer for the Group |
| **Georges WEGA** | Deputy Head of International Retail Banking for Africa, the Mediterranean Basin & Overseas |
| **Guido ZOELLER** | Group Country Head for Germany and Austria and Head of Societe Generale Corporate & Investment Banking activities in Germany |

***** Executive Committee Member***

# 4. RISKS AND CAPITAL ADEQUACY

## 4.1 Risk factors

### Update of pages 163 to 174 of the 2023 Universal Registration Document

The numbering of the risk factors is unchanged from that published in the 2023 Universal Registration Document. Risk factors not mentioned in this amendment are deemed unchanged.

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

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

The Group is fully on track to achieving its strategic milestones and has set targets for profitable and sustainable growth by 2025 with:

- average annual revenue growth of 3% or greater over the 2021-2025 period by focusing on growth in the most profitable businesses;
- an improved cost to income ratio equal to or lower than 62% in 2025 and ROTE of 10% based on a targeted CET1 ratio of 12% in 2025;
- disciplined management of scarce resources, in addition to keeping a tight rein on risks, will help strengthen and improve the quality of the Bank's balance sheet;
- stringent loan portfolio management with cost of risk of around 30 basis points in 2025;
- increased use of new technologies and digital transformation;
- commitments in Environmental, Social and Governance areas.

More precisely, the Group's "Vision 2025" project involves a merger between the Retail Banking network of Societe Generale in France and Crédit du Nord. Although this project has been designed to achieve controlled execution, the merger could have a short-term material adverse effect on the Group's business, financial position and costs.The project could lead to some staff departures, requiring replacements and training efforts which could potentially generate additional costs. The merger could also lead to the departure of some of the Group's customers, resulting in loss of revenue.

Following ALD's announcement on 6 January 2022 of its plan to acquire LeasePlan, Societe Generale and ALD announced on 22 May 2023 the completion of the acquisition of 100% of LeasePlan's share capital by ALD, with the aim of creating a global leader in mobility solutions. The years 2023 and 2024 will be an intermediate period, with the implementation of gradual integrations. From 2025 onwards, the new entity will make the transition to the target business model, including the implementation and stabilization of IT and operational processes. If the integration plan is not carried out as expected or within the planned schedule, this could have adverse effects on ALD, particularly by generating additional costs, which could have a negative impact on the Group's activities and results.

The Group also announced in November 2022 the signing of a letter of intent with AllianceBernstein to combine the equity research and execution businesses in a joint venture to create a leading global franchise in these activities. This announcement was followed by the signature of an acquisition agreement in early February 2023.

The conclusion of final agreements on these strategic transactions depends on several stakeholders and, accordingly, is subject to a degree of uncertainty (legal terms, delays in the integration process of LeasePlan or in the merger of the Crédit du Nord agencies).

Societe Generale has placed Environmental, Social and Governance (ESG) at the heart of its strategy in order to contribute to positive transformations in the environment and the development of local regions. In this respect, the Group has made a certain number of commitments (see Chapter 2, page 46 and following and Chapter 5, page 291 and following of the 2023 URD). Failure to comply with these commitments, and those that the Group may make in the future, could entail legal and reputation risks. Furthermore, the rollout of these commitments may have an impact on the Group's business model. Last, failure to make specific commitments, particularly in the event of changes in market practices, could also generate reputation and strategic risks.

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

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

The Group is subject to the laws of the jurisdictions in which it operates. This includes French, European and US legislation as well as other local laws in light of the Group's cross-border activities, among other factors. The application of existing laws and the implementation of future legislation require significant resources that could affect the Group's performance. In addition, possible failure to compliance with laws could lead to fines, damage to the Group's reputation and public image, force the suspension of its operations or, in extreme cases, the withdrawal of operating licences.

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

- several regulatory changes are still likely to significantly alter the framework for Market activities: (i) the possible strengthening of transparency constraints related to the implementation of the new requirements and investor protection measures (review of MiFID II/MiFIR, IDD, ELTIF (European Long-Term Investment Fund Regulation)), (ii) the implementation of the fundamental review of the trading book, or FRTB, which may significantly increase requirements applicable to European banks and (iii) possible relocations of clearing activities could be requested, despite the European Commission's decision of 8 February 2022 to extend the equivalence granted to UK central counterparties until 30 June 2025;
- new requirements resulting from the EU banking regulation reform proposal presented on 27 October 2021 by the European Commission. The reform consists of several legislative instruments to amend the directive on capital requirements (European Parliament and EU Council, Directive 2013/36/EU, 26 June 2013) as well as the regulation on capital requirements (CRR) (European Parliament and EU Council, regulation (EU) No. 575/2013, 26 June 2013);
- in the United States, the implementation of the Dodd-Frank Act has almost been finalised. The Securities and Exchange Commission's (SEC) regulations relating to security-based swap dealers have been implemented and Societe Generale has been registered with the SEC as a Securities Based Swap Dealer;
- european measures aimed at restoring banks' balance sheets, especially through active management of non-performing loans ("**NPLs**"), which are leading to a rise of prudential requirements and an adaptation of the Group's strategy for managing NPLs. More generally, additional measures to define a framework of good practices for granting (*e.g.*, loan origination orientations published by the European Banking Authority) and monitoring loans could also have an impact on the Group;
- the strengthening of data quality and protection requirements and a future strengthening of cyber-resilience requirements in relation to the adoption by the Council on 28 November 2022, which completes the legislative process, of the European directive and regulation package on digital operational resilience for the financial sector;
- the implementation of European regulatory frameworks related to due diligence under the so-called "CSDD" directive (Corporate Sustainability Due Diligence), as well as to sustainable finance, with an increase in non-financial reporting obligations, particularly under the CSRD directive (Corporate Sustainability Reporting Directive), enhanced inclusion of environmental, social and governance issues in risk management activities and the inclusion of such risks in the supervisory review and assessment process (Supervisory Review and Evaluation Process, or SREP);
- the strengthening of the crisis prevention and resolution regime set out in the Bank Recovery and Resolution Directive of 15 May 2014 ("BRRD"), as revised, which gives the Single Resolution Board ("SRB") the power to initiate a resolution procedure towards a credit institution when the point of non-viability is considered reached. In this context, the SRB could, in order to limit the cost to the taxpayer, force some creditors and the shareholders of the Group to incur losses in priority. Should the resolution mechanism be triggered, the Group could, in particular, be forced to sell certain of its activities, modify the terms and conditions of the remuneration of its debt instruments, issue new debt instruments, accept a depreciation of its debt instruments or convert them into equity securities.
- the European Commission's initiative, published on 18 April 2023, aiming to strengthen the framework for bank crisis management and deposit insurance (CMDI)
- the strategy for retail investors presented by the European Commission on 24 May 2023, aiming to prioritize the interests of retail investors and enhance their confidence in the EU Capital Markets Union.

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

- the ongoing implementation in France of consumer-oriented measures affecting retail banking,
- the potential requirement at the European level to open more access to banking data to third-party service providers,
- new obligations arising from a package of proposed measures announced by the European Commission on 20 July 2021 aiming to strengthen the European supervisory framework around the fight against money laundering and terrorist financing, as well as the creation of a new European agency to fight money laundering;
- from 2023, new regulatory texts will enter into force concerning rate risk of Banking Book (stress on IM, caps/limits on maturity of deposits flows, etc.) and credit rate of banking portfolio. These new texts could constrain certain aspects of rate and credit risk monitoring.

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

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

#### 4.1.1.6 The Group is subject to regulations relating to resolution procedures, which could have an adverse effect on its business and the value of its financial instruments.

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

The powers granted to the resolution authority under the BRRD and the SRM Regulations include write-down/conversion powers to ensure that capital instruments and eligible liabilities absorb the Group's losses and recapitalise it in accordance with an established order of priority (the "Bail-in Tool"). Subject to certain exceptions, losses are borne first by the shareholders and then by the holders of additional Tier 1 and Tier 2 capital instruments, then by the non-preferred senior debt holders and finally by the senior preferred debt holders, all in the order of their claims in a normal insolvency proceeding. The conditions for resolution provided by the French Monetary and Financial Code implementing the BRRD are deemed to be met if: (i) the resolution authority or the competent supervisory authority determines that the institution is failing or likely to fail; (ii) there is no reasonable perspective that any measure other than a resolution measure could prevent the failure within a reasonable timeframe; and (iii) a resolution measure is necessary to achieve the resolutions' objectives (in particular, ensuring the continuity of critical functions, avoiding a significant negative effect on the financial system, protecting public funds by minimising the recourse to extraordinary public financial support, and protecting customers' funds and assets) and the winding up of the institution under normal insolvency proceedings would not meet these objectives to the same extent.

The resolution authority could also, independently of a resolution measure or in combination with a resolution measure, proceed with the write-down or conversion of all or part of the Group's capital instruments (including subordinated debt instruments) into Common Equity Tier 1 (CET1) instruments if it determines that the Group will no longer be viable unless it exercises this write-down or conversion power or if the Group requires extraordinary public financial support (except where the extraordinary public financial support is provided in the form defined in Article L. 613-48 III, paragraph 3 of the French Monetary and Financial Code).

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

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

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

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

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

## 4.1.2 CREDIT AND COUNTERPARTY CREDIT RISKS

Weighted assets (RWA) in relation to credit and counterparty risks amounted to EUR 324.6 billion at 30 June 2023.

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

Financial institutions and other market players (commercial or investment banks, credit insurers, mutual funds, alternative funds, institutional clients, clearing houses, investment service providers, etc.) are important counterparties for the Group in capital or inter-bank markets. Financial services institutions and financial players are closely interrelated as a result of trading, clearing and funding relationships. In addition, there is a growing involvement in the financial markets of players with little or no regulation (hedge funds, for example). As a result, defaults by one or several actors in the sector or a crisis of confidence affecting one or more actors could result in market-wide liquidity scarcity or chain defaults, which would have an adverse effect on the Group's activity but which is subject to a specific framework. Developments in the financial markets, and in particular the rise in interest rates compounded by high volatility, could also weaken or even cause the default of certain financial actors, thereby increasing liquidity risk and the cost of funding. In addition, certain financial actors could experience operational or legal difficulties in the unwinding or settlement of certain financial transactions.

The Group is exposed to clearing institutions and their members because of the increase in transactions traded through these institutions, induced in part by regulatory changes that require mandatory clearing for over-the-counter derivative instruments standardised by these clearing counterparties. The Group's exposure to clearing houses amounted to EUR 32.7 billion of EAD on 31 December 2022. The default of a member of a clearing institution[12] could generate losses for the Group and have an adverse effect on the business and results of the Group. These risks are also subject to specific monitoring and supervision.

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

## 4.1.3 MARKET AND STRUCTURAL RISKS

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

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

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

[12] The Group is also exposed to the risk of default of a clearing institution, which would be a major/systemic event considered to be less likely.

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

Severe market disruptions and high market volatility have occurred in recent years and may occur again in the future, which could result in significant losses for the Group's markets activities. Such losses may extend to a broad range of trading and hedging products, notably on derivative instruments, both vanilla and structured.

In the event that a much lower-volatility environment emerges, reflecting a generally optimistic sentiment in the markets and/or the presence of systematic volatility sellers, increased risks of correction may also develop, particularly if the main market participants have similar positions (market positions) on certain products. Such corrections could result in significant losses for the Group's market activities. The volatility of the financial markets makes it difficult to predict trends and implement effective trading strategies; it also increases risk of losses from net long positions when prices decline and, conversely, from net short positions when prices rise. The realisation of any such losses could have a material adverse effect on the Group's results of operations and financial position.

Similarly, the sudden decrease in, or even the cancellation of, dividends, as experienced during the Covid-19 pandemic, and changes in the correlations of different assets of the same class, could affect the Group's performance, with many activities being sensitive to these risks.

A prolonged slowdown in financial markets or reduced liquidity in financial markets could make asset disposals or position manoeuvrability more difficult, leading to significant losses. In many of the Group's activity segments, a prolonged decline in financial markets, particularly asset prices, could reduce the level of activity in these markets or their liquidity. These variations could lead to significant losses if the Group were unable to quickly unwind the positions concerned, adjust the coverage of its positions, or if the assets held in collateral could not be divested, or if their selling prices did not cover the Group's entire exposure on defaulting loans or derivatives.

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

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

The first signs of slowing inflation, accompanied by a normalisation in monetary policies of certain central banks, has led to an improvement in overall sentiment of the financial markets and the appreciation of risky assets during the first half of 2023. However, the deterioration of certain macroeconomic and financial indicators suggests a possible recession in Europe and the US by the end of the year. This could have a significant negative impact on the Group's market activities and results. Finally, financial markets outlook remains uncertain due in part to inflationary pressures, to a turbulent geopolitical context and to turmoil within the global banking sector.

For information purposes, Global Markets & Investor Services activities represented EUR 3.4 billion of net banking income in 2023, or 27% of the Group's total revenues. At 30 June 2023, risk-weighted assets (RWA) in relation to market risk represented EUR 11.6 billion (3% of the Group's total RWA).

#### 4.1.3.4 Adjustments to the carrying amount of the Group's securities and derivatives portfolios and of its debt could have an impact on its net income and shareholders' equity.

The carrying amount of Societe Generale's securities portfolios, derivatives and certain other assets, as well as its own debt recorded in its balance sheet, is adjusted at each financial statement reporting date.

Most adjustments are made on the basis of changes in the fair value of the Group's assets or liabilities during the financial year, and changes are recorded either in the income statement or directly in shareholders' equity.

Variations recorded in the income statement, to the extent that they are not offset by opposite variations in the value of other assets, affect the Group's consolidated results and consequently its net income.

All fair value adjustments have an impact on shareholders' equity and, consequently, on the Group's prudential ratios.

A downward adjustment in the fair value of the Group's securities and derivatives portfolios may result in a decrease in shareholders' equity and, to the extent that such an adjustment is not offset by reversals affecting the value of the Group's liabilities, the Group's prudential capital ratios might also be lowered.

The fact that fair value adjustments are recorded over one financial period does not mean that additional adjustments will not be required in later periods.

As of 30 June 2023, on the assets side of the balance sheet, financial instruments valued at fair value through profit or loss, hedging derivative instruments and financial assets at market value through shareholders' equity amounted to EUR 496 billion, EUR 31 billion and EUR 91 billion, respectively. On the liabilities side, financial instruments valued at fair value through profit or loss and hedging derivative instruments amounted respectively to EUR 381 billion and EUR 44 billion on 30 June 2023.

## 4.1.4 LIQUIDITY AND FUNDING RISKS

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

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

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

For several years, central banks have taken measures to facilitate financial institutions' access to liquidity, in particular by lowering interest rates to historical lows and by setting up TLTRO (Targeted Longer-Term Refinancing Operations) type facilities and by implementing asset purchase policies to keep long-term interest rates at very low levels. In a context of higher inflation, central banks (notably the ECB and the US Federal Reserve) have begun to phase out these accommodating policies in particular with the end of the TLTRO mechanism and the first repayments thereof. In this context, the Group could face an unfavorable evolution of its financing cost and access to liquidity.

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

The Group's regulatory short-term liquidity coverage ratio (LCR) stood at 152% at 30 June 2023 and liquidity reserves amounted to EUR 284 billion at 30 June 2023.

## 4.1.5 EXTRA-FINANCIAL RISKS (INCLUDING OPERATIONAL RISKS) AND MODEL RISKS

At 30 June 2023, risk-weighted assets in relation to operational risk amounted to EUR 48.8 billion, or 13% of the Group's total RWA. These risk-weighted assets relate mainly to Global Markets & Investor Services (59% of total operational risk).

Between 2018 and 2022, the Group's operational risks were primarily concentrated in five risk categories, representing 94% of the Group's total operating losses observed over the period: fraud (mainly external frauds) and other criminal activities (33%), execution errors (24%), disputes with authorities (15%), errors in pricing or risk assessment, including model risk (13%) and commercial disputes (9%). The Group's other categories of operational risk (unauthorised activities in the markets, loss of operating resources and failure of information systems) remain minor, representing on average 6% of the Group's losses between 2018 and 2022.

See Chapter 4.10.3 "Operational risk measurement" of the 2023 Universal Registration Document for more information on the allocation of operating losses.

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

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

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

Therefore, failure by the Bank to comply with the relevant regulations and to meet its commitments, especially those relating to CSR, could damage the Group's reputation.

Failure to comply with the various internal rules and Codes[13], which aim to anchor the Group's values in terms of ethics and responsibility, could also have an impact on the Group's image.

For more information about reputation risk please see section 4.11 *"Compliance risk"*, 4.1.4 "*Liquidity and funding risks*", and 4.1.5 "*Extra-financial risks (including operational risks) and model risks"* of the 2023 Universal Registration Document.

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

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

In particular:

- the valuation of certain financial instruments that are not traded on regulated markets or other trading platforms, such as OTC derivative contracts between banks, uses internal models that incorporate unobservable parameters. The unobservable nature of these parameters results in an additional degree of uncertainty as to the adequacy of the valuation of the positions. In the event that the relevant internal models prove unsuitable for changing market conditions, some of the instruments held by the Group could be misvalued and could generate losses for the Group. For illustrative purposes, financial assets and liabilities measured at fair value on the balance sheet categorised within level 3 (for which the valuation is not based on observed data) represented EUR 14.7 billion and EUR 43.4 billion, respectively, as of 31 December 2022 (see Note 3.4.1 and Note 3.4.2 of Chapter 6 of the consolidated financial statements included in the 2023 Universal Registration Document on financial assets and liabilities measured at fair value);
- the assessment of client solvency and the Bank's exposure to credit risk and counterparty risk is generally based on historical assumptions and observations that may prove to be inappropriate in light of new economic conditions. It is based on economic scenarios and projections that may not adequately anticipate unfavorable economic conditions or the occurrence of unprecedented events. This miscalculation could, among other things, result in an under-valuation and an under-provisioning of risks and an incorrect assessment of capital requirements;
- hedging strategies used in market activities rely on models that include assumptions about the changes of market parameters and their correlation, partly inferred from historical data. These models could be inappropriate in certain market environments (in the event of a large-scale armed conflict, strong movements in volatility resulting, for example, from a pandemic, or tensions between the United States and China, in the Middle East or in Africa), leading to an ineffective hedging strategy, thus causing unanticipated losses that could have a material adverse effect on the Group's results and financial position;
- hedging strategies to manage the interest-rate and liquidity risks of retail banking activities, particularly those in France, use models that include behavioural assumptions. These models are partly based on historical observations the purpose of which is to identify likely client behaviour as well as changes in the interest rate terms offered to customers in relation to their banking products in specific interest rate scenarios. That said, they may be unsuitable for certain specific or new market configurations (for example, sharp increases and decreases), in which movements in market rates would not impact customer rates (Livret A/LDD, CSL, etc.) as anticipated by business lines, and would therefore temporarily make the resulting hedging strategies inappropriate, thereby potentially harming bank revenues. Assumptions about the impact of movements in market rates on customer rates are currently being revised following the sharp rise in rates in 2022.

In addition, the Group has introduced changes to its internal credit risk model framework (dubbed the "Haussmann project"), the first milestones of which have been reached. These changes could have a significant impact on the calculation of its RWA credit and counterparty risk in the event of timetable delays when submitting its models to the supervisor or in the event of the late validation by the supervisor.

## 4.1.6 RISK ON LONG-TERM LEASING ACTIVITIES

On the mobility market, due to the shortage of new car supply, demand for used vehicles has risen, pushing up resale prices sharply. As a result, ALD has recorded a historically high result on used vehicle sales for the past year. Nonetheless, ALD expects this exceptional situation to recede and the new car market to gradually normalise by the end of 2023. The Group is exposed to a potential loss in a financial year from (i) resale of vehicles related to leases which expire during the period whose resale value is lower than their net carrying amount and (ii) additional impairment during the lease period if residual value drops below contractual residual value. Future sales and estimated losses are impacted by external factors

[13] Internal Rules, "Code of Conduct", "Anti-corruption and Influence Peddling Code", "Code of Tax Conduct" and, more generally, the Group's standards.

such as macroeconomic conditions, government policies, tax and environmental regulations, consumer preferences, new vehicle prices, etc.

## 4.2. Regulatory ratios

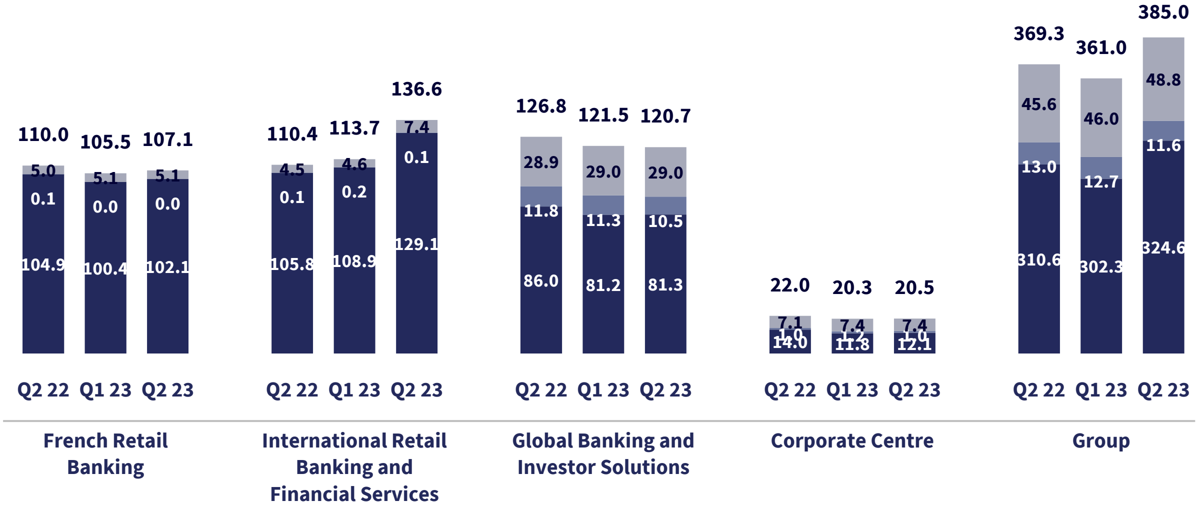
### 4.2.1 Prudential ratio management – Update of pages 195 and following of the 2023 Universal Registration Document

During the first half of 2023, Societe Generale notably issued, in EUR equivalent, 1 billion of Additional Tier 1, 1.9 billion of Tier 2 bonds, 3.7 billion of senior vanilla non-preferred bonds, EUR 5.1 billion of senior vanilla preferred bonds and 2.6 billion of covered bonds. In addition, during this period, Societe Generale redeemed at the first call date two Tier 2 private placements for a total of JPY 13 billion (equivalent to EUR 90 million) issued in 2018.

### 4.2.2 Extract from the presentation dated 30 June 2023: Second quarter and first half 2023 results (and supplements)

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

Update of the page 203 of the 2023 Registration Document




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

Credit
Market
Operational

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

Update of the page 202 of the 2023 Registration Document

| In EURbn | 30.06.2023 | 31.12.2022 |
|---|---|---|
| **Shareholder equity Group share** | **68.0** | **66.5** |
| Deeply subordinated notes [1] | (10.8) | (10.0) |
| Distribution to be paid & interest on subordinated notes [2] | (1.1) | (1.9) |
| Goodwill and intangible | (7.5) | (5.6) |
| Non controlling interests | 9.1 | 5.3 |
| Deductions and regulatory adjustments | (7.5) | (5.5) |
| **Common Equity Tier 1 Capital** | **50.3** | **48.7** |
| Additionnal Tier 1 Capital | 11.1 | 10.1 |
| **Tier 1 Capital** | **61.3** | **58.8** |
| Tier 2 capital | 10.5 | 11.0 |
| **Total capital (Tier 1 + Tier 2)** | **71.9** | **69.8** |
| **Risk-Weighted Assets** | **385.0** | **360.5** |
| **Common Equity Tier 1 Ratio** | **13.1%** | **13.5%** |
| **Tier 1 Ratio** | **15.9%** | **16.3%** |
| **Total Capital Ratio** | **18.7%** | **19.4%** |

*Ratios based on the CRR2/CDR5 rules as published in June 2019, including Danish compromise for insurance (see Methodology). Ratio fully loaded at 13.0% and IFRS 9 phasing at +6 bps.*
*(1) Excluding issue premia on deeply subordinated notes and on undated subordinated notes, (2) The dividend to be paid is calculated based on a pay-out ratio of 50% of the underlying Group net income, after deduction of deeply subordinated notes and on undated subordinated notes*

## CRR leverage ratio[1]

Update of the page 204 and 205 of the 2023 Registration Document

| In EURbn | 30.06.2023 | 31.12.2022 |
|---|---|---|
| Tier 1 Capital | 61.3 | 58.8 |
| Total prudential balance sheet [2] | 1,431 | 1,340 |
| Adjustments related to derivative financial instruments | (6) | (7) |
| Adjustments related to securities financing transactions [3] | 16 | 15 |
| Off-balance sheet exposure (loan and guarantee commitments | 125 | 123 |
| Technical and prudential adjustments | (111) | (126) |
| Leverage exposure | 1,455 | 1,345 |
| Phased leverage ratio | 4.2% | 4.4% |

*(1) Based on CRR2 rules adopted by the European Commission in June 2019. Fully loaded leverage ratio at 4.2% (see Methodology). Including net income of the period and grandfathered AT1 instruments governed by English law*
*(2) The prudential balance sheet corresponds to the IFRS balance sheet less entities accounted for through the equity method (mainly insurance subsidiaries)*
*(3) Securities financing transactions: repurchase transactions, securities lending or borrowing transactions and other similar transactions*

### 4.2.3 Reconciliation of the consolidated balance sheet and the accounting balance sheet within the prudential scope -update of the 2023 Universal Registration document page 197

| **ASSETS at 30.06.2023** *(in EURm)* | **Balance sheet as in published financial statements** | **Prudential restatements linked to insurance [1]** | **Prudential restatements linked to consolidation methods** | **Balance sheet under regulatory scope of consolidation** |
|---|---|---|---|---|
| Cash, due from banks | 215 376 | (1) | 0 | 215 375 |
| Financial assets at fair value through profit or loss | 496 362 | (90 840) | (0) | 405 522 |
| Hedging derivatives | 31 126 | (144) | - | 30 982 |
| Financial assets at fair value through other comprehensive income | 90 556 | (52 870) | - | 37 685 |
| Securities at amortised cost | 27 595 | (4 577) | - | 23 019 |
| Due from banks at amortised cost | 83 269 | (1 579) | 33 | 81 723 |
| *of which subordinated loans to credit institutions* | *189* | *0* | - | *189* |
| Customer loans at amortised cost | 490 421 | 1 451 | (14) | 491 857 |
| Revaluation differences on portfilios hedged against interest rate risk | (1 925) | - | - | (1 925) |
| Investment of insurance activities | - | - | - | - |
| Tax assets | 4 385 | (248) | 1 | 4 138 |
| *of which deferred tax assets that rely on future profitability excluding those arising from temporary differences* | *1 894* | - | *(676)* | *1 219* |
| *of which deferred tax assets arising from temporary differences* | *1 837* | - | *593* | *2 431* |
| Other assets | 74 408 | (809) | 101 | 73 701 |
| *of which defined-benefit pension fund assets* | *24* | - | - | *24* |
| Non-current assets held for sale | 3 590 | - | - | 3 590 |
| Investments accounted for using the equity method | 209 | 3 839 | (28) | 4 020 |
| Tangible and intangible assets | 57 535 | (920) | 0 | 56 614 |
| *of which intangible assets exclusive of leasing rights* | *3 343* | - | *(19)* | *3 324* |
| Goodwill | 5 523 | (325) | - | 5 198 |
| **TOTAL ASSETS** | **1 578 430** | **(147 023)** | **93** | **1 431 500** |

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

| **LIABILITIES at 30.06.2023** *(in EURm)* | **Balance sheet as in published financial statements** | **Prudential restatements linked to insurance (1)** | **Prudential restatements linked to consolidation methods** | **Balance sheet under regulatory scope of consolidation** |
|---|---|---|---|---|
| Due to central banks | 9,468 | - | - | 9,468 |
| Financial liabilities at fair value through profit or loss | 380,821 | (1,646) | - | 379,175 |
| Hedging derivatives | 44,156 | (5) | - | 44,152 |
| Debt securities issued | 151,320 | 329 | - | 151,649 |
| Due to banks | 119,923 | (1,291) | 101 | 118,733 |
| Customer deposits | 546,655 | 1,088 | (246) | 547,497 |
| Revaluation differences on portfolios hedged against interest rate risk | (8,367) | - | - | (8,367) |
| Tax liabilities | 2,356 | (179) | 2 | 2,178 |
| Other Liabilities | 232,167 | (144,051) | 236 | 88,353 |
| Non-current liabilities held for sale | 2,212 | - | - | 2,212 |
| Liabilities related to insurance activities contracts | - | - | - | - |
| Provisions | 4,577 | (24) | 0 | 4,553 |
| Subordinated debts | 15,158 | (5) | - | 15,153 |
| *of which redeemable subordinated notes including revaluation differences on hedging items* | *14,772* | *0* | - | *14,772* |
| **Total debts** | **1,500,446** | **(145,784)** | **93** | **1,354,755** |
| *Sub-Total Equity, Group share* | 68,007 | (202) | (0) | 67,805 |
| *Issued common stocks, equity instruments and capital reserves* | *31,403* | *1* | - | *31,404* |
| *Retained earnings* | *34,484* | *(203)* | *(0)* | *34,282* |
| *Net income* | *1,768* | *0* | - | *1,768* |
| *Unrealised or deferred capital gains and losses* | *351* | *0* | *(0)* | *351* |
| Minority interests | 9,977 | (1,037) | - | 8,940 |
| **Total equity** | **77,983** | **(1,239)** | **(0)** | **76,745** |
| **TOTAL LIABILITIES** | **1,578,430** | **(147,023)** | **93** | **1,431,500** |

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

### 4.2.4 Entities outside the prudential reporting scope – Update of the Universal Registration Document – Table page 199

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

## 4.3 Asset quality

### Update of the page 226 of the 2023 Universal Registration Document

**Asset quality**

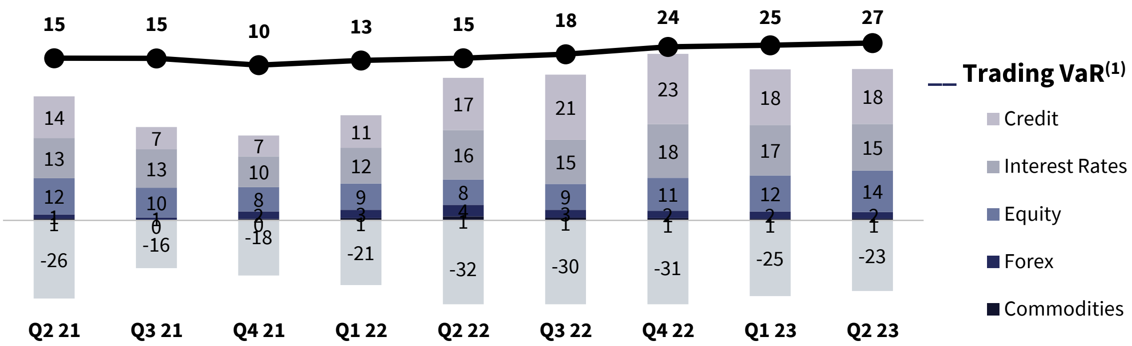
| In EUR bn | 30.06.2023 | 31.03.2023 | 30.06.2022 |
|---|---|---|---|
| **Performing loans** | **544.7** | **551.5** | **565.9** |
| *inc. Stage 1 book outstandings* [1] | 491.9 | 495.9 | 503.1 |
| *inc. Stage 2 book outstandings* | 36.9 | 39.1 | 44.0 |
| **Non-performing loans** | **16.4** | **15.9** | **16.3** |
| *inc. Stage 3 book outstandings* | 16.4 | 15.9 | 16.3 |
| **Total Gross book outstandings** [2] | **561.2** | **567.4** | **582.2** |
| **Group Gross non performing loans ratio** [2] | **2.9%** | **2.8%** | **2.8%** |
| **Provisions on performing loans** | **3.1** | **3.1** | **2.9** |
| *inc. Stage 1 provisions* | 1.1 | 1.1 | 1.0 |
| *inc. Stage 2 provisions* | 2.0 | 2.0 | 1.8 |
| **Provisions on non-performing loans** | **7.6** | **7.8** | **8.1** |
| *inc. Stage 3 provisions* | 7.6 | 7.8 | 8.1 |
| **Total provisions** | **10.7** | **11.0** | **10.9** |
| **Group gross non-performing loans ratio (provisions on non-performing loans/ non-performing loans)** | **46%** | **49%** | **50%** |

*(1) Data restated excluding loans at fair value through profit or loss which are not eligible to IFRS 9 provisioning. (2) Figures calculated on on-balance sheet customer loans and advances, deposits at banks and loans due from banks, finance leases, excluding loans and advances classified as held for sale, cash balances at central banks and other demand deposits, in accordance with the EBA/ITS/2019/02 Implementing Technical Standards amending Commission Implementing Regulation (EU) No 680/2014 with regard to the reporting of financial information (FINREP). The NPL rate calculation was modified in order to exclude from the gross exposure in the denominator the net accounting value of the tangible assets for operating lease. Performing and non-performing loans include loans at fair value through profit or loss which are not eligible to IFRS 9 provisioning and so not split by stage. Historical data restated*

# 4.4 Change in trading VaR

**Update of the pages 240 and 241 of the 2023 Universal Registration Document**

**Change in trading var[1] and stressed var[2]**




| Stressed VAR[2] (1 day 99%, in EUR M) | Q2 22 | Q3 22 | Q4 22 | Q1 23 | Q2 23 |
|---|---|---|---|---|---|
| Minimum | 18 | 17 | 23 | 20 | 24 |
| Maximum | 52 | 47 | 46 | 59 | 42 |
| Average | 30 | 32 | 34 | 34 | 34 |

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

## 4.5 Structural interest rate risk

### Update of the pages 247 to 249 of the 2023 Universal Registration Document

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

**The Group's objective**

The objective of managing structural interest rate risk is to manage exposure of each Group entity.

To this end, the Board of Directors, the Executive management, the Risk Department management and the Finance Department management set sensitivity limits (in terms of value and income) for the Group, the BUs/SUs and the entities respectively.

**Measuring and monitoring structural interest rate risk**

Societe Generale uses several indicators to measure the Group's overall interest rate risk. The three most important indicators are:

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

Limits on these indicators are applicable to the Group, the BUs/SUs and the various entities. Limits are set for shocks at +/-0.1% and for stressed shocks (+/-1% for value sensitivity and +/-2% for income sensitivity) without floor application for steering metrics. Only the sensitivity of income over the first two years is framed. The measurements are computed monthly 10 months a year (with the exception of the months of January and July for which no Group-level closing is acheved). An additional synthetic measurement of value sensitivity – all currencies – is framed for the Group. To comply with these frameworks, the entities combine several possible approaches:

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

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

As at 31 December 2022, the main models applicable for the calculation of interest rate risk measurements are models (which are sometimes rate-dependent) on part of the deposits without a maturity date leading to an average duration of less than 5 years.

The automatic balance sheet options are taken into account:

- either *via* the Bachelier formula or from Monte-Carlo type calculations for value sensitivity calculations; or
- by taking into account the pay-offs depending on the scenario considered in the income sensitivity calculations.

Changes in OCI or P&L of instruments recognised at fair value are not included in the framed interest income sensitivity measures. These elements are managed through the Market Value Change metrics framed as of 2023.06.30.

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

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

Macro-hedging derivatives are allocated to separate portfolios according to whether they are used to hedge fixed-rate assets or liabilities in the accounting books. The hedging instrument portfolios allocated to liability elements are net fixed-rate receiver/variable-rate payer whereas the hedging instrument portfolios allocated to asset elements are net fixed-rate payer/variable-rate receiver.

In the context of the macro-hedging, the controls carried out and documented enable to verify that intra-group transactions are returned to the market, to verify the non-over hedging and the non-disappearence of the items hedged and the effectiveness of the hedges (MTM change in hedging instruments / MTM change in hedged items in the 80-125% range).

**TABLE 35: INTEREST RATE RISK OF NON-TRADING BOOK ACTIVITIES (IRRBB1)**

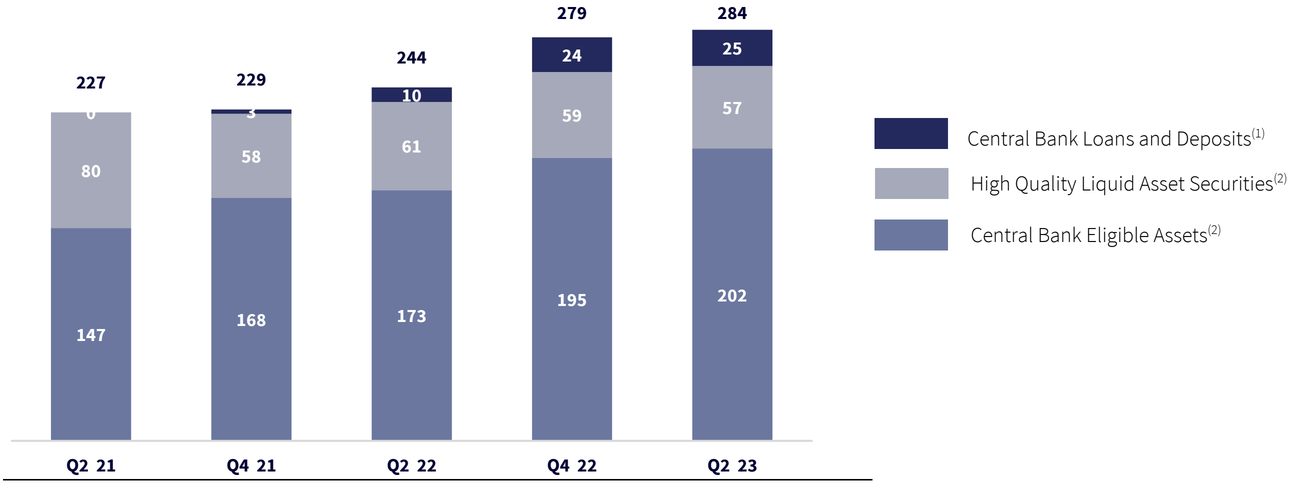
| | | 30.06.2023 | |
|---|---|---|---|
| *(In EURm)* | | Changes of the economic value of equity (EVE) | Changes of the net interest income (NII) |
| **Supervisory shock scenarios*** | | | |
| 1 | Parallel up | (2 840) | 1 062 |
| 2 | Parallel down | 512 | (885) |
| 3 | Steepener | 1 256 | |
| 4 | Flattener | (1 855) | |
| 5 | Short rates up | (2 144) | |
| 6 | Short rates down | 2 169 | |

| | | 31.12.2022 | |
|---|---|---|---|
| *(In EURm)* | | **Changes of the economic value of equity (EVE)** | **Changes of the net interest income (NII)** |
| **Supervisory shock scenarios*** | | | |
| 1 | Parallel up | (2 900) | 375 |
| 2 | Parallel down | 1 011 | (1 102) |
| 3 | Steepener | 1 875 | |
| 4 | Flattener | (2 547) | |
| 5 | Short rates up | (2 747) | |
| 6 | Short rates down | 2 862 | |

## 4.6 Liquidity risk

### Update of the page 253 of the 2023 Universal Registration Document

**LIQUID ASSET BUFFER**




Liquidity Coverage Ratio amounts to 158% on average for Q2 23.
(1) Excluding mandatory reserves, (2) Unencumbered, net of haircuts

### Balance sheet schedule - update of the page 254 to 257 of the 2023 Universal Registration Document

**Financial liabilities**

*(In EURm)* — 30.06.2023

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

## Financial assets

| *(In EURm)* | 30.06.2023 | | | | | |
|---|---|---|---|---|---|---|
| | **Note to the consolidated financial statements** | **0-3 months** | **3 months-1 year** | **1-5 years** | **> 5 years** | **Total** |
| Cash, due from central banks | | 213 506 | 493 | 1 023 | 354 | **215 376** |
| Financial assets at fair value through profit or loss, excluding derivatives | Note 3.4 | 402 113 | 18 980 | 0 | 0 | **421 093** |
| Financial assets at fair value through other comprehensive income | Note 3.4 | 88 427 | 1 849 | 0 | 280 | **90 556** |
| Securities at amortised cost | | 15 994 | 2 827 | 5 015 | 3 759 | **27 595** |
| Due from banks at amortised cost | Note 3.5 | 67 743 | 3 556 | 11 002 | 968 | **83 269** |
| Customer loans at amortised cost | Note 3.5 | 121 100 | 57 682 | 166 196 | 115 341 | **460 319** |
| Lease financing and similar agreements | Note 3.5 | 2 832 | 6 073 | 17 092 | 4 105 | **30 102** |

## Other liabilities

| *(In EURm)* | 30.06.2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Note to the consolidated financial statements** | **Not scheduled** | **0-3 months** | **3 months - 1 year** | **1-5 years** | **> 5 years** | **Total** |
| Tax liabilities | Note 6.3 | - | - | 919 | 1 437 | - | **2 356** |
| Revaluation difference on portfolios hedged against interest rate risk | | -8 367 | - | - | - | - | **- 8 367** |
| Other liabilities | Note 4.4 | - | 87 497 | 1 752 | 2 479 | 1 693 | **93 421** |
| Non-current liabilities held for sale | Note 2.5 | - | - | 2 212 | - | - | **2 212** |
| Insurance contracts related liabilities | Note 4.3 | - | 3 328 | 13 042 | 39 450 | 82 926 | **138 746** |
| Provisions | Note 8.3 | 4 577 | - | - | - | - | **4 577** |
| Shareholders' equity | | 77 984 | - | - | - | - | **77 984** |

## Other assets

| *(In EURm)* | 30.06.2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Note to the consolidated financial statements** | **Not scheduled** | **0-3 months** | **3 months - 1 year** | **1-5 years** | **> 5 years** | **Total** |
| Revaluation differences on portfolios hedged against interest rate risk | | -1 925 | - | - | - | - | **1 925** |
| Other assets | Note 4.4 | - | 73 792 | - | - | - | **73 792** |
| Tax assets | Note 6 | 4 385 | - | - | - | | **4 385** |
| Investments accounted for using the equity method | | - | - | - | - | 209 | **209** |
| Tangible and intangible fixed assets | Note 8.4 | - | - | - | - | 57 535 | **57 535** |
| Goodwill | Note 2.2 | - | - | - | - | 5 523 | **5 523** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Non-current assets held for sale | Note 2.5 | - | 4 | 3 554 | 16 | 17 | **3 590** |
| Investments of insurance companies | | - | 50 | 41 | 166 | 359 | **616** |

**Financial liabilities**

| *(In EURm)* | 31.12.2022 | | | | | |
|---|---|---|---|---|---|---|
| | **Note to the consolidated financial statements** | **0-3 m** | **3 m-1 yr** | **1-5 yrs** | **> 5 yrs** | **Total** |
| Due to central banks | | 8 361 | 0 | 0 | 0 | **8 361** |
| Financial liabilities at fair value through profit or loss, excluding derivatives | Note 3.1 | 149 258 | 22 680 | 31 003 | 28 578 | **231 519** |
| Due to banks | Note 3.6 | 49 817 | 39 643 | 42 217 | 1 334 | **133 011** |
| Customer deposits | Note 3.6 | 475 608 | 27 232 | 23 101 | 4 822 | **530 764** |
| Securitised debt payables | Note 3.6 | 34 158 | 24 030 | 46 583 | 28 405 | **133 176** |
| Subordinated debt | Note 3.9 | 3 | 0 | 6 063 | 9 882 | **15 948** |

**Financial assets**

| *(In EURm)* | 31.12.2022 | | | | | |
|---|---|---|---|---|---|---|
| | **Note to the consolidated financial statements** | **0-3 months** | **3 months-1 year** | **1-5 years** | **> 5 years** | **Total** |
| Cash, due from central banks | | 203 389 | 734 | 1 808 | 1 082 | **207 013** |
| Financial assets at fair value through profit or loss, excluding derivatives | Note 3.4 | 330 113 | 20 264 | 0 | 0 | **350 377** |
| Financial assets at fair value through other comprehensive income | Note 3.4 | 91 766 | 914 | 0 | 280 | **92 960** |
| Securities at amortised cost | | 5 709 | 3 588 | 7 999 | 8 848 | **26 143** |
| Due from banks at amortised cost | Note 3.5 | 58 614 | 1 599 | 7 487 | 471 | **68 171** |
| Customer loans at amortised cost | Note 3.5 | 111 271 | 62 691 | 183 035 | 121 036 | **478 033** |
| Lease financing and similar agreements | Note 3.5 | 2 760 | 6 014 | 15 663 | 4 165 | **28 602** |

**Other liabilities**

| *(In EURm)* | 31.12.2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Note to the consolidated financial statements** | **Not scheduled** | **0-3 months** | **3 months -1 year** | **1-5 years** | **> 5 years** | **Total** |
| Tax liabilities | Note 6.3 | - | - | 806 | 839 | - | **1 645** |
| Revaluation difference on portfolios hedged against interest rate risk | | - 9 659 | - | - | - | - | **- 9 659** |
| Other liabilities | Note 4.4 | - | 100 649 | 1 987 | 2 832 | 1 847 | **107 315** |
| Non-current liabilities held for sale | Note 2.5 | - | - | 220 | - | - | **220** |
| Insurance contracts related liabilities | Note 4.3 | - | 3 616 | 9 152 | 36 869 | 86 239 | **135 875** |
| Provisions | Note 8.3 | 4 579 | - | - | - | - | **4 579** |
| Shareholders' equity | | 73 326 | - | - | - | - | **73 326** |

**Other assets**

| *(In EURm)* | 31.12.2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Note to the consolidated financial statements** | **Not scheduled** | **0-3 months** | **3 months -1 year** | **1-5 years** | **> 5 years** | **Total** |
| Revaluation differences on portfolios hedged against interest rate risk | | - 2 262 | - | - | - | - | **- 2 262** |
| Other assets | Note 4.4 | - | 82 315 | - | - | - | **82 315** |
| Tax assets | Note 6 | 4 484 | - | - | - | - | **4 484** |
| Deferred profit-sharing | | - | - | - | - | - | **-** |
| Investments accounted for using the equity method | | - | - | - | - | 146 | **146** |
| Tangible and intangible fixed assets | Note 8.4 | - | - | - | - | 33 958 | **33 958** |
| Goodwill | Note 2.2 | - | - | - | - | 3 781 | **3 781** |
| Non-current assets held for sale | Note 2.5 | - | 1 | 1 049 | 15 | 17 | **1 081** |
| Insurance contract assets | | - | 7 | 21 | 89 | 236 | **353** |

# 5. FINANCIAL STATEMENTS

## 5.1 Financial statements as of 30 June 2023

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

# 1. CONSOLIDATED FINANCIAL STATEMENTS

The amounts for 2022 have been restated (identified by a “R”) following the first retrospective application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" by the insurance subsidiaries (see Note 1).

## CONSOLIDATED BALANCE SHEET - ASSETS

| *(In EUR m)* | | 30.06.2023 | 31.12.2022 R | 01.01.2022 R |
|---|---|---|---|---|
| Cash, due from central banks | | 215,376 | 207,013 | 179,969 |
| Financial assets at fair value through profit or loss | Notes 3.1, 3.2 and 3.4 | 496,362 | 427,151 | 446,717 |
| Hedging derivatives | Notes 3.2 and 3.4 | 31,126 | 32,971 | 13,592 |
| Financial assets at fair value through other comprehensive income | Notes 3.3 and 3.4 | 90,556 | 92,960 | 112,695 |
| Securities at amortised cost | Notes 3.5, 3.8 and 3.9 | 27,595 | 26,143 | 24,149 |
| Due from banks at amortised cost | Notes 3.5, 3.8 and 3.9 | 83,269 | 68,171 | 57,204 |
| Customer loans at amortised cost | Notes 3.5, 3.8 and 3.9 | 490,421 | 506,635 | 497,233 |
| Revaluation differences on portfolios hedged against interest rate risk | Note 3.2 | (1,925) | (2,262) | 131 |
| Insurance and reinsurance contracts assets | Note 4.3 | 616 | 353 | 380 |
| Tax assets | Note 6 | 4,385 | 4,484 | 4,747 |
| Other assets | Note 4.4 | 73,792 | 82,315 | 90,045 |
| Non-current assets held for sale | Note 2.3 | 3,590 | 1,081 | 27 |
| Investments accounted for using the equity method | | 209 | 146 | 95 |
| Tangible and intangible fixed assets | Note 8.3 | 57,535 | 33,958 | 32,848 |
| Goodwill | Note 2.2 | 5,523 | 3,781 | 3,741 |
| **Total** | | **1,578,430** | **1,484,900** | **1,463,573** |

# CONSOLIDATED BALANCE SHEET - LIABILITIES

| *(In EUR m)* | | 30.06.2023 | 31.12.2022 R | 01.01.2022 R [1] |
|---|---|---|---|---|
| Due to central banks | | 9,468 | 8,361 | 5,152 |
| Financial liabilities at fair value through profit or loss | Notes 3.1, 3.2 | 380,821 | 304,175 | 311,703 |
| Hedging derivatives | Notes 3.2 | 44,156 | 46,164 | 10,425 |
| Debt securities issued | Notes 3.6 | 151,320 | 133,176 | 135,324 |
| Due to banks | Notes 3.6 | 119,923 | 133,011 | 139,177 |
| Customer deposits | Notes 3.6 | 546,655 | 530,764 | 509,133 |
| Revaluation differences on portfolios hedged | Note 3.2 | (8,367) | (9,659) | 2,832 |
| Tax liabilities | Note 6 | 2,356 | 1,645 | 1,573 |
| Other liabilities | Note 4.4 | 93,421 | 107,315 | 105,973 |
| Non-current liabilities held for sale | Note 2.3 | 2,212 | 220 | 1 |
| Insurance contracts related liabilities | Note 4.3 | 138,746 | 135,875 | 150,562 |
| Provisions | Note 8.2 | 4,577 | 4,579 | 4,850 |
| Subordinated debts | Note 3.9 | 15,158 | 15,948 | 15,959 |
| **Total liabilities** | | **1,500,446** | **1,411,574** | **1,392,664** |
| **Shareholders' equity** | | | | |
| **Shareholders' equity, Group share** | | | | |
| Issued common stocks and capital reserves | Note 7.1 | 21,267 | 21,248 | 21,913 |
| Other equity instruments | | 10,136 | 9,136 | 7,534 |
| Retained earnings | | 34,485 | 34,479 | 30,843 |
| Net income | | 1,768 | 1,825 | 5,641 |
| **Sub-total** | | **67,656** | **66,688** | **65,931** |
| Unrealised or deferred capital gains and losses | | 351 | 282 | (833) |
| **Sub-total equity, Group share** | | **68,007** | **66,970** | **65,098** |
| Non-controlling interests | | 9,977 | 6,356 | 5,811 |
| **Total equity** | | **77,984** | **73,326** | **70,909** |
| **Total** | | **1,578,430** | **1,484,900** | **1,463,573** |

*(1) The balances as at 1 January 2022 are presented before allocation of income and of the gains and losses recognised directly in equity.*

# CONSOLIDATED INCOME STATEMENT

| *(In EUR m)* | | 1st semester of 2023 | 2022 R | 1st semester of 2022 R |
|---|---|---|---|---|
| Interest and similar income | Note 3.7 | 26,310 | 30,738 | 13,465 |
| Interest and similar expense | Note 3.7 | (20,621) | (17,897) | (7,206) |
| Fee income | Note 4.1 | 4,864 | 9,400 | 4,683 |
| Fee expense | Note 4.1 | (2,216) | (4,183) | (2,086) |
| Net gains and losses on financial transactions | | 5,831 | 866 | (2,024) |
| *o/w net gains and losses on financial instruments at fair value through profit or loss* | | *5,911* | *1,044* | *(1,983)* |
| *o/w net gains and losses on financial instruments at fair value through other comprehensive income* | | *(61)* | *(152)* | *(28)* |
| *o/w net gains and losses from the derecognition of financial instruments at amortised cost* | | *(19)* | *(26)* | *(13)* |
| Income from insurance activities | Note 4.3 | 1,682 | 3,104 | 1,616 |
| Expenses from insurance services | Note 4.3 | (859) | (1,606) | (806) |
| Income and expenses from reinsurance held | Note 4.3 | (5) | (19) | (25) |
| Net Finance income or expenses from insurance contracts issued | Note 4.3 | (3,679) | 4,030 | 5,364 |
| Net Finance income or expenses from reinsurance contracts held | Note 4.3 | 3 | 45 | - |
| Cost of credit risk of financial assets from insurance activities | Note 3.8 | 3 | 1 | (1) |
| Income from other activities | Note 4.2 | 7,936 | 13,301 | 6,634 |
| Expenses from other activities | Note 4.2 | (6,291) | (10,625) | (5,670) |
| **Net banking income** | | **12,958** | **27,155** | **13,944** |
| Other operating expenses | Note 5 | (8,668) | (16,425) | (8,686) |
| Amortisation, depreciation and impairment of tangible and intangible fixed assets | | (830) | (1,569) | (770) |
| **Gross operating income** | | **3,460** | **9,161** | **4,488** |
| Cost of credit risk | Note 3.8 | (348) | (1,647) | (778) |
| **Operating income** | | **3,112** | **7,514** | **3,710** |
| Net income from investments accounted for using the equity method | | 12 | 15 | 4 |
| Net gains or losses on other assets | | (98) | (3,290) | (3,290) |
| **Earnings before tax** | | **3,026** | **4,239** | **424** |
| Income tax | Note 6 | (753) | (1,483) | (660) |
| **Consolidated net income** | | **2,273** | **2,756** | **(236)** |
| Non-controlling interests | | 505 | 931 | 454 |
| **Net income, Group share** | | **1,768** | **1,825** | **(690)** |
| **Earnings per ordinary share** | Note 7.2 | **1.73** | **1.50** | **(1.17)** |
| **Diluted earnings per ordinary share** | Note 7.2 | **1.73** | **1.50** | **(1.17)** |

# STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

| *(In EUR m)* | 1st semester of 2023 | 2022 R | 1st semester of 2022 R |
|---|---|---|---|
| **Consolidated net income** | **2,273** | **2,756** | **(236)** |
| **Unrealised or deferred gains and losses that will be reclassified subsequently into income** | **4** | **578** | **1,366** |
| Translation differences | (148) | 1,820 | 2,418 |
| *Revaluation differences for the period* | *(221)* | *1,278* | *1,876* |
| *Reclassified into income* | *73* | *542* | *542* |
| Revaluation of debt instruments at fair value through other comprehensive income (1) | 418 | (10,849) | (8,175) |
| *Revaluation differences for the period* | *338* | *(11,029)* | *(8,231)* |
| *Reclassified into income* | *80* | *180* | *56* |
| Revaluation of insurance contracts at fair value through other comprehensive income (2) | (238) | 10,050 | 7,433 |
| Revaluation of hedging derivatives | 16 | (610) | (474) |
| *Revaluation differences of the period* | *23* | *(482)* | *(397)* |
| *Reclassified into income* | *(7)* | *(128)* | *(77)* |
| Related tax | (44) | 167 | 164 |
| **Unrealised or deferred gains and losses that will not be reclassified subsequently into income** | **223** | **539** | **1,021** |
| Actuarial gains and losses on defined benefit plans | 18 | 92 | 127 |
| Revaluation of own credit risk of financial liabilities at fair value through profit or loss | 278 | 671 | 1,283 |
| Revaluation of equity instruments at fair value through other comprehensive income | 1 | (26) | (26) |
| Related tax | (74) | (198) | (363) |
| **Total unrealised or deferred gains and losses** | **227** | **1,117** | **2,387** |
| **Net income and unrealised or deferred gains and losses** | **2,500** | **3,873** | **2,151** |
| *o/w Group share* | *1,893* | *3,080* | *1,837* |
| *o/w non-controlling interests* | *607* | *793* | *314* |

*(1) Including EUR +258 million for insurance sector subsidiaries as at 30 June 2023 (EUR -10,119 million as at 31 December 2022 and EUR -7,476 million as at 30 June 2022). This amount should be read together with the financial income and expenses recorded directly in equity as part of the measurement of the associated insurance contracts (see Note 4.3, table 4.3.C).*

*(2) The Revaluation of insurance contracts at fair value through other comprehensive income includes essentially the financial gains and losses that the Group has chosen to recognise in equity, before being reclassified as income, in the context of the measurement of insurance contracts (see Note 4.3).*

# CHANGES IN SHAREHOLDERS' EQUITY

| (In EUR m) | Shareholders' equity, Group share | | | | | | Non-controlling interests | Total consolidated shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| | Issued common stocks and capital reserves | Other equity instruments | Retained earnings | Net income, Group share | Unrealised and deferred gains and losses | Total | | |
| **At 1 January 2022** | **21,913** | **7,534** | **36,412** | **-** | **(792)** | **65,067** | **5,796** | **70,863** |
| Effect of the application of IFRS 17 and IFRS 9 for insurance subsidiaries (see Note 1) | - | - | 212 | - | (181) | 31 | 15 | 46 |
| **At 1 January 2022 R** | **21,913** | **7,534** | **36,624** | **-** | **(973)** | **65,098** | **5,811** | **70,909** |
| Increase in common stock and issuance / redemption and remuneration of equity instruments | (467) | - | (282) | - | - | (749) | (33) | (782) |
| Elimination of treasury stock | 231 | - | (71) | - | - | 160 | - | 160 |
| Equity component of share-based payment plans | 58 | - | - | - | - | 58 | - | 58 |
| 1st semester 2022 Dividends paid (see Note 7.2) | - | - | (1,371) | - | - | (1,371) | (574) | (1,945) |
| Effect of changes of the consolidation scope | - | - | (16) | - | - | (16) | 34 | 18 |
| ***Sub-total of changes linked to relations with shareholders*** | ***(178)*** | ***-*** | ***(1,740)*** | ***-*** | ***-*** | ***(1,918)*** | ***(573)*** | ***(2,491)*** |
| 1st semester 2022 Net income | - | - | - | (690) | - | (690) | 454 | (236) |
| Change in unrealised or deferred gains and losses | - | - | - | - | 2,527 | 2,527 | (140) | 2,387 |
| Other changes | - | - | 6 | - | - | 6 | - | 6 |
| ***Sub-total*** | ***-*** | ***-*** | ***6*** | ***(690)*** | ***2,527*** | ***1,843*** | ***314*** | ***2,157*** |
| **At 30 June 2022 R** | **21,735** | **7,534** | **34,890** | **(690)** | **1,554** | **65,023** | **5,552** | **70,575** |
| Increase in common stock and issuance / redemption and remuneration of equity instruments | 234 | 1,602 | (308) | - | - | 1,528 | - | 1,528 |
| Elimination of treasury stock | (755) | - | 5 | - | - | (750) | - | (750) |
| Equity component of share-based payment plans | 34 | - | - | - | - | 34 | - | 34 |
| 2nd semester 2022 Dividends paid (see Note 7.2) | - | - | - | - | - | - | (180) | (180) |
| Effect of changes of the consolidation scope | - | - | (72) | - | - | (72) | 509 | 437 |
| ***Sub-total of changes linked to relations with shareholders*** | ***(487)*** | ***1,602*** | ***(375)*** | ***-*** | ***-*** | ***740*** | ***329*** | ***1,069*** |
| 2nd semester 2022 Net income | - | - | - | 2,515 | - | 2,515 | 477 | 2,992 |
| Change in unrealised or deferred gains and losses | - | - | - | - | (1,272) | (1,272) | 2 | (1,270) |
| Other changes | - | - | (36) | - | - | (36) | (4) | (40) |
| ***Sub-total*** | ***-*** | ***-*** | ***(36)*** | ***2,515*** | ***(1,272)*** | ***1,207*** | ***475*** | ***1,682*** |
| **At 31 December 2022 R** | **21,248** | **9,136** | **34,479** | **1,825** | **282** | **66,970** | **6,356** | **73,326** |
| Allocation to retained earnings | - | - | 1,881 | (1,825) | (56) | - | - | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **At 1 January 2023** | **21,248** | **9,136** | **36,360** | **-** | **226** | **66,970** | **6,356** | **73,326** |
| Increase in common stock and issuance / redemption and remuneration of equity instruments (see Note 7.1) | (914) | 1,000 | (348) | - | - | (262) | (51) | (313) |
| Elimination of treasury stock (see Note 7.1) | 862 | - | (56) | - | - | 806 | - | 806 |
| Equity component of share-based payment plans | 71 | - | - | - | - | 71 | - | 71 |
| 1st semester 2023 Dividends paid (see Note 7.2) | - | - | (1,362) | - | - | (1,362) | (434) | (1,796) |
| Effect of changes of the consolidation scope (see Note 7.1) | - | - | (20) | - | - | (20) | 3,533 | 3,513 |
| ***Sub-total of changes linked to relations with shareholders*** | ***19*** | ***1,000*** | ***(1,786)*** | ***-*** | ***-*** | ***(767)*** | ***3,048*** | ***2,281*** |
| 1st semester 2023 Net income | - | - | - | 1,768 | - | 1,768 | 505 | 2,273 |
| Change in unrealised or deferred gains and losses | - | - | - | - | 125 | 125 | 102 | 227 |
| Other changes | - | - | (89) | - | - | (89) | (34) | (123) |
| ***Sub-total*** | ***-*** | ***-*** | ***(89)*** | ***1,768*** | ***125*** | ***1,804*** | ***573*** | ***2,377*** |
| **At 30 June 2023** | **21,267** | **10,136** | **34,485** | **1,768** | **351** | **68,007** | **9,977** | **77,984** |

# CASH FLOW STATEMENT

| (In EUR m) | 1st semester of 2023 | 2022 R | 1st semester of 2022 R |
|---|---|---|---|
| **Consolidated net income (I)** | **2,273** | **2,756** | **(236)** |
| Amortisation expense on tangible and intangible fixed assets (including operational leasing) | 3,020 | 5,342 | 2,731 |
| Depreciation and net allocation to provisions | (93) | (18) | 336 |
| Net income/loss from investments accounted for using the equity method | (12) | (15) | (4) |
| Change in deferred taxes | 10 | 209 | (9) |
| Net income from the sale of long-term assets and subsidiaries | (23) | (168) | (206) |
| Other changes | 2,760 | 5,368 | 10,767 |
| **Non-cash items included in net income and other adjustments excluding income on financial instruments at fair value through profit or loss (II)** | **5,662** | **10,718** | **13,615** |
| Income on financial instruments at fair value through profit or loss | 721 | 11,739 | 7,602 |
| Interbank transactions | (21,838) | (11,795) | (13,865) |
| Customers transactions | 22,066 | 3,632 | (3,386) |
| Transactions related to other financial assets and liabilities | 12,543 | 28,161 | 10,644 |
| Transactions related to other non-financial assets and liabilities | 778 | (6,130) | (7,314) |
| **Net increase/decrease in cash related to operating assets and liabilities (III)** | **14,270** | **25,607** | **(6,319)** |
| **Net cash inflow (outflow) related to operating activities (A) = (I) + (II) + (III)** | **22,205** | **39,081** | **7,060** |
| Net cash inflow (outflow) related to acquisition and disposal of financial assets and long term investments [1] | 1,207 | 578 | 3,598 |
| Net cash inflow (outflow) related to tangible and intangible fixed assets | (5,123) | (9,579) | (6,480) |
| **Net cash inflow (outflow) related to investment activities (B)** | **(3,916)** | **(9,001)** | **(2,882)** |
| Cash flow from/to shareholders | (1,573) | (712) | (2,706) |
| Other net cash flow arising from financing activities | (724) | 498 | 2,421 |
| **Net cash inflow (outflow) related to financing activities (C)** | **(2,297)** | **(214)** | **(285)** |
| Effect of changes in foreign exchange rates on cash and cash equivalents (D) | (2,429) | 2,354 | 2,292 |
| **Net inflow (outflow) in cash and cash equivalents (A) + (B) + (C) + (D)** | **13,563** | **32,220** | **6,185** |
| Cash, due from central banks (assets) | 207,013 | 179,969 | 179,969 |
| Due to central banks (liabilities) | (8,361) | (5,152) | (5,152) |
| Current accounts with banks (see Notes 3.5 and 4.3) | 34,672 | 28,205 | 28,205 |
| Demand deposits and current accounts with banks (see Note 3.6) | (10,455) | (12,373) | (12,373) |
| **Cash and cash equivalents at the start of the year** | **222,869** | **190,649** | **190,649** |
| Cash, due from central banks (assets) | 215,376 | 207,013 | 183,203 |
| Due to central banks (liabilities) | (9,468) | (8,361) | (9,868) |
| Current accounts with banks (see Notes 3.5 and 4.3) | 41,943 | 34,672 | 37,540 |
| Demand deposits and current accounts with banks (see Note 3.6) | (11,421) | (10,455) | (14,041) |
| **Cash and cash equivalents at the end of the year** | **236,430** | **222,869** | **196,834** |
| **Net inflow (outflow) in cash and cash equivalents** | **13,561** | **32,220** | **6,185** |

*(1) Of which EUR +1,958 million related to the acquisition of LeasePlan: EUR +3,786 million related to the cash contribution of the LeasePlan entities and EUR -1,828 million related to the cash component of the acquisition price (see Note 2.1).*

## NOTE 1 - SIGNIFICANT ACCOUNTING PRINCIPLES

### 1. INTRODUCTION

#### ACCOUNTING STANDARDS

The condensed half-yearly interim consolidated financial statements of the Societe Generale group ("the Group") as at 30 June 2023 have been prepared and are presented in accordance with International Accounting Standard 34 (IAS) "Interim Financial Report". The Group comprises the Societe Generale parent company (including the Societe Generale foreign branches) and all of the entities, in France and abroad, under its direct or indirect control (subsidiaries and joint arrangements) or on which it exercises significant influence (associates).

The notes annexed to the interim consolidated financial statements should be read in conjunction with the audited consolidated statements of the financial year ending on 31 December 2022 as contained in the 2023 Universal Registration Document. However, the assumptions and estimates used in the preparation of these half-yearly consolidated financial statements have changed compared to those used for the previous yearly closing to take into account the uncertainties regarding the consequences of the geopolitical crises and the macroeconomic context. Furthermore, as the Group's activities are neither seasonal nor cyclical in nature, its first half results were not affected by these factors.

#### FINANCIAL STATEMENTS PRESENTATION

As the IFRS accounting framework does not specify a standard model, the format of the primary financial statements used is consistent with the format proposed by the French Accounting Standard Setter, the *Autorité des Normes Comptables* (ANC), under Recommendation No. 2022-01 of 8 April 2022.

The notes annexed to the interim consolidated financial statements describe the events and transactions that are significant for understanding the changes in the situation and financial performance of the Group during the first half of 2023. The disclosures provided in these notes focus on information that is both relevant and material to the financial statements of the Societe Generale group, its businesses, and the circumstances in which it conducted its operations during this period.

#### PRESENTATION CURRENCY

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

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

## 2. NEW ACCOUNTING STANDARDS APPLIED BY THE GROUP AS OF 1 JANUARY 2023

Amendments to IFRS 17 and IFRS 9 - IFRS 17 “Insurance Contracts”

Amendments to IAS 1 “Disclosure of Accounting Policies”

Amendments to IAS 8 “Definition of Accounting Estimates”

Amendments to IAS 12 “Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

### IFRS 17 “INSURANCE CONTRACTS” – AMENDMENTS TO IFRS 17 PUBLISHED AS AT 25 JUNE 2020 AND AMENDMENTS TO IFRS 17 AND IFRS 9 PUBLISHED AS AT 9 DECEMBER 2021

The impacts of the first application of IFRS 17 and IFRS 9 by the insurance subsidiaries are presented in paragraph 4 below.

### AMENDMENTS TO IAS 1 “DISCLOSURE OF ACCOUNTING POLICIES”

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.
The Group takes into account these amendments for the preparation of its consolidated financial statements.

### AMENDMENTS TO IAS 8 “DEFINITION OF ACCOUNTING ESTIMATES”

The aim of these amendments is to facilitate distinguishing between changes in accounting methods and changes in accounting estimates.
The Group takes into account these amendments for the preparation of its consolidated financial statements.

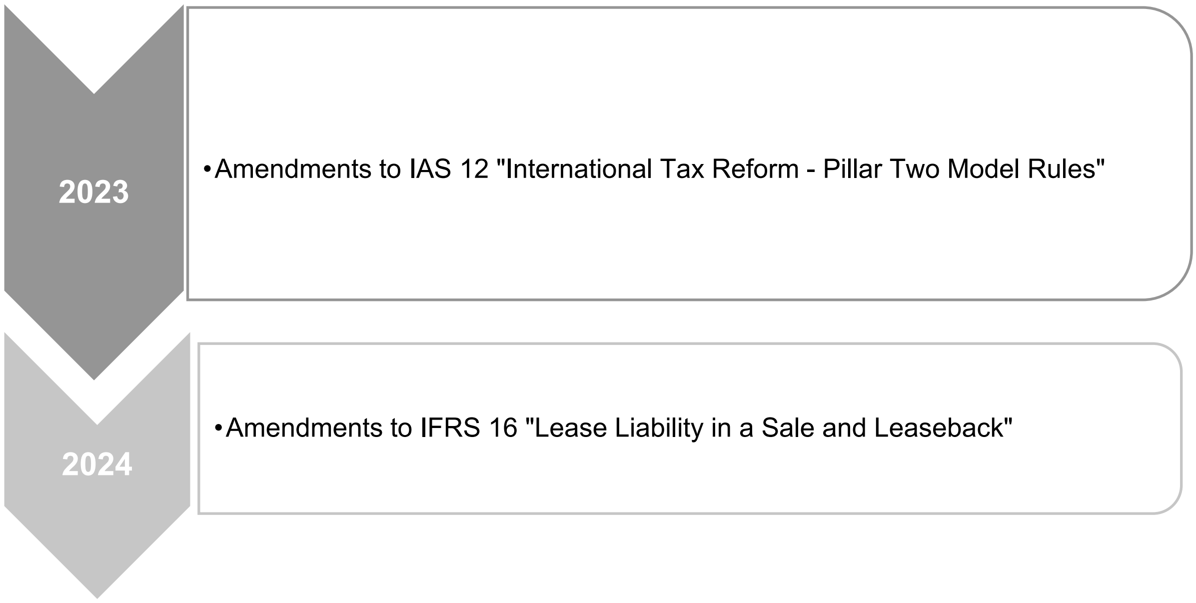
### AMENDMENTS TO IAS 12 “INCOME TAXES” - DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION

These amendments clarify and narrow the scope of the exemption provided by the IAS 12 standard allowing institutions not to recognise any deferred tax at the initial recognition of an asset or 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 taxes related to leases and to 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.

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

The IASB published accounting standards and amendments, some of which have not been adopted by the European Union as at 30 June 2023. Their application is required for the financial years beginning on or after 1 January 2024 at the earliest or on the date of their adoption by the European Union. They have thus not been applied to the Group as at 30 June 2023.

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




**AMENDMENTS TO IAS 12 "INTERNATIONAL TAX REFORM - PILLAR TWO MODEL RULES"**

*Published by the IASB on 23 May 2023*

These amendments introduce a mandatory and temporary exception to the recognition of the deferred taxes related to the supplementary taxation arising from the OECD Pillar 2 rules. This exception is accompanied by specific disclosure requirements in the annual accounts. However, it is not required to disclose this specific information in the 2023 interim accounts.
Subject to their adoption by the European Union expected by the end of the year, these amendments would apply retrospectively to fiscal years beginning on or after 1 January 2023.
The Group is monitoring the approval of these amendments and has set up a project structure to identify impacts and comply with the new accounting requirements of these amendments in relation to the OECD's "Pillar Two Model rules" international tax reform (see Note 6).

**AMENDMENTS TO IFRS 16 "LEASE LIABILITY IN A SALE AND LEASEBACK"**

*Published by the IASB on 22 September 2022.*

These amendments clarify the subsequent assessment of sale and leaseback transactions when the initial transfer of the property, plant or equipment meets the criteria of IFRS 15 "Revenue from contracts with customers" for recognition as a sale. These amendments specify in particular how to subsequently assess the lease liability resulting from this sale and leaseback transactions, made of payments of variable leases that do not depend on an index or a rate.

The impact of these amendments is currently being analysed.

## 4. INITIAL APPLICATION OF IFRS 17 "INSURANCE CONTRACTS" AND OF IFRS 9 "FINANCIAL INSTRUMENTS" TO INSURANCE SUBSIDIARIES

IFRS 17 "Insurance Contracts", issued on 18 May 2017 and modified by the 25 June 2020 and 9 December 2021 Amendments, replaces IFRS 4 "Insurance Contracts" which allowed, in particular, insurance contracts to be recognised using methods set out by the local accounting regulations.

On 23 November 2021, the European Commission (EC) published in the Official Journal, Commission Regulation (EU) 2021/2036 of 19 November 2021 adopting IFRS 17 "Insurance Contracts". This adoption included the possibility for European companies not to apply the requirement laid out in the standard to group some insurance contracts by annual cohort for their measurement; this exemption will be reassessed by the European Commission by 31 December 2027 at the latest.

Since 1 January 2023, the Group has been applying IFRS17. On that same date, the Group' insurance subsidiaries started applying IFRS 9 "Financial Instruments" for the first time; this application had been delayed as a result of the possibilities offered by the Amendments to IFRS 17 and to IFRS 4 issued by the IASB on 25 June 2020 and extended by Regulations (EU) 2017/1988 and 2020/2097 of the European Commission.

On 8 September 2022, the European Union adopted the amendments to IFRS 17 published by the IASB on 9 December 2021 with the aim of improving the usefulness of the comparative information about financial assets presented on the initial application of IFRS 17 and IFRS 9.

The main consequences of the application of IFRS 17 concern:

- the measurement of insurance contracts, materialised mainly as liabilities on the balance sheet: their value will be updated on each closing date based on a re-estimate of the future cash flows related to their fulfilment. This re-estimate will take account, in particular, of market data in relation to financial elements and the behaviour of policyholders;
- the recognition of the margin: although the profitability of the insurance contracts remains unchanged, the pace of recognition of the margin in the income statement is modified. Any expected profit is deferred in the balance sheet and spread in the income statement over the coverage period of the insurance contracts. Conversely, any expected loss is immediately recognised in the income statement upon its initial recognition or in subsequent measurements; and
- the presentation of the income statement: the operating expenses attributable to the fulfilment of insurance contracts is hence presented in reduction of the Net Banking Income as Insurance service expenses and thus does not impact the total operating expenses on the consolidated income statement anymore.

### TRANSITIONAL AND INITIAL APPLICATION REQUIREMENTS

**IFRS 17 standard**

The initial application of IFRS 17 on 1 January 2023 is retrospective and the comparative data of the 2022 financial year have been restated.

The differences in measurement of the insurance assets and liabilities resulting from the retrospective application of IFRS 17 as at 1 January 2022 are presented directly in equity.

The retrospective measurement of these assets and liabilities, and in particular of the different insurance contract portfolios, may be subject to simplified alternate approaches when the necessary data are not all available. The standard then allows for the use of:

- either a modified retrospective approach that provides, based on reasonable information available at no cost or undue effort, measurements that are as close as possible to those that would result from the retrospective application of the standard;
- or an approach based on the fair value of the insurance contracts portfolios as at 1 January 2022.

The Group has applied a modified retrospective approach for the savings life insurance contracts and savings retirement contracts which represent the large majority of its contracts. Protection-Property and casualty contracts were subject to a full retrospective approach. For Protection-Provident contracts a retrospective approach, either full or modified, has been applied on a case-by-case basis.

The measurement of the insurance contracts made on a current basis, taking into account the time value of money and the financial risks related to future cash flows, required to adjust the measurement of some assets held to back the contracts in order to reduce the possible accounting mismatches.

Since 1 January 2023, initial application date of IFRS 17, the Group is measuring at fair value the investment properties held by insurance companies to back the insurance contracts issued. These are investment properties held as part of the management of insurance contracts with direct participations features.

IFRS 17 requires to include in the measurement of the insurance contracts general operating expenses (personnel expenses, amortisation expenses for fixed assets and other operating expenses) directly attributable to the fulfilment of contracts and to present them as Insurance service expenses in the Net banking income.

The Group's insurance subsidiaries systematically identify in the fulfilment cash flows of their contracts the amount of administrative costs they expect to bear. These administrative costs are presented under Insurance service expenses in the Net banking income. Consequently, the administrative costs presented by nature on the consolidated income statement are reduced by the amounts allocated to the fulfilment of the insurance contracts.

Furthermore, the Group's banking entities sell, through their retail networks, the insurance contracts issued by the Group's insurance subsidiaries and thus invoice fees to these entities. These fees cover the costs incurred by the banking entities plus a margin. As this invoicing takes place between Group-controlled entities, the internal margin received by the banking entity and incurred by the insurance entity is eliminated in the consolidated accounts. The administrative costs incurred by the banking entities for the distribution of contracts are regarded as expenses directly attributable to the fulfilment of the contracts and are thus incorporated into the measurement of the contracts and presented under the Insurance service expenses heading. The contractual service margin of the insurance contracts distributed by the Group's banking entities is thus determined by taking into account both the costs incurred by the distributing banking entity (excl. internal margin) and the other directly attributable costs incurred by the insurance entity.

**IFRS 9 standard**

The initial application of IFRS 9 by the Group's insurance subsidiaries as at 1 January 2023 is retrospective.

For the sake of consistency with the IFRS 17 transition arrangements, and in order to provide more relevant and useful information, the Group has restated the comparative figures of the 2022 financial year related to the relevant financial instruments of its insurance subsidiaries (including the financial instruments derecognised during the 2022 financial year in accordance with IFRS 17 amendment which allows the presentation of comparative information concerning a financial asset as if IFRS 9 had previously been applied to that asset).

Following the retrospective application of IFRS 9 as at 1 January 2022, the differences in measurement (including the impairment for credit risk) of the financial assets and liabilities impacted are recognised directly in equity.

**New presentation of the financial statements**

On the balance sheet, the accounting outstanding amounts related to insurance contracts, previously booked under Other assets, Insurance contracts related liabilities and Other liabilities are now presented under Insurance and reinsurance contracts assets and Insurance and reinsurance contracts liabilities.

The accounting outstanding amounts related to the financial instruments and investments properties of insurance activities, previously booked on the assets side under Investments of insurance companies and on the liabilities side under Insurance contracts related liabilities, are now presented under the different headings of the balance sheet according to their classification and valuation technique.

In the consolidated income statement, in the Net banking income, the income and expenses related to the insurance contracts issued and the reinsurance contracts were previously grouped under Net income from insurance activities. These income and expenses are now measured and recognised according to IFRS 17, and presented in the Net banking income under the following headings:

Income from insurance contracts issued;

Insurance service expenses;

Income and expenses from reinsurance contracts held;

Net finance income or expenses from insurance contracts issued; and

Net finance income or expenses from reinsurance contracts held.

The incomes and expenses related to the financial instruments of insurance subsidiaries, previously presented under Net income from insurance activities, are now presented under the consolidated income statement headings dedicated to the valuation of financial instruments, with the exception of the expenses and incomes related to credit risk which are presented in the Net banking income under Cost of credit risk of the financial assets related to insurance activities.

Furthermore, in the context of the application of IFRS 17, the Group has modified the presentation of the general operating expenses in the consolidated income statement to improve the readability of the Group’s performance. The Other general operating expenses heading now includes the amounts previously presented under Personnel expenses and Other operating expenses, from which are deducted the general operating expenses related to insurance contracts that will henceforth be presented under the Insurance service expenses heading in the Net banking income.

### IMPACTS ON THE GROUP'S BALANCE SHEET AND PERFORMANCE

The following tables reconcile the balance sheet as at 31 December 2021, presented taking into account the application of IAS 39 and IFRS 4 by the insurance subsidiaries, and the balance sheet as at 1 January 2022, presented taking into account the application of IFRS 9 and IFRS 17. The tables also include the balance sheet as at 31 December 2022 restated as a result of the application of IFRS 9 and IFRS 17.

| | | A | B | C | D | |
|---|---|---|---|---|---|---|
| *(In EUR m)* | **Balances as at 31.12.2021** | **IFRS 9 reclassifications** | | | **Other reclassifications** | **Reclassified balances** |
| | | of available for-sale financial assets | of loans and receivables regarding their business model | of non-SPPI loans and receivables | Others | |
| Cash, due from central banks | 179,969 | | | | - | **179,969** |
| Financial assets at fair value through profit or loss | 342,714 | 15,879 | | 2,085 | 85,826 | **446,504** |
| Hedging derivatives | 13,239 | | | | 353 | **13,592** |
| Financial assets at fair value through other comprehensive income | 43,450 | 67,632 | 1,454 | | - | **112,536** |
| Securities at amortised cost | 19,371 | 4,975 | | | 22 | **24,368** |
| Due from banks at amortised cost | 55,972 | | | | 1,232 | **57,204** |
| Customer loans at amortised cost | 497,164 | | | | 69 | **497,233** |
| Revaluation differences on portfolios hedged against interest rate risk | 131 | | | | - | **131** |
| Investments of insurance companies | 178,898 | (88,486) | (1,454) | (2,085) | (86,873) | **-** |
| *Financial assets at fair value through profit or loss (trading portfolio)* | *211* | | | | *(211)* | |
| *Financial assets at fair value through profit or loss (fair value option)* | *84,448* | | | | *(84,448)* | |
| *Hedging derivatives* | *353* | | | | *(353)* | |
| *Available-for-sale financial assets* | *88,486* | *(88,486)* | | | *-* | |
| *Due from banks* | *4,771* | | *(1,454)* | *(2,085)* | *(1,232)* | |
| *Customer loans* | *69* | | | | *(69)* | |
| *Held-to-maturity financial assets* | *22* | | | | *(22)* | |
| *Real estate investments* | *538* | | | | *(538)* | |
| Insurance and reinsurance contracts assets | | | | | | |
| Tax assets | 4,812 | | | | - | **4,812** |
| Other assets | 92,898 | | | | (1,167) | **91,731** |
| Non-current assets held for sale | 27 | | | | - | **27** |
| Deferred profit-sharing | - | | | | - | **-** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Investments accounted for using the equity method | 95 | | | | - | **95** |
| Tangible and intangible fixed assets | 31,968 | | | | 538 | **32,506** |
| Goodwill | 3,741 | | | | - | **3,741** |
| **Total Assets** | **1,464,449** | **-** | **-** | **-** | **-** | **1,464,449** |

| | | E | | | F | G | | | H | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Reclas-sified balances** | **Adjustment of book value related to investments** | | | **Adjustment of book value related to insurance contracts** | | | | **Deferred taxes** | **Balances as at 01.01.2022** | **Balances as at 31.12.2022** |
| | | | | | **IFRS 4 Dereco-gnition** | **IFRS 17 insurance contracts accounting** | | | | | |
| *(In EUR m)* | | Reclassification effects | Impairment and provisions for credit risk | **Total** | | Through reserves | Through OCI | **Total** | | | |
| Cash, due from central banks | 179,969 | | | - | - | | | - | - | 179,969 | 207,013 |
| Financial assets at fair value through profit or loss | 446,504 | 213 | | 213 | - | | | - | - | 446,717 | 427,151 |
| Hedging derivatives | 13,592 | | | - | - | | | - | - | 13, 592 | 32,971 |
| Financial assets at fair value through other comprehensive income | 112,536 | 159 | | 159 | - | | | - | - | 112, 695 | 92,960 |
| Securities at amortised cost | 24,368 | (218) | (1) | (219) | - | | | - | - | 24,149 | 26,143 |
| Due from banks at amortised cost | 57,204 | | | - | - | | | - | - | 57,204 | 68,171 |
| Customer loans at amortised cost | 497,233 | | | - | - | | | - | - | 497,233 | 506,635 |
| Revaluation differences on portfolios hedged against interest rate risk | 131 | | | - | - | | | - | - | 131 | (2,262) |
| Investments of insurance companies | - | | | | | | | | | | |
| Insurance and reinsurance contracts assets | - | | | | | 355 | 25 | 380 | | 380 | 353 |
| Tax assets | 4,812 | | | - | - | | | - | (65) | 4,747 | 4,484 |
| Other assets | 91,731 | | (0) | - | (1,702) | 16 | | 16 | | 90,045 | 82,315 |
| Non-current assets held for sale | 27 | | | - | - | | | - | - | 27 | 1,081 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Deferred profit-sharing | - | | | - | - | | | - | - | | |
| Investments accounted for using the equity method | 95 | | | - | - | | | - | - | 95 | 146 |
| Tangible and intangible fixed assets | 32,506 | 356 | | 356 | (14) | | | - | - | 32,848 | 33,958 |
| Goodwill | 3,741 | | | - | - | | | - | - | 3,741 | 3,781 |
| **Total Assets** | **1,464,449** | **510** | **(1)** | 509 | **(1 716)** | **371** | **25** | **396** | **(65)** | **1,463,573** | **1,484,900** |

| | | I | J | | | K | L | | | M | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Balances at 31.12.2021** | **Reclassi-fications** | **Adjustment of book value related to investments** | | | **Adjustment of book value related to insurance contracts** | | | | **Deferred taxes** | **Balances as at 01.01.2022(1)** | **Balances as at 31.12.2022** |
| | | | | | | **IFRS 4 Dereco-gnition** | **IFRS 17 insurance contracts accounting** | | | | | |
| *(In EUR m)* | | | Reclassi-fication effects | Impairment and provisions for credit risk | **Total** | | Through reserves | Through OCI | **Total** | | | |
| Due to central banks | 5,152 | | | | | - | | | | | 5,152 | 8,361 |
| Financial liabilities at fair value through profit or loss | 307,563 | 4,140 | | | | - | | | | | 311,703 | 304,175 |
| Hedging derivatives | 10,425 | | | | | - | | | | | 10,425 | 46,164 |
| Debt securities issued | 135,324 | | | | | - | | | | | 135,324 | 133,176 |
| Due to bank | 139,177 | | | | | - | | | | | 139,177 | 133,011 |
| Customer deposits | 509,133 | | | | | - | | | | | 509,133 | 530,764 |
| Revaluation differences on portfolio hedged against interest rate risk | 2,832 | | | | | - | | | | | 2,832 | (9,659) |
| Tax liabilities | 1,577 | | | | | - | | | | (4) | 1,573 | 1,645 |
| Other liabilities | 106,305 | | | | | (360) | 28 | | 28 | | 105,973 | 107,315 |
| Non-current liabilities held for sale | 1 | | | | | - | | | - | | 1 | 220 |
| Insurance contracts related liabilities | 155,288 | (4,140) | - | - | | (151,148) | | | | | | |
| *Underwriting reserves of insurance companies* | *151,148* | | | | | *(151,148)* | | | | | | |
| *Financial liabilities of insurance companies* | *4,140* | *(4,140)* | | | | | | | | | | |
| Insurance and reinsurance contracts liabilities | - | | | | | - | 144,936 | 5,626 | 150,562 | | 150,562 | 135,875 |
| Provisions | 4,850 | | | | | - | | | - | | 4,850 | 4,579 |
| Subordinated debts | 15,959 | | | | | - | | | - | | 15,959 | 15,948 |
| **Total liabilities** | **1,393,586** | **-** | | | | **(151,508)** | **144,964** | **5,626** | **150,590** | (4) | **1,392,664** | **1,411,574** |
| **Shareholders' equity** | | | | | | | | | | | | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Shareholders' equity, Group share** | | | | | | | | | | | | |
| Issued common stocks and capital reserves | 21,913 | | | | | - | | | - | | 21,913 | 21,248 |
| Other equity instruments | 7,534 | | | | | - | | | - | | 7,534 | 9,136 |
| Retained earnings | 30,631 | | 3,318 | (20) | 3,298 | 140,983 | (143,944) | | (143,944) | (125) | 30,843 | 34,479 |
| Net income | 5,641 | | | | - | - | | | - | | 5,641 | 1,825 |
| **Sub-total** | **65,719** | | **3,318** | **(20)** | **3,298** | **140,983** | **(143,944)** | | **(143,944)** | **(125)** | **65,931** | **66,688** |
| Unrealised or deferred capital gains and losses | (652) | | (2,810) | 19 | (2,791) | 8,143 | | (5,600) | (5,600) | 67 | (833) | 282 |
| **Sub-total equity, Group share** | **65,067** | | **508** | **(1)** | **507** | **149,126** | **(143,944)** | **(5,600)** | **(149,544)** | **(58)** | **65,098** | **66,970** |
| Non-controlling interests | 5,796 | | 2 | (0) | 2 | 666 | (649) | (1) | (650) | (3) | 5,811 | 6,356 |
| **Total equity** | **70,863** | | **510** | **(1)** | **509** | **149,792** | **(144,593)** | **(5,601)** | **(150,194)** | **(61)** | **70,909** | **73,326** |
| **Total** | **1,464,449** | **-** | **510** | **(1)** | **509** | **(1,716)** | **371** | **25** | **396** | **(65)** | **1,463,573** | **1,484,900** |

*(1) The balances as at 1 January 2022 are presented before allocation of income and of the gains and losses recognised directly in equity.*

## DESCRIPTION OF THE RECLASSIFICATIONS MADE FOR THE FINANCIAL INSTRUMENTS AND OTHER INVESTMENT ASSETS AS AT 1 JANUARY 2022 (COLUMNS A, B, C, D AND I)

### RECLASSIFICATION OF AVAILABLE-FOR-SALE FINANCIAL ASSETS (COLUMN A)

Applying IFRS 9 causes the disappearance of the Available-for-sale financial assets accounting category. Consequently, the instruments previously included in this category have been reclassified under IFRS 9 accounting headings according to the characteristics of their contractual cash flows and their business model.

The Available-for-sale assets of insurance companies included, as at 31 December 2021, debt securities (bonds and equivalent securities) for EUR 74,084 million and equity securities (shares and equivalent securities) for EUR 14,402 million.

Basic debt securities (financial instruments, whose contractual cash flows are solely payments of principal and interests) were reclassified as follows:

- debt securities held as part of a business model whose objective is to hold assets in order to collect contractual cash flows business model were reclassified as Financial assets at amortised cost for EUR 4,975 million. These are mainly debt securities acquired for the purpose of reinvesting the own funds of insurance subsidiaries;
- debt securities held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets business model were reclassified as Financial assets at fair value through other comprehensive income for EUR 67,632 million. These debt securities are mainly acquired for the management of insurance contracts.

Non-basic debt securities and equity securities were reclassified into Financial assets at fair value through profit or loss for EUR 15,879 million. These securities are held for the purpose of managing insurance contracts.

### RECLASSIFICATION OF LOANS AND RECEIVABLES (COLUMNS B, C AND D)

Basic loans and receivables (financial instruments whose contractual cash flows are Solely Payments of Principal and Interests) were reclassified as follows:

- loans and receivables held as part of a business model whose objective is to hold assets in order to collect contractual cash flows business model were reclassified as Due from banks at amortised cost for EUR 1,232 million and as Customer loans at amortised cost for EUR 69 million (column D);
- loans and receivables held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets business model were reclassified as Financial assets at fair value through other comprehensive income for an amount of EUR 1,454 million. These loans and receivables are Due from banks (column B).

Non-basic loans and receivables were reclassified as Financial assets at fair value through profit or loss for EUR 2,085 million (column C).

Financial instruments reclassified as Financial assets at fair value through other comprehensive income or as Financial assets at fair value through profit or loss are mainly bonds recognised at amortised cost following the amendment of IAS 39 in 2008. This amendment provided, under certain conditions, the option to reclassify Available-for-sale Financial Assets into the Loans and Receivables category.

### OTHER RECLASSIFICATIONS (COLUMNS D AND I)

In addition to the reclassifications described above, the purpose of the other reclassifications was to reallocate the remaining outstanding amounts related to insurance activities under the accounting headings commonly used by the rest of the Group.

Financial assets at fair value through profit or loss of the trading portfolio of insurance subsidiaries (EUR 211 million), Financial instruments measured at fair value through profit or loss using the fair value option (EUR 84,448 million of which EUR 69,383 million of non-basic financial instruments reclassified as Financial assets mandatorily measured at fair value through profit or loss), as well as an asset resulting from an indexed co-insurance agreement, previously shown under Other assets (EUR 1,167 million), have been reclassified as Financial assets at fair value through profit or loss.

Hedging derivatives were reclassified into the corresponding heading for EUR 353 million.

Real estate investments were reclassified as Tangible and intangible fixed assets for EUR 538 million.

Financial liabilities of insurance companies were reclassified as Financial liabilities at fair value through profit and loss for an amount of EUR 4,140 million. These include investments contracts (outside the scope of IFRS 17) and trading derivatives in the scope of IFRS 9.

### DESCRIPTION OF THE BOOK VALUE ADJUSTMENTS MADE FOR THE FINANCIAL INSTRUMENTS AND OTHER INVESTMENTS ASSETS AS AT 1 JANUARY 2022 (COLUMNS E AND J)

The Balance sheet value of the Investments of insurance companies whose valuation method was modified, was adjusted in equity as at 1 January 2022 for a total amount of EUR 509 million before tax effects. This amount includes:

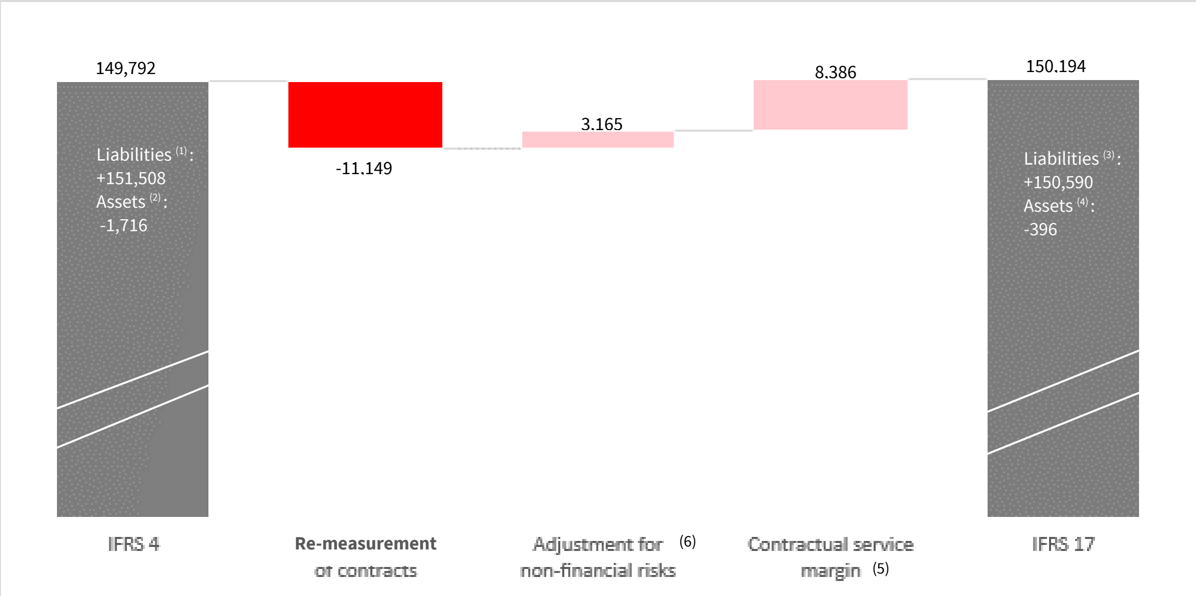
- the revaluation at fair value of investment properties for an amount of EUR 356 million in application of IAS 40, in order to avoid an accounting mismatch between the measurement method applied to the investment properties and the insurance contracts they are backing;
- the adjustment of the book value of financial assets for a net amount of EUR 153 million as a result of their new measurement method in application of IFRS 9. This amount includes the recognition of additional expected credit losses for EUR 1 million for the Securities at amortised cost.

Gains and losses recognised directly in equity for Financial assets at fair value through other comprehensive income relating to credit risk were reclassified at 1 January 2022 to retained earnings for an amount of EUR 19 million. This refers to the expected credit loss related to the impairment of loans in Stage 1 or Stage 2.

### DESCRIPTION OF THE DERECOGNITION OF IFRS 4 INSURANCE CONTRACTS AND THE RECOGNITION OF INSURANCE CONTRACTS UNDER IFRS 17 AS AT 1 JANUARY 2022 (COLUMNS F, G, K AND L)

The adjustment of the book value of the insurance contracts assets and liabilities, resulting from the replacement of IFRS 4 (prudent valuation) by IFRS 17 (economic valuation), was recorded as at 1 January 2022 in equity for a negative amount of EUR 402 million before tax effects.

This amount is broken down as follows:




*(1) This amount is composed of Underwriting reserves for EUR 151,148 million and of Other Liabilities for EUR 360 million.*

*(2) This amount is composed of Other Assets for EUR 1,702 million and of tangible and intangible fixed assets for EUR 14 million.*

*(3) This amount is composed of Insurance contracts liabilities for EUR 150,562 million and of Other Liabilities for EUR 28 million.*

*(4) This amount is composed of Insurance contracts assets for EUR 380 million and of Other Assets for EUR 16 million.*

*(5) The contractual service margin (CSM) represents the unearned profit that the entity will recognise in the income statement as the insurance services are provided in the future.*

*(6) The non-financial risk adjustment corrects the present value of future cash flows in insurance contracts to reflect uncertainty about the amount and timing of these flows.*

### MARGINAL TOTAL IMPACT ON THE TOTAL EQUITY AS AT 1 JANUARY 2022

As at the transition date (1 January 2022), the retrospective application of IFRS 17 and IFRS 9 by the Group's insurance subsidiaries resulted in a EUR 46 million increase in the Total consolidated equity.

This impact is broken down as follows: a decrease of EUR 402 million related to the transition from IFRS 4 to IFRS 17, an increase of EUR 509 million related to the transition to IFRS 9 and the revaluation of investment properties according to IAS 40, and a decrease of EUR 61 million related to the adjustment of deferred tax assets and liabilities.

### POSITIVE TOTAL IMPACT ON THE TOTAL EQUITY AS AT 1 JANUARY 2023

The retrospective application of IFRS 9 and IFRS 17 by the Group's insurance subsidiaries resulted in an adjustment of the comparative data for the financial year 2022 for an amount of EUR -191 million on the consolidated net income and an amount of EUR 689 million on the unrealised or deferred gains and losses recognised directly in equity.

As at the date of initial application (1 January 2023), the cumulative impact on the Total equity amounted to EUR 544 million.

The table below shows the Group's consolidated income statement for 2022 as published in the last annual financial report and then the restated income statement (2022 R) following the application of IFRS 17 and IFRS 9 by the Group's insurance subsidiaries.

In the Notes to the financial statements, the restated data are identified with "R".

| *(In EUR m)* | **2022 R** | **2022** |
|---|---|---|

| | | |
|---|---|---|
| Interest and similar income (1) (2) | 30,738 | 28,838 |
| Interest and similar expense (1) (2) | (17,897) | (17,552) |
| Fee income | 9,400 | 9,335 |
| Fee expense | (4,183) | (4,161) |
| Net gains and losses on financial transactions (1) (2) | 866 | 6,691 |
| *o/w net gains and losses on financial instruments at fair value through profit or loss (1) (2)* | *1,044* | *6,715* |
| *o/w net gains and losses on financial instruments at fair value through other comprehensive income* | *(152)* | *(10)* |
| *o/w net gains and losses from the derecognition of financial instruments at amortised cost* | *(26)* | *(14)* |
| Net income from insurance activities | | 2,211 |
| Income from insurance contracts issued | 3,104 | |
| Insurance service expenses (3) | (1,606) | |
| Income and expenses from reinsurance contracts held | (19) | |
| Net finance income or expenses from insurance contracts issued (2) | 4,030 | |
| Net finance income or expenses from reinsurance contracts held (2) | 45 | |
| Cost of credit risk from financial assets related to insurance activities | 1 | |
| Income from other activities (1) (2) | 13,301 | 13,221 |
| Expenses from other activities | (10,625) | (10,524) |
| **Net banking income** | **27,155** | **28,059** |
| Other general operating expenses (3) | (16,425) | (17,061) |
| Amortisation, depreciation and impairment of tangible and intangible fixed assets | (1,569) | (1,569) |
| **Gross operating income** | **9,161** | **9,429** |
| Cost of credit risk | (1,647) | (1,647) |
| **Operating income** | **7,514** | **7,782** |
| Net income from investments accounted for using the equity method | 15 | 15 |
| Net income / expense from other assets | (3,290) | (3,290) |
| Value adjustments on goodwill | - | - |
| **Earnings before tax** | **4,239** | **4,507** |
| Income tax | (1,483) | (1,560) |
| **Consolidated net income** | **2,756** | **2,947** |
| Non-controlling interests | 931 | 929 |
| **Net income, Group share** | **1,825** | **2,018** |

*(1) The variations between the 2022 financial year published and the 2022 financial year restated are linked to the new presentation and measurement of insurance companies' investments, now including in the same headings used by the rest of the Group, previously recorded as Net income from insurance activities.*

*(2) The financial performance of insurance companies must be analysed by taking into account on one hand the income and expenses from the investments backing in the insurance contracts and on the other hand the net finance income or expenses from insurance contracts measured according to IFRS 17. Both components of expenses and income mentioned above partly offset each other (see Note 4.3, table 4.3.C).*

*(3) The change in Other general operating expenses between the 2022 financial year published and the 2022 financial year restated is related to the allocation within Insurance service expenses of general operating expenses attributable to the fulfilment of insurance contracts.*

The table below presents the statement of net income and unrealised or deferred gains and losses published in 2022 and the one restated (2022 R) following the application of IFRS 17 and IFRS 9 by the Group's insurance subsidiaries.

| *(In EUR m)* | **2022 R** | **2022** |
|---|---|---|
| **Consolidated net income** | **2,756** | **2,947** |
| **Unrealised or deferred gains and losses that will be reclassified subsequently into income** | **578** | **(111)** |
| Translation differences | 1,820 | 1,820 |
| Revaluation of debt instruments at fair value through other comprehensive income (1) (2) | (10,849) | (731) |
| Revaluation of available-for-sale financial assets (3) | | (1,223) |
| Revaluation of insurance and reinsurance contracts through other comprehensive income (2) | 10,050 | |
| Revaluation of hedging derivatives | (610) | (380) |
| Related tax | 167 | 403 |
| **Unrealised or deferred gains and losses that will not be reclassified subsequently into income** | **539** | **539** |
| **Total unrealised or deferred gains and losses** | **1,117** | **428** |
| **Net income and unrealised or deferred gains and losses** | **3,873** | **3,375** |
| *o/w Group share* | *3,080* | *2,592* |
| *o/w non-controlling interests* | *793* | *783* |

*(1) The variations between the 2022 financial year published and the 2022 financial year restated are linked to the new presentation and measurement of insurance companies' investments, under the same headings used by the rest of the Group.*

*(2) The financial performance of insurance companies must be analysed by taking into account on one hand the gains and losses of the investments backing the insurance contracts and on the other hand the net finance gains and losses from insurance contracts measured according to IFRS 17. Both components of losses and gains mentioned above partly offset each other.*

*(3) This amount of EUR -1,223 million included, pursuant to the application of IAS 39 and IFRS 4, the re-measurement of the Available-for-sale assets for EUR -11,297 million, and the related Deferred profit-sharing for EUR 10,074 million.*

## 5. USE OF ESTIMATES AND JUDGEMENT

With a view to the preparation of the Group's consolidated financial statements, in application of the accounting principles and methods described in the Notes to the consolidated financial statements, th General Management formulated assumptions and estimates that may have an impact on the amounts recognised in the income statement or as Unrealised or deferred capital gains and losses, on the valuation of balance sheet assets and liabilities and on the information shown in the related Notes.
In order to make these estimates and assumptions, the General Management uses the information available on the date of preparation of the consolidated financial statements and may exercise its judgment. Valuations based on these estimates inherently involve risks and uncertainties regarding their materialisation in the future; consequently, the future final outcome of the transactions concerned may differ from these estimates and have a significant impact on the financial statements.
The assumptions and estimates made for the preparation of these consolidated financial statements take account of both the uncertainties about the economic consequences of the geopolitical crises and the current macroeconomic context. The impact of these circumstances on the assumptions and estimates selected is detailed in sub-section 6 of this Note.
Estimates apply in particular to the determination of the fair value of financial instruments, of the asset impairments and provisions recognised as balance sheet liabilities, of the insurance contracts liabilities, as well as of the tax assets and liabilities on the balance sheet and of the goodwill. They also apply to the analysis of the characteristics of the contractual cash flows of financial assets, the determination of the effective interest rate of the financial instruments measured at amortised cost as well as to the assessment of control for the determination of the scope of consolidated entities. The Group also uses estimates and judgment to determine the lease period to be considered for the recognition of the right-of-use assets and lease liabilities, and to reassess the residual value of operating lease assets (in particular the fleet of motor vehicles) and prospectively adjust their deprecation plans.

To assess the impairments and provisions for credit risk, the use of judgment and estimates concerns more specifically the assessment of the deterioration in credit risk (also taking into account the aggravating circumstance of transition climate risk) observed since the initial recognition of the financial assets and the measurement of the amount of expected credit losses on these financial assets.
Concerning the valuation of insurance contract assets and liabilities, the exercise of judgment and the use of estimates mainly concern the valuation of future cash flows (premiums, claims, services, directly related costs), the level of adjustment for non-financial risks and the pace of recognition in the income statement of the contractual service margin.

**CLIMATE RISK**

The Group continues its work to gradually integrate climate risk in the preparation of its consolidated accounts. Climate change-related risks are not a new risk category but rather an aggravating factor for categories already covered by the Group's risk management system. In this regard, the impact of transitional risk on the credit risk of the corporate customers of Societe Generale remains one of the Group's primary climate risks.
As at 30 June 2023, the determination of the expected credit losses includes the possible impact of climate risks as considered when assessing individual risks and sectoral risks, provided it is compatible with the provisioning horizon; and the impact of the Group's commitments in favour of energy and environmental transition and the development of the territories are still taken into account in the estimated budgets used to determine the recoverable amount of the cash-generating units (CGU) and the recoverability of the deferred tax assets.
In addition, the Group analyses the provisions of the draft ESRS (European Sustainability Reporting Standards) prepared and subjected to public consultation by the EFRAG (European Financial Reporting Advisory Group), in particular those relating to connectivity between these future disclosure requirements and the consolidated financial statements.

## 6. GEOPOLITICAL CRISES AND MACROECONOMIC CONTEXT

The restrictions related to the Covid-19 pandemics in Mainland China ended during the first quarter 2023 which renewed optimism about economic activity for the year.
However, the conflict in Ukraine still causes great uncertainty heightened by tensions in the banking sector in the U.S.A. and in Europe. Economic policies are clearly restrictive. Focusing on the containment of inflation, central banks tightened monetary policies, in particular with rapid and significant increases in interest rates.

In the euro area:

the slowdown in economic activity observed during the first half of 2023 should continue during the rest of the year with a modest rebound in 2024-2025;

inflation would remain high in 2023 to drop down to around 3% in 2024 and fall back to the target in the mid-term.

The monetary tightening imposed by the ECB should soften from the end of 2023 on.

In this context, the Group updated the macroeconomic scenarios chosen for the preparation of the consolidated financial statements and maintained some adjustments applied to its models (see Note 3.8).
These macroeconomic scenarios are taken into account in the credit loss measurement models including forward-looking data (see Note 3.8) and are also used in some goodwill impairment tests (see Note 2.2) and tests regarding deferred tax assets recovery (see Note 6).

### 6.1 Macroeconomic scenarios

As at 30 June 2023, the Group has selected three macroeconomic scenarios to help understand the uncertainties related to the current macroeconomic context.

The assumptions selected to build these scenarios (which have not undergone any significant developments since 31 December 2022) are described below:

the central scenario (“SG Central”) predicts a sharp economic slowdown in 2023, and only a modest rebound in growth in 2024. In 2023, inflation will remain high, close to 5.5% before dropping down to around 3% in 2024 and returning to target in the mid-term. The ECB will continue tightening its monetary policy in the short term; but a possible easing might start at the end of 2023. In particular in the U.S.A, the central scenario forecasts further disinflation and a technical recession, with a credit crunch in the context of increased Federal Reserve interest rates and banking tensions;

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. In both cases, stronger growth will have a positive impact on employment and/or the profitability of companies;

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

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

### 6.2 Financial instruments: expected credit losses

The scenarios provided by the Group economists are incorporated into the credit loss provisioning models over a three-year horizon, followed by a two-year period to gradually return by the fifth year to the average probability of default observed during the calibration period.

The assumptions made by the Group with a view to developing these macroeconomic scenarios have been updated during the second quarter 2023 to account for the uncertainties about the macroeconomic context and the economic consequences of the war in Ukraine.

#### VARIABLES

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

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

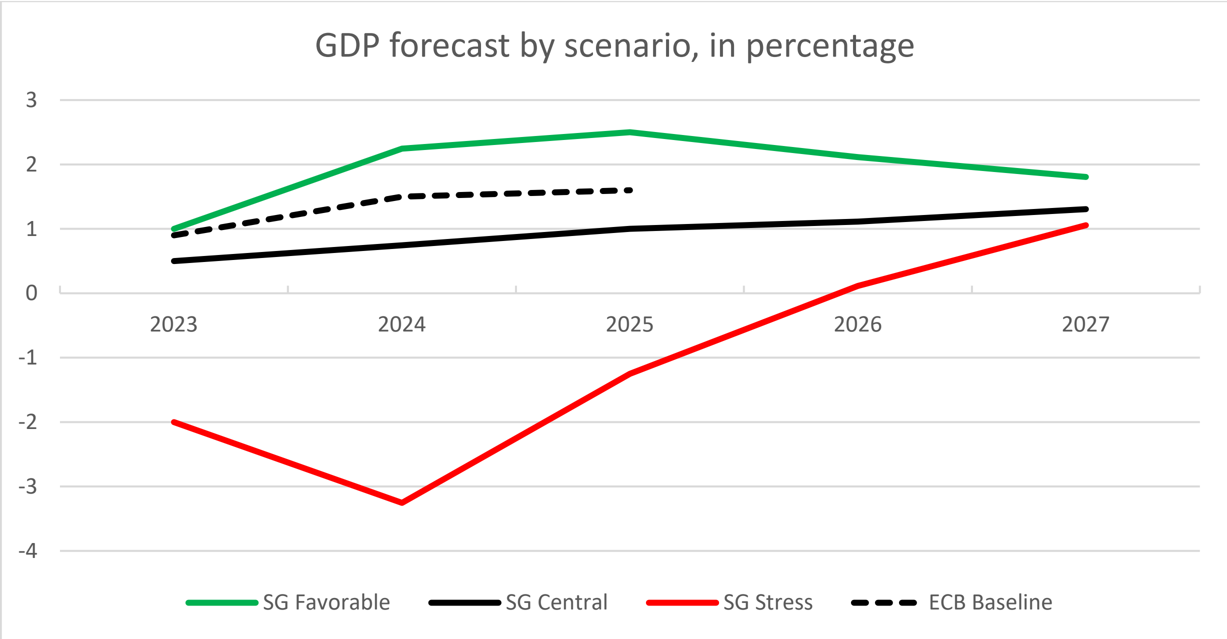
| **“SG Favourable” scenario** | **2023** | **2024** | **2025** | **2026** | **2027** |
|---|---|---|---|---|---|
| France GDP | 1.0 | 2.3 | 2.5 | 2.1 | 1.8 |
| Corporate profit margin in France | 32.5 | 32.9 | 32.8 | 32.9 | 32.6 |
| Euro area GDP | 1.0 | 2.2 | 2.5 | 2.1 | 1.8 |
| United States GDP | 1.3 | 2.0 | 3.2 | 2.8 | 2.8 |
| China GDP | 5.5 | 5.8 | 5.6 | 5.2 | 4.9 |
| Czech Republic GDP | 0.7 | 3.5 | 3.5 | 3.1 | 2.8 |
| Romania GDP | 3.0 | 4.3 | 4.3 | 3.8 | 3.7 |

| **“SG Central” scenario** | **2023** | **2024** | **2025** | **2026** | **2027** |
|---|---|---|---|---|---|
| France GDP | 0.5 | 0.8 | 1.0 | 1.1 | 1.3 |
| Corporate profit margin in France | 32.2 | 32.4 | 32.4 | 32.3 | 32.3 |
| Euro area GDP | 0.5 | 0.7 | 1.0 | 1.1 | 1.3 |
| United States GDP | 0.8 | 0.5 | 1.7 | 1.8 | 2.3 |
| China GDP | 5.0 | 4.3 | 4.1 | 4.2 | 4.4 |
| Czech Republic GDP | 0.2 | 2.0 | 2.0 | 2.1 | 2.3 |
| Romania GDP | 2.5 | 2.8 | 2.8 | 2.8 | 3.2 |

| **“SG Stress” scenario** | **2023** | **2024** | **2025** | **2026** | **2027** |
|---|---|---|---|---|---|
| France GDP | (2.0) | (3.2) | (1.2) | 0.1 | 1.1 |
| Corporate profit margin in France | 31.1 | 30.2 | 30.2 | 30.1 | 31.2 |
| Euro area GDP | (2.0) | (3.3) | (1.2) | 0.1 | 1.1 |
| United States GDP | (1.7) | (3.5) | (0.5) | 0.8 | 2.1 |
| China GDP | 2.5 | 0.3 | 1.8 | 3.2 | 4.2 |
| Czech Republic GDP | (2.3) | (2.0) | (0.2) | 1.1 | 2.1 |
| Romania GDP | 0.0 | (1.2) | 0.6 | 1.8 | 3.0 |

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

The graph below compares the GDP forecasts in the euro area used by the Group for each scenario with the scenarios published by the ECB in December 2022.




### WEIGHTING OF THE MACROECONOMIC SCENARIOS

The probabilities used are based on the differences observed over the past 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, significantly optimistic or pessimistic).

In order to better account for a possible reversal in the cycle, the Group applies a methodology for weighting the scenarios and assigns a higher weight to the SG Central scenario when the economy is depressed.

Conversely, the methodology provides for a higher weight to be assigned to the SG Stress scenario when the economy moves towards the peak of the cycle. Accordingly, the weighting applied to the SG Central scenario is set at 62% as at 30 June 2023.

Presentation of the changes in weights:

| | **30.06.2023** | **31.12.2022** | **30.06.2022** |
|---|---|---|---|
| SG Central | 62% | 60% | 60% |
| SG Stress | 28% | 30% | 30% |
| SG Favourable | 10% | 10% | 10% |

### CALCULATION OF EXPECTED CREDIT LOSSES AND SENSITIVITY ANALYSIS

Credit risk costs as at 30 June 2023 amount to a net expense of EUR 348 million, decreasing by EUR 430 million (-55%) compared to 30 June 2022 (EUR 1,647 million as at 31 December 2022).

Sensitivity tests have been performed to measure the impact of the changes in weights on the models. The sectoral adjustments have been taken into account in these sensitivity tests. The scope of these tests includes the Stage 1 and Stage 2 outstanding loans subject to a statistical modelling of the impacts of the macroeconomic variables (which accounts for 82% of the expected credit losses on the outstanding loans concerned compared to 72% as at 31 December 2022).

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

of the SG Stress scenario, the impact would be an additional allocation of EUR 652 million;

of the SG Favourable scenario, the impact would be a reversal of EUR 341 million;

of the SG Central scenario, the impact would be a reversal of EUR 224 million.

#### COVID-19 CRISIS: STATE GUARANTEED LOANS (*PGE*)

Until 30 June 2022, the Group offered to its crisis-impacted customers (professionals and corporate customers) the allocation of State Guaranteed Loan facilities (PGE). Within the framework of the 2020 French Amending Finance Act and the conditions set by the French decree of 23 March 2020, these are financings granted at cost price and guaranteed by the government for a share of the borrowed amount between 70 to 90% depending on the size of the borrowing enterprise (with a waiting period of two months after disbursement at the end of which the guarantee period begins).

With a maximum amount corresponding, in the general case, to three months of turnover before tax, these loans come with a one-year repayment exemption. At the end of that year, the customer may either repay the loan or amortise it over one to five more years, with the possibility of extending the grace period for the repayment of principal for one year (in line with the announcements made by the French *Ministre de l'Economie, des Finances et de la Relance* on 14 January 2021) without extending the total duration of the loan. The remuneration conditions of the guarantee are set by the State and are applicable by all French banking institutions: the Bank keeps only a share of the guarantee premium paid by the borrower (the amount of which depends on the size of the Company and the maturity of the loan) remunerating the risk it bears, which corresponds to the part of the loan not guaranteed by the State (i.e., between 10% and 30% of the loan depending on the size of the borrowing company).

The contractual characteristics of the PGE are those of basic loans (SPPI criterion) and these loans are held by the Group within the framework of a business model whose objective is to collect their contractual cash flows until their maturity; as a result, these loans have been recorded in the consolidated balance sheet under Customer loans at amortised cost.

As at 30 June 2023, the balance sheet outstanding amount of State Guaranteed Loans (PGE) granted by the Group is approximately EUR 10.6 billion after the first repayments made in 2022 and in the first half of 2023 at the end of the moratorium period (of which EUR 2.3 billion classified as Stage 2 and EUR 1 billion as Stage 3). The portion of PGE granted by the French Retail networks amounts, as at 30 June 2023, to EUR 9.3 billion (of which EUR 2 billion classified as Stage 2 and EUR 0.9 billion as Stage 3), without predominance of a specific sector; the State guarantee for these loans covers, on average, 90% of their amount.

The expected credit losses recognised as at 30 June 2023 for PGE (French State Guaranteed Loans) amount to some EUR 250 million including EUR 170 million booked by the French retail networks (including EUR 40 million in Stage 2 and EUR 100 million in Stage 3).

A French decree published on 19 January 2022, amending the decree published on 23 March 2020, allows some companies to benefit, under certain conditions, from an extension of their PGE repayment

deadlines from six to ten years; these extensions have not had any significant impact on the Group's financial statements as at 30 June 2023.

## CONSEQUENCES OF THE WAR IN UKRAINE

The table below shows the changes in balance sheet and off-balance sheet exposures (measured at amortised cost or at fair value through OCI) booked by the Group's entities in Russia, on one side, and by the Group's entities outside Russia for Russian counterparties or subsidiaries of Russian groups, on the other side.

| | 30.06.2023 | | 31.12.2022 | | 30.06.2022 | |
|---|---|---|---|---|---|---|
| *(In EUR billion)* | **Exposure at default** | **Gross outstanding / commitments** | **Exposure at default** | **Gross outstanding / commitments** | **Exposure at default** | **Gross outstanding / commitments** |
| Onshore exposures on consolidated subsidiaries | 0 | 0 | 0.3 | 0.3 | 0.3 | 0.3 |
| Offshore exposures [(1)] | 1.6 | 1.7 | 1.8 | 2 | 2.6 | 2.9 |
| Rosbank residual exposures | 0.1 | 0.1 | 0.1 | 0.1 | 0.5 | 0.5 |
| **Total** | **1.7** | **1.8** | **2.2** | **2.4** | **3.4** | **3.7** |

*(1) Offshore exposures (exc. Private Banking and residual exposures linked to the disposal of Rosbank) correspond to the exposures on Russian counterparties or subsidiaries of Russian groups booked outside Russia.*

### Exposures in Russia and Ukraine

On 11 April 2022, ALD announced that it would not engage in any new commercial transactions in Russia, Kazakhstan and Belarus without challenging the going concern status over the next twelve months of ALD AUTOMOTIVE OOO in Russia and ALD AUTOMOTIVE LLC in Belarus, the two entities continuing to serve their clients and manage the existing vehicle fleet without encountering any specific difficulties in relation to business activities.

On 27 April 2023, ALD announced the completion of the sale of its ALD AUTOMOTIVE OOO subsidiary in Russia.

As at 30 June 2023, the Group operates in Russia through its LeasePlan subsidiary (see onshore exposures on consolidated subsidiaries).

The Group also operates in Ukraine through its ALD AUTOMOTIVE UKRAINE LIMITED LIABILITY COMPANY subsidiary of which the total balance sheet is EUR 76 million as at 30 June 2023.

### Offshore exposures

The Group also holds assets on Russian counterparties. These outstanding loans (EUR 1.8 bn including the residual exposures on Rosbank as at 30 June 2023, against EUR 2.1 bn including the residual exposures on Rosbank in 2022) have been classified as "sensitive" from the very beginning of the conflict (see Note 3.8) and declassified to Stage 2 of impairment for credit risk or Stage 3 when necessary.
The consequences of these classifications, as well as the account taken of new macroeconomic scenarios to determine expected credit losses as at 30 June 2023 are described in Note 3.8.

Furthermore, to take account of these specific risk exposures the Group supplemented the expected credit losses through a post-model adjustment, as described in Note 3.8.

## 7. HYPERINFLATION IN TURKEY

On 16 March 2022, the International Practices Task Force of the Centre for Audit Quality, a standard reference for identifying countries with hyperinflation, published a working paper including Turkey in the list of hyperinflationary economies.
Consequently, since 1 January 2022, the Group has been applying the provisions of IAS 29 ("Financial Reporting in Hyperinflationary Economies") to prepare the separate financial statements presented in turkish pound of the entities of the ALD group located in Turkey (before their conversion in euros as part of the consolidation process). However, the accounts of the SG Istanbul branch have not been restated, their impact being non-material.
This also applies to the LEASEPLAN OTOMOTIV SERVIS VE TICARET A.S Turkish subsidiary purchased during the first half of 2023. The information below does not include the impact of the restatements made for this entity, as they are not material at Group level as at 30 June 2023.

In accordance with IAS 29, the accounting value of some balance sheet items measured at cost is adjusted, at closing date, for the inflation effects observed over the period. In the financial statements of the entities concerned, these adjustments are mainly applied to the tangible assets representative of the vehicle fleet, as well as to the different components of equity.

The inflation adjustments of the assets concerned and of the equity items as well as of the income and expenses for the period, are recognised as income or expenses on foreign exchange transactions under Net gains and losses on financial transactions.
Thus restated, the financial statements in Turkish lira of ALD Turkey are converted into euro on the basis of the exchange rate applicable at closing date.
As at 30 June 2023, a gain of EUR 21.4 million has been recognised under Net gains and losses on financial transactions for the inflation adjustments of the period. After tax and adjustment of the other income and expenses items of the period, the effect of hyperinflation adjustments on the net consolidated income amounts to EUR 7.2 million.

# NOTE 2 - CONSOLIDATION

## NOTE 2.1 - CONSOLIDATION SCOPE

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

The main change to the consolidation scope as at 30 June 2023, compared with the scope applicable at the closing date of 31 December 2022, is as follow:

### LEASEPLAN ACQUISTION BY ALD

On 22 May 2023, following the approval of ALD's Board of Directors and relevant regulatory authorities' approvals, ALD acquired 100% of LeasePlan for a consideration of EUR 4,882 million. This amount is subject to a contingent additional consideration of an amount up to EUR 235 million in cash, according to the achievements of objectives related to LeasePlan's regulatory ratios particularly.

The consideration includes:

A cash component: EUR 1,828 million mainly financed via a capital increase of EUR 1,212 million in 2022. Societe Generale held 79.82% of ALD's capital prior to this increase. In accordance with its commitment to remain ALD's majority shareholder in the long term, Societe Generale subscribed to new shares for an amount of EUR 803 million representing 66.26% of the capital increase and held, at the end of 2022, 75.94% of ALD;

A share component: 251,215,332 new ALD shares have been issued, representing 30.75% of ALD capital after the completion of the acquisition, and before the exercise of the attached warrants. The value of this share component amounts to EUR 2,871 million, based on the fair value of ALD's shares of EUR 11.43 at the completion date;

A warrant component: ALD has issued 26,310,039 warrants attached to ALD's share for the benefit of LeasePlan's selling shareholders, so that their total shareholding could reach 32.91% in case of full exercise of warrants.Their main characteristics are as follows: exercise price of EUR 2.00 per share; parity of 1 warrant for 1 share; and exercisable 1 to 3 years after their issuance, if the ALD share price reaches EUR 14.07 per share in the exercise period. The fair value of these warrants' amounts, as at 22 May 2023, EUR 128 million. This value was determined based on a Black & Scholes mathematical valuation model, taking as main assumptions the exercise possible at any time between 1 and 3 years; a euro area risk-free interest rate and an assumed historical volatility of the observed ALD share of around 30%;

A contingent consideration: estimated by the Group at its fair value of EUR 55 million, as at the closing date of the transaction. The earn-out mechanism will last until 31 December 2024, subject to an additional 6-month period in certain limited circumstances, with potential payments every quarter. In the Group's financial statements, the contingent consideration is recorded as Other liabilities as at 30 June 2023.

As a result, after the completion of the LeasePlan acquisition, Societe Generale remains the majority shareholder of ALD with a stake of 52.59%. This stake may be reduced to 50.95% in the event of the exercise of the shares with warrants attached that have been granted to LeasePlan shareholders to allow them to increase their stake up to 32.91% of ALD's social capital. As of 30 June 2023, the former LeasePlan shareholders consortium led by TDR Capital holds 30.75% of the combined entity, while the free float represents 16.6%.

Following the completion of the whole transaction, ALD group (combined entity), remains fully consolidated by the Group.

Details of the purchase price are set out in the table below:

| *(In EUR m)* | |
|---|---|
| Purchase price paid in ALD shares (1) | 2,871 |
| Fair value of warrants attached to shares | 128 |
| **Acquisition price paid in ALD equity instruments** | **2,999** |
| **Acquisition price paid in cash** | **1,828** |
| **Total acquisition price** | **4,827** |
| Contingent consideration (2) | 55 |
| **Total acquisition price including contingent consideration** | **4,882** |

*(1) o/w 26,310,039 shares with warrants attached.*

*(2) ALD estimate at the date of the acquisition.*

Due to the short timeline between LeasePlan's acquisition closing and publishing of interim financial statements, the Group has recognised the identifiable assets and liabilities at their carrying amounts in LeasePlan's IFRS consolidated accounts. The Group has 12 months to finalise the acquisition accounting and the recognition of the identifiable assets and liabilities of LeasePlan at their fair value.

As at 30 June 2023, the Group has recognised a provisional goodwill of EUR 1,744 million (see Note 2.2).

| *(In EUR m)* | **Temporary allocation as at 30 June 2023** |
|---|---|
| Cash, due from central banks | 3,685 |
| Customer loans at amortised cost | 1,436 |
| Net non-current assets and liabilities held for sale (1) | 651 |
| Tangible and intangible fixed assets | 21,423 |
| *o/w Assets under operating leases* | *20,790* |
| Debts securities issued | (9,360) |
| Due to bank | (2,855) |
| Customer deposits | (11,434) |
| Net tax assets/liabilities | (504) |
| Net other assets and liabilities | 609 |
| FAIR VALUE OF ASSETS AND LIABILITIES ACQUIRED (C) | 3,651 |
| NON-CONTROLLING INTERESTS (2) (B) | 513 |
| TOTAL PURCHASE PRICE (A) | 4,882 |
| **GOODWILL (A) + (B) – (C)** | **1,744** |

*(1) Amount after elimination of intragroup transactions.*

*(2) Other equity instruments issued.*

The combined entity will be well-positioned to deliver profitable growth drawing on a fleet of around 3.4 million vehicles (this figure excludes vehicles from entities classified in non-current assets held for sale), including worldwide biggest multi-brand electric vehicle fleet, and a direct presence in 44 countries covering all customers categories. Thanks to multiple strengths like complementarities and scale effects, the combined entity targets to achieve strong synergies regarding costs and supplies.

ALD and LeasePlan serve the same three client segments (large corporates, SMEs, individual consumers), but each of them has specific areas of leadership. LeasePlan has a network of large and very large blue-chip international and national corporate clients and has been particularly strong in this segment in which a customer overlap with ALD is limited. ALD has developed a strong network of partnerships with more than 200 partners across a large spectrum of sectors. It allowed the Company to rapidly develop its presence in the SME and individual consumers segments. This complementarity must offer to the combined entity the best footprint across all segments.

ALD benefits a financing structure and strong credit ratings facilitating efficient access to external funding. LeasePlan relies on its deposit collection platforms in Germany and the Netherlands. The combined entity would therefore have an enlarged funding source base.

The consolidated income of the Group includes the income of LeasePlan's activities from 22 May 2023. As at 30 June 2023, the contribution of LeasePlan's activities amounts to EUR 207 million in net banking income and EUR 65 million in consolidated net income, of which EUR 32 million net income Group share.

On 22 March 2023, the Group announced that ALD entered into a share agreement to sell its subsidiaries in Ireland, Portugal and Norway, as well as LeasePlan's subsidiaries in Luxembourg, Finland and Czech Republic. These disposals have been initiated to fulfil the commitments made by ALD in the context of the clearance by the European Commission of the acquisition of LeasePlan by ALD, to address concentration risk in the involved countries. As at 30 June 2023, the Group has classified these entities as Non-current assets held for sale and related debt (see Note 2.3).

## NOTE 2.2 - GOODWILL

The table below shows, by operating segment (Note 8.1), the changes in net value of the cash-generating units (CGU) goodwill over the first half of 2023:

Table 2.2.B

| *(In EUR m)* | **Value as at 31.12.2022** | **Acquisitions and other increases** | **Disposals and other decreases** | **Transfers** | **Impairment** | **Value as at 30.06.2023** |
|---|---|---|---|---|---|---|
| **French Retail Banking** | **1,068** | **-** | **-** | **-** | **-** | **1,068** |
| French Networks | 1,068 | - | - | - | - | 1,068 |
| **International Retail Banking** | **1,473** | **-** | **(6)** | **-** | **-** | **1,467** |
| Europe | 1,359 | - | - | - | - | 1,359 |
| Africa, Mediterranean Basin and Overseas | 114 | - | (6) | - | - | 108 |
| **Insurance** | **334** | **-** | **-** | **-** | **-** | **334** |
| Insurance | 334 | - | - | - | - | 334 |
| **Financial Services** | **849** | **1,748** | **-** | **-** | **-** | **2,597** |
| Equipment and Vendor Finance | 228 | - | - | - | - | 228 |
| Auto Leasing Financial Services (1) | 621 | 1,748 | - | - | - | 2,369 |
| **Global Markets and Investor Services** | **-** | **-** | **-** | **-** | **-** | **-** |
| Global Markets and Investor Services | - | - | - | - | - | - |
| **Financing and Advisory** | **57** | **-** | **-** | **-** | **-** | **57** |
| Financing and Advisory | 57 | - | - | - | - | 57 |
| **Total** | **3,781** | **1,748** | **(6)** | **-** | **-** | **5,523** |

*(1) The increase is almost completely related to the acquisition of LeasePlan (see Note 2.1).*

### IMPAIRMENT TEST OF CGU

Goodwill is subject to an impairment test as soon as there is any indication of impairment and at least once a year. The change in the macroeconomic scenario alone is not an indication of impairment, however, its consequences on the Group's results and financial projections justify the performance of tests on all CGUs as part of the preparation of the half-yearly financial statements as at 30 June 2023.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from the Group's other assets or groups of assets. Impairment tests consist into assessing the recoverable value of each CGU and comparing it with its carrying value. An irreversible impairment loss is recorded in the income statement if the carrying value of a CGU, including goodwill, exceeds its recoverable value. This loss is booked under value adjustment on Goodwill.

The recoverable amount of a CGU is calculated using the discounted cash flow (DCF) method applied to the entire CGU.

The key principles retained for the implementation of the tests as at 30 June 2023 for the assessment of the recoverable value of CGUs are as follows:

- The budget trajectories of the CGUs have been revised in June 2023 on the basis of the *SG Central* scenario established by the Group's economists and whose underlying assumptions are presented in Note 1.
- For each CGU, estimates of future distributable dividends are determined over a five-year period, on the basis of a four-year budget trajectory (from 2023 to 2026) extrapolated to 2027, the latter year being used to calculate the terminal value.
- These estimates take into account the equity target allocated to each CGU, unchanged compared to 31 December 2022 (11% of the risk-weighted assets of each CGU).
- The growth rates used to calculate the terminal value are determined using forecasts on sustainable long-term economic growth and inflation. These rates are estimated using two main sources, namely the International Monetary Fund and the economic analyses produced by SG Cross Asset Research which provides 2027 forecasts.
- The projected dividends are then discounted on the basis of a rate equal to the risk-free rate grossed up by a risk premium based on the CGU's underlying activities. This risk premium, specific to each activity, is calculated from a series of equity risk premiums published by SG Cross Asset Research and from its specific estimated volatility (beta). Where appropriate, the risk-free rate is also grossed up by a sovereign risk premium, representing the difference between the risk-free rate available in the area of monetary assignment (mainly US dollar area or euro area) and the interest rate observed on liquid long-term treasury bonds issued (mainly US dollar area or euro area), in proportion with risk-weighted assets for CGUs covering several countries.

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

Table 2.2.C

| **Assumptions as at 30 June 2023** | **Discount rate** | **Long-term growth rate** |
|---|---|---|
| **French Retail Banking** | | |
| French Networks | 9.1% | 2.0% |
| **International Retail Banking** | | |
| Retail Banking and Consumer Finance | 11.3% à 14.1% | 2% to 3% |
| **Insurance** | | |
| Insurance | 10.2% | 2,5% |
| **Financial Services** | | |
| Equipment and Vendor Finance and Auto Leasing Financial Services | 10.3% | 2.0% |
| **Global Markets and Investor Services** | | |
| Global Markets and Investor Services | 11.8% | 2.0% |
| **Financing and Advisory** | | |
| Financing and Advisory | 10.3% | 2.0% |

As at 30 June 2023, no impairment has been recorded in the accounts.

## NOTE 2.3 - NON-CURRENT ASSETS HELD FOR SALE AND RELATED DEBT

Table 2.3.A

| *(In EUR m)* | 30.06.2023 | 31.12.2022 |
|---|---|---|
| **Assets** | **3,590** | **1,081** |
| Fixed assets and Goodwill | 1,864 | 839 |
| Financial assets | 867 | 95 |
| Financial assets at fair value through profit or loss | 4 | - |
| Securities at the amortised cost | 265 | - |
| Due from banks | 37 | 93 |
| Customer loans | 561 | 2 |
| Other assets | 859 | 147 |
| **Liabilities** | **2,212** | **220** |
| Allowances | 20 | - |
| Financial liabilities | 1,841 | 57 |
| Financial liabilities at fair value through profit or loss | - | 1 |
| Due to banks | 399 | 56 |
| Customer deposits | 1,442 | - |
| Other liabilities | 351 | 163 |

As at 30 June 2023, the Non-current assets held for sale and Non-current liabilities held for sale items encompass the assets and liabilities related:

To long-term leasing and car fleet management activity, of which mainly those of LeasePlan entities in Czech Republic, in Finland and in Luxembourg since the first semester of 2023 (LEASEPLAN CESKA REPUBLIKA S.R.O., FLEET INSURANCE PLAN S.R.O., LEASEPLAN FINLAND OY and LEASEPLAN LUXEMBOURG S.A) and those of ALD entities in Portugal, Norway, Ireland since the second semester of 2022 (SGALD AUTOMOTIVE SOCIEDADE GERAL DE COMERCIO E ALUGUER DE BENS SA, ALD AUTOMOTIVE AS and MERRION FLEET MANAGEMENT LIMITED). Indeed, the acquisition of LeasePlan by ALD has been approved by the European Commission subject to the sale these activities (Note 2.1).

To subsidiaries SOCIETE GENERALE CONGO, SOCIETE GENERALE DE BANQUES EN GUINEE EQUATORIALE, SOCIETE GENERALE MAURITANIE and SOCIETE GENERALE TCHAD since the first semester of 2023.

# NOTE 3 - FINANCIAL INSTRUMENTS

The data presented in Note 3 includes the financial instruments of insurance sector subsidiaries following the first application of IFRS 9 by these entities (see Note 1).

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

### IMPACT ON GROUP FINANCIAL ASSETS AND LIABILITIES OF THE FIRST IFRS 9 APPLICATION BY INSURANCE SUBSIDIARIES (SEE NOTE 1)

| | **31.12.2021** | **Reclassifications** | | | | **Reclassified balances** | **Adjustment of book value related to investments** | **01.01.2022 R** | **31.12.2022 R** |
|---|---|---|---|---|---|---|---|---|---|
| *(In EUR m)* | | of available for-sale financial assets | of non-SPPI loans and receivables | others | of financial liabilities of insurance activities | | Reclassification effects | | |
| **Financial assets at fair value through profit or loss** | | | | | | | | | |
| Trading portfolio | 319,789 | | | 211 | | 320,000 | 61 | 320,061 | 310,945 |
| Financial assets measured mandatory at fair value through profit or loss | 21,356 | 15,879 | 2,085 | 70,550 | | 109,870 | 152 | 110,022 | 101,602 |
| Financial instruments measured at fair value through profit or loss using the fair value option | 1,569 | | | 15,065 | | 16,634 | | 16,634 | 14,604 |
| **Total** | **342,714** | **15,879** | **2,085** | **83,826** | **-** | **446,504** | **213** | **446,717** | **427,151** |
| | | | | | | | | | |
| **Financial liabilities at fair value through profit or loss** | | | | | | | | | |
| Trading portfolio | 243,112 | | | | 520 | 243,632 | | 243,632 | 235,433 |
| Financial liabilities measured mandatory at fair value through profit or loss | 64,451 | | | | 3,620 | 68,071 | | 68,071 | 68,742 |
| **Total** | **307,563** | **-** | **-** | **-** | **4,140** | **311,703** | **-** | **311,703** | **304,175** |

### OVERVIEW

Table 3.1.A

| (In EUR m) | 30.06.2023 | | 31.12.2022 R | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| Trading portfolio | 375,223 | 296,581 | 310,945 | 235,433 |
| Financial assets measured mandatorily at fair value through | 106,160 | | 101,602 | |
| Financial instruments measured at fair value through profit | 14,979 | 84,240 | 14,604 | 68,742 |
| **Total** | **496,362** | **380,821** | **427,151** | **304,175** |
| *o/w securities purchased/sold under resale/repurchase* | *161,805* | *163,568* | *122,786* | *103,365* |

## 1. TRADING PORTFOLIO

### ASSETS

Table 3.1.B

| (In EUR m) | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Bonds and other debt securities | 43,459 | 26,022 |
| Shares and other equity securities | 84,917 | 74,404 |
| Securities purchased under resale agreements | 161,805 | 122,752 |
| Trading derivatives (1) | 75,269 | 76,775 |
| Loans, receivables and other trading assets | 9,773 | 10,992 |
| **Total** | **375,223** | **310,945** |
| *o/w securities lent* | *14,306* | *12,455* |

*(1) See Note 3.2 Financial derivatives.*

### LIABILITIES

Table 3.1.C

| (In EUR m) | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Amounts payable on borrowed securities | 42,867 | 51,101 |
| Bonds and other debt instruments sold short | 7,318 | 5,186 |
| Shares and other equity instruments sold short | 2,530 | 1,244 |
| Securities sold under repurchase agreements | 162,861 | 102,673 |
| Trading derivatives (1) | 78,752 | 72,656 |
| Borrowings and other trading liabilities | 2,253 | 2,573 |
| **Total** | **296,581** | **235,433** |

*(1) See Note 3.2 Financial derivatives.*

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

Table 3.1.D

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Bonds and other debt securities | 23,580 | 22,413 |
| Shares and other equity securities | 66,920 | 62,756 |
| Loans, receivables and securities purchased under resale agreements | 15,660 | 16,433 |
| **Total** | **106,160** | **101,602** |

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

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

loans that include indexation clauses that do not permit to be recognised as basic loans (SPPI).

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

### ASSETS

Table 3.1.F

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Bonds and other debt securities | 13,721 | 13,369 |
| Loans, receivables and securities purchased under resale agreements | 21 | 55 |
| Separate assets for employee benefits plans (1) | 1,237 | 1,180 |
| **Total** | **14,979** | **14,604** |

*(1) Including, as at 30 June 2023, EUR 1,058 million of plan assets for defined post-employment benefits compared to EUR 1,002 million as at 31 December 2022.*

### LIABILITIES

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

Table 3.1.G

| | 30.06.2023 | | 31.12.2022 R | |
|---|---|---|---|---|
| *(In EUR m)* | Fair value | Amount redeemable at maturity | Fair value | Amount redeemable at maturity |
| Financial instruments measured using fair value option through profit or loss | 84,240 | 87,792 | 68,742 | 70,288 |

The revaluation differences attributable to the Group's issuer credit risk are determined using valuation models taking into account the Societe Generale group's most recent financing conditions on the markets and the residual maturity of the related liabilities.

Changes in fair value attributable to own credit risk generated an unrealised gain of EUR 278 million. As at 30 June 2023, the total gains attributable to own credit risk amounted to EUR 604 million recognised directly in equity.

# NOTE 3.2 - FINANCIAL DERIVATIVES

## 1. TRADING DERIVATIVES

### FAIR VALUE

Table 3.2.A

| (In EUR m) | 30.06.2023 Assets | 30.06.2023 Liabilities | 31.12.2022 R Assets | 31.12.2022 R Liabilities |
|---|---|---|---|---|
| Interest rate instruments | 34,731 | 26,052 | 35,004 | 23,784 |
| Foreign exchange instruments | 20,011 | 21,977 | 24,272 | 25,324 |
| Equities & index Instruments | 19,366 | 28,269 | 15,517 | 21,209 |
| Commodities Instruments | 66 | 293 | 199 | 154 |
| Credit derivatives | 767 | 1,040 | 1,756 | 1,404 |
| Other forward financial instruments | 328 | 1,121 | 27 | 781 |
| **Total** | **75,269** | **78,752** | **76,775** | **72,656** |

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

### COMMITMENTS (NOTIONAL AMOUNTS)

Table 3.2.B

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| **Interest rate instruments** | **11,748,577** | **9,804,009** |
| Firm instruments | 9,811,125 | 8,002,813 |
| *Swaps* | *7,789,703* | *6,416,536* |
| *FRAs* | *2,021,422* | *1,586,277* |
| Options | 1,937,452 | 1,801,196 |
| **Foreign exchange instruments** | **4,630,782** | **4,163,080** |
| Firm instruments | 3,477,971 | 3,047,062 |
| Options | 1,152,811 | 1,116,018 |
| **Equity and index instruments** | **909,325** | **794,584** |
| Firm instruments | 153,127 | 138,533 |
| Options | 756,198 | 656,051 |
| **Commodities instruments** | **21,984** | **20,714** |
| Firm instruments | 17,330 | 20,472 |
| Options | 4,654 | 242 |

| | | |
|---|---|---|
| **Credit derivatives** | **145,908** | **170,225** |
| **Other forward financial instruments** | **25,902** | **28,066** |
| **Total** | **17,482,478** | **14,980,678** |

## 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 (shares and other equity securities) do not qualify for hedge accounting regardless of their accounting category.

### FAIR VALUE

Table 3.2.C

| | 30.06.2023 | | 31.12.2022 R | |
|---|---|---|---|---|
| *(In EUR m)* | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| **Fair value hedge** | **30,447** | **43,539** | **32,272** | **45,539** |
| Interest rate instruments | 30,409 | 43,525 | 32,252 | 45,538 |
| Foreign exchange instruments | 37 | 10 | 20 | 1 |
| Equity and index Instruments | 1 | 4 | - | - |
| **Cash flow hedge** | **485** | **508** | **469** | **511** |
| Interest rate instruments | 408 | 428 | 420 | 443 |
| Foreign exchange instruments | 70 | 61 | 43 | 51 |
| Equity and index Instruments | 7 | 19 | 6 | 17 |
| **Net investment hedge** | **194** | **109** | **230** | **114** |
| Foreign exchange instruments | 194 | 109 | 230 | 114 |
| **Total** | **31,126** | **44,156** | **32,971** | **46,164** |

The Group sets up hedging relationships recognised for accounting purposes as fair value hedges in order to protect its fixed-rate financial assets and liabilities (primarily loans / borrowings, securities issued and fixed-rate securities) against changes in long-term interest rates. The hedging instruments used mainly consist of interest rate swaps.

Furthermore, through some of its Corporate and Investment Banking operations, the Group is exposed to future cash flow changes in its short and medium-term funding requirements and sets up hedging relationships recognised for accounting purposes as cash flow hedges. Highly probable funding requirements are determined using historic data established for each activity and representative of balance sheet outstanding. These data may be increased or decreased by changes in management methods.

Finally, as part of their management of structural interest rate and exchange rate risks, the Group's entities set up fair value hedge for portfolios of assets or liabilities for interest rate risk as well as cash flow hedge and net investment hedge for foreign exchange risk.

For the first half-year 2023, the revaluation differences on macro-hedged fixed-rate assets portfolios and fixed-rate liabilities portfolios remain negative as a result of the interest rate raise. On the asset side of the balance sheet, the revaluation difference on assets portfolios hedged against interest rate risk amounts to EUR -1,925 million as at 30 June 2023 (compared to EUR -2,262 million as at 31 December 2022); and on the liabilities side, the revaluation differences on liabilities portfolios hedged against interest rate risk amounts to EUR -8,367 million as at 30 June 2023 (against EUR -9,659 million as at 31 December 2022).

COMMITMENTS (NOTIONAL AMOUNTS)

Table 3.2.D

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| **Interest rate instruments** | **785,716** | **862,372** |
| Firm instruments | 785,716 | 862,030 |
| *Swaps* | *716,909* | *729,222* |
| *FRAs* | *68,807* | *132,808* |
| Options | - | 342 |
| **Foreign exchange instruments** | **9,384** | **8,333** |
| Firm instruments | 9,384 | 8,333 |
| **Equity and index instruments** | **389** | **179** |
| Firm instruments | 389 | 179 |
| **Total** | **795,489** | **870,884** |

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

### IMPACT ON GROUP FINANCIAL ASSETS AND LIABILITIES OF THE FIRST IFRS 9 APPLICATION BY INSURANCE SUBSIDIARIES (SEE NOTE 1)

| | **31.12.2021** | **Reclassifications** | | **Reclassified balances** | **Adjustment of book value related to investments** | **01.01.2022 R** | **31.12.2022 R** |
|---|---|---|---|---|---|---|---|
| *(In EUR m)* | | of available for-sale financial assets | of loans and receivables regarding their business model | | Reclassification effects | | |
| Debt instruments | 43,180 | 67,632 | 1,454 | 112,266 | 159 | 112,425 | 92,696 |
| *Bonds and other debt securities* | *43,081* | *67,632* | *1,417* | *112,130* | *159* | *112,289* | *92,655* |
| *Loans and receivables and securities purchased under resale agreements* | *99* | | *37* | *136* | | *136* | *41* |
| Shares and other equity securities | 270 | | | 270 | | 270 | 264 |
| **Total financial assets at fair value through other comprehensive income** | **43,450** | **67,632** | **1,454** | **112,536** | **159** | **112,695** | **92,960** |

### OVERVIEW

Table 3.3.A

| *(In EUR m)* | **30.06.2023** | **31.12.2022 R** |
|---|---|---|
| Debt instruments | 90,292 | 92,696 |
| *Bonds and other debt securities* | *90,276* | *92,655* |
| *Loans and receivables and securities purchased under resale agreements* | *16* | *41* |
| Shares and other equity securities | 264 | 264 |
| **Total** | **90,556** | **92,960** |
| *o/w securities lent* | *246* | *249* |

## 1. DEBT INSTRUMENTS

### CHANGES OF THE PERIOD

Table 3.3.B

| (In EUR m) | 2023 |
|---|---|
| **Balance as at 1 January** | **92,696** |
| Acquisitions / disbursements | 35,513 |
| Disposals / redemptions | (37,755) |
| Transfers towards (or from) another accounting category | 31 |
| Change in scope and others | (485) |
| Changes in fair value during the period | 745 |
| Change in related receivables | (93) |
| Translation differences | (360) |
| **Balance as at 30 June** | **90,292** |

### CUMULATIVE UNREALISED GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

Table 3.3.C

| (In EUR m) | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Unrealised gains | 703 | 797 |
| Unrealised losses | (5,362) | (5,874) |
| **Total** (1) | **(4,659)** | **(5,077)** |

*(1) Including EUR -4,221 million for insurance sector subsidiaries as at 30 June 2023 (EUR -4,479 million as at 31 December 2022). This amount must be read together with the financial income and expenses recorded directly in equity as part of the measurement of the associated insurance contracts for EUR +4,210 million as at 30 June 2023 (EUR +4,448 million as at 31 December 2022).*

## 2. EQUITY INSTRUMENTS

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

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

## 1. FINANCIAL ASSETS MEASURED AT FAIR VALUE

Table 3.4.A

| | 30.06.2023 | | | | 31.12.2022 R | | | |
|---|---|---|---|---|---|---|---|---|
| *(In EUR m)* | **Level 1** | **Level 2** | **Level 3** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Trading portfolio** | **124,493** | **169,332** | **6,129** | **299,954** | **96,964** | **130,804** | **6,402** | **234,170** |
| Bonds and other debt securities | 39,481 | 3,844 | 134 | 43,459 | 23,600 | 2,264 | 158 | 26,022 |
| Shares and other equity securities | 84,863 | 54 | - | 84,917 | 73,362 | 1,042 | - | 74,404 |
| Securities purchased under resale agreements | - | 156,114 | 5,691 | 161,805 | - | 116,586 | 6,166 | 122,752 |
| Loans, receivables and other trading assets | 149 | 9,320 | 304 | 9,773 | 2 | 10,912 | 78 | 10,992 |
| **Trading derivatives** | **18** | **72,371** | **2,880** | **75,269** | **-** | **73,393** | **3,382** | **76,775** |
| Interest rate instruments | 16 | 32,794 | 1,921 | 34,731 | - | 32,527 | 2,477 | 35,004 |
| Foreign exchange instruments | 1 | 19,597 | 413 | 20,011 | - | 23,826 | 446 | 24,272 |
| Equity and index instruments | 1 | 19,212 | 153 | 19,366 | - | 15,411 | 106 | 15,517 |
| Commodity instruments | - | 66 | - | 66 | - | 199 | - | 199 |
| Credit derivatives | - | 374 | 393 | 767 | - | 1,403 | 353 | 1,756 |
| Other forward financial instruments | - | 328 | - | 328 | - | 27 | - | 27 |
| **Financial assets measured mandatorily at fair value through** | **64,771** | **28,538** | **12,851** | **106,160** | **60,538** | **27,681** | **13,383** | **101,602** |
| Bonds and other debt securities | 20,554 | 1,707 | 1,319 | 23,580 | 19,645 | 1,904 | 864 | 22,413 |
| Shares and other equity securities | 44,217 | 12,397 | 10,306 | 66,920 | 40,893 | 11,934 | 9,929 | 62,756 |
| Loans, receivables and securities purchased under resale agreements | - | 14,434 | 1,226 | 15,660 | - | 13,843 | 2,590 | 16,433 |
| **Financial assets measured using fair value option through profit or loss** | **13,692** | **1,287** | **-** | **14,979** | **13,167** | **1,437** | **-** | **14,604** |
| Bonds and other debt securities | 13,692 | 29 | - | 13,721 | 13,167 | 202 | - | 13,369 |
| Loans, receivables and securities purchased under resale agreements | - | 21 | - | 21 | - | 55 | - | 55 |
| Separate assets for employee benefit plans | - | 1,237 | - | 1,237 | - | 1,180 | - | 1,180 |
| **Hedging derivatives** | **-** | **31,126** | **-** | **31,126** | **-** | **32,971** | **-** | **32,971** |
| Interest rate instruments | - | 30,817 | - | 30,817 | - | 32,672 | - | 32,672 |
| Foreign exchange instruments | - | 301 | - | 301 | - | 293 | - | 293 |
| Equity and index instruments | - | 8 | - | 8 | - | 6 | - | 6 |
| **Financial assets measured** | **88,427** | **1,849** | **280** | **90,556** | **91,518** | **1,162** | **280** | **92,960** |
| Bonds and other debt securities | 88,427 | 1,849 | - | 90,276 | 91,492 | 1,162 | 1 | 92,655 |
| Shares and other equity securities | - | - | 264 | 264 | - | - | 264 | 264 |
| Loans and receivables | - | - | 16 | 16 | 26 | - | 15 | 41 |
| **Total** | **291,401** | **304,503** | **22,140** | **618,044** | **262,187** | **267,448** | **23,447** | **553,082** |

The restatement of amounts as at 31 December 2022 includes some adjustments of the classification among levels in accordance with the financial instruments observability. They mainly concern a transfer of Shares and other equity securities of the trading portfolio from Level 2 to Level 1 (EUR 3,780 million).

## 2. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

Table 3.4.B

| | 30.06.2023 | | | | 31.12.2022 R | | | |
|---|---|---|---|---|---|---|---|---|
| *(In EUR m)* | **Level 1** | **Level 2** | **Level 3** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Trading portfolio** | **9,842** | **205,112** | **2,875** | **217,829** | **6,424** | **152,967** | **3,386** | **162,777** |
| Amounts payable on borrowed securities | - | 42,860 | 7 | 42,867 | 8 | 51,037 | 56 | 51,101 |
| Bonds and other debt instruments sold short | 7,312 | - | 6 | 7,318 | 5,172 | - | 14 | 5,186 |
| Shares and other equity instruments sold short | 2,530 | - | - | 2,530 | 1,244 | - | - | 1,244 |
| Securities sold under repurchase agreements | - | 160,004 | 2,857 | 162,861 | - | 99,366 | 3,307 | 102,673 |
| Borrowings and other trading liabilities | - | 2,248 | 5 | 2,253 | - | 2,564 | 9 | 2,573 |
| **Trading derivatives** | **24** | **73,918** | **4,810** | **78,752** | **14** | **68,701** | **3,941** | **72,656** |
| Interest rate instruments | 23 | 23,287 | 2,742 | 26,052 | - | 21,122 | 2,662 | 23,784 |
| Foreign exchange instruments | - | 21,298 | 679 | 21,977 | 6 | 25,046 | 272 | 25,324 |
| Equity and index instruments | - | 27,169 | 1,100 | 28,269 | 7 | 20,464 | 738 | 21,209 |
| Commodity instruments | - | 293 | - | 293 | - | 154 | - | 154 |
| Credit derivatives | - | 751 | 289 | 1,040 | - | 1,135 | 269 | 1,404 |
| Other forward financial instruments | 1 | 1,120 | - | 1,121 | 1 | 780 | - | 781 |
| **Financial liabilities measured using fair value option through profit or** | **-** | **48,356** | **35,884** | **84,240** | **-** | **32,071** | **36,671** | **68,742** |
| **Hedging derivatives** | **-** | **44,156** | **-** | **44,156** | **-** | **46,164** | **-** | **46,164** |
| Interest rate instruments | - | 43,953 | - | 43,953 | - | 45,981 | - | 45,981 |
| Foreign exchange instruments | - | 180 | - | 180 | - | 166 | - | 166 |
| Equity and index instruments | - | 23 | - | 23 | - | 17 | - | 17 |
| **Total** | **9,866** | **371,542** | **43,569** | **424,977** | **6,438** | **299,903** | **43,998** | **350,339** |

## 3. VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

### FINANCIAL ASSETS

Table 3.4.C

| *(In EUR m)* | Balance as at 31.12.2022 R | Acquisitions | Disposals / redemp-tions | Transfer to Level 2 | Transfer from Level 2 | Gains and losses | Translation differences | Change in scope and others | Balance as at 30.06.2023 |
|---|---|---|---|---|---|---|---|---|---|
| **Trading portfolio (excluding derivatives)** | **6,402** | **3,015** | **(1,974)** | **(1,313)** | **7** | **20** | **(26)** | **(2)** | **6,129** |
| Bonds and other debt securities | 158 | 294 | (375) | (11) | 7 | 64 | (2) | (1) | 134 |
| Securities purchased under resale agreements | 6,166 | 2,497 | (1,599) | (1,302) | - | (48) | (23) | - | 5,691 |
| Loans, receivables and other trading assets | 78 | 224 | - | - | - | 4 | (1) | (1) | 304 |
| **Trading derivatives** | **3,382** | **38** | **(4)** | **(378)** | **185** | **(278)** | **(65)** | **-** | **2,880** |
| Interest rate instruments | 2,477 | - | - | (352) | 124 | (283) | (45) | - | 1,921 |
| Foreign exchange instruments | 446 | 1 | - | (2) | 2 | (19) | (15) | - | 413 |
| Equity and index instruments | 106 | 37 | (4) | - | - | 14 | - | - | 153 |
| Commodity instruments | - | - | - | - | - | - | - | - | - |
| Credit derivatives | 353 | - | - | (24) | 59 | 10 | (5) | - | 393 |
| **Financial assets measured mandatorily at fair value through profit or loss** | **13,383** | **754** | **(559)** | **(1,712)** | **85** | **149** | **(34)** | **785** | **12,851** |
| Bonds and other debt securities | 864 | 10 | (3) | - | 38 | 68 | - | 342 | 1,319 |
| Shares and other equity securities | 9,929 | 744 | (488) | (471) | 35 | 112 | 2 | 443 | 10,306 |
| Loans, receivables and securities purchased under resale agreements | 2,590 | - | (68) | (1,241) | 12 | (31) | (36) | - | 1,226 |
| **Financial assets measured using fair value option through profit or loss** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Bonds and other debt securities | - | - | - | - | - | - | - | - | - |
| Loans, receivables and securities purchased under resale agreements | - | - | - | - | - | - | - | - | - |
| **Financial assets measured at fair value option through other comprehensive income** | **280** | **-** | **(1)** | **-** | **-** | **-** | **1** | **-** | 280 |
| Debt instruments | 1 | - | (1) | - | - | - | - | - | - |
| Equity instruments | 264 | - | - | - | - | - | - | - | 264 |
| Loans and receivables | 15 | - | - | - | - | - | 1 | - | 16 |
| **Total** | **23,447** | **3,807** | **(2,538)** | **(3,403)** | **277** | **(109)** | **(124)** | **783** | **22,140** |

## FINANCIAL LIABILITIES

Table 3.4.D

| (In EUR m) | Balance as at 31.12.2022 R | Issues | Redemptions | Transfer to Level 2 | Transfer from Level 2 | Gains and losses | Translation differences | Change in scope and others | Balance as at 30.06.2023 |
|---|---|---|---|---|---|---|---|---|---|
| **Trading portfolio (excluding derivatives)** | **3,386** | **1,304** | **(969)** | **(292)** | **-** | **(524)** | **(30)** | **-** | **2,875** |
| Amounts payable on borrowed securities | 56 | - | - | - | - | (49) | - | - | 7 |
| Bonds and other debt instruments sold short | 14 | - | - | (2) | - | (6) | - | - | 6 |
| Securities sold under repurchase agreements | 3,307 | 1,304 | (969) | (290) | - | (465) | (30) | - | 2,857 |
| Borrowings and other trading liabilities | 9 | - | - | - | - | (4) | - | - | 5 |
| **Trading derivatives** | **3,941** | **809** | **(227)** | **(440)** | **342** | **697** | **(312)** | **-** | **4,810** |
| Interest rate instruments | 2,662 | 1 | - | (310) | 290 | 400 | (301) | - | 2,742 |
| Foreign exchange instruments | 272 | 502 | (220) | (2) | - | 128 | (1) | - | 679 |
| Equity and index instruments | 738 | 306 | (7) | (78) | 1 | 145 | (5) | - | 1,100 |
| Commodity instruments | - | - | - | - | - | - | - | - | - |
| Credit derivatives | 269 | - | - | (50) | 51 | 24 | (5) | - | 289 |
| **Financial liabilities measured using fair value option through profit or loss** | **36,671** | **7,732** | **(7,997)** | **(1,562)** | **295** | **1,250** | **(505)** | **-** | **35,884** |
| **Total** | **43,998** | **9,845** | **(9,193)** | **(2,294)** | **637** | **1,423** | **(847)** | **-** | **43,569** |

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

For financial instruments recognised at fair value on the balance sheet, fair value is determined primarily on the basis of the prices quoted in an active market. These prices may be adjusted, if they are not available at the balance sheet date in order to incorporate the events that have an impact on prices and occurred after the closing of the stock markets but before the measurement date or in the event of an inactive market.

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

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

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

If necessary, these valuations are supplemented by additional reserves (such as bid-ask spreads and liquidity) determined reasonably and appropriately after an analysis of available information.

Derivatives and security financing transactions are subject to a Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA). The Group includes all clients and clearing houses in this adjustment, which also reflects the netting agreements existing for each counterparty.

The CVA is determined based on the Group entity's expected positive exposure to the counterparty, the counterparty's probability of default and the amount of the loss given default. The DVA is determined symmetrically based on the negative expected exposure. These calculations are carried out over the life of the potential exposure, with a focus on the use of relevant and observable market data. Since 2021, a system has been in place to identify the new transactions for which CVA/DVA adjustments are significant. These transactions are then classified in Level 3.

Similarly, an adjustment to take into account the costs or profits linked to the financing of these transactions (FVA, Funding Value Adjustment) is also performed.

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

For example, consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For long maturities, these consensus data are not observable. This is the case for the implied volatility used for the valuation of equity options with maturities of more than five years. However, when the residual maturity of the instrument falls below five years, its fair value becomes sensitive to observable inputs.

In the event of unusual tensions on the markets, leading to a lack of the usual reference data used to measure a financial instrument, the Risk Division may implement a new model in accordance with pertinent available data, similar to methods used by other market players.

#### SHARES AND OTHER EQUITY SECURITIES

For listed shares, fair value is taken to be the quoted price on the balance sheet date.

The significant unlisted securities and the significant securities listed on an illiquid market will be valued primarily by using a developed valuation method: Discounted Cash Flows (DCF) or Discounted Dividend Model (DDM) and/or Market multiples.

For non-significant unlisted shares, fair value is determined depending on the type of financial instrument and according to one of the following methods:

proportion of net asset value held;

valuation based on a recent transaction involving the issuing company (third party buying into the issuing company's capital, appraisal by a professional valuation agent, etc.);

valuation based on a recent transaction in the same sector as the issuing company (income multiple, asset multiple, etc.).

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

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

#### OTHER DEBTS

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

#### CUSTOMER LOANS

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

## 5. ESTIMATES OF MAIN UNOBSERVABLE INPUTS

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

Table 3.4.E

*(In EUR m)*

| Cash instruments and derivatives | Main products | Valuation techniques used | Significant unobservable inputs | Range of inputs min. | max. |
|---|---|---|---|---|---|
| Equities/funds | Simple and complex instruments or derivatives on funds, equities or baskets of stocks | Various option models on funds, equities or baskets of stocks | Equity volatilities | 3.2% | 196.2% |
| | | | Equity dividends | 0.0% | 15.90% |
| | | | Correlations | -72.4% | 99.9% |
| | | | Hedge fund volatilities | 7.6% | 7.6% |
| | | | Mutual fund volatilities | 5.4% | 27.8% |
| Interest rates and Forex | Hybrid forex / interest rate or credit / interest rate derivatives | Hybrid forex interest rate or credit interest rate option pricing models | Correlations | -67.0% | 90.0% |
| | Forex derivatives | Forex option pricing models | Forex volatilities | 1.0% | 47.0% |
| | Interest rate derivatives whose notional is indexed to prepayment behaviour in European collateral pools | Prepayment modelling | Constant prepayment rates | 0.0% | 20.0% |
| | Inflation instruments and derivatives | Inflation pricing models | Correlations | 72.0% | 90.0% |
| Credit | Collateralised Debt Obligations and index tranches | Recovery and base correlation projection models | Time to default correlations | 0.0% | 100.0% |
| | | | Recovery rate variance for single name underlyings | 0.0% | 100.0% |
| | Other credit derivatives | Credit default models | Time to default correlations | 0.0% | 100.0% |
| | | | Quanto correlations | -50.0% | 40.0% |
| | | | *Credit spreads* | 0 bps | 1,000 bps |

| | | | | | |
|---|---|---|---|---|---|
| Commodities | Derivatives on commodities baskets | Option models on commodities | Correlations | NA | NA |
| Long term equity investments | Securities held for strategic purposes | Net Book Value / Recent transactions | Not applicable | - | - |

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

Table 3.4.F

| | 30.06.2023 | |
|---|---|---|
| *(In EUR m)* | **Assets** | **Liabilities** |
| Equities/funds | 9,160 | 23,156 |
| Rates and Forex | 10,705 | 20,124 |
| Credit | 393 | 289 |
| Long term equity investments | 1,882 | - |
| **Total** | **22,140** | **43,569** |

## 6. SENSITIVITY OF FAIR VALUE FOR LEVEL 3 INSTRUMENTS

Unobservable inputs are assessed carefully, particularly in this persistently uncertain economic environment and market. However, by their very nature, unobservable inputs inject a degree of uncertainty into the valuation of Level 3 instruments.

To quantify this, fair value sensitivity was estimated at 30 June 2023 on instruments whose valuation requires certain unobservable inputs. This estimate was based either on a "standardised" variation in unobservable inputs, calculated for each input on a net position, or on assumptions in line with the additional valuation adjustment policies for the financial instruments in question.

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

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

Table 3.4.G

| | 30.06.2023 | | 31.12.2022 | |
|---|---|---|---|---|
| *(In EUR m)* | Negative impact | Positive impact | Negative impact | Positive impact |
| **Shares and other equity instruments and derivatives** | **(34)** | **49** | **(30)** | **82** |
| Equity volatilities | (13) | 13 | - | 5 |
| Dividends | (8) | 8 | - | 20 |
| Correlations | (13) | 27 | (30) | 56 |
| Hedge Fund volatilities | - | 0 | - | - |
| Mutual Fund volatilities | (0) | 1 | (0) | 1 |
| **Rates or Forex instruments and derivatives** | **(13)** | **26** | **(15)** | **28** |
| Correlations between exchange rates and/or interest rates | (13) | 26 | (14) | 27 |
| Forex volatilities | (0) | 0 | (1) | 1 |
| Constant prepayment rates | - | - | - | - |
| Inflation/inflation correlations | (0) | 0 | (0) | 0 |
| **Credit instruments and derivatives** | **(0)** | **3** | **-** | **5** |
| Time to default correlations | - | 0 | - | 0 |
| Quanto correlations | (0) | 3 | - | 3 |
| Credit spreads | - | 0 | - | 2 |
| **Commodity derivatives** | **NA** | **NA** | **NA** | **NA** |
| Commodities correlations | NA | NA | NA | NA |
| **Long term securities** | **NA** | **NA** | **NA** | **NA** |

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

## 7. DEFERRED MARGIN RELATED TO MAIN UNOBSERVABLE INPUTS

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

When this fair value differs from transaction price and the instrument's valuation technique uses one or more unobservable inputs, this difference representative of a commercial margin is deferred in time to be recorded in the income statement, from case to case, at maturity of the instrument, at the time of sell or transfer, over time, or when the inputs become observable.

The table below shows the amount remaining to be recognised in the income statement due to this difference, less any amounts recorded in the income statement after initial recognition of the instrument.

Table 3.4.H

| *(In EUR m)* | 2023 |
|---|---|
| **Deferred margin as at 1 January** | **1,249** |
| Deferred margin on new transactions during the period | 271 |
| Margin recorded in the income statement during the period | (366) |
| *o/w amortisation* | *(222)* |
| *o/w switch to observable inputs* | *(12)* |
| *o/w disposed, expired or terminated* | *(131)* |
| **Deferred margin as at 30 June** | **1,154** |

# NOTE 3.5 - LOANS, RECEIVABLES AND SECURITIES AT AMORTISED COST

### IMPACT ON GROUP FINANCIAL ASSETS AND LIABILITIES OF THE FIRST IFRS 9 APPLICATION BY INSURANCE SUBSIDIARIES (SEE NOTE 1)

| | 31.12.2021 | Reclassifications | | Reclassified balances | Adjustment of book value related to investments | | | 01.01.2022 R | 31.12.2022 R |
|---|---|---|---|---|---|---|---|---|---|
| *(In EUR m)* | | of available for-sale financial assets | others | | Reclassification effects | Impairment and provisions for credit risk | Total | | |
| Securities at amortised cost | 19,371 | 4,975 | 22 | 24,368 | (218) | (1) | (219) | 24,149 | 26,143 |
| Due from banks at amortised cost | 55,972 | | 1,232 | 57,204 | | | - | 57,204 | 68,171 |
| Customer loans and receivables at amortised cost | 497,164 | | 69 | 497,233 | | | - | 497,233 | 506,635 |
| **Total** | **572,507** | **4,975** | **1,323** | **578,805** | **(218)** | **(1)** | **(219)** | **578,586** | **600,949** |

### OVERVIEW

Table 3.5.A

| | 30.06.2023 | | 31.12.2022 R | |
|---|---|---|---|---|
| *(In EUR m)* | **Carrying amount** | *o/w impairment* | **Carrying amount** | *o/w impairment* |
| Due from banks | 83,269 | *(39)* | 68,171 | *(39)* |
| Customer loans | 490,421 | *(10,410)* | 506,635 | *(10,634)* |
| Securities | 27,595 | *(69)* | 26,143 | *(63)* |
| **Total** | **601,285** | ***(10,518)*** | **600,949** | ***(10,736)*** |

## 1. DUE FROM BANKS

Table 3.5.B

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Current accounts | 41,943 | 34,672 |
| Deposits and loans | 14,067 | 15,053 |
| Securities purchased under resale agreements | 26,891 | 17,668 |
| Subordinated and participating loans | 189 | 238 |
| Related receivables | 287 | 655 |
| **Due from banks before impairments (1)** | **83,377** | **68,286** |
| Credit loss impairments | (39) | (39) |
| Revaluation of hedged items | (69) | (76) |
| **Total** | **83,269** | **68,171** |

*(1) As at 30 June 2023, the amount due from banks classified as Stage 3 impairment (credit impaired) is EUR 58 million compared to EUR 68 million as at 31 December 2022. The accrued interests included in this amount are limited to interests recognised in net income by applying the effective interest rate to the net carrying amount of the financial asset (see Note 3.7).*

## 2. CUSTOMER LOANS

Table 3.5.C

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Overdrafts | 23,366 | 29,244 |
| Other customer loans | 432,784 | 444,612 |
| Lease financing agreements | 30,979 | 29,499 |
| Securities purchased under resale agreements | 9,448 | 10,159 |
| Related receivables | 4,542 | 4,071 |
| **Customer loans before impairments (1)** | **501,119** | **517,585** |
| Credit loss impairments | (10,410) | (10,634) |
| Revaluation of hedged items | (288) | (316) |
| **Total** | **490,421** | **506,635** |

*(1) As at 30 June 2023, the amount due from customers classified as Stage 3 impairment (credit impaired) is EUR 16,153 million compared to EUR 15,687 million as at 31 December 2022. The accrued interests included in this amount are limited to interests recognised in net income by applying the effective interest rate to the carrying amount to the net carrying amount of the financial asset (see Note 3.7).*

## 3. SECURITIES

Table 3.5.F

| *(In EUR m)* | **30.06.2023** | **31.12.2022 R** |
|---|---|---|
| Government securities | 13,942 | 13,480 |
| Negotiable certificates, bonds and other debt securities | 13,607 | 12,742 |
| Related receivables | 287 | 242 |
| **Securities before impairments** | **27,836** | **26,464** |
| Impairment | (69) | (63) |
| Revaluation of hedged items | (172) | (258) |
| **Total** | **27,595** | **26,143** |

# NOTE 3.6 - DEBTS

## 1. DUE TO BANKS

Table 3.6.A

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Demand deposits and current accounts | 11,421 | 10,455 |
| Overnight deposits and borrowings | 1,554 | 392 |
| Term deposits (1) | 104,799 | 120,164 |
| Related payables | 927 | 301 |
| Revaluation of hedged items | (1,810) | (1,933) |
| Securities sold under repurchase agreements | 3,032 | 3,632 |
| **Total** | **119,923** | **133,011** |

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

### TLTRO

The European Central Bank (ECB) launched in 2019 a third series of Targeted Longer-Term Refinancing Operations (TLTRO) with the aim of maintaining favourable credit conditions in the euro area. As in the two previous systems, the level of remuneration of the borrowings depends on the performance of the borrowing banking institutions in terms of loans granted to their household customers (excluding real estate loans) and business customers (excluding financial institutions); depending on these performances, the borrowing institutions may benefit from a reduced interest rate and an additional temporary bonus applicable from 24 June 2020 to 23 June 2021 (reduction by 50 basis points of the average rate of the deposit facility with a floor rate set at -1%). These TLTRO III operations are conducted on a quarterly basis between September 2019 and December 2021, for a possible total of 10 drawdowns. Each such operation has a three-year maturity and includes an early repayment option. Some terms and conditions were modified in March 2020, in particular the loan production objectives, rate conditions and drawdown limit, in order to further support the granting of loans at the outset of the Covid-19 crisis. In January 2021, the ECB decided to extend the temporary additional bonus over the period from 24 June 2021 to 23 June 2022 subject to performance in terms of number of granted loans observed over a new reference period from 1 October 2020 to 31 December 2021.

The Group subscribed to TLTRO III loans through quarterly drawdowns staggered between December 2019 and December 2021. The residual amount of TLTRO borrowings on the liabilities side of the balance sheet is EUR 33 billion as at 30 June 2023, following the early repayments made in the first semester of 2023 for an amount of EUR 19 billion.

As at 31 December 2021, the Group had already reached its objective of stability of the loans outstanding required to benefit from the reduced interest rate as well as from two additional temporary bonuses applied from 24 June 2020 to 23 June 2021 and from 24 June 2021 to 23 June 2022. The additional bonuses have been qualified for accounting purposes as grants under IAS 20 and the loans as adjustable-rate liabilities under IFRS 9.

On 27 October 2022, the ECB changed the methods for calculating the interest rate relating to the last period of TLTRO III. The effect of these changes resulted in an adjustment of the effective interest rate applied between 23 June 2022 to 22 November 2022 and the implementation of new calculation method from 23 November 2022.

In the first half of 2023, the total amount of interest and subsidies on TLTRO loans is a net expense of EUR 0.6 billion (EUR 0.2 billion recorded as Interest and similar income in the first half of 2022); this amount includes the immediate registration of bonuses not yet recognised on the early repaid loans.

## 2. CUSTOMER DEPOSITS

Table 3.6.B

| *(In EUR m)* | 30.06.2023 | 31.12.2022 |
|---|---|---|
| Regulated savings accounts | 120,863 | 111,496 |
| *Demand* | *96,136* | *86,368* |
| *Term* | *24,727* | *25,128* |
| Other demand deposits (1) | 271,461 | 295,933 |
| Other term deposits (1) | 143,652 | 115,651 |
| Related payables | 2,601 | 876 |
| Revaluation of hedged items | (97) | (89) |
| **Total customer deposits** | **538,480** | **523,867** |
| Securities sold to customers under repurchase agreements | 8,175 | 6,897 |
| **Total** | **546,655** | **530,764** |

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

## 3. DEBT SECURITIES ISSUED

Table 3.6.D

| *(In EUR m)* | 30.06.2023 | 31.12.2022 |
|---|---|---|
| Term savings certificates | 201 | 230 |
| Bond borrowings | 27,934 | 25,974 |
| Interbank certificates and negotiable debt instruments | 126,425 | 110,543 |
| Related payables | 1,044 | 635 |
| Revaluation of hedged items | (4,284) | (4,206) |
| **Total** | **151,320** | **133,176** |
| *o/w floating-rate securities* | *83,863* | *77,220* |

# NOTE 3.7 - INTEREST INCOME AND EXPENSE

Table 3.7.A

| *(In EUR m)* | 1st semester of 2023 | | | 2022 R | | | 1st semester of 2022 R | | |
|---|---|---|---|---|---|---|---|---|---|
| | Income | Expense | Net | Income | Expense | Net | Income | Expense | Net |
| Financial instruments at amortised cost | 14,834 | (11,152) | 3,682 | 17,546 | (8,845) | 8,701 | 7,248 | (3,129) | 4,119 |
| *Central banks* | *2,842* | *(164)* | *2,678* | *1,255* | *(306)* | *949* | *212* | *(210)* | *2* |
| *Bonds and other debt securities* | *549* | *(1,793)* | *(1,244)* | *620* | *(1,690)* | *(1,070)* | *271* | *(813)* | *(542)* |
| *Due from/to banks* (1) | *2,031* | *(3,099)* | *(1,068)* | *1,935* | *(1,737)* | *198* | *708* | *(433)* | *275* |
| *Customer loans and deposits* | *8,332* | *(5,341)* | *2,991* | *12,172* | *(3,917)* | *8,255* | *5,309* | *(1,178)* | *4,131* |
| *Subordinated debt* | *-* | *(340)* | *(340)* | *-* | *(641)* | *(641)* | *-* | *(294)* | *(294)* |
| *Securities lending/borrowing* | *4* | *(9)* | *(5)* | *42* | *(14)* | *28* | *42* | *(6)* | *36* |
| *Repo transactions* | *1,076* | *(406)* | *670* | *1,522* | *(540)* | *982* | *706* | *(195)* | *511* |
| Hedging derivatives | 9,116 | (9,335) | (219) | 9,739 | (8,737) | 1,002 | 4,522 | (3,630) | 892 |
| Financial instruments at fair value through other comprehensive income (2) | 1,241 | (110) | 1,131 | 2,208 | (277) | 1,931 | 1,043 | (429) | 614 |
| Lease agreements | 543 | (22) | 521 | 852 | (37) | 815 | 417 | (18) | 399 |
| *Real estate lease agreements* | *138* | *(22)* | *116* | *181* | *(37)* | *144* | *81* | *(18)* | *63* |
| *Non-real estate lease agreements* | *405* | *-* | *405* | *671* | *-* | *671* | *336* | *-* | *336* |
| **Subtotal interest income/expense on financial instruments using the effective interest method** | **25,734** | **(20,619)** | **5,115** | **30,345** | **(17,896)** | **12,449** | **13,230** | **(7,206)** | **6,024** |
| Financial instruments mandatorily at fair value through profit or loss | 576 | (2) | 574 | 393 | (1) | 392 | 235 | - | 235 |
| **Total Interest income and expense** | **26,310** | **(20,621)** | **5,689** | **30,738** | **(17,897)** | **12,841** | **13,465** | **(7,206)** | **6,259** |
| *o/w interest income from impaired financial assets* | *129* | *-* | *129* | *250* | *-* | *250* | *123* | *-* | *123* |

*(1) In 2022, negative interest on TLTRO borrowings is recorded under income due from/to banks (see Note 3.6).*

*(2) Including EUR 665 million for insurance subsidiaries in 1st semester 2023 (EUR 1,411 million in 2022 and EUR 695 million in the first semester 2022). This amount must be read together with the financial income and expenses of insurance contracts (see Note 4.3, Table 4.3.C).*

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

# NOTE 3.8 - IMPAIRMENT AND PROVISIONS

## METHOD FOR ESTIMATING EXPECTED CREDIT LOSSES

The method for calculating the impairment and provisions for expected credit losses in Stage 1 and Stage 2 was developed in the Basel framework which served as a basis for selecting the methods for evaluating the calculation parameters (probability of default and credit loss rate for the amounts outstanding under an advanced Basel approach - IRBA and IRBF - and provisioning rate for the amounts outstanding under the standardised Basel approach).

The Group's portfolios have been segmented in order to ensure homogeneousness of the risk characteristics and a better correlation with the macroeconomic variables, both worldwide and local. This segmentation allows for all the Group's specificities to be processed. It is consistent with or similar to the one specified in the Basel framework in order to ensure the uniqueness of the historical records of defaults and losses.

The measurement of expected credit losses is performed based on the parameters mentioned below, supplemented with the internal analyses relating to the credit quality of each counterparty, individually or statistically.

## GEOPOLITICAL CRISES AND MACROECONOMIC CONTEXT

For the first half-year, the Group revised the parameters used in the models based on the updated macroeconomic scenarios which take account of the recent economic developments and macroeconomic impacts related to the war in Ukraine (see Note 1).

To account for the uncertainties related to the war in Ukraine and the macroeconomic context, the Group updated, as at 30 June 2023, the model and post-model adjustments as described in the 2023 Universal Registration Document.

The effects of the model and post-model adjustments in the determination of expected credit losses are described hereinafter.

### UPDATE OF THE MODELS AND IMPACT ON THE ESTIMATION OF EXPECTED CREDIT LOSSES

As at 30 June 2023, the updates of macroeconomic variables and probabilities of default and of the weighting of the scenarios have resulted in a EUR 64 million decrease in the amount of impairment and provisions for credit risk (EUR 10 million decrease for the 2022 financial year).

The impact of the revision of the macroeconomic variables and probabilities of default is a EUR 49 million decrease, the impact of the update of the weighting of the macroeconomic scenarios described in Note 1 is a EUR 15 million decrease.

Furthermore, owing to the geopolitical context related to the war in Ukraine, all our Russian counterparties including residual exposures on Rosbank (EUR 2.1 billion as at 31 December 2022) have been classified as "sensitive" (concept of watch list) from the beginning of the conflict and the associated outstanding loans have been transferred to Stage 2 as at 30 June 2023, they amount to EUR 1.8 billion including the Rosbank residual exposures. Further analysis has resulted in the identification amidst this population of the outstanding loans that have to be transferred to Stage 3, from the beginning of the war in Ukraine (EUR 0.6 billion including 0.1 billion for the first half of 2023). The impact of these transfers on the calculation of expected credit loses amounts to EUR 394 million as at 30 June 2023 (including the additional adjustment detailed in the "Other adjustments" sub-section).

**Adjustments supplementing the application of the models**

**Sectoral adjustments**

The Group may supplement the models with two types of sectoral adjustments: the first one relates to the possible revision of the estimate of expected credit losses (with no impact on the classification of the outstanding exposures) of some sectors; the second, put in place since 2020 in relation to the Covid-19 crisis and applicable only to certain outstandings, supplements the analysis of the increase in credit risk and may result in additional transfers to Stage 2.

<u>Specific criterion: estimation of expected credit losses</u>

The different estimation models of expected credit losses may be supplemented with sectoral adjustments that will increase or decrease the amount of expected credit losses. These adjustments enable us to better anticipate the default/recovery cycle in some sectors with a cyclical business which have been subject to peaks of default in the past or which are most exposed to the current crises and on which the Group's exposure exceeds a threshold that is annually reviewed and set by the Risk Division.

These sectoral adjustments are examined and updated quarterly by the Risk Division and validated according to materiality thresholds by the General Management.

The major sectors concerned as at 30 June 2023 are commercial real-estate, non-food retail, hotels, restaurants, leisure, oil and gas, cruise operators and airlines, and construction (which was also concerned as at 31 December 2022 to a lesser extent).

The total sectoral adjustments thus amount to EUR 781 million as at 30 June 2023 (EUR 741 million as at 31 December 2022). This increase is mainly due to an increase in the commercial real-estate and non-food retail sectors, the future circumstances of which are deteriorating owing to multiple factors, such as the difficult situation on the real estate market, the effects of inflation and the changes in purchasing behaviours. These increases are partly offset by a decrease in the oil and gas sector.

The specific adjustments implemented in 2022 to take account of the impact of raw materials/commodities/energy supply issues as a result of the war in Ukraine and of the impact of a lasting stagflation on the most exposed sectors have been maintained in 2023.

Additional criterion for transfer to Stage 2

Since 2020 and the start of the Covid-19 crisis, in addition to the transfer criteria for transfer as under-performing assets to Stage 2, applied at an individual level, further analysis based on expert opinion has been carried out at the level of the outstanding portfolios existing at the end of that year 2020 and for which the increase in credit risk since granting was considered significant. The subsequent productions are not concerned by these measures. This analysis performed half-yearly, in accordance with the governance set up during the Covid-19 crisis, resulted in additional transfers to underperforming loans classified as Stage 2 using a collective approach for all the loans of the sectors regarded by the Group as being most impacted by the Covid-19 crisis and granted before the crisis. As at 30 June 2023, the only sector still concerned is the Shipbuilding, aircraft and rail construction sector. For the loans concerned, in addition to these transfers to Stage 2, the provision estimate is made taking account of the sectoral adjustments (described above) that should have been applied.

This adjustment amounts to EUR 3 million as at 30 June 2023 (EUR 17 million as at 31 December 2022).

**Other adjustments**

Adjustments based on expert opinion have also been made to reflect the deterioration in credit risk on some portfolios when this deterioration has not been observed through a line-by-line analysis of the outstanding stock:

for the scope of entities that have not developed models enabling them to estimate the correlations between macroeconomic variables and default rate; and

for the scopes on which models have been developed but cannot reflect future risks not observed in the past.

These adjustments amount to EUR 731 million as at 30 June 2023 (EUR 796 million as at 31 December 2022). This change results from the account taken of:

the specific risk on the portfolio of offshore loans to Russian corporate customers resulting from the geopolitical situation;

the risks arising from the specific economic context, such as the higher inflation and interest rates, regarding fragile customers and the most exposed portfolios, as such risks are not taken into account in the models.

## 1. OVERVIEW

In accordance with the application of IFRS 9 "Financial instruments" by the insurance subsidiaries (see Note 1), the impairments and provisions of these subsidiaries are included in the tables below.

Since 2022, the measurement adopted is the accounting outstanding amounts (Balance Sheet and Off-Balance Sheet). For the sake of rationalisation, all the quantitative information related to credit risk is presented in this Note.

### PRESENTATION OF BALANCE SHEET AND OFF-BALANCE SHEET OUTSTANDING AMOUNTS

Table 3.8.A

| *(In EUR m)* | | 30.06.2023 | 31.12.2022 R |
|---|---|---|---|
| Debt instruments at fair value through other comprehensive income | Note 3.3 | 90,292 | 92,696 |
| Securities at amortised cost | Note 3.5 | 27,595 | 26,143 |
| Due from banks at amortised cost | Note 3.5 | 83,269 | 68,171 |
| Due from central banks [1] | | 212,999 | 204,553 |
| Customer loans at amortised cost | Note 3.5 | 490,421 | 506,635 |
| Guarantee deposits paid | Note 4.4 | 52,440 | 67,768 |
| Others | | 6,409 | 4,175 |

| | | | |
|---|---|---|---|
| *o/w other miscellaneous receivables bearing credit risk* | *Note 4.4* | *6,110* | *3,913* |
| *o/w due from clearing houses bearing credit risk* | *Note 4.4* | *299* | *262* |
| **Net value of accounting outstanding amounts on balance sheet** | | **963,425** | **970,141** |
| Impairment of loans at amortised cost | Note 3.8 | 10,817 | 11,031 |
| **Gross value of accounting outstanding amounts on balance sheet** | | **974,242** | **981,172** |
| Financing commitments | | 215,630 | 216,573 |
| Guarantee commitments | | 81,195 | 94,727 |
| **Gross value of off balance-sheet accounting amounts** | | **296,825** | **311,300** |
| **Total of accounting amounts (balance-sheet and off balance-sheet)** | | **1,271,067** | **1,292,472** |

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

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

Table 3.8.B

| | 30.06.2023 | | | | 31.12.2022 R | | | |
|---|---|---|---|---|---|---|---|---|
| | Group without Insurance activities | | Insurance | | Group without Insurance activities | | Insurance | |
| *(In EUR m)* | Outstanding amounts | Impairment | Outstanding amounts | Impairment | Outstanding amounts | Impairment | Outstanding amounts | Impairment |
| **Financial assets at fair value through other comprehensive income** | **37,422** | **3** | **52,870** | **17** | **37,199** | **8** | **55,497** | **20** |
| Performing assets outstanding (Stage 1) | 37,420 | 1 | 51,632 | 5 | 37,192 | 1 | 54,445 | 5 |
| Underperforming assets outstanding (Stage 2) | 2 | 2 | 1,232 | 12 | 1 | 1 | 1,046 | 15 |
| Doubtful assets outstanding | - | - | 6 | - | 6 | 6 | 6 | - |
| **Financial assets at amortised cost (1)** | **876,916** | **10,817** | **7,034** | **-** | **881,771** | **11,031** | **6,705** | **-** |
| Performing assets outstanding (Stage 1) | 818,284 | 1,059 | 6,961 | - | 820,736 | 1,042 | 6,634 | - |
| Underperforming assets outstanding (Stage 2) | 41,862 | 2,047 | 73 | - | 44,689 | 2,134 | 71 | - |
| Doubtful assets outstanding | 16,770 | 7,711 | - | - | 16,346 | 7,855 | - | - |
| ***o/w lease financing*** | ***30,979*** | ***875*** | **-** | **-** | ***29,500*** | ***896*** | **-** | **-** |
| *Performing assets outstanding (Stage 1)* | *24,639* | *125* | - | - | *24,340* | *110* | - | - |
| *Underperforming assets outstanding (Stage 2)* | *4,651* | *158* | - | - | *3,536* | *169* | - | - |
| *Doubtful assets outstanding* | *1,689* | *592* | - | - | *1,624* | *617* | - | - |
| **Financing commitments** | **215,629** | **467** | **1** | **-** | **216,571** | **467** | **2** | **-** |
| Performing assets outstanding (Stage 1) | 197,736 | 171 | 1 | - | 204,724 | 166 | 2 | - |
| Underperforming assets outstanding (Stage 2) | 17,545 | 251 | - | - | 11,564 | 251 | - | - |
| Doubtful assets outstanding | 348 | 45 | - | - | 283 | 50 | - | - |
| **Guarantee commitments** | **81,195** | **411** | **-** | **-** | **94,727** | **431** | **-** | **-** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Performing assets outstanding (Stage 1) | 76,334 | 57 | - | - | 90,332 | 57 | - | - |
| Underperforming assets outstanding (Stage 2) | 4,210 | 108 | - | - | 3,716 | 116 | - | - |
| Doubtful assets outstanding | 651 | 246 | - | - | 679 | 258 | - | - |
| **Total of accounting amounts (balance-sheet and off** | **1,211,162** | **11,698** | **59,905** | **17** | **1,230,268** | **11,937** | **62,204** | **20** |

*(1) Including Central Banks for EUR 212,999 million as at 30 June 2023 (versus EUR 204,553 million as at 31 December 2022).*

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

### GROUP ASSETS AT AMORTISED COST WITHOUT INSURANCE ACTIVITIES: OUTSTANDING AMOUNTS AND IMPAIRMENTS BY BASEL PORTFOLIO

Table 3.8.C

| | **30.06.2023** | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Assets at amortised cost** | | | | **Impairment** | | | |
| *(In EUR m)* | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Sovereign | 250,446 | 4,572 | 120 | **255,138** | 6 | 2 | 79 | **87** |
| Institutions | 140,097 | 465 | 74 | **140,636** | 8 | - | 25 | **33** |
| Corporates | 233,847 | 19,353 | 9,379 | **262,579** | 603 | 1,343 | 3,999 | **5,945** |
| *o/w SME* | *43,214* | *5,500* | *3,477* | ***52,191*** | *199* | *339* | *1,799* | ***2,337*** |
| Retail | 192,598 | 17,430 | 7,180 | **217,208** | 440 | 700 | 3,601 | **4,741** |
| *o/w VSB* | *24,650* | *2,970* | *2,489* | ***30,109*** | *110* | *265* | *1,347* | ***1,722*** |
| Others | 1,296 | 42 | 17 | **1,355** | 2 | 2 | 7 | **11** |
| **Total** | **818,284** | **41,862** | **16,770** | **876,916** | **1,059** | **2,047** | **7,711** | **10,817** |

Table 3.8.D

| | **31.12.2022** | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Assets at amortised cost** | | | | **Impairment** | | | |
| *(In EUR m)* | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| Sovereign * | 232,527 | 291 | 215 | **233,033** | 6 | 2 | 77 | **85** |
| Institutions * | 161,523 | 592 | 53 | **162,168** | 8 | 2 | 24 | **34** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Corporates * | 234,572 | 20,367 | 9,221 | **264,160** | 619 | 1,399 | 4,260 | **6,278** |
| *o/w SME ** | *42,271* | *5,666* | *3,581* | ***51,518*** | *226* | *318* | *1,829* | ***2,373*** |
| Retail | 190,709 | 23,391 | 6,841 | **220,941** | 406 | 728 | 3,488 | **4,622** |
| *o/w VSB* | *23,972* | *4,746* | *2,343* | ***31,061*** | *95* | *271* | *1,306* | ***1,672*** |
| Others * | 1,405 | 48 | 16 | **1,469** | 3 | 3 | 6 | **12** |
| **Total** | **820,736** | **44,689** | **16,346** | **881,771** | **1,042** | **2,134** | **7,855** | **11,031** |

* *Amounts restated compared to the financial statements published for 2022.*

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

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

## GROUP ASSETS AT AMORTISED COST WITHOUT INSURANCE ACTIVITIES: OUTSTANDING AMOUNTS AND IMPAIRMENTS BY GEOGRAPHICAL ZONE

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

Table 3.8.E

| | 30.06.2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets at amortised cost | | | | Impairment | | | |
| *(In EUR m)* | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| France | 433,919 | 18,795 | 8,659 | **461,373** | 516 | 1,105 | 3,313 | **4,934** |
| Western European countries (excl. France) | 141,096 | 11,264 | 1,777 | **154,137** | 209 | 267 | 812 | **1,288** |
| Eastern European countries EU | 61,211 | 6,463 | 1,005 | **68,679** | 145 | 263 | 575 | **983** |
| Eastern Europe excluding EU | 3,334 | 1,432 | 562 | **5,328** | 2 | 138 | 131 | **271** |
| North America | 99,616 | 1,412 | 325 | **101,353** | 18 | 84 | 56 | **158** |
| Latin America and Caribbean | 6,461 | 536 | 368 | **7,365** | 3 | 9 | 100 | **112** |
| Asia-Pacific | 35,372 | 151 | 492 | **36,015** | 13 | 3 | 244 | **260** |
| Africa and Middle East | 37,275 | 1,809 | 3,582 | **42,666** | 153 | 178 | 2,480 | **2,811** |
| **Total** | **818,284** | **41,862** | **16,770** | **876,916** | **1,059** | **2,047** | **7,711** | **10,817** |

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

Table 3.8.F

| | 31.12.2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets at amortised cost | | | | Impairment | | | |
| *(In EUR m)* | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| France | 442,513 | 26,042 | 8,054 | **476,609** | 480 | 1,166 | 3,240 | **4,886** |
| Western European countries (excl. France) | 157,496 | 5,569 | 1,695 | **164,760** | 220 | 273 | 767 | **1,260** |
| Eastern European countries EU | 51,781 | 6,455 | 1,088 | **59,324** | 144 | 256 | 640 | **1,040** |
| Eastern Europe excluding EU | 2,945 | 2,032 | 524 | **5,501** | 2 | 149 | 121 | **272** |
| North America | 82,014 | 1,479 | 165 | **83,658** | 21 | 113 | 43 | **177** |
| Latin America and Caribbean | 5,757 | 472 | 319 | **6,548** | 5 | 11 | 88 | **104** |
| Asia-Pacific | 37,999 | 616 | 572 | **39,187** | 14 | 6 | 258 | **278** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Africa and Middle East | 40,231 | 2,024 | 3,929 | **46,184** | 156 | 160 | 2,698 | **3,014** |
| **Total** | **820,736** | **44,689** | **16,346** | **881,771** | **1,042** | **2,134** | **7,855** | **11,031** |

### GROUP ASSETS AT AMORTISED COST WITHOUT INSURANCE ACTIVITIES: SUBJECT TO IMPAIRMENT AND PROVISIONS BY RATING OF COUNTERPARTY [1]

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

Table 3.8.G

| | 30.06.2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets at amortised cost | | | | Impairment | | | |
| *(In EUR m)* | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| 1 | 73,384 | 903 | - | **74,287** | 1 | 3 | - | **4** |
| 2 | 182,845 | 5,460 | - | **188,305** | 3 | 6 | - | **9** |
| 3 | 48,747 | 526 | - | **49,273** | 8 | 4 | - | **12** |
| 4 | 86,184 | 850 | - | **87,034** | 68 | 11 | - | **79** |
| 5 | 84,850 | 3,607 | - | **88,457** | 248 | 103 | - | **351** |
| 6 | 23,148 | 8,988 | - | **32,136** | 179 | 571 | - | **750** |
| 7 | 3,036 | 5,302 | - | **8,338** | 18 | 433 | - | **451** |
| Default (8, 9, 10) | - | - | 9,294 | **9,294** | - | - | 3,952 | **3,952** |
| Other method | 316,090 | 16,226 | 7,476 | **339,792** | 534 | 916 | 3,759 | **5,209** |
| **Total** | **818,284** | **41,862** | **16,770** | **876,916** | **1,059** | **2,047** | **7,711** | **10,817** |

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

Table 3.8.H

| | 31.12.2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Outstanding amounts | | | | Impairment | | | |
| *(In EUR m)* | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
| 1 | 59,826 | 874 | - | **60,700** | 1 | 3 | - | **4** |
| 2 | 186,818 | 889 | - | **187,707** | 4 | 5 | - | **9** |
| 3 | 50,465 | 622 | - | **51,087** | 8 | 5 | - | **13** |
| 4 | 85,773 | 1,431 | - | **87,204** | 69 | 15 | - | **84** |
| 5 | 84,343 | 4,322 | - | **88,665** | 246 | 146 | - | **392** |
| 6 | 22,694 | 10,044 | - | **32,738** | 186 | 532 | - | **718** |
| 7 | 2,832 | 7,082 | - | **9,914** | 21 | 445 | - | **466** |
| Default (8, 9, 10) | - | - | 9,378 | **9,378** | - | - | 4,071 | **4,071** |
| Other method | 327,985 | 19,425 | 6,968 | **354,378** | 507 | 983 | 3,784 | **5,274** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Total** | **820,736** | **44,689** | **16,346** | **881,771** | **1,042** | **2,134** | **7,855** | **11,031** |

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

## 2. IMPAIRMENT OF FINANCIAL ASSETS

### BREAKDOWN

In accordance with the application of IFRS 9 "Financial instruments" by the insurance subsidiaries (see Note 1), the impairment booked in these subsidiaries is presented below.

Table 3.8.I

| *(In EUR m)* | **Amount as at 31.12.2022 R** | Allocations | Write-backs available | **Net impairment losses** | **Write-backs used** | **Currency and scope effects** | **Amount as at 30.06.2023** |
|---|---|---|---|---|---|---|---|
| **Financial assets at fair value through other comprehensive income** | | | | | | | |
| Impairment on performing assets outstanding (Stage 1) | 6 | 17 | (17) | - | | - | 6 |
| Impairment on underperforming assets outstanding (Stage 2) | 16 | 1 | (3) | (2) | | - | 14 |
| Impairment on doubtful assets outstanding (Stage 3) | 6 | - | (6) | (6) | - | - | - |
| **Total** | **28** | **18** | **(26)** | **(8)** | **-** | **-** | **20** |
| **Financial assets measured at amortised cost** | - | - | - | - | - | - | - |
| Impairment on performing assets outstanding (Stage 1) | 1,042 | 471 | (464) | 7 | | 10 | 1,059 |
| Impairment on underperforming assets outstanding (Stage 2) | 2,134 | 897 | (981) | (84) | | (3) | 2,047 |
| Impairment on doubtful assets outstanding (Stage 3) | 7,855 | 2,028 | (1,581) | 447 | (387) | (204) | 7,711 |
| **Total** | **11,031** | **3,396** | **(3,026)** | **370** | **(387)** | **(197)** | **10,817** |
| ***o/w lease financing and similar agreements*** | ***896*** | ***226*** | ***(217)*** | ***9*** | ***(52)*** | ***22*** | ***875*** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| *Impairment on performing assets outstanding (Stage 1)* | *110* | *46* | *(33)* | *13* | | *2* | *125* |
| *Impairment on underperforming assets outstanding (Stage 2)* | *169* | *53* | *(75)* | *(22)* | | *11* | *158* |
| *Impairment on doubtful assets outstanding (Stage 3)* | *617* | *127* | *(109)* | *18* | *(52)* | *9* | *592* |

### GROUP VARIATIONS OF IMPAIREMENT WITHOUT INSURANCE ACTIVITIES ACCORDING TO CHANGES IN THE AMOUNT OF FINANCIAL ASSETS AT AMORTISED COST

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

Table 3.8.J

| *(In EUR m)* | Stage 1 | *Of which lease financing receivables* | Stage 2 | *Of which lease financing receivables* | Stage 3 | *Of which lease financing receivables* | **Total** |
|---|---|---|---|---|---|---|---|
| **Amount as at 31.12.2022** | 1,042 | *110* | 2,134 | *169* | 7,855 | *617* | **11,031** |
| Production & Acquisition [1] | 198 | *19* | 84 | *5* | 72 | *2* | **354** |
| Derecognition [2] | (108) | *(5)* | (113) | - | (255) | *(58)* | **(476)** |
| Transfer from stage 1 to stage 2 [3] | (40) | *(4)* | 362 | *30* | - - | | **322** |
| Transfer from stage 2 to stage 1 [3] | 26 | *3* | (223) | *(21)* | - - | | **(197)** |
| Transfer to stage 3 [3] | (7) | *(1)* | (128) | *(11)* | 522 | *59* | **387** |
| Transfer from stage 3 [3] | 1 | - | 34 | *3* | (125) | *(14)* | **(90)** |
| Allocations & Write-backs without stage transfer [3] | (40) | *2* | (104) | *(24)* | (134) | *(48)* | **(278)** |
| Currency effect | - | - | (2) | - | 24 | *6* | **22** |
| Scope effect | (9) | - | 8 | *11* | (250) | *23* | **(251)** |
| Other variations | (4) | - | (5) | *(4)* | 2 | *5* | **(7)** |
| **Amount as at 30.06.2023** | **1,059** | ***124*** | **2,047** | ***158*** | **7,711** | ***592*** | **10,817** |

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

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

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

**BREAKDOWN OF TRANSFERS BETWEEN STAGES FOR FINANCIAL ASSETS AT AMORTISED COST OF THE GROUP WITHOUT INSURANCE ACTIVITIES AS AT 30 JUNE 2023**

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

To describe the transfers between steps:

The starting stage corresponds to the stage of the outstanding balance as at 31 December of the previous year.

The end stage corresponds to the stage of the outstanding balance at the end of the financial year (even in the event of several changes during the financial year).

Table 3.8.K

| | Stage 1 | | Stage 2 | | Stage 3 | | | |
|---|---|---|---|---|---|---|---|---|
| *(In EUR m)* | Outstanding amounts | Impairment | Outstanding amounts | Impairment | Outstanding amounts | Impairment | **Stock of outstanding assets transferred as at 30 June** | **Stock of impairment associated with transferred outstanding amounts** |
| Transfer from Stage 1 to Stage 2 | (12,110) | (40) | 8,300 | 361 | - | - | **8,300** | **361** |
| Transfer from Stage 2 to Stage 1 | 11,301 | 26 | (12,785) | (223) | - | - | **11,301** | **26** |
| Transfer from Stage 3 to Stage 1 | 179 | 1 | - | - | (271) | (40) | **179** | **1** |
| Transfer from Stage 3 to Stage 2 | - | - | 509 | 34 | (489) | (85) | **509** | **34** |
| Transfer from Stage 1 to Stage 3 | (1,132) | (7) | - | - | 1,083 | 235 | **1,083** | **235** |
| Transfer from Stage 2 to Stage 3 | - | - | (1,384) | (128) | 1,427 | 287 | **1,427** | **287** |
| Currency effect on contracts that change Stage | - | - | (10) | - | (7) | 1 | **(17)** | **1** |

## 3. CREDIT RISK PROVISIONS

### BREAKDOWN

In accordance with the application of IFRS 9 “Financial instruments” by the insurance subsidiaries (see Note 1), the provisions of these subsidiaries are presented below.

Table 3.8.L

| *(In EUR m)* | **Amount as at 31.21.2022** | Allocations | Write-backs available | **Net impairment losses** | **Currency and scope effects** | **Amount as at 30.06.2023** |
|---|---|---|---|---|---|---|
| **Financing commitments** | | | | | | |
| Provisions on performing commitments outstanding (Stage 1) | 166 | 95 | (93) | 2 | 3 | 171 |
| Provisions on underperforming commitments outstanding (Stage 2) | 251 | 127 | (127) | - | - | 251 |
| Provisions on doubtful commitments outstanding (Stage 3) | 50 | 25 | (54) | (29) | 24 | 45 |
| **Total** | **467** | **247** | **(274)** | **(27)** | **27** | **467** |
| **Guarantee commitments** | | | | | | |
| Provisions on performing commitments outstanding (Stage 1) | 57 | 30 | (27) | 3 | (3) | 57 |
| Provisions on underperforming commitments outstanding (Stage 2) | 116 | 28 | (33) | (5) | (3) | 108 |
| Provisions on doubtful commitments outstanding (Stage 3) | 258 | 43 | (32) | 11 | (23) | 246 |
| **Total** | **431** | **101** | **(92)** | **9** | **(29)** | **411** |

### GROUP VARIATIONS OF PROVISIONS WITHOUT INSURANCE ACTIVITIES ACCORDING TO CHANGES IN THE AMOUNT OF FINANCING AND GUARANTEE COMMITMENTS

Due to lack of significant variations of provisions on the financing and guarantee commitments of insurance activities, this information is not presented in the table below.

Table 3.8.M

| | Provisions | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | On financing commitments | | | | On guarantee commitments | | | | Total |
| *(In EUR m)* | Stage 1 | Stage 2 | Stage 3 | **Total** | Stage 1 | Stage 2 | Stage 3 | **Total** | |
| **Amount as at 31.12.2022** | 166 | 251 | 50 | **467** | 57 | 116 | 258 | **431** | **898** |
| Production & Acquisition [1] | 34 | 8 | 7 | **49** | 17 | 9 | 33 | **59** | **108** |
| Derecognition [2] | (30) | (2) | (9) | **(41)** | (13) | (13) | (31) | **(57)** | **(98)** |
| Transfer from stage 1 to stage 2 [3] | (5) | 26 | - | **21** | (1) | 9 | - | **8** | **29** |
| Transfer from stage 2 to stage 1 [3] | 4 | (17) | - | **(13)** | 1 | (6) | - | **(5)** | **(18)** |
| Transfer to stage 3 [3] | - | (5) | 1 | **(4)** | - | (1) | 12 | **11** | **7** |
| Transfer from stage 3 [3] | - | - | (1) | **(1)** | - | - | (5) | **(5)** | **(6)** |
| Allocations & Write-backs without stage transfer [3] | 2 | (21) | (2) | **(21)** | (4) | (6) | (27) | **(37)** | **(58)** |
| Currency effect | - | (1) | - | **(1)** | - | - | 1 | **1** | **-** |
| Scope effect | - | - | - | **-** | - | - | - | **-** | **-** |
| Other variations | - | 12 | (1) | **11** | - | - | 5 | **5** | **16** |
| **Amount as at 30.06.2023** | **171** | **251** | **45** | **467** | **57** | **108** | **246** | **411** | **878** |

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

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

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

### BREAKDOWN OF TRANSFERS BETWEEN STAGES FOR OFF-BALANCE SHEET COMMITMENTS OF THE GROUP WITHOUT INSURANCE ACTIVITIES FOR THE PERIOD

The amounts presented in the transfers hereinafter include new drawdowns on the contracts active during the financial year.

To describe the transfers between steps:

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

Table 3.8.N

**Financing commitments**

| | Stage 1 | | Stage 2 | | Stage 3 | | | |
|---|---|---|---|---|---|---|---|---|
| *(In EUR m)* | Outstanding amounts subject to impairment and provisions | Provisions | Outstanding amounts subject to impairment and provisions | Provisions | Outstanding amounts subject to impairment and provisions | Provisions | **Stock of outstanding commitments transferred as at 30 June** | **Stock of provisions associated with transferred outstanding amounts** |
| Transfer from Stage 1 to Stage 2 | (1,649) | (5) | 1,280 | 27 | - | - | **1,280** | **27** |
| Transfer from Stage 2 to Stage 1 | 1,139 | 4 | (1,223) | (17) | - | - | **1,139** | **4** |
| Transfer from Stage 3 to Stage 1 | 11 | - | - | - | (7) | - | **11** | **-** |
| Transfer from Stage 3 to Stage 2 | - | - | 10 | - | (17) | (1) | **10** | **-** |
| Transfer from Stage 1 to Stage 3 | (26) | - | - | - | 22 | - | **22** | **-** |
| Transfer from Stage 2 to Stage 3 | - | - | (175) | (5) | 15 | 1 | **15** | **1** |
| Currency effect on contracts that change Stage | (3) | - | (12) | - | - | - | **(15)** | **-** |

Table 3.8.O

**Guarantee commitments**

| | Stage 1 | | Stage 2 | | Stage 3 | | | |
|---|---|---|---|---|---|---|---|---|
| *(In EUR m)* | Outstanding amounts subject to | Provisions | Outstanding amounts subject to | Provisions | Outstanding amounts subject to | Provisions | **Stock of outstanding commitments transferred as at 30 June** | **Stock of provisions associated with transferred outstanding amounts** |
| Transfer from Stage 1 to Stage 2 | (1,180) | (1) | 973 | 9 | - | - | **973** | **9** |
| Transfer from Stage 2 to Stage 1 | 421 | 1 | (500) | (6) | - | - | **421** | **1** |
| Transfer from Stage 3 to Stage 1 | 5 | - | - | - | (3) | - | **5** | **-** |
| Transfer from Stage 3 to Stage 2 | - | - | 18 | - | (26) | (5) | **18** | **-** |
| Transfer from Stage 1 to Stage 3 | (25) | - | - | - | 27 | 3 | **27** | **3** |
| Transfer from Stage 2 to Stage 3 | - | - | (41) | (1) | 38 | 9 | **38** | **9** |
| Currency effect on contracts that change Stage | (2) | - | - | - | - | - | **(2)** | **-** |

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

The variation in credit risk impairment and provisions since 31 December 2022 is mainly linked to:

Covered losses on Stage 3 loans (EUR 387 million) included in the line derecognition. This is in line with the Group strategy for monitoring non-performing loans (NPL), which leads to write-offs and sales of defaulted exposures.

Uncovered losses amount to EUR 90 million.

Transfer of loans to Stage 3 due to default for EUR 2.6 billion of outstanding amounts. This transfer resulted in an increase in impairment and provisions of EUR 394 million.

Particularly, this variation concerns:

EUR 1.1 billion of outstanding amounts for which the impairment and provisions amount to EUR 232 million as at 30 June 2023. These contracts were in Stage 1 as at 31 December 2022;

EUR 1.5 billion of outstanding amounts for which the impairment and provisions amount to EUR 162 million as at 30 June 2023. These contracts were in Stage 2 as at 31 December 2022.

Transfer of loans to Stage 2 due to downgraded ratings, transfer to “sensitive” or 30 days overdue for EUR 10.5 billion. This transfer resulted in an increase in impairment and provisions of EUR 351 million.

The acquisition of LeasePlan resulted an increase in impairment and provisions of EUR 39 million, included in the line Scope effect.

IFRS 5 entities classified as held for sale during the first semester 2023. This classification resulted a decrease in impairment and provisions of EUR 290 million, included in the line Scope effect.

## 5. COST OF CREDIT RISK

### SUMMARY

Table 3.8.P

| (In EUR m) | 1st semester of 2023 | 2022 R | 1st semester of 2022 R |
|---|---|---|---|
| Cost of credit risk of financial assets from insurance activities | 3 | 1 | (1) |
| Cost of credit risk | (348) | (1,647) | (778) |
| **Total** | **(345)** | **(1,646)** | **(779)** |

Following the application of IFRS 9 “Financial instruments” by the insurance subsidiaries (see Note 1), the cost of credit risk for these subsidiaries is also presented below.

Table 3.8.Q

| (In EUR m) | 1st semester of 2023 | 2022 R | 1st semester of 2022 R |
|---|---|---|---|
| Net allocation to impairment losses | (362) | (1,464) | (751) |
| *On financial assets at fair value through other comprehensive income* | *8* | - | *(1)* |
| *On financial assets at amortised cost* | *(370)* | *(1,464)* | *(750)* |
| Net allocations to provisions | 18 | (23) | 31 |
| *On financing commitments* | *27* | *(10)* | *37* |
| *On guarantee commitments* | *(9)* | *(13)* | *(6)* |
| Losses not covered on irrecoverable loans | (90) | (318) | (117) |
| Amounts recovered on irrecoverable loans | 102 | 132 | 62 |
| Effect from guarantee not taken into account for the calculation of impairment | (13) | 27 | (4) |
| **Total** | **(345)** | **(1,646)** | **(779)** |
| *o/w cost of credit risk on performing outstanding classified in Stage 1* | *(17)* | *(58)* | *(35)* |
| *o/w cost of credit risk on underperforming loans classified in Stage 2* | *82* | *(618)* | *(273)* |
| *o/w cost of credit risk on doubtful outstanding classified in Stage 3* | *(410)* | *(970)* | *(471)* |

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

## 1. FINANCIAL ASSETS MEASURED AT AMORTISED COST

Table 3.9.A

| *(In EUR m)* | 30.06.2023 Carrying amount | 30.06.2023 Fair value |
|---|---|---|
| Due from banks | 83,269 | 83,235 |
| Customer loans | 490,421 | 463,296 |
| Debt securities | 27,595 | 26,895 |
| **Total** | **601,285** | **573,426** |

Table 3.9.B

| *(In EUR m)* | 31.12.2022 R Carrying amount | 31.12.2022 R Fair value |
|---|---|---|
| Due from banks | 68,171 | 67,964 |
| Customer loans | 506,635 | 480,914 |
| Debt Securities | 26,143 | 25,285 |
| **Total** | **600,949** | **574,163** |

## 2. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Table 3.9.C

| *(In EUR m)* | 30.06.2023 Carrying amount | 30.06.2023 Fair value |
|---|---|---|
| Due to banks | 119,923 | 119,893 |
| Customer deposits | 546,655 | 545,073 |
| Debt securities issued | 151,320 | 149,471 |
| Subordinated debt | 15,158 | 15,241 |
| **Total** | **833,056** | **829,678** |

Table 3.9.D

| *(In EUR m)* | 31.12.2022 R | |
|---|---|---|
| | **Carrying amount** | **Fair value** |
| Due to banks | 133,011 | 133,009 |
| Customer deposits | 530,764 | 529,099 |
| Debt securities issued | 133,176 | 131,290 |
| Subordinated debt | 15,948 | 15,949 |
| **Total** | **812,899** | **809,347** |

In a context of rising interest rates, financial assets, unlike financial liabilities, have a fair value significantly lower than their book value. This asymmetry can be explained in particular by the fact that financial liabilities, relating to Debts to customers, mainly include significant demand deposits.

Since the contractual maturity of these deposits is immediate, the discounting effect is nil and their fair value is equal to their nominal amount.

# NOTE 4 - OTHER ACTIVITIES

## NOTE 4.1 - FEE INCOME AND EXPENSE

Table 4.1.A

| | 1st semester of 2023 | | | 2022 R | | | 1st semester of 2022 R | | |
|---|---|---|---|---|---|---|---|---|---|
| *(In EUR m)* | Income | Expense | Net | Income | Expense | Net | Income | Expense | Net |
| **Transactions with banks** | **64** | **(63)** | **1** | **133** | **(110)** | **23** | **70** | **(49)** | **21** |
| **Transactions with customers** | **1,474** | | **1,474** | **3,088** | | **3,088** | **1,537** | | **1,537** |
| **Financial instruments operations** | **1,572** | **(1,512)** | **60** | **2,475** | **(2,447)** | **28** | **1,227** | **(1,227)** | **-** |
| Securities transactions | 416 | (681) | (265) | 495 | (1,008) | (513) | 265 | (534) | (269) |
| Primary market transactions | 160 | | 160 | 162 | | 162 | 78 | | 78 |
| Foreign exchange transactions and financial derivatives | 996 | (831) | 165 | 1,818 | (1,439) | 379 | 884 | (693) | 191 |
| **Loan and guarantee commitments** | **496** | **(225)** | **271** | **974** | **(424)** | **550** | **469** | **(187)** | **282** |
| **Various services** | **1,258** | **(416)** | **842** | **2,730** | **(1,202)** | **1,528** | **1,380** | **(623)** | **757** |
| Asset management fees | 144 | | 144 | 329 | | 329 | 155 | | 155 |
| Means of payment fees | 512 | | 512 | 1,072 | | 1,072 | 524 | | 524 |
| Insurance product fees | 86 | | 86 | 236 | | 236 | 124 | | 124 |
| Underwriting fees of UCITS | 42 | | 42 | 75 | | 75 | 39 | | 39 |
| Other fees | 474 | (416) | 58 | 1,018 | (1,202) | (184) | 538 | (623) | (85) |
| **Total** | **4,864** | **(2,216)** | **2,648** | **9,400** | **(4,183)** | **5,217** | **4,683** | **(2,086)** | **2,597** |

## NOTE 4.2 - INCOME AND EXPENSE FROM OTHER ACTIVITIES

Table 4.2.A

| | 1st semester of 2023 | | | 2022 R | | | 1st semester of 2022 R | | |
|---|---|---|---|---|---|---|---|---|---|
| *(In EUR m)* | **Income** | **Expense** | **Net** | **Income** | **Expense** | **Net** | **Income** | **Expense** | **Net** |
| Real estate development | 28 | (1) | 27 | 69 | - | 69 | 31 | - | 31 |
| Real estate leasing | 42 | (27) | 15 | 80 | (151) | (71) | 52 | (89) | (36) |
| Equipment leasing [1] | 7,408 | (5,573) | 1,835 | 12,490 | (9,466) | 3,024 | 6,161 | (4,764) | 1,396 |
| Other activities | 458 | (690) | (232) | 662 | (1,008) | (346) | 390 | (817) | (426) |
| **Total** | **7,936** | **(6,291)** | **1,645** | **13,301** | **(10,625)** | **2,676** | **6,634** | **(5,670)** | **964** |

*(1) The amount recorded under this heading is mainly due to income and expenses related to long-term leasing and car fleet management businesses, of which EUR 285 million related to the car sales result as at 30 June 2023 (vs EUR 753 million as at 31 December 2022 and 433 million as at 30 June 2022). Most of the Group's long-term lease agreements are 36-month to 48-month leases.*

MAKE IT SIMPLE

Insurance activities (life insurance and non-life insurance) add to the range of products included in the banking services offered to Group customers.

These activities are carried out by dedicated subsidiaries, subject to regulations specific to the insurance sector.

The rules for measuring and accounting for risks associated with insurance contracts are specific to the Insurance sector.

**ACCOUNTING PRINCIPLES**

Insurance contracts subject to IFRS 17 "Insurance Contracts" are insurance contracts issued, reinsurance contracts issued (reinsurance assumed) or held (reinsurance ceded), as well as investment contracts issued including a discretionary participation clause provided that they are issued by an entity which also issues insurance contracts.

The accounting principles below do not apply to the insurance contracts for which the Group is the insured beneficiary except for the contracts identified as reinsurance treaties.

Investment contracts without discretionary participation features and with no insurance component (pure unit-linked contracts) do not meet the IFRS 17 definition of an insurance contract and are recognised as Financial liabilities measured at fair value through profit or loss (see Note 3.1 paragraph 3). These are financial liabilities indexed on the performance of underlying assets for which the Group has elected to exercise the option to measure the instruments at fair value without requiring the separation of the embedded derivatives.

**GROUPING OF CONTRACTS**

For their assessment, insurance contracts are grouped into homogeneous portfolios to take account of the pooling of risks specific to the insurance activity. These portfolios include insurance contracts that are exposed to similar risks and managed together.

Within each portfolio, three groups of contracts shall be distinguished on initial recognition of the later: onerous contracts, contracts with no significant possibility of becoming subsequently onerous, and other contracts.

Lastly, contracts issued more than one year apart cannot be included in the same group. Consequently, each group of contracts shall be subdivided into annual cohorts. However, while adopting IFRS 17, the European Union has provided European undertakings with an option not to implement this provision to contracts benefiting from an intergenerational mutualisation of returns on the underlying assets in countries where these undertakings market insurance contracts.

The Group uses this optional exemption on the life-insurance savings and retirement savings contracts issued as they include direct or discretionary profit-sharing items for which both risks and cashflows are shared between different generations of policyholders. These savings life-insurance contracts are also managed on an intergenerational basis in order to mitigate interest rate risk and longevity risk exposures.

The portfolios of contracts are determined by the Group, using *(i)* the product line to identify the insurance contracts exposed to similar risks and *(ii)* the country of issuance of the contract and/or the distribution entity.

When the materiality of the outstanding amounts of the contracts concerned is not significant in the context of the aggregates of the Group's consolidated balance sheet, some of these portfolios may be grouped together.

The major portfolios identified by the Group are as follows:

| Scope of products | Product line |
|---|---|
| Savings | Life Insurance Savings with accumulation of capital paid out upon redemption or death (investments in euro funds, unit-linked funds, multivehicle contracts) |
| Retirement | Individual and group insurance contracts such as Retirement savings plans (French *'Plan Epargne Retraite' – PER*) with payout in annuities and/or capital (single or multiple unit-linked investments) |
| Protection–Provident | Borrower insurance; Individual protection; Group protection; Individual health insurance; Group health insurance; Funeral insurance; Nursing care insurance. |
| Protection–Non-life insurance (property and casualty) | Personal injury accident; Insurance of the Means of payment; Multi-risk home insurance; Land motor vehicle insurance; Miscellaneous Risk Insurance. |

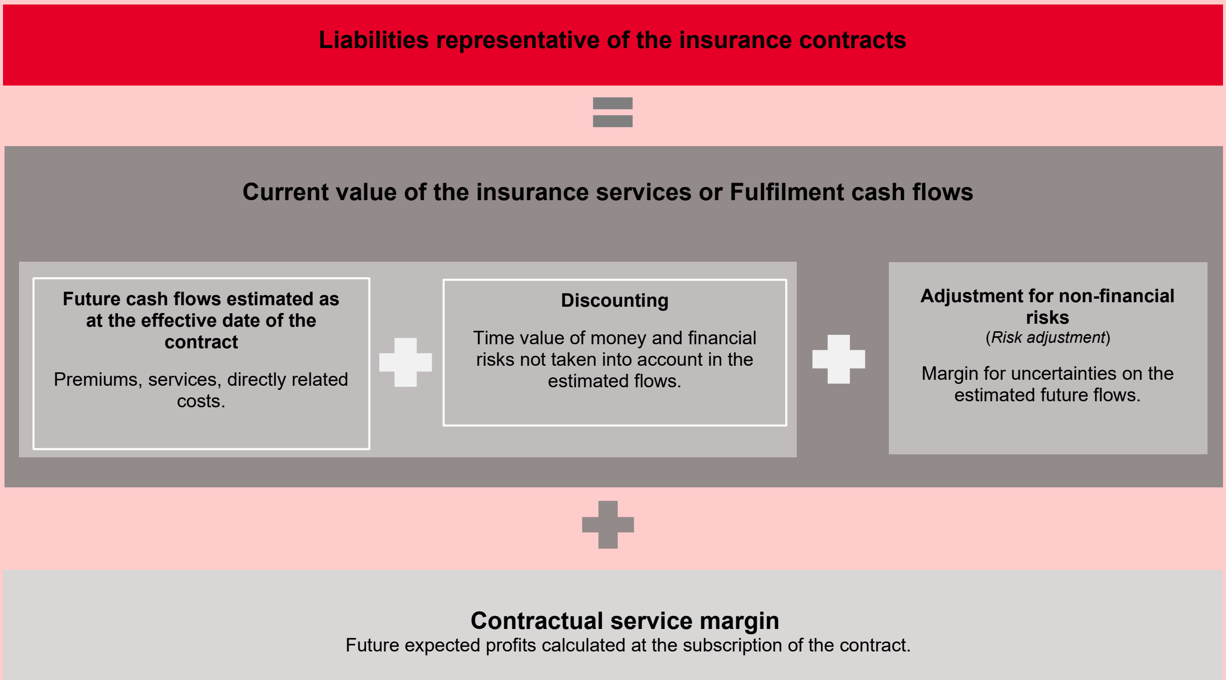
## MEASUREMENT MODELS

Each group of insurance contracts is measured separately, and its value is presented in the balance sheet either under Insurance and reinsurance contract assets or under Insurance and reinsurance contract liabilities.

### General model applicable to the insurance contracts issued

<u>Initial measurement</u>

Upon initial recognition, the value of a group of insurance contracts issued corresponds to the sum of the following items:




*Future estimated cash flows*

These cash flows are the current estimates of all the amounts that the insurer expects to receive (for premiums…) or pay to the benefit of insurance policyholders (in relation to life insurance, claims to be compensated, guaranteed benefits and other directly attributable expenses) as part of the fulfilment of insurance contracts, until their settlement.

These amounts are adjusted to reflect:

the present value of the future cash flows taking into account the time value of money and the financial risks related to the future cash flows (see *Discounting*),

the uncertainties about the amount and frequency of the cash flows (see *Adjustment for non-financial risk*).

*Discounting*

The future cash flows estimated are discounted using a risk-free yield curve (swap rate curve) adjusted for an illiquidity premium to represent the differences in characteristics between the liquid, risk-free financial instruments and the financial instruments backed insurance contracts (bottom-up approach).

*Adjustment for non-financial risk*

The discounted cash flows are adjusted to reflect the uncertainties about the amount and frequency of the future cash flows. This adjustment for non-financial risks is determined using a quantile approach based on a confidence level of 80% for the Retirement Savings business. Thus, the technical provisions supplemented with this risk adjustment will allow these estimated future cash flows to be covered in 80% of probable cases, a level of caution deemed appropriate. For the Protection business, this quantile level is between 80% and 90%.

The calculation method of the adjustment for non-financial risks ignores the diversification effect between the different insurance activities.

*Contractual service margin (CSM)*

The contractual service margin (CSM) represents the unearned profit that the entity will recognise in the income statement as the insurance services are provided in the future. Its amount is determined at the time of initial recognition of the group of insurance contracts so that, at that date, neither income nor expense is recorded in the income statement. In the event of onerous contracts, the expected loss shall immediately be recognised in profit or loss. This initial loss will later be reversed in profit or loss to offset the expense for incurred claims.

<u>Subsequent measurement</u>

On each closing date, the carrying amount in the balance sheet of the group of insurance contracts issued is remeasured. It is then equal to the sum of the following amounts:

the liability for remaining coverage (LRC), for an amount equal to the reestimated value as at the date of the fulfilment cash flows related to future services (discounted value of the amounts receivable and payable related to the supply of insurance services on the remaining coverage period and the deposit components) and, when appropriate, the contractual service margin reestimated on the same date as described below;

the liability for incurred claims (LIC), for an amount equal to the reestimated value as at the date of the fulfilment cash flows related to past services (discounted value of the amounts payable in relation to services on already incurred claims).

Income and expense are recognised for the changes in liabilities for remaining coverage and for incurred claims, as summarised below:

| | Changes in liability for remaining coverage | Changes in liability for incurred claims |
|---|---|---|
| Insurance products | Reversals related to the insurance services provided during the period | |
| Insurance services expenses | Losses recognised on onerous contracts and reversal of these losses | Allocations of liabilities for the incurred claims and the unfunded expenses incurred during the period<br>Subsequent changes in the fulfilment cash flows relating to the incurred claims and the unfunded expenses incurred |
| Insurance financial expenses and income | Account taken of the impacts of the time value of money | Account taken of the impacts of the time value of money |

On this same closing date, the amount of contractual service margin is adjusted to take notably account, for all contracts, of:

the impact of the new contracts added to the Group;

the interest capitalised on the carrying amount of the margin at the discounting rate used to determine the initial margin value;

the reestimate of the fulfilment cash flows (discounted value of the amounts receivable and payable related to the insurance services provided during the remaining coverage period, excl. estimated amounts to be paid for already incurred claims that are subject to separate measurement);

the amount recognised as insurance revenue because of the transfer of insurance contract services in the period.

Moreover, the contractual service margin is recognised in profit or loss according to coverage units that reflect the amount of service provided and the expected coverage period for the contracts remaining in the group of contracts.

The contractual service margin is not adjusted for the following changes in cash flows as they are not related to future services:

inclusion of the impacts (and changes in them) of the time value of money and the financial risk (for example, the impact of a change in the discounting rate);

changes in estimates of the fulfilment cash flows of liabilities for incurred claims;

adjustments related to experience (difference between the estimate of the amounts expected for the period and the actual cash flows of the period).

*Protection-Provident business*

*The Group mainly applies the General Model to measure its Protection-Provident contracts (borrower insurance, funeral, dependency contracts…).*

*For the Protection – Provident business, the insured value (for example the outstanding capital of the loan in the context of a borrower contract) is used to measure the quantity of service (or coverage units) provided or to be provided, in order to recognise a portion of the contractual service margin in the net income of the period.*

**General Model adapted to the insurance contracts issued with direct participation features (Variable Fee Approach)**

Insurance contracts issued with direct participation features may be regarded as creating an obligation to pay to policyholders an amount equal to the fair value of the underlying items (for example, investments in units of funds), minus a variable fee for the service.

The variable fee:

a) represents the counterparty that a company receives to provide investment services;

b) is based on the portion of the performance of the underlying items that varies over time. Consequently, the variable fee reflects the performance of the underlying items and the other cash flows necessary for the fulfilment of the contracts.

The general accounting model is adapted to reflect that the consideration received for this type of contract is a variable fee (Variable Fee Approach - VFA).

This adaptation of the general accounting model is used to measure the groups of insurance contracts for which:

the contractual clauses specify that the policy holder is entitled to a portion of a clearly defined portfolio of underlying items;

the entity expects to pay to the policyholder an amount equal to a substantial share of the yield on the fair value of the underlying items; and

the entity expects any change in the amounts payable to the shareholder to be attributable, substantially, to a change in fair value of the underlying items.

Eligibility to this measurement model is analysed on the issuance date of the contracts and may subsequently be reassessed only in case of changes in the contract.

This measurement model is in line with the general model with regards to the following items:

the fulfilment cash flows are measured the same way;

during the initial measurement, the contractual service margin is identical;

the subsequent changes in the fulfilment cash flows associated with the future services adjust the contractual service margin while the other changes, related to the services provided during the period or before impact the net income.

There are however several differences:

| | *General model* | *Tailored General model - VFA* |
|---|---|---|
| *Recognition of the changes in fulfilment cash flows in relation to the changes in discounting rates and other financial variables* | in full in the Statement of net income and unrealised or deferred gains and losses | as an adjustment of the contractual service margin for the portion of this change associated with the insurer's share of underlying items |
| *Determination of the interest expense for the capitalisation of interest on the contractual service margin* | explicitly applying the discount rate used during the initial measurement | implicitly when taking account of the insurer's share in the change in fair value of the underlying items for the determination of the contractual service margin |

*Savings and Retirement business*

*The Group determined that the majority of life savings insurance contracts and individual and collective retirement savings contracts issued by its insurance subsidiaries meet the definition of contracts with direct participation features. These contracts, which make up the Group's predominant insurance activity (some 99% of the discounted estimated cash flows), are measured using the adapted General model known as Variable Fee Approach (VFA). The other contracts in these categories are measured based on the General Model or under IFRS 9 if they meet the definition of an investment contract.*

For the Savings and Retirement business, the quantity of service (or coverage units) used for the amortisation of the contractual service margin is determined based on the amounts of estimated future cash flows for the current and future periods. An adjustment is made to correct a bow wave effect, using the financial performance expected over the projection horizon.

**General Model adapted to the reinsurance contracts held**

Following the issuance of insurance contracts, some risks may be ceded to another insurance company through reinsurance contracts.

The general accounting model is adapted to take account of the specificities of the reinsurance contracts held. These reinsurance contracts held are booked under the General Model, modified on the following features:

| | |
|---|---|
| *Estimate of the fulfilment cash flows* | The fulfilment cash flows take into account the risk of non-fulfilment by the issuer of the reinsurance contract (i.e. the risk of not recovering the expected compensation in the event of default of the reinsurer). |
| *Measurement of the contractual service margin during initial recognition* | Any net cost or profit determined at initial recognition (determined based on the estimated amount of premiums payable, expenses to be paid and compensations to be received) is recognised as a contractual service margin. |
| *Measurement of the contractual service margin in the context of onerous underlying contracts* | The contractual service margin is adjusted and an income is recognised accordingly, when a loss is recognised at initial recognition of a group of onerous underlying insurance contracts or when onerous underlying insurance contracts are added to the group. |

**Simplified model (Premium Allocation Approach)**

The standard also allows, under some conditions, for the application of a simplified accounting model for the contracts whose insurance coverage is lower or equal to 12 months, or for which the measurement of the Group's remaining coverage liabilities determined using this approach is not significantly different from the one that would result from the application of the general model.

The remaining coverage liabilities presented on the balance sheet corresponds to:

the amount of premium received under the contract adjusted for the amounts recognised as insurance contracts income as the company provides the insurance coverage;

minus the remaining depreciable acquisition costs paid.

If a group of contracts is onerous, the remaining coverage liability is increased up to the estimated future fulfilment cash flows and a loss is recognised in the income statement.

The incurred claim liability is measured based on the general model. The Group does not discount the liability when it expects the claims to be settled within one year.

The simplified approach does not require:

an explicit measurement of the contractual service margin;

an update of the remaining coverage liability for the changes in discount rate and financial variables.

*Protection – non-life insurance activity*

*The Group mostly applies the simplified approach to measure its non-life insurance contracts (personal injuries, means of payment, multi-risk home insurance…).*

## PRESENTATION OF THE FINANCIAL PERFORMANCE OF INSURANCE CONTRACTS

Expenses and income relating to insurance contracts are presented in the income statement, distinguishing between:

the income arising from insurance services which includes:

income from insurance contracts issued;

insurance services expenses;

net income or expenses from the reinsurance contracts held;

the financial result of the insurance and reinsurance contracts.

**Income from insurance contracts issued**

The revenues from insurance contracts represent the consideration that the insurance subsidiary expects to receive (representative of the premium received) against the services provided under the contracts.

The revenues recognised for the period include the amount representative of the premium received as coverage of the insurance service expenses and the margin expected in relation to the services provided during the period.

Many insurance contracts providing investment services include a deposit component, which is an amount paid by the policyholder and repaid by the insurer even when the insured event does not take place. These deposit components are excluded from the income statement, as the collection and repayment of a deposit are not, respectively, an income and an expense.

**Insurance services expenses**

Insurance services expenses reflect the costs incurred to provide services over the period, including those associated with the claims incurred, and excluding the deposit component.

The expenses recorded over the period include the insurance services expenses related to the services provided for the incurred claims during the current or past periods and other amounts such as the amortisation of the insurance acquisition costs, the costs on onerous contracts and their reversals.

**Income and expenses of the reinsurance contracts held.**

Income and expenses are representative of the amounts recovered from reinsurers and of the allocation of the premiums paid for this coverage.

**Financial income and expenses of insurance contracts**

The fulfilment cash flows and contractual service margin are booked on a discounted basis reflecting the frequency of cash flows. Over time, the effect of the time value of money decreases, which is reflected in the income statement as an insurance financial expense (the present value of future disbursements increases). Indeed, the financing costs (financial expenses of the contracts) of insurance are similar to the interest paid on an early payment (in the form of a premium) and reflect the fact that policyholders usually pay the premiums in advance and receive benefits at a later date.

Finance income or expenses from insurance also include the effects on the carrying amount of insurance contracts of some changes in financial assumptions (namely discount rate and other financial variables).

The effect of the changes in discount rates and other financial variables is recognised over the period during which the changes occurred. The Group has elected, for most of its groups of contracts, to present the effect of these changes in a disaggregated manner between the income statement and equity. The aim of this choice is to minimise accounting mismatch between the investments of the insurance activity (associated to the financial assets held to cover the insurance contracts) and the financial expenses of the insurance contracts. This choice is made for each group of insurance contracts.

The Group decided to present the Notes detailing the financial data of the insurance subsidiaries distinguishing between the data attributed to the insurance contracts within the scope of IFRS 17 (columns headed “Insurance contracts”) including the measurement of these contracts and the investments backing them. These data also distinguish between the insurance contracts issued with direct participation features measured using the VFA model and their underlying investments.

The financial data of the investment contracts without participation features and without insurance component (contracts within the scope of IFRS 9) as well as all financial instruments that are not backing insurance contracts within the scope of IFRS 17 (ex: financial instruments negotiated in the context of the investment of equity) are presented separately from the other financial data in the “Others” column.

## 1. EXCERPT FROM THE BALANCE SHEET OF THE INSURANCE ACTIVITY

The tables below present the carrying amount of the assets and liabilities recognised on the balance sheet of the Group’s insurance subsidiaries for:

- Insurance contracts or investment contracts;
- Investments made (whether or not backed by insurance contracts).

## ASSET DETAILS

### Table 4.3.A

| (In EUR m) | 30.06.2023 Insurance contracts With direct participations features | 30.06.2023 Insurance contracts Other | 30.06.2023 Other | 30.06.2023 Total | 31.12.2022 R Insurance contracts With direct participations features | 31.12.2022 R Insurance contracts Other | 31.12.2022 R Other | 31.12.2022 R Total |
|---|---|---|---|---|---|---|---|---|
| **Financial assets at fair value through profit or loss** | **98,763** | **173** | **3,864** | **102,800** | **92,759** | **216** | **4,739** | **97,714** |
| Trading portfolio | 587 | - | 35 | 622 | 833 | - | 25 | 858 |
| *Shares and other equity securities* | *-* | *-* | *22* | *22* | *-* | *-* | *17* | *17* |
| *Trading derivatives* | *587* | *-* | *13* | *600* | *833* | *-* | *8* | *841* |
| Financial assets measured mandatorily at fair value through profit or loss | 84,886 | 167 | 3,784 | 88,837 | 78,677 | 210 | 4,712 | 83,599 |
| *Bonds and other debt securities* | *23,126* | *13* | *232* | *23,371* | *21,968* | *21* | *229* | *22,218* |
| *Shares and other equity securities* | *60,747* | *150* | *3,252* | *64,149* | *55,671* | *184* | *4,086* | *59,941* |
| *Loans, receivables and securities puchased under resale agreements* | *1,013* | *4* | *300* | *1,317* | *1,038* | *5* | *397* | *1,440* |
| Financial instruments measured using fair value option through profit or loss | 13,290 | 6 | 45 | 13,341 | 13,249 | 6 | 2 | 13,257 |
| *Bonds and other debt securities* | *13,290* | *6* | *45* | *13,341* | *13,249* | *6* | *2* | *13,257* |
| **Hedging derivatives** | **112** | **-** | **-** | **112** | **121** | **-** | **-** | **121** |
| **Financial assets at fair value through other comprehensive income** | **51,266** | **1,399** | **205** | **52,870** | **53,971** | **1,326** | **200** | **55,497** |
| Debt instruments | 51,266 | 1,399 | 205 | 52,870 | 53,971 | 1,326 | 200 | 55,497 |
| *Bonds and other debt securities* | *51,251* | *1,399* | *205* | *52,855* | *53,930* | *1,326* | *200* | *55,456* |
| *Loans, receivables and securities purchased under resale agreements* | *15* | *-* | *-* | *15* | *41* | *-* | *-* | *41* |
| **Financial assets at amortised cost (1)** | **1,040** | **567** | **4,663** | **6,270** | **1,155** | **263** | **4,670** | **6,088** |
| **Investment Property** | **876** | **-** | **-** | **876** | **876** | **-** | **1** | **877** |
| **TOTAL INVESTMENTS OF INSURANCE ACTIVITIES (2)** | **152,057** | **2,139** | **8,732** | **162,928** | **148,882** | **1,805** | **9,610** | **160,297** |
| Deferred acquisition costs | 194 | - | - | 194 | 6 | - | - | 6 |
| Insurance contracts issued assets | - | 64 | - | 64 | - | 42 | - | 42 |
| Reinsurance contracts held assets | - | 358 | - | 358 | - | 305 | - | 305 |
| **TOTAL INSURANCE AND REINSURANCE CONTRACTS ASSETS** | **194** | **422** | **-** | **616** | **6** | **347** | **-** | **353** |

*(1) The financial assets at amortised cost are mainly related to Debt securities at amortised cost and Loans and receivables due from banks at amortised cost*

*(2) The Group has chosen to keep in the consolidated accounts investments made with Group companies measured at fair value through profit or loss in representation of unit-linked liabilities*

## DETAIL OF LIABILITIES

Table 4.3.B

| (In EUR m) | 30.06.2023 Insurance contracts with direct participations features | 30.06.2023 Insurance contracts Other | 30.06.2023 Other | 30.06.2023 Total | 31.12.2022 R Insurance contracts with direct participations features | 31.12.2022 R Insurance contracts Other | 31.12.2022 R Other | 31.12.2022 R Total |
|---|---|---|---|---|---|---|---|---|
| **Financial liabilities at fair value through profit or loss** | **199** | **-** | **3,677** | **3,876** | **78** | **-** | **3,520** | **3,598** |
| Trading portfolio | 199 | - | 556 | 755 | 47 | - | 572 | 619 |
| *Borrowings and securities sold under repurchase agreements* | *48* | *-* | *15* | *63* | *-* | *-* | *33* | *33* |
| *Trading derivatives* | *151* | *-* | *541* | *692* | *47* | *-* | *539* | *586* |
| Financial instruments measured using fair value option through profit or loss | - | - | 3,121 | 3,121 | 31 | - | 2,946 | 2,977 |
| **Hedging derivatives** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Debt securities issued** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Due to banks** | **1,218** | **5** | **33** | **1,256** | **2,116** | **74** | **45** | **2,235** |
| **Customer deposits** | **-** | **-** | **3** | **3** | **-** | **-** | **3** | **3** |
| **TOTAL OF FINANCIAL LIABILITIES FROM INSURANCE ACTIVITIES** | **1,417** | **5** | **3,713** | **5,135** | **2,194** | **74** | **3,568** | **5,836** |
| Insurance contracts issued liabilities | 136,299 | 2,440 | - | 138,739 | 133,795 | 2,079 | - | 135,874 |
| Reinsurance contracts held liabilities | - | 7 | - | 7 | - | 1 | - | 1 |
| **TOTAL INSURANCE AND REINSURANCE CONTRACTS LIABILITIES** | **136,299** | **2,447** | **-** | **138,746** | **133,795** | **2,080** | **-** | **135,875** |

*(1) The financial instruments measured using the fair value option correspond to the unit-linked contracts without participation features.*

## 2. PERFORMANCE OF INSURANCE ACTIVITIES

The tables below show the details of the income and expenses recognised in the income statement or in the gains and losses directly recognised in equity by the Group's insurance subsidiaries for:

- the commercial performance of insurance services presented within the Net income of insurance services,
- the financial performance related to the management of contracts resulting from:
- the financial income and expenses recognised on insurance contracts,
- the financial income and expenses recognised on the investments backed on contracts,
- the financial performance of the other investments.

## 2.1 DETAIL OF PERFORMANCE OF INSURANCE ACTIVITIES

Table 4.3.C

| | 1st semester of 2023 | | | | 2022 R | | | | 1st semester of 2022 R | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Insurance contracts | | Other | Total | Insurance contracts | | Other | Total | Insurance contracts | | Other | Total |
| *(In EUR m)* | *with direct participations features* | *Other* | | | *with direct participations features* | *Other* | | | *with direct participations features* | *Other* | | |
| **Financial result of investments and other transactions from insurance activities** | **3,924** | **1** | **80** | **4,005** | **(4,208)** | **(7)** | **(36)** | **(4,251)** | **(5,499)** | **7** | **(53)** | **(5,545)** |
| Interest and similar income | 778 | 19 | 67 | **864** | 1,738 | 39 | 119 | **1,896** | 869 | 19 | 134 | **1,022** |
| Interest and similar expense | (91) | (6) | (57) | **(154)** | (238) | (19) | (87) | **(344)** | (85) | (7) | (83) | **(175)** |
| Fee income | 5 | - | - | **5** | 9 | 12 | - | **21** | 5 | 14 | - | **19** |
| Fee expense | (26) | (5) | (1) | **(32)** | (16) | (1) | (1) | **(18)** | (5) | (24) | (1) | **(30)** |
| Net gains and losses on financial transactions | 3,237 | 3 | 67 | **3,307** | (5,723) | (23) | (91) | **(5,837)** | (6,310) | 13 | (106) | **(6,403)** |
| *o/w gains and losses on financial instruments at fair value through profit or loss* | *3,337* | *3* | *67* | ***3,407*** | *(5,581)* | *(20)* | *(82)* | ***(5,683)*** | *(6,270)* | *16* | *(97)* | ***(6,351)*** |
| *o/w gains and losses on financial instruments at fair value through other comprehensive income* | *(100)* | - | - | ***(100)*** | *(142)* | - | - | ***(142)*** | *(40)* | - | - | ***(40)*** |
| *o/w gains and losses on financial instruments at amortised cost* | - | - | - | - | - | *(3)* | *(9)* | ***(12)*** | - | *(3)* | *(9)* | ***(12)*** |
| Cost of credit risk from financial assets related to insurance activities | 3 | - | - | **3** | 1 | - | - | **1** | (3) | - | 2 | **(1)** |
| Net income from other activities [1] | 18 | (10) | 4 | **12** | 21 | (15) | 24 | **30** | 30 | (8) | 1 | **23** |
| **Insurance service result** | **490** | **328** | | **818** | **930** | **549** | | **1,479** | **504** | **281** | | **785** |
| Income from insurance contracts issued | 625 | 1,057 | | **1,682** | 1,120 | 1,984 | | **3,104** | 552 | 1,064 | | **1,616** |
| Insurance service expenses | (135) | (724) | | **(859)** | (190) | (1,416) | | **(1,606)** | (48) | (758) | | **(806)** |
| Income and expenses from reinsurance contracts held | - | (5) | | **(5)** | - | (19) | | **(19)** | - | (25) | | **(25)** |
| **Financial result of insurance services** | **(3,657)** | **(19)** | | **(3,676)** | **4,053** | **22** | | **4,075** | **5,363** | **1** | | **5,364** |
| Net finance income or expenses from insurance contracts issued | (3,657) | (22) | | **(3,679)** | 4,053 | (23) | | **4,030** | 5,363 | 1 | | **5,364** |
| Net finance income or expenses from reinsurance contracts held | - | 3 | | **3** | - | 45 | | **45** | - | - | | **-** |
| **Unrealised or deferred gains and losses from investments that will be reclassified subsequently into income** | **237** | **23** | **2** | **262** | **(10,032)** | **(259)** | **(17)** | **(10,308)** | **(7,393)** | **(207)** | **(13)** | **(7,613)** |
| Revaluation of debt instruments at fair value through other comprehensive income | 233 | 23 | 2 | **258** | (9,843) | (259) | (17) | **(10,119)** | (7,256) | (207) | (13) | **(7,476)** |
| Revaluation of hedging derivatives | 4 | - | - | **4** | (189) | - | - | **(189)** | (137) | - | - | **(137)** |
| **Unrealised or deferred gains and losses from insurance contracts that will be reclassified subsequently into income** | **(235)** | **(3)** | | **(238)** | **10,025** | **25** | | **10,050** | **7,390** | **43** | | **7,433** |
| Revaluation of insurance contracts issued | (235) | (1) | | **(236)** | 10,025 | 42 | | **10,067** | 7,390 | 52 | | **7,442** |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revaluation of the reinsurance contracts held | - | (2) | | **(2)** | - | (17) | | **(17)** | - | (9) | | **(9)** |

*(1) The item Net income from other activities corresponds to Income from other activities and Expenses from other activities*

### 2.2 MONITORING OF THE AMOUNT OF THE GAINS AND LOSSES DIRECTLY RECOGNISED IN EQUITY FOR DEBTS INSTRUMENTS UNDERLYING CONTRACTS WITH DIRECT PARTICIPATION FEATURES PRESENT AS AT THE TRANSITION DATE

The Group elected, for the groups of contracts with direct participation features, to recognise in the Net income of the period the financial income or expenses that eliminate accounting mismatches with the income or expenses recognised in the Net income for the underlying items held. Consequently, insurance subsidiaries directly recognise in equity the difference between the total financial income or expenses to be booked for the period for the contracts with direct participation features and the amount recognised in the Net income to eliminate an accounting mismatch.

The table below shows the changes in cumulative amount of the financial income and expenses related to insurance activities recognised directly in equity in relation to the contracts with direct participation features identified as at 1 January 2022 (date of transition to the new measurement method of contracts provided for by IFRS 17).

Table 4.3.D

| | 30.06.2023 | 31.12.2022 R R |
|---|---|---|
| | **Cumulative amounts included in OCI for debt instruments underlying with direct participation contracts present on the date of transition** | **Cumulative amounts included in OCI for debt instruments underlying with direct participation contracts present on the date of transition** |
| **Opening balance** | (4,308) | 5,577 |
| Unrealised or deferred gains and losses for the period | 149 | (9,840) |
| Unrealised or deferred gains and losses reclassified in profit or loss | 101 | (45) |
| **Closing balance** | **(4,058)** | **(4,308)** |

## 3. DETAILS RELATING TO THE OUTSTANDING STOCK OF INSURANCE CONTRACTS

The Group elected not to show detailed information regarding the reinsurance contracts held owing to their low materiality Group-wide.

### SUMMARY OF THE OUTSTANDING STOCK

Table 4.3.E

| | 30.06.2023 | | | 31.12.2022 R | | |
|---|---|---|---|---|---|---|
| | **Insurance contracts** | | | **Insurance contracts** | | |
| *(In EUR m)* | *with direct participations features* | *Other* | **Total** | *with direct participations features* | *Other* | **Total** |
| Insurance contracts issued assets | - | 64 | 64 | - | 42 | 42 |
| *o/w insurance contracts measured under the general model* | - | *62* | *62* | - | *40* | *40* |
| Insurance contracts issued liabilities | 136,299 | 2,440 | 138,739 | 133,795 | 2,079 | 135,874 |
| *o/w insurance contracts measured under the general model* | *136,299* | *1,082* | *137,381* | *133,795* | *1,072* | *134,867* |
| Reinsurance contracts held assets | - | 358 | 358 | - | 305 | 305 |
| *o/w reinsurance contracts measured under the general model* | - | *100* | *100* | - | *110* | *110* |

| | | | | | | |
|---|---|---|---|---|---|---|
| Reinsurance contracts held liabilities | - | 7 | 7 | - | 1 | 1 |
| *o/w reinsurance contracts measured under the general model* | - | - | - | - | - | - |
| Investment contracts [1] | - | - | 3,121 | - | - | 2,976 |

*(1) Investment contracts with no discretionary participation features measured at fair value through profit or loss using the fair value option.*

### DETAILED NET INCOME FROM INSURANCE SERVICES

The table below shows the Net income from insurance services. The way in which the Insurance income and expenses are recognised are detailed in the accounting principles under the "Presentation of the financial performance of insurance contracts" heading.

Table 4.3.F

| | 1st semester of 2023 | | | 2022 R | | | 1st semester of 2022 R | | |
|---|---|---|---|---|---|---|---|---|---|
| | Insurance contracts | | | Insurance contracts | | | Insurance contracts | | |
| *(In EUR m)* | *with direct participations features* | *Other* | Total | *with direct participations features* | *Other* | Total | *with direct participations features* | *Other* | Total |
| **Income from insurance contracts issued** | **625** | **1,057** | **1,682** | **1,120** | **1,984** | **3,104** | **552** | **1,064** | **1,616** |
| Contracts measured under the general model | 625 | 516 | 1,141 | 1,120 | 998 | 2,118 | 552 | 583 | 1,135 |
| *Income of premiums (relating to changes in Liabilities for Remaining Coverage) relative to:* | | | | | | | | | |
| *- Deferred acquisition costs* | *17* | *89* | *106* | *45* | *175* | *220* | 25 | 146 | 171 |
| *- Expected claims and handling costs* | *71* | *218* | *289* | *156* | *437* | *593* | 62 | 222 | 284 |
| *- Expected non financial risk adjustment* | *136* | *57* | *193* | *145* | *123* | *268* | 73 | 61 | 134 |
| *- Expected contractual services margin* | *401* | *152* | *553* | *774* | *263* | *1,037* | 392 | 154 | 546 |
| Contracts measured under the PAA | - | 541 | 541 | - | 986 | 986 | - | 481 | 481 |
| **Insurance service expenses** | **(135)** | **(724)** | **(859)** | **(190)** | **(1,416)** | **(1,606)** | **(48)** | **(758)** | **(806)** |
| Amortisation of acquisition costs | (17) | (150) | (167) | (45) | (304) | (349) | (25) | (207) | (232) |
| Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) - Incurred in the period | (121) | (891) | (1,012) | (148) | (1,344) | (1,492) | (10) | (714) | (724) |
| Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) - Past services | 3 | 314 | 317 | 3 | 255 | 258 | 2 | 185 | 187 |
| Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage) | - | 3 | 3 | - | (23) | (23) | (15) | (22) | (37) |
| **Net income or expenses from reinsurance contracts held** | **-** | **(5)** | **(5)** | **-** | **(19)** | **(19)** | **-** | **(25)** | **(25)** |
| **INSURANCE SERVICE RESULT** | **490** | **328** | **818** | **930** | **549** | **1,479** | **504** | **281** | **785** |

### 3.1 INSURANCE CONTRACTS MEASURED UNDER THE GENERAL MODEL (INCLUDING INSURANCE CONTRACTS ISSUED WITH DIRECT PARTICIPATION FEATURES) AND THE SIMPLIFIED MODEL

#### TABLE OF RECONCILIATION OF THE INSURANCE CONTRACTS ASSETS AND LIABILITIES BY TYPE OF COVERAGE (REMAINING COVERAGE AND CLAIMS INCURRED)

Table 4.3.G

| | 30.06.2023 | | | | | |
|---|---|---|---|---|---|---|
| | Remaining coverage | | Incurred claims (measured under the general model) | Incurred claims (measured under the PAA) | | Total |
| *(In EUR m)* | *excluding the loss component* | *Loss component* | | Present value of the future cash flows | Non financial risk adjustment | |
| Insurance contracts issued liabilities | 134,009 | 21 | 944 | 820 | 80 | 135,874 |
| Insurance contracts issued assets | (39) | 5 | (10) | 2 | - | (42) |
| **NET BALANCE AS AT 1 JANUARY** | **133,970** | **26** | **934** | **822** | **80** | **135,832** |
| **Income from insurance contracts issued (1)** | **(1,682)** | **-** | **-** | **-** | **-** | **(1,682)** |
| **Insurance service expenses** | **167** | **(3)** | **344** | **337** | **14** | **859** |
| Amortisation of acquisition costs | 167 | - | - | - | - | 167 |
| Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) - Incurred in the period | - | - | 633 | 356 | 23 | 1,012 |
| Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) - Past services | - | - | (289) | (19) | (9) | (317) |
| Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage) | - | (3) | - | - | - | (3) |
| **Net finance income or expenses from insurance contracts issued (2)** | **3,902** | **1** | **7** | **5** | **-** | **3,915** |
| **Changes relative to the deposits component included in the insurance contract** | **(7,648)** | **-** | **7,648** | **-** | **-** | **-** |
| **Other changes** | **(88)** | **5** | **(41)** | **390** | **19** | **285** |
| **Cash flows :** | **7,772** | **-** | **(7,980)** | **(326)** | **-** | **(534)** |
| Premiums received (as a reduction of premiums to be received included in the remaining coverage) | 7,925 | - | - | - | - | 7,925 |
| Costs of claims and handling costs (as a reduction of the incurred claims liabilities) | - | - | (7,980) | (326) | - | (8,306) |
| Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations) | (153) | - | - | - | - | (153) |
| **NET BALANCE AS AT 30 JUNE** | **136,393** | **29** | **912** | **1,228** | **113** | **138,675** |
| Insurance contracts issued liabilities | 136,470 | 24 | 907 | 1,225 | 113 | 138,739 |
| Insurance contracts issued assets | (77) | 5 | 5 | 3 | - | (64) |

*(1) Of which, for the insurance contracts present on the transition date (and measured under the general model): EUR 801 million using the modified retrospective approach, and EUR 60 million using the fair value approach.*

*(2) This heading includes the financial charges and income that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.*

Table 4.3.H

| (In EUR m) | 31.12.2022 R | | | | | |
|---|---|---|---|---|---|---|
| | Remaining coverage | | Incurred claims (measured under the general model) | Incurred claims (measured under the PAA) | | Total |
| | *excluding the loss component* | *Loss component* | | Present value of the future cash flows | Non financial risk adjustment | |
| Insurance contracts issued liabilities | 148,665 | 4 | 1,060 | 780 | 56 | 150,565 |
| Insurance contracts issued assets | (72) | - | 27 | 2 | - | (43) |
| **NET BALANCE AS AT 1 JANUARY** | **148,593** | **4** | **1,087** | **782** | **56** | **150,522** |
| **Income from insurance contracts issued (1)** | **(3,104)** | **-** | **-** | **-** | **-** | **(3,104)** |
| **Insurance service expenses** | **349** | **23** | **607** | **600** | **27** | **1,606** |
| Amortisation of acquisition costs | 349 | - | - | - | - | 349 |
| Net expenses for expected costs of claims, handling costs and non-financial risk adjustment (changes in Liabilities Incurred Claims) - Incurred in the period | - | - | 792 | 665 | 35 | 1,492 |
| Changes in net expenses for expected costs of claims and handling costs (changes in Liabilities Incurred Claims) - Past services | - | - | (185) | (65) | (8) | (258) |
| Losses and reversals of losses on onerous contracts (changes in Liabilities for Remaining Coverage) | - | 23 | - | - | - | 23 |
| **Net finance income or expenses from insurance contracts issued (2)** | **(14,043)** | **(1)** | **(16)** | **(31)** | **(4)** | **(14,095)** |
| **Changes relative to the deposits component included in the insurance contract** | **(14,132)** | **-** | **14,132** | - | - | - |
| **Other changes** | **293** | **-** | **(291)** | **(322)** | **1** | **(319)** |
| **Cash flows :** | **16,014** | **-** | **(14,585)** | **(207)** | **-** | **1,222** |
| Premiums received (as a reduction of premiums to be received included in the remaining coverage) | 16,375 | - | - | - | - | 16,375 |
| Costs of claims and handling costs (as a reduction of the incurred claims liabilities) | - | - | (14,585) | (207) | - | (14,792) |
| Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations) | (361) | - | - | - | - | (361) |
| **NET BALANCE AS AT 31 DECEMBER** | **133,970** | **26** | **934** | **822** | **80** | **135,832** |
| Insurance contracts issued liabilities | 134,009 | 21 | 944 | 820 | 80 | 135,874 |
| Insurance contracts issued assets | (39) | 5 | (10) | 2 | - | (42) |

*(1) Of which, for the insurance contracts present on the transition date (and measured under the general model): EUR 1,143 million using the modified retrospective approach, and EUR 88 million using the fair value approach.*

*(2) This heading includes the financial charges and income that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.*

### 3.2 CONTRACTS MEASURED UNDER THE GENERAL MODEL (INCLUDING INSURANCE CONTRACTS ISSUED WITH DIRECT PARTICIPATION)

**TABLE OF RECONCILIATION OF THE INSURANCE CONTRACTS ASSETS AND LIABILITIES ISSUED BY ESTIMATE COMPONENTS (DISCOUNTED FUTURE CASH FLOWS, ADJUSTMENT FOR NON-FINANCIAL RISK AND CONTRACTUAL SERVICE MARGIN)**

Table 4.3.I

| | 30.06.2023 | | | |
|---|---|---|---|---|
| *(In EUR m)* | **Present value of the future cash flows** | **Non-financial risk adjustment** | **Contractual service margin** | **Total** |
| Insurance contracts issued liabilities | 123,297 | 3,452 | 8,118 | 134,867 |
| Insurance contracts issued assets | (214) | 40 | 134 | (40) |
| **NET BALANCE AS AT 1 JANUARY** | **123,083** | **3,492** | **8,252** | **134,827** |
| **Changes that relate to future services** | **(1,383)** | **309** | **1,078** | **4** |
| Changes in estimates that adjust the CSM | (971) | 195 | 776 | - |
| Changes in estimates that result in losses and reversals on onerous contracts (ie, that do not adjust the CSM) | (24) | - | - | (24) |
| Effect of new contracts recognised in the year | (388) | 114 | 302 | 28 |
| **Changes that relate to current services** | **251** | **(109)** | **(552)** | **(410)** |
| Contractual services margin recognised in profit or loss for services provided | - | - | (552) | (552) |
| Change in non-financial risk adjustment for risk expired | - | (109) | - | (109) |
| Experiences adjustments | 251 | - | - | 251 |
| **Changes that relate to past services (ie, changes in fulfillment cash flows relative to incurred claims)** | **(206)** | **(83)** | **-** | **(289)** |
| **Net finance income or expenses from insurance contracts issued (1)** | **3,907** | **(4)** | **8** | **3,911** |
| **Other changes** | **(17)** | **-** | **2** | **(15)** |
| **Cash flows:** | **(709)** | **-** | **-** | **(709)** |
| Premiums received (as a reduction of premiums to be received included in the remaining coverage) | 7,378 | - | - | 7,378 |
| Costs of claims and handling costs (as a reduction of the incurred claims liabilities) | (7,980) | - | - | (7,980) |
| Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations) | (107) | - | - | (107) |
| **NET BALANCE AS AT 30 JUNE** | **124,926** | **3,605** | **8,788** | **137,319** |
| Insurance contracts issued liabilities (2) | 125,169 | 3,564 | 8,648 | 137,381 |
| Insurance contracts issued assets (2) | (243) | 41 | 140 | (62) |

*(1) This heading includes the financial income and expenses that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.*

*(2) Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model): EUR 7,328 million using the modified retrospective approach, and EUR 332 million using the fair value approach.*

## Table 4.3.J

| (In EUR m) | 31.12.2022 R<br>Present value of the future cash flows | Non-financial risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Insurance contracts issued liabilities | 138,337 | 3,064 | 8,269 | 149,670 |
| Insurance contracts issued assets | (229) | 52 | 135 | (42) |
| **NET BALANCE AS AT 1 JANUARY** | **138,108** | **3,116** | **8,404** | **149,628** |
| **Changes that relate to future services** | **(1,586)** | **667** | **945** | **26** |
| Changes in estimates that adjust the CSM | (1,157) | 439 | 718 | - |
| Changes in estimates that result in losses and reversals on onerous contracts (ie, that do not adjust the CSM) | 18 | 2 | - | 20 |
| Effect of new contracts recognised in the year | (447) | 226 | 227 | 6 |
| **Changes that relate to current services** | **115** | **(194)** | **(1,036)** | **(1,115)** |
| Contractual services margin recognised in profit or loss for services provided | - | - | (1,036) | (1,036) |
| Change in non-financial risk adjustment for risk expired | - | (194) | - | (194) |
| Experiences adjustments | 115 | - | - | 115 |
| **Changes that relate to past services (ie, changes in fulfillment cash flows relative to incurred claims)** | **(108)** | **(77)** | **-** | **(185)** |
| **Net finance income or expenses from insurance contracts issued [(1)]** | **(14,037)** | **(39)** | **16** | **(14,060)** |
| **Other changes** | **254** | **19** | **(77)** | **196** |
| **Cash flows:** | **337** | **-** | **-** | **337** |
| Premiums received (as a reduction of premiums to be received included in the remaining coverage) | 15,261 | - | - | 15,261 |
| Costs of claims and handling costs (as a reduction of the incurred claims liabilities) | (14,585) | - | - | (14,585) |
| Paid acquisition costs (as a net adjustment of the remaining coverage following the transfer of deferred amounts or amortisations) | (339) | - | - | (339) |
| **NET BALANCE AS AT 31 DECEMBER** | **123,083** | **3,492** | **8,252** | **134,827** |
| Insurance contracts issued liabilities [(2)] | 123,297 | 3,452 | 8,118 | 134,867 |
| Insurance contracts issued assets [(2)] | (214) | 40 | 134 | (40) |

(1) *This heading includes the financial income and expenses that were recorded under the heading Revaluation of insurance contracts in equity within Gains and losses recognised directly in equity and which will be reclassified later in profit or loss.*

(2) *Of which, for the contractual service margin of the insurance contracts present on the transition date (and measured under the general model): EUR 7,243 million using the modified retrospective approach, and EUR 324 million using the fair value approach.*

## DETAILED EFFECT OF THE NEW CONTRACTS RECOGNISED DURING THE PERIOD

Table 4.3.K

| *(In EUR m)* | 30.06.2023 | | 31.12.2022 R | |
|---|---|---|---|---|
| | **Insurance contracts issued** | *o/w transfer of contracts* | **Insurance contracts issued** | *o/w transfer of contracts* |
| **Present value of:** | | | | |
| Estimated cash outflows | 4,336 | - | 7,245 | - |
| *o/w acquisitions costs* | *107* | - | *339* | - |
| *o/w costs of claims and handling costs* | *4,229* | - | *6,906* | - |
| Estimated cash inflows | (4,752) | - | (7,698) | - |
| **Non-financial risk adjustment** | **114** | **-** | **226** | **-** |
| **Contractual service margin** | **302** | **-** | **227** | **-** |
| **Loss component on onerous contracts** | **28** | **-** | **6** | **-** |
| **TOTAL** | **28** | **-** | **6** | **-** |

### 3.3 DETAILS ON THE PROJECTED ITEMS RELATING TO THE MEASUREMENT OF CONTRACTS

#### SCHEDULING OF THE CASH FLOWS RELATED TO THE INSURANCE AND REINSURANCE CONTRACTS LIABILITIES

Table 4.3.L

| *(In EUR m)* | Up to 3 months | From 3 months to 1 year | From 1 to 5 years | More than 5 years | 30.06.2023 |
|---|---|---|---|---|---|
| Insurance and reinsurance contracts liabilities | **3,328** | **13,042** | **39,450** | **82,926** | **138,746** |

#### EXPECTED RECOGNITION IN THE INCOME STATEMENT OF THE CONTRACTUAL SERVICE MARGIN DETERMINED AT THE END OF THE PERIOD [(1)]

Table 4.3.M

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| **Expected years before recognising CSM in profit or loss** | **Insurance contracts issued** | **Insurance contracts issued** |
| From 1 to 5 years | 3,772 | 3,520 |
| From 6 to 10 years | 2,067 | 1,973 |
| > 10 years | 2,949 | 2,759 |
| **Total** | **8,788** | **8,252** |

*(1) The contractual service margin determined at the end of the period does not include future new insurance contracts, and insurance contracts valued according to the simplified model.*

## 4. MANAGEMENT OF INSURANCE RISKS

The Group carries out its insurance activities through the distribution and reinsurance acceptance of a wide range of life insurance, protection and health insurance, and non-life insurance policies. Since the life insurance business is predominant on the French market in the Group's insurance activities, the market risks of financial assets in terms of technical liabilities constitute the most significant exposure. Within market risks, the insurance business line is sensitive to shocks in interest rates, equity markets and credit spreads. In connection with the life insurance savings activity, a risk of withdrawals is also significant.

Managing these risks is key to the Insurance business line's activity. It is carried out by qualified and experienced teams, with major bespoke IT resources. Risks undergo regular monitoring and are reported to the General Management of both the entities concerned and the business lines.

Risk management techniques are based on the following:

heightened security for the risk acceptance process, with the aim of guaranteeing that the price schedule matches the policyholder's risk profile and the guarantees provided;

regular monitoring of indicators on product claims rates in order to adjust certain product parameters, such as pricing or the level of guarantee, if necessary;

implementation of a reinsurance plan to protect the business line from major/serial claims;

application of policies on risk, provisioning and reinsurance.

Management of risks linked to the financial markets and to ALM is an integral part of the investment strategy just like objectives on long-term performance. The optimisation of these two factors is highly influenced by the asset/liability balance. Liability commitments (guarantees offered to customers, maturity of policies), as well as the amounts booked under the major items on the balance sheet (shareholders' equity, income, provisions, reserves, etc.) are analysed by the Finance and Risk Department of the insurance business line.

Risk management related to financial markets (interest rates, credit and shares) and to ALM is based on the following:

monitoring short- and long-term cash flows (match between the term of a liability and the term of an asset, liquidity risk management);

particular monitoring of policyholder behaviour (redemption);

close monitoring of financial markets;

hedging of exchange rate risks (both rising and falling);

defining thresholds and limits per counterparty, per rating issuer and per category of assets;

stress tests, the results of which are presented annually at entities' Board of Directors' meetings, as part of the ORSA report (Own Risk and Solvency Assessment), transferred to the ACPR after approval by the Board;

application of policies related to ALM and investment risks.

# NOTE 4.4 - OTHER ASSETS AND LIABILITIES

## 1. OTHER ASSETS

Table 4.4.A

| *(In EUR m)* | **30.06.2023** | **31.12.2022 R** |
|---|---|---|
| Guarantee deposits paid [(1)] | 52,440 | 67,768 |
| Settlement accounts on securities transactions | 5,571 | 3,895 |
| *o/w due from clearing houses bearing credit risk* | *299* | *262* |
| Prepaid expenses | 1,856 | 1,387 |
| Miscellaneous receivables [(2)] | 14,360 | 9,684 |
| *o/w miscellaneous receivables bearing credit risk [(3)]* | *6,409* | *4,208* |
| **Gross amount** | **74,227** | **82,734** |
| Impairments | (435) | (419) |
| *Credit risk [(3)]* | *(299)* | *(295)* |
| *Other risks* | *(136)* | *(124)* |
| **Net amount** | **73,792** | **82,315** |

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

*(2) Miscellaneous receivables primarily include trade receivables, fee income and income from other activities to be received. The operating leases receivables equal to EUR 1,973 million as at 30 June 2023, compared to EUR 1,258 million as at 31 December 2022.*

*(3) Net value of miscellaneous receivables bearing credit risk amounts to EUR 6,110 million as at 30 June 2023, compared to EUR 3,913 million as at 31 December 2022 (see Note 3.8).*

## 2. OTHER LIABILITIES

Table 4.4.B

| *(In EUR m)* | **30.06.2023** | **31.12.2022 R** |
|---|---|---|
| Guarantee deposits received [(1)] | 56,534 | 74,306 |
| Settlement accounts on securities transactions | 5,350 | 4,759 |
| Expenses payable on employee benefits | 2,210 | 2,610 |
| Lease liability | 2,214 | 2,104 |
| Deferred income | 1,725 | 1,297 |
| Miscellaneous payables [(2)] | 25,388 | 22,239 |
| **Total** | **93,421** | **107,315** |

*(1) Mainly relates to guarantee deposits received on financial instruments, their fair value is assumed to be the same as their book value.*

*(2) Miscellaneous payables primarily include trade payables, fee expense and expense from other activities to be paid.*

# NOTE 5 - OTHER GENERAL OPERATING EXPENSES

Table 5.A

| *(In EUR m)* | | 1st semester of 2023 | 31.12.2022 R | 1st semester of 2022 R |
|---|---|---|---|---|
| Personnel expenses [1] | Note 5.1 | (5,275) | (10,052) | (5,112) |
| Other operating expenses [1] | Note 5.2 | (3,758) | (7,009) | (3,904) |
| Other general operating expenses attributable to the insurance contracts [2] | | 365 | 636 | 330 |
| **Total** | | **(8,668)** | **(16,425)** | **(8,686)** |

*(1) The amount of Personnel expenses and Other administrative expenses detailed in Note 5.1 and Note 5.2 are presented in the income statement before reallocation in the Net Banking Income of the expenses attributable to insurance contracts.*

*(2) Part of the general operating expenses attributable to insurance contracts is recognised during the period as service expenses relating to the insurance and reinsurance contracts issued; another part is deferred in the balance sheet as acquisition expenses and will be recognised subsequently as service expenses relating to insurance contracts.*

# NOTE 5.1 - PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

## NOTE 5.1.1 - PERSONNEL EXPENSES

Table 5.1.1.A

| *(In EUR m)* | 1st semester of 2023 | 2022 | 1st semester of 2022 |
|---|---|---|---|
| Employee compensation | (3,745) | (7,244) | (3,646) |
| Social security charges and payroll taxes | (888) | (1,655) | (862) |
| Net pension expenses - defined contribution plans | (381) | (709) | (342) |
| Net pension expenses - defined benefit plans | (35) | (61) | (35) |
| Employee profit-sharing and incentives | (226) | (383) | (227) |
| **Total** | **(5,275)** | **(10,052)** | **(5,112)** |
| *Including net expenses from share - based payments* | *(117)* | *(196)* | *(84)* |

## NOTE 5.1.2 - EMPLOYEE BENEFITS

### DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

Table 5.1.2.A

| *(In EUR m)* | **Provisions as at 31.12.2022** | Allocations | Write-backs available | **Net allocation** | **Write-backs used** | **Actuarial gains and losses** | **Currency and scope effects** | **Provisions as at 30.06.2023** |
|---|---|---|---|---|---|---|---|---|
| Post-employment benefits | **1,171** | 44 | (9) | **35** | **(44)** | **19** | **7** | **1,188** |
| Other long-term benefits | **604** | 90 | (47) | **43** | **(43)** | **-** | **(11)** | **593** |
| Termination benefits (1) | **227** | 71 | (19) | **52** | **(36)** | **(17)** | **36** | **262** |
| **Total (2)** | **2,002** | 205 | (75) | **130** | **(123)** | **2** | **32** | **2,043** |

*(1) Termination benefits include mainly the expenses the cost of voluntary redundancy related to the New French Retail Banking organisation project presented by the Group in the fourth quarter of 2021, which led to the legal merger of Crédit du Nord and Societe Generale on 1 January 2023. The accounting treatment of the expenses for these measures has been assimilated to the post-employment benefits.*

*(2) The Group has taken into account the effects of the Law of 14 April 2023 on the amending financing of social security in the assessment of its employees' pension commitments (impact of EUR 13 million under Other general operating expenses).*

## NOTE 5.1.3 - SHARE-BASED PAYMENT PLANS

### 2023 SOCIETE GENERALE FREE PERFORMANCE SHARES PLAN

The table below presents the 2023 free share allocation plan that does not concern the shares allocated to regulated population, under the article L.511-71 of the monetary and financial Code, whose remuneration is deferred, and the Chiefs Executive Officers and Management Committee members of Societe Generale.

| | |
|---|---|
| Date of shareholders' agreement | 17.05.2022 |
| Date of Board of Directors' decision | 08.03.2023 |
| Number of free shares granted | 1,293,652 |
| Number of free shares outstanding at 30.06.2023 | 1,293,652 |
| Vesting period | 08.03.2023 - 31.03.2026 |
| Performance conditions (1) | Yes |
| Fair value (% of the share price as at grant date) | 88.30% |
| Method of valuation | Arbitrage |

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

# NOTE 5.2 - OTHER OPERATING EXPENSES

Table 5.2.A

| *(In EUR m)* | 1st semester of 2023 | 2022 | 1st semester of 2022 |
|---|---|---|---|
| Rentals | (192) | (348) | (158) |
| Taxes and levies | (964) | (1,359) | (1,265) |
| Data & telecom (excluding rentals) | (1,265) | (2,574) | (1,234) |
| Consulting fees | (602) | (1,351) | (628) |
| Other | (735) | (1,377) | (619) |
| **Total** | **(3,758)** | **(7,009)** | **(3,904)** |

### CONTRIBUTION TO BANK RESOLUTION MECHANISMS

The European regulatory framework designed to enhance financial stability was updated by the Directive 2014/59/UE of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (Bank Recovery and Resolution Directive).

The European Regulation UE n°806/2014 of 15 July 2014 then determined the financing means of resolution mechanisms within the European Banking Union through the establishment of a Single Resolution Fund (SRF). In addition to this instrument, the National Resolution Fund (NRF) exists for institutions subject to this resolution mechanisms, but that have no SRF.

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

In 2023, the Group's contributions to the SRF and the FRNs were made:

for 77.5%, in the form of a cash contribution amounting to EUR 658 million (compared to EUR 863 million in 2022) of which 603 million under the SRF and 55 million under the FRN, not tax-deductible in France and recognised in the income statement under Other administrative expenses on the ‘Taxes and duties and other contributions’ line;

for 22.5%, in the form of an irrevocable payment commitment secured by the payment of a cash guarantee deposit for an amount of EUR 175 million under the SRF (compared to EUR 142 million in 2022) recognised as an asset in the balance sheet under Other assets.

# NOTE 6 - INCOME TAX

## 1. BREAKDOWN OF THE TAX EXPENSES

Table 6.A

| *(In EUR m)* | 1st semester of 2023 | 2022 R | 1st semester of 2022 R |
|---|---|---|---|
| Current taxes | (743) | (1,274) | (669) |
| Deferred taxes | (10) | (209) | 9 |
| **Total** | **(753)** | **(1,483)** | **(660)** |

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

Table 6.B

| | 1st semester of 2023 | | 2022 R | | 1st semester of 2022 R | |
|---|---|---|---|---|---|---|
| | % | EUR m | % | EUR m | % | EUR m |
| **Income before tax, excluding net income from companies accounted for using the equity method and impairment losses on goodwill** | | **3,014** | | **4,224** | | **420** |
| **Group effective tax rate** | **24.98%** | | **35.11%** | | **156.99%** | |
| Permanent differences | -0.04% | (2) | 0.92% | 39 | -2.92% | (12) |
| Differential on securities with tax exemption or taxed at reduced [(1)] | -0.33% | (10) | -14.04% | (593) | -140.96% | (592) |
| Tax rate differential on profits taxed outside France | 1.21% | 36 | 2.56% | 108 | 12.79% | 54 |
| Changes in the measurement of deferred tax assets / liabilities | 0.01% | 0 | 1.28% | 54 | -0.07% | 0 |
| Normal tax rate applicable to French companies (including 3.3% national contribution) | 25.83% | | 25.83% | | 25.83% | |

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

In compliance with the French tax provisions that define the ordinary corporate tax rate, the latter has been set at 25% (article 219 of the French tax code), plus the existing national contribution (CSB) of 3.3%, which lead to a tax rate of 25.83%.

Long-term capital gains on affiliates are exempt from this corporate tax, except for a 12% fee on the gross amount.

Furthermore, under the parent-subsidiary regime, dividends from companies in which Societe Generale's equity interest is at least 5% are tax exempt, subject to taxation of a portion of fees and expenses of 1% or 5% at the full statutory tax rate.

## 2. TAX ASSETS AND LIABILITIES

### TAX ASSETS

Table 6.C

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Current tax assets | 654 | 819 |
| Deferred tax assets | 3,731 | 3,665 |
| *o/w deferred tax assets on tax loss carry-forwards* | *1,894* | *1,662* |
| *o/w deferred tax assets on temporary differences* | *1,837* | *2,003* |
| **Total** | **4,385** | **4,484** |

### TAX LIABILITIES

Table 6.D

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Current tax liabilities | 850 | 735 |
| Provisions for tax adjustments | 69 | 72 |
| Deferred tax liabilities | 1,437 | 838 |
| **Total** | **2,356** | **1,645** |

The Group performs an annual review of its capacity to use tax loss carry-forwards, taking into account the tax system applicable to each tax entity (or tax group) concerned and a realistic forecast of its tax results. For this purpose, the tax results are determined based on the projected performance of the businesses. This performance corresponds to the estimated budget (scenario SG Central) over four years (from 2023 to 2026), extrapolated to 2027, which corresponds to a “normative” year.

The tax results also take into consideration the accounting and tax adjustments (including the reversal of the deferred tax assets and liabilities bases on temporary differences) applicable to the entities and jurisdictions concerned. These adjustments are determined on the basis of historical tax results and on the Group's tax expertise. An extrapolation of the tax results is performed from 2027 on and over a timeframe considered reasonable and depending on the nature of the activities carried out within each tax entity.

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

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

#### PILLAR II: TAX REFORM – GLOBAL MINIMUM CORPORATE TAX RATE

In October 2021, 137 of the 140 jurisdictions members of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework on Base Erosion and Profit Shifting (BEPS) committed to the principle of establishing a global minimum corporate tax rate of 15% on the profit. This set of measures would be applied Country-by-Country to multinational enterprises earnings with revenue exceeding EUR 750 million.

A set of rules referred to as "Pillar 2" was published by the OECD on 20 December 2021, followed by the publication of a draft European directive on 22 December 2021 regarding their implementation within the European Union. Following the unanimous agreement of the Member States, this Directive was formally adopted and published in the Official Journal of the European Union on 22 December 2022. The rules are to be implemented through the tax systems of the 27 Member States before 31 December 2023 for application to the fiscal years opened from 1 January 2024 on. The transposition of the Directive into French law is expected with the publication of the draft Finance Bill for 2024.

In accordance with the requirements introduced by the amendments to IAS 12 (see Note 1), the Group will apply the exception to the recognition of deferred taxes associated with income taxes arising from Pillar 2 rules upon its adoption by the European Union.

Pending this adoption and in the absence of specific normative requirements in IAS 12, the Group has estimated as appropriate to not recognise deferred taxes under Pillar 2 rules when these rules have been adopted in a jurisdiction, which will be the case in South Korea as of 1 January 2024 and in Japan as of 1 April 2024.

A project structure has been set up at Group level in order to perform the analysis of the requirements in the EU Minimum Tax Directive, to conduct a study of the impacts for the Group and take the necessary measures to ensure compliance with it when it comes into force.

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

As at 30 June 2023, based on the tax system of each entity and a realistic projection of their tax income, the projected period for deferred tax assets recovery is indicated in the table below:

Table 6.E

| *(In EUR m)* | 30.06.2023 | Statutory time limit on carryforwards | Expected recovery period |
|---|---|---|---|
| **Total deferred tax assets relating to tax loss carry-forwards** | **1,894** | **-** | **-** |
| *o/w French tax group* | *1,608* | *Unlimited (1)* | *7 years* |
| *o/w US tax group* | *99* | *20 years (2)* | *7 years* |
| *Others* | *187* | *-* | *-* |

*(1) In accordance with the 2013 French Finance Act, the deduction of previous losses is limited to EUR 1 million plus 50% of the fraction of the taxable income for the fiscal year exceeding this limit. The non-deductible portion of losses may be carried forward to the following fiscal years with no time limit and under the same conditions.*

*(2) Tax losses generated before 31 December 2011.*

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

Table 6.F

| *(In EUR m)* | **30.06.2023** | **31.12.2022** |
|---|---|---|
| French tax group | 520 | 520 |
| US tax groups | 272 | 277 |
| SG Singapore | 79 | 82 |
| SG de Banques en Guinée Equatoriale [(1)] | 36 | 36 |
| SG Kleinwort Hambros Limited | 31 | 29 |

*(1) Including EUR 10 million of tax carry forward and EUR 26 million temporary differences as at 30 June 2023 and at 31 December 2022.*

Others deferred tax relating to tax loss carry-forwards not recognised as assets in the balance sheet amounts to EUR 63 million as at 30 June 2023.

# NOTE 7 - SHAREHOLDERS' EQUITY

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

### 1. ORDINARY SHARES AND CAPITAL RESERVES

Table 7.1.A

| *(In EUR m)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Issued capital | 1,010 | 1,062 |
| Issuing premiums and capital reserves | 20,586 | 21,377 |
| Elimination of treasury stock | (329) | (1,191) |
| **Total** | **21,267** | **21,248** |

#### ORDINARY SHARES ISSUED BY SOCIETE GENERALE S.A.

Table 7.1.B

| *(Number of shares)* | 30.06.2023 | 31.12.2022 R |
|---|---|---|
| Ordinary shares | 808,208,965 | 849,883,778 |
| *Including treasury stock with voting rights* (1) | *6,737,574* | *48,737,016* |
| *Including shares held by employees* | *82,338,108* | *79,097,967* |

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

As at 31 December 2022, 41,674,813 Societe Generale shares were acquired on the market at a cost price of EUR 914 million, for the purpose of cancellation, in accordance with the decision of the General Meeting of 17 May 2022. The capital reduction by cancellation of securities was carried out on 1 February 2023.

As at 30 June 2023, Societe Generale S.A.'s fully paid up capital amounted to EUR 1,010,261,206.25 and was made up of 808,208,965 shares with a nominal value of EUR 1.25.

As at 23 May 2023, as part of the Group's employee share ownership policy (see Note 5), Societe Generale offered its employees the opportunity to subscribe to a reserved capital increase. 12,548,674 shares were subscribed. The capital increase was carried out on 24 July 2023.

## 2. TREASURY STOCK

As at 30 June 2023, the Group held 8,330,460 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 1.03% of the capital of Societe Generale S.A.

The amount deducted by the Group from its equity for treasury shares (and related derivatives) came to EUR 329 million, including EUR 135 million in shares held for trading activities.

The change in treasury stock over 2023 breaks down as follows:

Table 7.1.C

| *(In EUR m)* | **Liquidity contract** | **Trading activities** | **Treasury stock and active management of shareholders' equity** | **Total** |
|---|---|---|---|---|
| Disposals net of purchases | - | (68) | 930 | **862** |
| Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity | - | (4) | (52) | **(56)** |

## 3. SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

As at 30 June 2023, the amount of equity instruments issued by the Group is EUR 10,136 million. The EUR 1,000 million increase in the first half of 2023 can be explained by the issuance of a perpetual deeply subordinated note in EUR.

The amount of other equity instruments issued by the Group's subsidiaries and recognised under Non-controlling interests totalled EUR 1,300 million including EUR 500 million issued by LeasePlan.

## 4. EFFECT OF THE CHANGES IN THE SCOPE OF CONSOLIDATION

The impact of changes in the consolidation scope recognised in shareholders' equity (EUR -20 million in Group share and EUR 3,533 million in Non-controlling interests) is mainly explained by the acquisition of LeasePlan (see Note 2.1) with:

- the decrease in the ownership interest in ALD from 75.94% to 52.59% with EUR -4 million in Group share and EUR 3,303 million in Non-controlling interests;
- an impact of EUR 513 million on the Non-controlling interests linked to other equity instruments issued by LeasePlan.

# NOTE 7.2 - EARNINGS PER SHARE AND DIVIDENDS

## 1. EARNINGS PER SHARE

Table 7.2.A

| *(In EUR m)* | 1st semester of 2023 | 2022 R | 1st semester of 2022 R |
|---|---|---|---|
| Net income, Group share | 1,768 | 1,825 | (690) |
| Attributable remuneration to subordinated and deeply subordinated notes | (377) | (587) | (278) |
| Issuance fees related to subordinated and deeply subordinated notes | (1) | (9) | - |
| **Net income attributable to ordinary shareholders** | **1,390** | **1,229** | **(968)** |
| Weighted average number of ordinary shares outstanding [1] | 801,363,017 | 822,437,425 | 831,083,824 |
| **Earnings per ordinary share *(in EUR)*** | **1.73** | **1.50** | **(1.17)** |
| Average number of ordinary shares used in the dilution calculation | - | - | - |
| Weighted average number of ordinary shares used in the calculation of diluted net earnings per share | 801,363,017 | 822,437,425 | 831,083,824 |
| **Diluted earnings per ordinary share *(in EUR)*** | **1.73** | **1.50** | **(1.17)** |

*(1) Excluding treasury shares.*

## 2. DIVIDENDS PAID

Dividends paid by the Group for the first half of 2023 amounted to EUR 1,796 million and are detailed in the following table:

Table 7.2.B

| | 1st semester of 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| *(In EUR m)* | **Group Share** | **Non-controlling interests** | **Total** | **Group Share** | **Non-controlling interests** | **Total** |
| Paid in shares | - | - | - | - | - | - |
| Paid in cash | (1,362) | (434) | (1,796) | (1,371) | (754) | (2,125) |
| **Total** | **(1,362)** | **(434)** | **(1,796)** | **(1,371)** | **(754)** | **(2,125)** |

# NOTE 8 - ADDITIONAL DISCLOSURES

## NOTE 8.1 - SEGMENT REPORTING

Segment income takes intra-group transactions into account, while these transactions are eliminated from segment assets and liabilities.

Table 8.1.A

| | 1st Semester of 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | International Retail Banking and Financial Services | | | | Global Banking and Investor Solutions | | | | |
| *(In EUR m)* | French Retail Banking | International Retail Banking | Financial Services | Insurance | Total | Global Markets and Investors Services | Financing and advisory | Total | Corporate Centre [1] | Total Societe Generale group |
| Net banking income | 3,850 | 2,530 | 1,717 | 328 | 4,575 | 3,452 | 1,681 | 5,133 | (600) | 12,958 |
| Operating expenses [2] | (3,101) | (1,417) | (804) | (60) | (2,281) | (2,559) | (1,089) | (3,648) | (468) | (9,498) |
| **Gross operating income** | **749** | **1,113** | **913** | **268** | **2,294** | **893** | **592** | **1,485** | **(1,068)** | **3,460** |
| Cost of risk | (198) | (150) | (24) | - | (174) | 15 | 7 | 22 | 2 | (348) |
| **Operating income** | **551** | **963** | **889** | **268** | **2,120** | **908** | **599** | **1,507** | **(1,066)** | **3,112** |
| Net income from investments accounted for using the equity method | 4 | 2 | 1 | - | 3 | 4 | - | 4 | 1 | 12 |
| Net gains or losses on other assets | 3 | (1) | - | - | (1) | - | - | - | (100) | (98) |
| Value adjustments on goodwill | - | - | - | - | - | - | - | - | - | - |
| **Earnings before tax** | **558** | **964** | **890** | **268** | **2,122** | **912** | **599** | **1,511** | **(1,165)** | **3,026** |
| Income tax | (143) | (247) | (219) | (70) | (536) | (215) | (75) | (290) | 216 | (753) |
| **Consolidated Net Income** | **415** | **717** | **671** | **198** | **1,586** | **697** | **524** | **1,221** | **(949)** | **2,273** |
| Non-controlling interests | - | 240 | 193 | 2 | 435 | 18 | - | 18 | 52 | 505 |
| **Net income, Group Share** | **415** | **477** | **478** | **196** | **1,151** | **679** | **524** | **1,203** | **(1,001)** | **1,768** |
| **Segment assets** | **270,937** | **134,086** | **82,179** | **163,704** | **379,969** | **666,520** | **168,468** | **834,988** | **92,536** | **1,578,430** |
| **Segment liabilities** [3] | **292,447** | **95,522** | **45,665** | **148,201** | **289,388** | **703,253** | **70,490** | **773,743** | **144,868** | **1,500,446** |

Table 8.1.B

| | 2022 R | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | International Retail Banking and Financial Services | | | | Global Banking and Investor Solutions | | | | |
| (In EUR m) | **French Retail Banking** * | International Retail Banking | Financial Services | Insurance * | Total * | Global Markets and Investors Services * | Financing and advisory * | Total | **Corporate Centre** [1] | **Total Societe Generale group** |
| Net banking income | 8,684 | 5,138 | 2,969 | 510 | 8,617 | 6,708 | 3,374 | 10,082 | (228) | 27,155 |
| Operating expenses [2] | (6,380) | (2,783) | (1,147) | (102) | (4,032) | (4,708) | (1,926) | (6,634) | (948) | (17,994) |
| **Gross operating income** | **2,304** | **2,355** | **1,822** | **408** | **4,585** | **2,000** | **1,448** | **3,448** | **(1,176)** | **9,161** |
| Cost of risk | (483) | (637) | (68) | - | (705) | 5 | (426) | (421) | (38) | (1,647) |
| **Operating income** | **1,821** | **1,718** | **1,754** | **408** | **3,880** | **2,005** | **1,022** | **3,027** | **(1,214)** | **7,514** |
| Net income from investments accounted for using the equity method | 8 | 1 | - | - | 1 | 6 | - | 6 | - | 15 |
| Net gains or losses on other assets [4] | 57 | 11 | - | - | 11 | 3 | 3 | 6 | (3,364) | (3,290) |
| Value adjustments on goodwill | - | - | - | - | - | - | - | - | - | - |
| **Earnings before tax** | **1,886** | **1,730** | **1,754** | **408** | **3,892** | **2,014** | **1,025** | **3,039** | **(4,578)** | **4,239** |
| Income tax | (487) | (439) | (397) | (106) | (942) | (457) | (119) | (576) | 522 | (1,483) |
| **Consolidated Net Income** | **1,399** | **1,291** | **1,357** | **302** | **2,950** | **1,557** | **906** | **2,463** | **(4,056)** | **2,756** |
| Non-controlling interests | (1) | 452 | 271 | 2 | 725 | 35 | 1 | 36 | 171 | 931 |
| **Net income, Group Share** | **1,400** | **839** | **1,086** | **300** | **2,225** | **1,522** | **905** | **2,427** | **(4,227)** | **1,825** |
| **Segment assets** | **300,473** | **124,734** | **45,698** | **160,817** | **331,249** | **591,685** | **172,360** | **764,045** | **89,133** | **1,484,900** |
| **Segment liabilities** [3] | **308,606** | **89,694** | **15,447** | **146,586** | **251,727** | **637,899** | **72,072** | **709,971** | **141,270** | **1,411,574** |

Table 8.1.C

| (In EUR m) | French Retail Banking* | International Retail Banking and Financial Services | | | | Global Banking and Investor Solutions | | | Corporate Centre (1) | Total Societe générale group |
|---|---|---|---|---|---|---|---|---|---|---|
| **1st Semester of 2022 R** | | | | | | | | | | |
| | | Inter-national Retail Banking | Financial Services | Insurance * | Total * | Global Markets and Investors Services * | Financing and advisory * | Total | | |
| Net banking income | 4,393 | 2,603 | 1,418 | 277 | 4,298 | 3,707 | 1,611 | 5,318 | (65) | 13,944 |
| Operating expenses (2) | (3,182) | (1,473) | (538) | (54) | (2,065) | (2,694) | (1,043) | (3,737) | (472) | (9,456) |
| **Gross operating income** | **1,211** | **1,130** | **880** | **223** | **2,233** | **1,013** | **568** | **1,581** | **(537)** | **4,488** |
| Cost of risk | (68) | (396) | (26) | - | (422) | 3 | (266) | (263) | (25) | (778) |
| **Operating income** | **1,143** | **734** | **854** | **223** | **1,811** | **1,016** | **302** | **1,318** | **(562)** | **3,710** |
| Net income from investments accounted for using the equity method | 2 | (1) | - | - | (1) | 3 | - | 3 | - | 4 |
| Net gains or losses on other assets (4) | 3 | 10 | - | - | 10 | - | - | - | (3,303) | (3,290) |
| Value adjustments on goodwill | - | - | - | - | - | - | - | - | - | - |
| **Earnings before tax** | **1,148** | **743** | **854** | **223** | **1,820** | **1,019** | **302** | **1,321** | **(3,865)** | **424** |
| Income tax | (298) | (193) | (193) | (57) | (443) | (233) | (22) | (255) | 336 | (660) |
| **Consolidated Net Income** | **850** | **550** | **661** | **166** | **1,377** | **786** | **280** | **1,066** | **(3,529)** | **(236)** |
| Non-controlling interests | (1) | 204 | 126 | - | 330 | 22 | - | 22 | 103 | 454 |
| **Net income, Group Share** | **851** | **346** | **535** | **166** | **1,047** | **764** | **280** | **1,044** | **(3,632)** | **(690)** |
| **Segment assets** | **303,865** | **128,611** | **43,153** | **165,458** | **337,222** | **555,183** | **170,441** | **725,624** | **171,343** | **1,538,054** |
| **Segment liabilities (3)** | **312,860** | **92,326** | **14,913** | **153,191** | **260,430** | **695,902** | **70,160** | **766,062** | **128,127** | **1,467,479** |

**Following the steering changes at the beginning of 2023, the 2022 data have been restated to reflect the new organisation.*

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

*Management fees incurred by banking entities in connection with the distribution of insurance contracts are considered as costs directly related to the performance of the contracts and are therefore included in the valuation of the latter and presented under Insurance services expense (see Note1); this restatement is allocated to the Corporate Centre.*

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

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

*(4)The Net gains or losses on other assets item for the first semester of 2022 includes the impacts of the sale of Rosbank and insurance subsidiaries in Russia.*

## NOTE 8.2 - PROVISIONS

**OVERVIEW**

Table 8.2.A

| *(In EUR m)* | **Provisions as at 31.12.2022** | Allocations | Write-backs available | **Net allocation** | **Write-backs used** | **Currency and others** | **Provisions as at 30.06.2023** |
|---|---|---|---|---|---|---|---|
| Provisions for credit of risk on off balance sheet commitments (see Note 3.8) | **898** | 348 | (366) | **(18)** | **-** | **(2)** | **878** |
| Provisions for employee benefits (see Note 5.1) | **2,002** | 205 | (75) | **130** | **(123)** | **34** | **2,043** |
| Provisions for mortgage savings plans and accounts commitments | **125** | 35 | (30) | **5** | **0** | **-** | **130** |
| Other provisions [(1)] | **1,554** | 414 | (260) | **154** | **(153)** | **(29)** | **1,526** |
| **Total** | **4,579** | **1,002** | **(731)** | **271** | **(276)** | **3** | **4,577** |

*(1) Including provisions for legal disputes, fines, penalties and commercial disputes.*

Other provisions include provisions for restructuring, provisions for commercial litigation and provisions for future repayment of funds in connection with customer financing transactions.

Each quarter the Group carries out a detailed examination of the outstanding disputes which present a significant risk. The description of those disputes is provided in Note 9 "Information on risks and litigation".

# NOTE 8.3 - TANGIBLE AND INTANGIBLE FIXED ASSETS

### CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS

Table 8.3.A

| *(In EUR m)* | 31.12.2022 R | Increases / allowances | Disposals / reversals | Revaluation | Other movements | 30.06.2023 |
|---|---|---|---|---|---|---|
| **Intangible Assets** | **2,874** | **106** | **(39)** | | **402** | **3,343** |
| *of which gross value* | *8,935* | *459* | *(80)* | | *585* | *9,899* |
| *of which amortisation and impairments* | *(6,061)* | *(353)* | *41* | | *(183)* | *(6,556)* |
| **Tangible Assets (w/o assets under operating leases)** | **4,289** | **8** | **(38)** | | **23** | **4,282** |
| *of which gross value* | *11,031* | *275* | *(169)* | | *107* | *11,244* |
| *of which amortisation and impairments* | *(6,742)* | *(267)* | *131* | | *(84)* | *(6,962)* |
| **Assets under operating leases [(1)]** | **24,071** | **7,230** | **(4,903)** | | **20,699** | **47,097** |
| *of which gross value* | *32,933* | *9,406* | *(7,078)* | | *28,179* | *63,440* |
| *of which amortisation and impairments* | *(8,862)* | *(2,176)* | *2,175* | | *(7,480)* | *(16,343)* |
| **Investment Property (except insurance activities)** | **11** | **-** | **-** | | **2** | **13** |
| *of which gross value* | *30* | *-* | *-* | | *7* | *37* |
| *of which amortisation and impairments* | *(19)* | *-* | *-* | | *(5)* | *(24)* |
| **Investment Property (including insurance activities)** | **877** | **1** | **(1)** | **(1)** | **-** | **876** |
| **Rights-of-use** | **1,836** | **41** | **(87)** | | **134** | **1,924** |
| *of which gross value* | *3,221* | *274* | *(142)* | | *252* | *3,605* |
| *of which amortisation and impairments* | *(1,385)* | *(233)* | *55* | | *(118)* | *(1,681)* |
| **Total** | **33,958** | **7,386** | **(5,068)** | **(1)** | **21,260** | **57,535** |

*(1) The other movements are mainly explained by the acquisition of LeasePlan (cf. Note 2.1).*

# NOTE 9 - INFORMATION ON RISKS AND LITIGATION

Every quarter, the Group reviews in detail the disputes presenting a significant risk. These disputes may lead to the recording of a provision if it becomes probable or certain that the Group will incur an outflow of resources for the benefit of a third party without receiving at least the equivalent value in exchange. These provisions for litigations are classified among the Other provisions included in the Provisions item in the liabilities of the balance-sheet.

No detailed information can be disclosed on either the recording or the amount of a specific provision given that such disclosure would likely seriously prejudice the outcome of the disputes in question.

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

Between 2003 and 2008, Societe Generale set up gold consignment lines with the Turkish group Goldas. In February 2008, Societe Generale was alerted to a risk of fraud and embezzlement of gold stocks held by Goldas. These suspicions were rapidly confirmed following the failure by Goldas to pay or refund gold worth EUR 466.4 million. Societe Generale brought civil proceedings against its insurers and various Goldas Group entities. Goldas launched various proceedings in Turkey and in the UK against Societe Generale. In the action brought by Societe Generale against Goldas in the UK, Goldas applied to have the action of Societe Generale struck-out and applied to the UK court for damages. On 3 April 2017, the UK court granted both applications and will, after an inquiry into damages, rule on the amount due to Goldas, if any. On 15 May 2018, the London Court of Appeal discharged entirely the inquiry into damages granted by the London High Court to Goldas but rejected Societe Generale's arguments relating to service of the claims issued against Goldas, which are therefore time-barred. On 18 December 2018, the Supreme Court refused permission to appeal to both Societe Generale and Goldas, which has therefore become definitive. On 16 February 2017, the Paris Commercial Court dismissed Societe Generale's claims against its insurers. Societe Generale filed an appeal against the Paris Commercial Court's decision. On 1 February 2023, the Paris Court of Appeals confirmed this decision.

In the early 2000s, the French banking industry decided to transition to a new digital system in order to streamline cheque clearing. To support this reform (known as EIC – *Echange d'Images Chèques*), which has contributed to the improvement of cheque payments security and to the fight against fraud, the Banks established several interbank fees (including the CEIC which was abolished in 2007). These fees were implemented under the aegis of the banking sector supervisory authorities, and to the knowledge of the public authorities.

On 20 September 2010, the French competition authority ruled that the joint implementation and the setting of the amount of the CEIC and of two additional fees for related services were in breach of competition law. The authority fined all the participants to the agreement (including the Banque de France) a total of approximately EUR 385 million of penalties. On 2 December 2021, after several years of proceedings and two decisions of the Supreme Court, the Paris Court of Appeal overturned the decision of the French competition authority and ruled that (i) it was not proven that the establishment of the CEIC and the fees for related services on AOCT (cancellation of wrongly cleared transactions) as well as their collection had infringed the provisions of Article L. 420-1 of the French Commercial Code and of Article 101 of the Treaty on the Functioning of the European Union and, (ii) that its decision was giving rise to a right of restitution of the sums paid in execution of the overturned decision, namely approximatively EUR 53.5 million for Societe Generale and approximatively EUR 7 million for Crédit du Nord, together with interests at the legal rate. On 31 December 2021, the French competition authority filed an appeal before the Supreme court against this decision. The Supreme Court dismissed this appeal by a decision of 28 June 2023, putting a definitive end to this litigation.

On 3 January 2023, Societe Generale Private Banking (Switzerland) ("SGPBS") entered into an agreement to settle litigation in the United States stemming from the Ponzi scheme of Robert Allen Stanford and his affiliates. On 21 February 2023, the Receiver and the Official Stanford Investors Committee ("OSIC") filed a motion in US District Court for the Northern District of Texas seeking approval of the settlement. The settlement provides for the payment by SGPBS of USD 157 million in exchange for the release of all claims. During the 7 June 2023 hearing, the Court granted the Receiver's motion to approve the settlement. This order is now subject to various appeals, the schedule for which has not yet been determined. The settlement was fully covered by reserves in the accounts of Societe Generale S.A. following a financial guarantee provided by Societe Generale S.A. to SGPBS. Each of the other defendant banks in this litigation also announced settlements in the first quarter of 2023 with the US Receiver and OSIC resolving their claims. These settlements were reached in advance of a jury trial that had been scheduled to start on 27 February 2023.

In the same matter, a pre-contentious claim (*requête en conciliation*) was initiated in Geneva in November 2022 by the Joint Liquidators of SIBL, appointed by the courts in Antigua, representing the same investors as those represented by the US plaintiffs. SGPBS was served with the statement of claim on 20 June 2023 and will defend itself against the claims in this proceeding.

Notwithstanding the agreements reached in 2018 with the US authorities regarding certain London Interbank Offered Rates and the Euro Interbank Offered Rate ("the IBOR matter") and the dismissal on 30 November 2021 of the legal proceedings brought by the DOJ in this matter (see Chapter 4 of the Universal Registration Document), the Bank continues to defend civil proceedings in the United States (as described below) and has responded to information requests received from other authorities, including the Attorneys General of various States of the United States and the New York Department of Financial Services.

In the United States, Societe Generale, along with other financial institutions, has been named as a defendant in putative class actions involving the setting of US Dollar Libor, Japanese Yen Libor, and Euribor rates and trading in instruments indexed to those rates. Societe Generale has also been named in several individual (non-class) actions concerning the US Dollar Libor rate. All of these actions are pending in the US District Court in Manhattan (the "District Court").

As to US Dollar Libor, all claims against Societe Generale were dismissed by the District Court or voluntarily dismissed by the plaintiffs, except in two putative class actions and one individual action that were effectively stayed. The class plaintiffs and a number of individual plaintiffs appealed the dismissal of their antitrust claims to the United States Court of Appeals for the Second Circuit ("Second Circuit"). On 30 December 2021, the Second Circuit reversed the dismissal and reinstated the antitrust claims. These reinstated claims which have been returned to the District Court include those asserted by a proposed class of over-the-counter (OTC) plaintiffs and by OTC plaintiffs that have filed individual actions. On 21 June 2022, the U.S. Supreme Court denied a petition filed by Societe Generale and other defendants that sought review of the Second Circuit's ruling. Discovery is ongoing. On 19 August 2022, one of the stayed putative class actions was voluntarily dismissed by plaintiffs. On 9 January 2023, the claims against Societe Generale by one of the individual plaintiffs, National Credit Union Administration (as Liquidating Agent for certain credit unions), were voluntarily dismissed with prejudice. On 12 May 2023, Societe Generale and two other financial institutions entered into a settlement agreement to resolve the OTC class action for a combined USD 90 million. Societe Generale's portion of this settlement was fully covered by reserves. The District Court granted preliminary settlement approval on 25 May 2023 and scheduled a hearing to consider final settlement approval for 17 October 2023.

As to Japanese Yen Libor, the District Court dismissed the complaint brought by purchasers of Euroyen over-the-counter derivative products. On 1 April 2020, the Second Circuit reversed the dismissal and reinstated the claims. On 30 September 2021, the District Court dismissed certain plaintiffs and all Racketeer Influenced and Corrupt Organizations Act claims but upheld certain antitrust and state law claims against Societe Generale. Discovery in that action is ongoing. In the other action, brought by purchasers or sellers of Euroyen derivative contracts on the Chicago Mercantile Exchange on 27 September 2019, plaintiff filed a motion for class certification. On 25 September 2020, the District Court granted defendants' motion for judgment on the pleadings and dismissed plaintiff's remaining claims. Plaintiff appealed to the Second Circuit. On 18 October 2022, as amended on 8 December 2022, the Second Circuit affirmed the District Court's dismissal of plaintiff's claims.

As to Euribor, the District Court dismissed all claims against Societe Generale in the putative class action and denied the plaintiffs' motion to file a proposed amended complaint. Plaintiffs have appealed those rulings to the Second Circuit. Societe Generale reached a settlement of this action in an amount covered by reserves. Shortly thereafter, on 21 November 2022, the Second Circuit stayed plaintiffs' appeal as to Societe Generale and remanded that portion of the case to the District Court for consideration of the proposed settlement. On 18 April 2023, the District Court granted preliminary settlement approval and scheduled a hearing to consider final settlement approval for 7 September 2023.

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

Beginning on 15 January 2019, Societe Generale and SG Americas Securities, LLC, along with other financial institutions, were named in three putative antitrust class actions in the US District Court in Manhattan, which were consolidated. Plaintiffs alleged that the USD ICE Libor panel banks conspired to make artificially low submissions to that benchmark in order to profit on their trading in derivatives tied to USD ICE Libor. Plaintiffs were seeking to certify a class comprised of US residents (individuals and entities) that transacted with a defendant in floating rate debt instruments or interest rate swaps tied to USD ICE Libor and received a payment at any time between 1 February 2014 to the present, regardless of when the instrument was purchased. By order dated 26 March 2020, the District Court dismissed the action. Plaintiffs appealed that ruling. On 6 April 2021, the Second Circuit permitted a new proposed class representative to intervene as a plaintiff in the appeal. The original proposed class representatives withdrew from the action. On 14 February 2022, the Second Circuit dismissed the remaining plaintiff's appeal for lack of standing leaving undisturbed the District Court's dismissal. This litigation is now concluded.

Societe Generale, along with several other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with foreign exchange spot and derivatives trading. The action was brought by persons or entities that transacted in certain over-the-counter and exchange-traded foreign exchange instruments. Societe Generale reached a settlement of USD 18 million, which was approved by the Court on 6 August 2018. On 7 November 2018, a group of individual entities that elected to opt out of the settlement filed a lawsuit against Societe Generale, SG Americas Securities, LLC and several other financial institutions. SG Americas Securities, LLC was dismissed by order dated 28 May 2020. On 11 November 2020, Societe Generale was named, along with several other banks, in a UK action alleging collusion in the market for FX instruments. The action was subsequently transferred to the Competition Appeal Tribunal. By orders dated 17 May 2023 and 23 May 2023 respectively, the US and UK actions were dismissed. These actions are now over.

On 10 December 2012, the French Supreme Administrative Court (*Conseil d'Etat*) rendered two decisions confirming that the "*précompte* tax" which used to be levied on corporations in France does not comply with EU law and defined a methodology for the reimbursement of the amounts levied by the tax authorities. However, such methodology considerably reduces the amount to be reimbursed. Societe Generale purchased in 2005 the "*précompte* tax" claims of two companies (Rhodia and Suez, now Engie) with a limited recourse on the selling companies. One of the above decisions of the French Supreme Administrative Court relates to Rhodia. Societe Generale has brought proceedings before the French administrative courts.

Several French companies applied to the European Commission, who considered that the decisions handed down by the *Conseil d'Etat* on 10 December 2012, which was supposed to implement the decision rendered by the Court of Justice of the European Union (CJEU) on 15 September 2011, infringed a number of principles of European law. The European Commission subsequently brought infringement proceedings against the French Republic in November 2014, and since then confirmed its position by referring the matter to the CJEU on 8 December 2016. The CJEU rendered its judgement on 4 October 2018 and sentenced France for failure by the *Conseil d'Etat* to disregard the tax on EU sub-subsidiaries in order to secure the *précompte* paid in error as well as on the absence of any preliminary question. With regard to the practical implementation of the decision, Societe Generale has continued to assert its rights with the competent courts and the tax authorities, which it expects to be treated in accordance with the law. On 23 June 2020, the Administrative Court of Appeal of Versailles issued a ruling in favour of Engie on our 2002 and 2003 Suez claims, followed by an enforcement in our favour. The judgment of Versailles held that the advance payment was not compatible with the Parent-Subsidiary Directive: the *Conseil d'Etat* pointed out that a question should be referred to the CJEU for a preliminary ruling in order to ascertain this. The Court of Luxembourg has confirmed on 12 May 2022 that the *précompte* was incompatible with the Parent-Subsidiary Directive. The *Conseil d'Etat*, by an Engie judgment of 30 June 2023, taking note of this incompatibility, confirmed the provisions of the Versailles judgment for the year 2002, but referred the year 2003 to a more in-depth examination by the Court of Versailles of the declarations of *précompte* produced, in order to validate the amount to be received. At the same time, compensation litigation was brought in March 2023 before the European Commission and the Paris Administrative Court of Appeal for the Rhodia claim and the Suez claims for 1999 to 2001, judged respectively by the *Conseil d'Etat* in 2012 and 2016, before the 2018 and 2022 judgments of the CJEU.

Societe Generale, along with other financial institutions, was named as a defendant in a putative class action alleging violations of US antitrust laws and the CEA in connection with its involvement in the London Gold Market Fixing. The action is brought on behalf of persons or entities that sold physical gold, sold gold futures contracts traded on the CME, sold shares in gold ETFs, sold gold call options traded on CME, bought gold put options traded on CME, sold over-the-counter gold spot or forward contracts or gold call options, or bought over-the-counter gold put options. Societe Generale, along with three other defendants, has reached a settlement to resolve this action for USD 50 million. By order dated 13 January 2022, the Court granted preliminary approval of the settlement. The final fairness hearing was held on 5 August 2022, and the settlement received final approval by order dated 8 August 2022. This matter is now concluded. Although Societe Generale's share of the settlement is not public, it was not material from a financial perspective. Societe Generale, along with other financial institutions, is also named as a defendant in two putative class actions in Canada (in the Ontario Superior Court in Toronto and Quebec Superior Court in Quebec City) involving similar claims. Societe Generale is defending the claims.

Since August 2015, various former and current employees of the Societe Generale Group have been under investigation by German criminal prosecution and tax authorities for their alleged participation in the so called "CumEx" patterns in connection with withholding tax on dividends on German shares. These investigations relate inter alia to a fund administered by SGSS GmbH proprietary trading activities and transactions carried out on behalf of clients. The Group entities respond to the requests of the German authorities.

Societe Generale Group entities may also be exposed to claims by third parties, including German tax offices, and become party to legal disputes initiated by clients involved in proceedings against the German tax administration.

In May 2019, SGAS was named, along with other financial institutions, as a defendant in a putative class action in the US alleging anticompetitive behaviour in the pricing of "agency bonds" issued by US Government Sponsored Enterprises (GSEs), including Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae). On 16 June 2020, SGAS and twelve other bank defendants reached a final settlement with plaintiffs. Although SGAS's share of the settlement is not public, the amount was not material from a financial statement perspective. SGAS was also named in four separate individual opt-out litigations by the following plaintiffs: the State of Louisiana (filed September 2019), the City of Baton Rouge/East Baton Rouge Parish and related entities (October 2019), Louisiana Asset Management Pool (April 2020), and the City of New Orleans and related entities (September 2020). These suits also asserted antitrust claims (and in some cases other related claims) against SGAS and multiple other bank defendants based on these plaintiffs' purchases of GSE bonds. As to the opt-out litigations, a settlement was reached involving all defendants in June 2021, of which SGAS's share was immaterial, and these actions have been dismissed. SGAS also received a subpoena from the US Department of Justice (DOJ) in connection with its US agency bond business. SGAS responded to these requests and is cooperating with the DOJ investigation.

Societe Generale and certain of its subsidiaries are defendants in an action pending in the US Bankruptcy Court in Manhattan brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (BLMIS). The action is similar to those brought by the BLMIS Trustee against numerous institutions and seeks recovery of amounts allegedly received by the Societe Generale entities indirectly from BLMIS through so-called "feeder funds" that were invested in BLMIS and from which the Societe Generale entities received redemptions. The suit alleges that the amounts that the Societe Generale 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 Societe Generale entities. The Societe Generale entities are defending the action. In decisions dated 22 November 2016 and 3 October 2018, the Court rejected most of the claims brought by the BLMIS Trustee. The Trustee appealed to the US Court of Appeals for the Second Circuit. By order dated 25 February 2019, the Second Circuit vacated the judgements and remanded for further proceedings. On 1 June 2020, the United States Supreme Court denied Defendant-Appellees' petition for a writ of certiorari. The case is now before the Bankruptcy Court for further proceedings. The Societe Generale defendants filed a motion to dismiss on 29 April 2022. The motion was denied by order dated 7 October 2022. Discovery is proceeding.

On 10 July 2019, Societe Generale was named as a defendant in a litigation filed in the US District Court in Miami by plaintiffs seeking compensation under the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996 (known as the Helms-Burton Act) stemming from the expropriation by the Cuban government in 1960 of Banco Nunez in which they are alleged to have held an interest. Plaintiff claims damages from Societe Generale under the terms of this statute. Plaintiff filed an amended complaint on 24 September 2019 adding three other banks as defendants and adding several new factual allegations as to Societe Generale. Societe Generale filed a motion to dismiss, which was fully briefed as of 10 January 2020. While the motion to dismiss was pending, plaintiffs filed an unopposed motion on 29 January 2020, to transfer the case to federal court in Manhattan, which the court granted on 30 January 2020. Plaintiffs filed a second amended complaint on 11 September 2020, in which it dropped the three other banks as defendants, added a different bank as an additional defendant, and added as additional plaintiffs who purport to be heirs of the founders of Banco Nunez. The court granted Societe Generale's motion to dismiss on 22 December 2021 but permitted plaintiffs to replead their claims. On 25 February 2022, plaintiffs filed an amended complaint, and on 11 April 2022, Societe Generale filed its motion to dismiss. By order entered 30 March 2023, the court granted Societe Generale's motion to dismiss. Plaintiffs have appealed.

On 9 November 2020, Societe Generale was named as a defendant, together with another bank, in a similar Helms-Burton litigation filed in the US District Court in Manhattan (Pujol I) by the purported heirs of former owners, and personal representatives of estates of heirs or former owners, of Banco Pujol, aCuban bank alleged to have been confiscated by the Cuban government in 1960. On 27 January 2021, Societe Generale filed a motion to dismiss. In response, as permitted by the judge's rules, plaintiffs chose to file an amended complaint and did so on 26 February 2021. Societe Generale filed a motion to dismiss the amended complaint on 19 March 2021, which was granted by the court on 24 November 2021. The court permitted plaintiffs to replead their claims. On 4 February 2022, plaintiffs filed an amended complaint, and on 14 March 2022, Societe Generale filed its motion to dismiss, which was granted by the court on 23 January 2023. Plaintiffs have appealed.

On 16 March 2021, Societe Generale was named as a defendant, together with another bank, in a nearly identical Helms-Burton litigation filed in the US District Court in Manhattan (Pujol II) by the personal representative of one of the purported heirs to Banco Pujol who is also a plaintiff in Pujol I. The case was stayed pending developments in Pujol I. At the parties' request, following dismissal of Pujol I, the court lifted the stay on Pujol II and entered an order dismissing the case for the same reasons it dismissed Pujol I. Plaintiff has appealed.

On 1 June 2021, a shareholder of Societe Generale initiated an action designated by him as a "derivative action" (*action ut singuli*) before the Commercial Court of Paris against the CEO of the Company (*Directeur Général*), Mr. Frédéric Oudéa. Plaintiff is seeking an order that Mr. Oudéa pay to Societe Generale an amount equal to fines paid to the U.S. and French treasuries under the "*convention judiciaire d'intérêt public"* of 24 May 2018 between Societe Generale and the French Financial Public Prosecutor (the "CJIP") and the Deferred Prosecution Agreement of 5 June 2018 between SocieteGenerale and the United States Department of Justice (the "DPA").

Societe Generale voluntarily joined these proceedings at the first procedural hearing in order to seek the dismissal of the claims made by the plaintiff. Thereafter, the plaintiff filed a brief asking the court to dismiss the case with prejudice, and the parties asked the court to put an end to these proceedings. By order dated 15 February 2022, the Commercial Court of Paris therefore took note of the termination of the proceedings. This matter is therefore definitively over.

In the context of the sale of its Polish subsidiary Euro Bank to Bank Millennium on 31 May 2019 and of the indemnity granted to the latter against certain risks, Societe Generale continues to monitor the evolution of court cases related to CHF-denominated or CHF-indexed loans issued by Euro Bank.

Like other financial institutions, Societe Generale is subject to audits by the tax authorities regarding its securities lending/borrowing and equity and index derivatives activities. The 2017, 2018 and 2019 audited years are the subject of notifications of proposals of tax adjustments in respect of the application of a withholding tax. These proposals are contested by the Group. In parallel, given the significance of the matter, on 30 March 2023, the French Banking Federation has brought proceedings against the tax administration's doctrine. In addition, further to raids conducted by the "*parquet national financier"* at the end of March 2023 at the premises of five banks in Paris, among which Societe Generale, the latter has been informed that it was subject to a preliminary investigation pertaining to the same issue. Societe Generale is defending the action.

On 19 August 2022, a Russian fertiliser company, EuroChem North West-2 ("EuroChem"), a wholly owned subsidiary of EuroChem AG, filed a claim against Societe Generale S.A. and its Milan branch ("Societe Generale") before English courts. This claim relates to five on-demand bonds that Societe Generale issued to EuroChem in connection with a construction project in Kingisepp, Russia. On 4 August 2022, EuroChem made demands under the guarantees. Societe Generale explained it was unable to honour the claims due to international sanctions directly impacting the transactions, an assessment which EuroChem disputes. Societe Generale filed its defence submissions on 1 November 2022, to which EuroChem replied on 13 December 2022. A case management conference ("CMC") is expected to take place on 26 September 2023.

SG Americas Securities, LLC ("SGAS") received a request for information in December 2022 from the US Securities and Exchange Commission ("SEC") focused on compliance with record-keeping requirements in connection with business-related communications on messaging platforms that were not approved by the firm. On 28 March 2023, SGAS and Societe Generale received a similar request from the US Commodity Futures Trading Commission ("CFTC"). These inquiries follow a number of regulatory settlements in 2022 with other firms covering similar matters. SGAS has reached a settlement with the SEC, and Societe Generale and SGAS have reached a settlement with the CFTC. As of the date of this update, both settlements were pending formal regulatory approval.

# NOTE 10 - RISK MANAGEMENT LINKED WITH FINANCIAL INSTRUMENTS

Note 10 is solely disclosed in the financial statements for the purpose of updating the exposures of the credit portfolio and the reform of interest rate benchmarks project.

The risks associated with financial instruments and the way in which the Group manages them are presented in chapter 3 of the Universal Registration Document update for the first half of 2023.

## NOTE 10.1 - REFORM OF INTEREST RATE BENCHMARKS

**Presentation of the reform**

The Interest Rate Benchmark Reform (also referred to as “IBOR reform” as IBORs = InterBank Offered Rates), initiated by the Financial Stability Board in 2014, aims at replacing these benchmark rates with alternative rates, in particular the Risk-Free Rates (RFR). This reform accelerated on 5 March 2021, when the British Financial Conduct Authority (FCA), the supervisor of LIBOR, announced the official dates for the cessation and loss of representativeness of the following interest rate benchmarks:

CHF LIBOR and EUR LIBOR (all terms); GBP LIBOR and JPY LIBOR (terms: overnight, 1-week, 2-month and 12-month); USD LIBOR (terms: 1-week and 2-month): the publication of these benchmark settings has permanently ceased as of 1 January 2022;

GBP LIBOR and JPY LIBOR (terms: 1-, 3- and 6-month): these settings have not been contributed by banks since 1 January 2022 and are or have been published in a synthetic form as follows:

JPY LIBOR (terms: 1-, 3- and 6-month): till end December 2022,

GBP LIBOR (terms: 1- and 6-month): till end March 2023,

GBP LIBOR (term: 3-month): till end March 2024;

USD LIBOR (terms: overnight, 1-, 3-, 6- and 12-month): the publication of these benchmark settings as contributed by banks has ceased as of 30 June 2023; since then, they have been published for the 1-, 3- and 6-month terms only, in synthetic form; the use of these synthetic settings is restricted to the run-off management of legacy positions; and their transitional publication will cease on 30 September 2024.

Meanwhile, other USD LIBOR settings ceased end June 2023: USD LIBOR ICE SWAP RATE, MIFOR (India), PHIREF (Philippines), SOR (Singapore) and THBFIX (Thailand).

The publication of the MosPrime rate has also ceased on 30 June 2023.

As regards the major benchmark indices of the euro area:

EURIBOR: the EMMI (*European Money Markets Institute*), administrator of the index, does not contemplate ceasing its publication. EURIBOR will thus be maintained in the coming years;

EONIA: its publication completely ceased on 3 January 2022. The replacement benchmark index recommended by the working group on interest rates in the euro area set up by the European Central Bank is the €STR on which the EONIA has been based since end 2019.

**Impact of the reform on the Societe Generale group**

The Societe Generale group supports these reforms and takes an active part in the working groups set up by the central banks of the currencies concerned, and it maintains active liaison with the relevant supervisory authorities to keep them informed of the progress of the working groups with regard to transition.

The Group has actively prepared for these changes, through a specific transition program set up in the Summer of 2018 and supervised by the Finance division.

For this purpose, the Group has launched active awareness and communication campaigns for its customers, supplemented by a monthly newsletter and a Frequently Asked Questions (FAQ) page on the IBOR transition available to the public on the Societe Generale website. To prepare for the cessation dates announced for LIBOR and other transitioning benchmarks, the public authorities and the working groups set up by the central banks issued recommendations to the banking industry. These recommendations aim at stopping the production of new contracts referencing these indices as well as at migrating the existing contracts referencing said indices to alternative benchmark rates.

To ensure a consistent approach throughout the Societe Generale group, an internal Committee has been formed. Its role is to issue periodical orientations reflecting both the market developments and the recommendations from regulators and their working groups. Several internal guidelines have been issued covering four main themes:

strengthening of the new contracts through the inclusion of fallback clauses and risk warnings;

discontinuation of the production of new transactions referencing discontinued benchmarks (with some exceptions provided for by regulators) and use of alternative solutions;

fair and homogenous treatment of customers through the involvement of the compliance teams in the renegotiations of contracts;

reporting obligation, and restrictions related to the use of certain interest rates as alternatives to LIBOR.

At this stage, all directives are being applied and widely circulated among the Group's staff.

In order to build the capacity to deal on products referencing RFRs or some term RFRs and thus ensure the continuity of its business after the phasing out of IBOR, the Societe Generale group updated its tools and processes in line with the major calculation methods recommended by the relevant working groups or professional associations. Nevertheless, the Group continues monitoring developments in the use of RFRs and other alternative rates in order to implement any new convention and meet its customers' needs.

**Migration of USD LIBOR, USD LIBOR ICE SWAP RATE and other benchmarks (MIFOR, PHIREF, SOR, THBFIX and MosPrime).**

At end June 2023, the Societe Generale group has completed over 99% of its legal migration of the contracts indexed on the benchmarks terminated or not representative anymore at that time. Remainders are mainly contracts still being renegotiated as at 30 June and for which using the synthetic USD LIBOR will allow the renegotiation to be concluded in 2023 or, at the latest, before the cessation date of the synthetic LIBOR.

Depending on the products, the migration took place mostly according to four major modalities:

Loans and credit facilities were subject to individual renegotiations; likewise for the related hedging instruments in order to maintain their effectiveness.

Most derivative products were migrated on the initiative of clearing houses or through activation of their fallback indices clauses (protocol set up by the ISDA and to which the Societe Generale group subscribed in October 2020). Some derivatives products have however been renegotiated bilaterally.

The vast majority of issuances was migrated via the activation of the contractual fallback indices clauses or, by way of exception, following agreement by the shareholders.

For some products (typically current accounts and similar), the migration was implemented through an update of the general terms and conditions.

It is to be noted that, for some types of contracts, the operational migration will take place at the end of the ongoing interest period at 30 June 2023 and, consequently, exposures on pre-June 2023 fixings of USD LIBOR and other indices will still appear beyond 30 June 2023 pending these migrations.

**Risks associated with the reference rate reform**

The risks associated with the interbank benchmark rates were mostly related to the USD LIBOR for the period until June 2023.

The June term for the USD LIBOR, and the existence of a synthetic USD LIBOR until September 2024 involve a significant reduction in the previously identified risks.:

program governance and execution risk, liable to cause delays and loss of opportunities, is monitored as part of the work of regular Committees and arbitration bodies;

legal documentation risk, liable to lead to post-transition litigations, is managed through fallback clauses inserted in the contracts depending on the availability of market standards;

market risk, with the creation of a basis risk between rate curves associated with different indexes: it decreased on the old indices following the migration of transactions and is now related only marginally to positions indexed on the Term SOFR and synthetic USD LIBOR;

operational risks in the execution of the migration of transactions depend in particular on the willingness and preparedness of our counterparties, the volume of transactions to be migrated and their spread over time;

regulatory risk is managed according to the Societe Generale group guidelines in line with the recommendations of the regulators and working groups on the LIBOR transition;

conduct risk, related to the end of LIBOR, is notably managed through:

specific guidelines on the appropriate conduct detailed by business line,

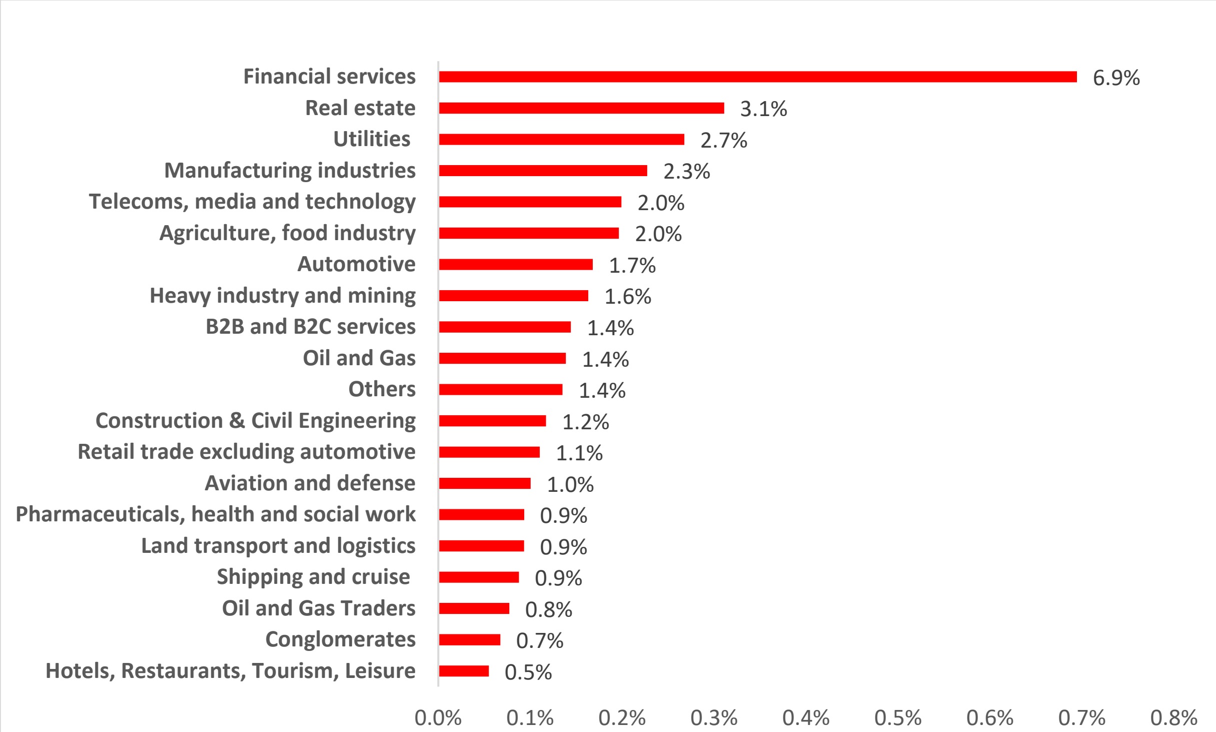
training of the teams,

communications to customers (conferences, events, bilateral discussions in particular with the less informed customers) are organised on the transition-related risks, the alternative solutions that may be implemented, and on how they might be affected.

## NOTE 10.2 - EXPOSURE OF THE CREDIT PORTFOLIO

In this section, the measurement used for credit exposures is the EAD – Exposure at Default (on-and off-balance sheet). Under the Standardised Approach, EAD is calculated net of collateral and provisions.

### SECTOR BREAKDOWN OF "GROUP CORPORATE" EXPOSURE AS AT 30 JUNE 2023 (BASEL PORTFOLIO)




EAD of the Corporate portfolio is presented in accordance with the Basel rules (large corporates, including insurance companies, funds and hedge funds, SMEs, specialised financing, factoring businesses), based on the obligor's characteristics, before taking into account the substitution effect (credit risk scope: debtor, issuer and replacement risk).

As at 30 June 2023, the Corporate portfolio amounted to EUR 398 billion (on- and off-balance sheet exposures measured in EAD). Two sectors account for more than 30% of this portfolio each (Financial services and Real Estate). The Group's exposure to its ten largest Corporate counterparties accounts for 6% of this portfolio.

## 5.2 Statutory Auditors' Review Report on the Half-yearly financial information

**DELOITTE & ASSOCIES**
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92908 Paris-La Défense cedex
S.A.S. au capital de € 2 188 160
572 028 041 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

**Société Générale**
Period from January 1 to June 30, 2023

**Statutory auditors' review report on the half-yearly financial information**

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Société Générale, for the period from January 1 to June 30, 2023;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

**2. Observation**

Notwithstanding the conclusion expressed above, we would like to draw your attention to paragraph 4 of note 1 "Significant accounting principles" and to note 4.3 "Insurance activities" which set out the impact related to the first applications of IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments” by the insurance subsidiaries.

**3. Specific verification**

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, August 4, 2023

The Statutory Auditors

*French original signed by*

| DELOITTE & ASSOCIES | | ERNST & YOUNG et Autres | |
|---|---|---|---|
| Jean-Marc Mickeler | Maud Monin | Micha Missakian | Vincent Roty |

# 6. SHARE, SHARE CAPITAL AND LEGAL INFORMATION

## 6.1 Information on share capital

**Breakdown of capital and voting rights***

| | At 30 June 2023(1) | | | | |
|---|---|---|---|---|---|
| | **Number of shares** | **% of capital** | **Number of voting rights (2)** | **% of voting rights (2)** | **% of voting rights exercisable at AG (2)** |
| Employee shareholding – savings plans(3) | 69,272,422 | 8.57% | 69,272,422 | 7.85% | 7.91% |
| *BlackRock, Inc.* | 58,923,812 | 7.29% | 58,923,812 | 6.68% | 6.73% |
| *The Capital Group Companies, Inc.* | 17,531,431 | 2.17% | 17,531,431 | 1.99% | 2.00% |
| *Amundi* | 32,311,272 | 4.00% | 32,311,272 | 3.66% | 3.69% |
| *Caisse des Dépôts et Consignations* | 19,815,026 | 2.45% | 25,510,746 | 2.89% | 2.91% |
| *BNPP AM* | 24,573,089 | 3.04% | 25,267,967 | 2.86% | 2.88% |
| Float | 579,038,339 | 71.64% | 647,040,069 | 73.31% | 73.88% |
| Share buybacks | 6,743,574 | 0.83% | 6,743,574 | 0.76% | 0.00% |
| **Total** | **808,208,965** | **100%** | **882,601,293** | **100%** | **100%** |
| Calculation base | | 808,208,965 | | 882,601,293 | 875,857,719 |

* including double voting rights (article 14 of by-laws)

(1) At 30 June 2022, the share of European shareholders in the capital is estimated at 43.18%.
(2) In accordance with article 223-11 of the AMF's General Regulations, the calculation of the total voting rights includes voting rights associated with share buybacks and vote at annual General Meetings.
(3) Since January 1, 2021, the voting rights relating to the Société Générale shares included in the FCPE "Société Générale Actionnariat (Fonds E)" are exclusively exercise units forming fractional rights, by the Supervisory Board of this fund

The table above lists the shareholders which have made a legal threshold crossing declaration and those who have recently made a statutory threshold crossing declaration (since 19 May 2020).

**Press release dated 24 July 2023-**
**SUCCESS OF THE 2023 GLOBAL EMPLOYEE SHARE OWNERHIP PROGRAMME**

Societe Generale announces successful completion of its 2023 Global Employee Share Ownership Programme
The capital increase, reserved for current and retired employees under the framework of the Global Employee Share Ownership Programme, has been completed.
Almost 50 000 current and retired employees in 40 countries have subscribed to the transaction. The capital increase amounts to EUR 221.2 million, resulting in the issuance of 12,548,674 new shares.
Following the completion today, the share capital stands at EUR 1,025,947,048.75 euros and comprises 820,757,639 shares with a nominal value of EUR 1.25 per share.
The impact on the CET 1 ratio will be around +6 basis point and will be effective in the capital ratio at the end of Q3 23.

**Voting rights**
As a consequence, on 24 July 2023, the theoretical number of voting rights (gross) was 895,116,675.

## 6.2 Internal rules of the Board of Directors of Societe Generale (amended on 2 August 2023)

Preamble:

The Board of Directors collectively represents all shareholders and acts in the corporate interest of Societe Generale (the "Company"), taking into consideration the social and environmental stakes of its activity. Each director, regardless of the manner in which he/she was appointed, must act in all circumstances in the Company's corporate interest.

Societe Generale applies the AFEP-MEDEF corporate governance code for listed companies.

As a credit institution listed on a regulated market, Societe Generale is subject to the provisions of the regulations, directives and other European texts applicable to the banking and financial sectors, the French Commercial Code, the French Monetary and Financial Code and the recommendations or guidelines of the European Banking Authority (the "EBA") included in national law, the French Prudential Supervisory and Resolution Authority (the "ACPR") and the Autorité des Marchés Financiers (the "AMF").

The purpose of these Internal Rules is to define the Board of Directors' organisation and operating procedures and to specify the rights and obligations of its members (the "Internal Rules").

The Board of Directors ensures that Societe Generale has a solid governance system including, in particular, a clear organisation ensuring a well-defined, transparent and coherent sharing of responsibilities, effective procedures for the detection, management, monitoring and reporting of risks to which the Company is or could be exposed, an adequate internal control system, sound administrative and accounting procedures and compensation policies and practices enabling and promoting sound and effective risk management.

### Article 1 : Powers of the Board of Directors

1.1. The Board of Directors shall deliberate on any issue falling within its legal or regulatory powers and devote sufficient time to perform its tasks.

1.2. The Board of Directors is competent to act in the following (non-exhaustive) areas:

a) Orientations for the Group's activity

General orientations

The Board of Directors determines the orientations for the Group's activity, ensures their implementation by General Management and reviews them at least once a year; these orientations incorporate the values and the Code of Conduct of the Group, which it approves, as well as the main thrusts of the policy adopted with respect to social and environmental responsibility, human resources, information systems and organisation;

Orientations in respect of social and environmental responsibility

Multi-year social and environmental responsibility orientations are decided by the Board of Directors on the basis of a proposition from General Management which is reviewed by the non-voting Director (“*censeur*”). The proposition is previously reviewed: by the Risk Committee in respect of the risk aspects, the Compensation Committee with regard to the compensation aspects pertaining to the Chairman and Chief Executive Officers (“*dirigeants mandataires sociaux*”), and the Nomination and Corporate Governance Committee concerning governance questions (including internal governance of the Group). In addition, the Audit and Internal Control Committee reviews all financial and extra-financial communication documentation relating to social and environmental responsibility before it is submitted to the Board of Directors for approval.

General Management presents to the Board of Directors the manner in which it will implement this strategy, with an action plan and the time frames in which these actions will be rolled out. General Management informs the Board of Directors of the results obtained on an annual basis.

On climate, the strategy comprises a number of precise targets to be achieved over various time frames. The Board of Directors examines each year the results obtained and the opportunity, where appropriate, to adapt the action plan or modify the objectives notably in light of developments in the corporate strategy, technologies, shareholders' expectations and the economic viability of implementing them. This assessment is subject to preparatory work by the non-voting Director and each of the committees that have reviewed the Management Board's proposal on the multi-year strategic orientations in terms of social and environmental responsibility.

b) Strategic transactions

- approves the plans for strategic transactions, in particular acquisitions or disposals, that may have a significant impact on the Group's earnings, its balance-sheet structure or its risk profile.

  This prior approval process concerns:

  - organic growth transactions of a unit amount higher than EUR 250 million and not already approved as part of the annual budget or the strategic plan;
  - external growth transactions of a unit amount higher than EUR 500 million or higher than EUR 250 million if these transactions do not fall within the development priorities approved in the strategic plan;
  - disposal transactions of a unit amount higher than EUR 250 million;
  - partnership transactions with a compensation ("*soulte*") of an amount higher than EUR 250 million;
  - transactions substantially degrading the Group's risk profile.

  The Chairman shall assess, on a case-by-case basis, the appropriateness of a referral to the Board of Directors to deliberate on a transaction that does not fall under the aforementioned circumstances.

  During each Board of Directors' meeting, an update is made on the transactions concluded since the previous meeting, as well as on the main projects in progress and likely to be concluded before the next Board of Directors' meeting.

c) Risk management and control

The Board of Directors:

- approves the overall strategy and the appetite in terms of risks of any kind[1] and controls the implementation, including outsourced activities. To this end, it:

  - approves and regularly reviews the strategies and policies governing the taking, management, monitoring and reduction of the risks to which the Group is or could be exposed;

  - ensures, in particular, the adequacy and effectiveness of the risk management systems;

  - approves, each year, the Group Risk Appetite Statement and the Group Risk Appetite Framework. It approves the overall risk limits;

  - approves the result of the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP);

  - ensures the effectiveness of the corrective measures taken in the event of a failure and implements a specific process organising its information and, where applicable, its referral if risk limits are exceeded or in case of non-compliance with the action plans implemented in accordance with the rules described in the Group Risk Appetite Statement and the Group Risk Appetite Framework;

- approves the business continuity and operational resilience plans;

- adopts the preventive recovery plan communicated to the European Central Bank (ECB) and deliberates on any similar plan requested by another supervisory authority;

[1] The typology of risks is that mentioned in the Group Risk Appetite Statement.

- draws up the elements necessary for the establishment of the resolution plan communicated to the competent supervisory authorities.

- determines the orientations and controls the implementation by the Effective Senior Managers[1] of the oversight systems in order to ensure effective and prudent management of the institution, in particular the separation of functions within the organisation of the Company and the prevention of conflicts of interest;

- has all relevant information on developments in risks of any kind incurred by the Company, including in relation to anti-money laundering and financing of terrorism. To do so, it determines, where applicable, with the assistance of its Committees, the volume, form and frequency of the information submitted to it;

- examines at least twice a year the activity and the results of internal control, in particular compliance control based on the information sent to it for this purpose by the Effective Senior Managers and the Heads of the second-level control and audit functions;

- approves the audit plan, as well as its amendments, after having heard a presentation by the Head of inspection and Audit and the recommendations of the Audit and Internal Control Committee;

- is the recipient of the annual report on internal control and debates it;

- concerning anti-money laundering and terrorism financing (AML-FT), it:
    - regularly reviews the policy, risk classification, systems and procedures, and their effectiveness;
    - is informed, at least once a year, of the activity and results of the internal controls in terms of AML-FT, incidents and shortcomings, as well as the corrective measures taken;
    - approves the annual report on the internal control of AML-FT systems;

- ensures the implementation of a system to prevent and detect corruption and influence peddling. It receives all of the necessary information for this purpose;

- approves the IT strategy;

- approves the information system security policy, including cybersecurity;

- approves outsourcing policies, ensures their implementation and oversees the risks related to outsourced activities;

- approves the Group's investment services policy;

- examines, as necessary, the Group's draft responses to follow-up letters from supervisors;

- is informed of the system put in place concerning "whistleblowers" and developments in the system;

- examines, in accordance with regulations and the Group Risk Appetite Framework and the Group Risk Appetite Statement, compliance incidents and the corresponding action plans;

- approves the annual statement on modern slavery and human trafficking, reiterating key actions taken to prevent them, a statement established under the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018;

- carries out controls and verifications that it deems appropriate based on the Group's internal audit or by drawing on external consultants.

d) Financial statements, financial communication and financial projections

The Board of Directors, after having heard the Statutory Auditors as necessary:

[1] This legal classification of "Effective Senior Managers" is understood only within the meaning of the banking regulations falling within the remit of the ECB and the ACPR. For Societe Generale, on the date of the last update of the Internal Rules, this is the Chief Executive Officer and the Deputy Chief Executive Officers.

- approves and ensures the accuracy and truthfulness of the annual and consolidated annual accounts and the quality of the information provided to the shareholders and the market;
- approves the management report, including the Non-Financial Performance Statement and the due diligence plan;
- controls the publication and communication process, the quality and reliability of the financial and non-financial information to be published and communicated by the Company;
- approves the budget and the financial trajectory.

e) Governance

The Board of Directors;

- appoints the Chairman;
- where applicable, a "lead" director;
- appoints the Chief Executive Officer and, at the latter's proposal, the Deputy Chief Executive Officer(s);
- appoints the Effective Senior Managers;
- sets any limitations on the powers of the Chief Executive Officer and, on the proposal of the latter, the Deputy Chief Executive Officer(s);
- establishes once a year the succession plan for Executive Officers *(dirigeants mandataires sociaux)*;
- reviews the Group's internal governance system, ensuring a clear organisation with well-defined responsibilities that respect the independence of the control functions, and to this end becomes aware of the Group's legal, organisational and operational structure and ensures its compatibility with the Group's strategy; it periodically evaluates its effectiveness;
- deliberates on changes to the Group's management structures prior to their implementation and is informed of the main changes to its organisation;
- ensures that Executive Officers implement a policy of non-discrimination and diversity, particularly with regard to the balanced representation of women and men in the Group's management bodies;
- ensures the existence of a selection and appointment procedure for holders of key functions and is informed of the appointment of the Heads of Business Units or Service Units. Their succession plan is communicated to it.
- deliberates at least once a year on its operation and that of its Committees, on the skills, aptitudes and availability of its members and on the conclusions of their periodic assessment;
- regularly reviews the Internal Rules of the Board of Directors;
- prepares the corporate governance report presented to the General Meeting;

f) Relations with control functions

- ensures compliance with its internal control obligations, including compliance with banking and financial regulations on internal control and, in particular, reviews the internal control activity and its results at least twice a year;

- at least twice a year, devotes an item on its agenda to each of the internal control functions (risk, compliance, audit) and is briefed by the corresponding head. Moreover, it ensures their presence at the debates of the Board of Directors for matters that may fall within their remit. The Chief Risk Officer presents the risk dashboard to the Board of Directors at least four times a year;

  Where necessary, in the event of changes in the risks affecting or likely to affect the Company, the Chief Risk Officer, the Head of Compliance and the Head of inspection and Audit may each report directly to the Board of Directors, without referring to the Effective Senior Managers.;

- gives its opinion prior to the appointment of the Head of inspection and Audit, the Chief Risk Officer and the Head of Compliance;

- gives its opinion prior to the dismissal of the Head of inspection and Audit, the Chief Risk Officer and the Head of Compliance;

- gives its consent prior to the dismissal of the Chief Risk Officer;

- validates the audit charter;

- ensures the existence of standards documentation applicable within the Group and regularly updated.

g) Compensation of Corporate Officers ("mandataires sociaux") and wage policy (“politique salariale”)

The Board of Directors:

- proposes to the General Meeting of Shareholders the overall amount of the Directors' compensation and distributes this amount in accordance with Article 18 of these Internal Rules, based on the proposal of the Nomination and Corporate Governance Committee and after receiving the opinion of the Compensation Committee;

- determines, without prejudice to the powers of the General Meeting, the compensation of the Chairman of the Board of Directors and the Chief Executive Officers, in particular their fixed and variable compensation, including benefits in kind, awards of performance shares or any compensation instrument, as well as post-employment benefits. When it decides on the compensation of the Chairman of the Board of Directors and the Chief Executive Officers, it does so in their absence;

- regularly determines and reviews the principles of the compensation policy applicable in the Group, in particular with regard to:

  a. the categories of personnel whose activities have a significant impact on the Group's risk profile and ensures that the internal control systems make it possible to verify that these principles comply with the regulations and professional standards and are aligned with the risk control objectives;

  b. as well as employees who, in view of their overall income, are in the same compensation bracket as those whose professional activities have an impact on the Group's risk profile;

  As part of this process, it obtains the opinion of the Chief Risk Officer and the Head of Compliance.

- validates each year, after consulting the Compensation Committee, the compensation of the heads of internal control functions (Head of inspection and Audit, Chief Risk Officer and Head of Compliance);

- deliberates once a year on the Company’s policy regarding professional and wage equality between men and women;

- carries out the award of free performance shares, determines the identity of the beneficiaries and the number of shares awarded to each of them, and sets the conditions and criteria for the award of said shares;

- draws up, where applicable, the principle and terms of a capital increase reserved for members of one of the company savings plans within the Group.

## Article 2 : **Composition of the Board of Directors**

2.1. The composition of the Board of Directors aims to achieve a balance between professional and international experience, skills and independence, while respecting gender equality, diversity and a balance in terms of age and length of service within the Board. The composition of the Board of Directors reflects the increasingly international scope of the Group's activities and of its shareholding through the presence of a significant number of directors of foreign nationality.

2.2. As such, among the directors appointed by the General Meeting, the Board of Directors ensures compliance with a minimum proportion of 50% independent directors[1]. To this end, the Board of Directors, in the report of its Nomination and Corporate Governance Committee, conducts an annual review of the situation of each of its members with regard to the independence criteria defined in the AFEP-MEDEF Code.

2.3. The Board of Directors verifies that the candidates proposed for renewal or appointment meet the conditions of competence and suitability and have the time necessary to perform their duties. The Board of Directors strives to comply with all of the conditions laid down by the EBA and the ECB as part of the "fit and proper" reviews.

2.4. The candidates, proposed by the Board of Directors at the General Meeting, have been selected beforehand by the Nomination and Corporate Governance Committee and have been interviewed as necessary.

2.5. The objectives set by the Board of Directors with regard to its composition and that of the Committees are reviewed each year by the Board of Directors and the Nomination and Corporate Governance Committee based on an annual assessment, the results of which are presented in the corporate governance report.

## Article 3 : **Skills and aptitudes of the members of the Board of Directors**

3.1. The members of the Board of Directors shall have at all times the good repute, knowledge, skills and experience necessary for the performance of their duties and, collectively, the knowledge, skills and experience necessary to understand the Company's activities, including the main risks to which it is exposed.

3.2. Each Director undertakes to improve his/her knowledge of the Company and its sector of activity on an ongoing basis.

## Article 4 : **Availability of the members of the Board of Directors**

4.1. The members of the Board of Directors shall devote sufficient time to the performance of their functions. Directors participate actively and attentively in meetings of the Board of Directors and the Committees.

4.2. The employee directors have a fifteen-hour preparation time per meeting of the Board of Directors or of the Committee in question.

4.3. Under the conditions defined by the legislation in force, the directors may hold, within any legal entity, only one executive directorship and two non-executive directorships or four non-executive directorships. For the purpose of this rule, directorships held within the same group are considered to be a single directorship. The ECB may authorise a member of the Board of Directors to perform an additional non-executive directorship.

4.4. Any Director holding an executive directorship in the Group must obtain the opinion of the Board of Directors before accepting a corporate office position in a company; the Director must comply with the procedure set out in article 8 "Conflicts of interest".

4.5. The Director shall promptly inform the Chairman of any change in the number of directorships held, including his/her participation in a committee of a Board or of a Supervisory Board, as well as any change in professional responsibility.

He/she undertakes to let the Board of Directors decide whether he/she should continue to serve as a Director in the event of a significant change in his/her professional responsibilities or directorships.

[1] Societe Generale applies the rule of the AFEP-MEDEF Code, which excludes directors elected by employees and the director representing employee shareholders from the calculation.

He/she undertakes to resign from his/her directorship when he/she no longer considers himself/herself able to perform his/her duties within the Board of Directors and the Committees of which he/she is a member.

The Universal Registration Document reports on the  of Directors at meetings of the Board of Directors and the Committees.

4.6. The Directors shall attend the General Meetings of Shareholders.

## Article 5 : <u>Ethics of the members of the Board of Directors</u>

5.1. The director takes note of the general or specific obligations incumbent on him/her, in particular legal or regulatory texts, the By-laws, the recommendations of the AFEP-MEDEF code and the Internal Rules of the Board of Directors.

5.2. The Director keeps, in all circumstances, his/her independence of analysis, judgement, decision and action. He/she freely expresses his/her positions, possibly minority positions, on the subjects discussed in the session.

5.3. He/she undertakes not to seek, accept or receive any benefit or service likely to compromise his/her independence

5.4. Each member of the Board of Directors is bound by a duty of care as to the retention, use and, where applicable, return of the tools, documents and information made available.

5.5. Each Director must comply with the provisions of the rules on market abuse, in particular those relating to the communication and the use of inside information with regard to Societe Generale shares, debt securities and derivative instruments or other financial instruments related to the Societe Generale share (hereinafter, Financial Instruments). He/she must also comply with these same rules for Financial Instruments of his/her subsidiaries or listed investments or companies on which he/she may hold inside information received as a result of his/her participation in the Board of Directors of Societe Generale.

5.6. Directors shall abstain from intervening on the market of Societe Generale Financial Instruments during the 30 calendar days preceding the publication of Societe Generale's quarterly, half-yearly and annual results, as well as on the day of said publication.

They shall refrain from carrying out speculative or leveraged transactions on Societe Generale Financial instruments or those of a listed company controlled directly or indirectly by Societe Generale within the meaning of article L. 233-3 of the French Commercial Code.

They shall inform the Secretary of the Board of Directors of any difficulty they may encounter in enforcing the above.

5.7. In accordance with the regulations in force, Directors and persons closely associated with them must report to the French Financial Markets Authority (AMF) the transactions carried out on Societe Generale Financial instruments.

A copy of this statement is also sent to the Secretary of the Board of Directors.

5.8. The director informs the Chairman of the Board of Directors of any criminal or civil conviction, administrative or disciplinary sanction, any indictment, incrimination and/or public sanction, in particular for fraud or giving rise to a prohibition to manage or administer against him/her, as well as of any bankruptcy, receivership, liquidation or placement of companies under judicial administration in which he/she has been or is likely to be associated with or be the subject of. He/she shall inform him/her of any dismissal for professional misconduct or of any revocation of a corporate office position of which he/she is subject. He/she also informs him/her of any legal, administrative or disciplinary proceedings brought against him/her if he/she is likely to potentially undermine the regulatory requirement of good repute or that of probity.

## Article 6 : <u>Confidentiality</u>

6.1. Each Director and any person involved in the work of the Board of Directors are bound by an absolute obligation of confidentiality with regard to the content of the discussions and deliberations of the Board of Directors and its Committees, as well as the information and documents presented or communicated to them, in any form whatsoever.

6.2. They are prohibited from communicating to anyone outside the Board of Directors any information that is not made public by the Company.

6.3. They shall assume an obligation of vigilance, circumspection and confidentiality.

## Article 7 : <u>Duty of loyalty</u>

7.1. Each Director has a duty of loyalty to the Company. Under no circumstances must he/she act for his/her own interest against the interest of the Company.

7.2. This loyalty implies absolutely that the Director does not act against the Company in the interest of a person or entity with which he/she would be bound, for example as parent, shareholder, creditor, employee, corporate officer or permanent representative.

7.3. This loyalty implies transparency with regard to the members of the Board of Directors, in order to ensure compliance with the essential principle of collegiality of this body.

## Article 8 : Conflicts of interest

8.1. The Director shall inform the Secretary of the Board of Directors by letter or email of any conflict of interest, including potential, in which he/she may be directly or indirectly involved. He/she shall refrain from participating in any discussion and voting on such matters.

8.2. The Chairman is in charge of managing conflict of interest situations of the members of the Board of Directors. Where appropriate, he/she refers the matter to the Nomination and Corporate Governance Committee. Regarding conflicts that could affect him/her personally, he/she refers to the Chairman of the Nomination and Corporate Governance Committee.

Where necessary, the Chairman may request a Director subject to a conflict of interest to refrain from attending the deliberation.

8.3. The Director shall inform, by letter or email, the Chairman of the Board of Directors and the Chairman of the Nomination and Corporate Governance Committee of his/her intention to accept a new corporate office position, including his/her participation in a Committee in a company not belonging to a group of which he/she is director or officer, in order to enable the Board of Directors, based on the proposal of the Nomination and Corporate Governance Committee, to decide where appropriate that such an appointment would be inconsistent with the directorship in Societe Generale.

8.4. Each Director shall make a sworn statement as to the existence or otherwise of the situations referred to in 5.8 and 8.1: (i) upon taking up his/her office, (ii) each year in response to the request made by the Secretary of the Board of Directors upon the preparation of the Universal Registration Document, (iii) at any time if the Secretary of the Board of Directors requests it and (iv) within 10 working days following the occurrence of any event that renders the previous statement made by him/her in whole or in part inaccurate.

8.5. In accordance with article L. 511-53-1 of the French Monetary and Financial Code, Societe Generale and the entities of the Societe Generale group keep up to date and at the disposal of the ACPR the appropriate documentation concerning all of the loans granted by Societe Generale or an entity of the Group to each director and their related parties. In addition to the legal provisions, where applicable, relating to regulated agreements requiring prior authorisation from the Board of Directors in which the interested party does not take part, an internal procedure within the Group dedicated to loans granted to these persons is established and reviewed by the Nomination and Corporate Governance Committee; its effective implementation is subject to internal controls and information from the Board of Directors when anomalies are identified.

## Article 9 : The Chairman of the Board of Directors

9.1. The Chairman convenes and chairs the Board of Directors meetings. He/she sets the timetable and agenda of the meetings. He/she organises and manages the work of the Board of Directors and reports on its activities to the General Meeting. He/she chairs the General Meetings of Shareholders.

9.2. The Chairman ensures the proper functioning of the Company's bodies and the implementation of the best corporate governance practices, in particular as regards the Committees set up within the Board of Directors, which he/she may attend without the right to vote. He/she may submit questions for the consideration of these Committees.

9.3. He/she receives all information relevant to his/her missions. He/she is regularly informed by the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers, of significant events relating to the life of the Group. He/she may request the disclosure of any information or document that may inform the Board of Directors. For the same purpose, he/she may hear the Statutory Auditors and, after having informed the Chief Executive Officer, any Group senior manager.

9.4. He/she may ask the Chief Executive Officer or any manager, and in particular the heads of the control functions, for any information likely to inform the Board of Directors and its Committees in the performance of their mission.

9.5. He/she may hear the Statutory Auditors with a view to preparing the work of the Board of Directors.

9.6. He/she ensures that the Directors are in a position to fulfil their missions and ensures that they are properly informed.

9.7. He/she is the only person authorised to speak on behalf of the Board of Directors, except in exceptional circumstances or with a specific mandate entrusted to another Director.

9.8. He/she devotes his/her best efforts to promote in all circumstances the values and the image of the Company. In consultation with General Management, he/she may represent the Group in its high-level relations, in particular with major clients, regulators, major shareholders and public authorities, both domestically and internationally.

9.9. He/she has the material resources necessary for the performance of his/her missions.

9.10. The Chairman has no executive responsibilities, these responsibilities being exercised by General Management, which proposes and applies the Company's strategy, within the limits defined by law and in compliance with the corporate governance rules and directions set by the Board of Directors.

## Article 10 : <u>**The Secretary of the Board of Directors**</u>

10.1. Pursuant to article 11 of the By-laws, the secretary of the Board of Directors shall be a member of the management appointed by the Chairman as Secretary of the Board of Directors.

10.2. In the absence of the Secretary of the Board of Directors, the Chairman appoints a member of the Board of Directors or a third party to replace him/her.

10.3. The Secretary of the Board of Directors assists the Chairman in the performance of his/her duties, in particular in the organisation of the work of the Board of Directors and the definition of the timetable and agenda of the meetings of the Board of Directors.

10.4. The Secretary of the Board of Directors:

- ensures compliance with the procedures relating to the functioning of the Board of Directors;
- with the assistance of General Management, ensures the quality and production, within sufficient time, of the files submitted to the Board of Directors;
- is responsible for sending the work files sent to the directors and ensures that they are complete and transmitted within the appropriate time limits in accordance with article 11 of the Internal Rules;
- is responsible for the secure IT platform made available to the directors;
- attends meetings, executive sessions and seminars of the Board of Directors;
- ensures the keeping of an register, signed by the directors participating in the meeting of the Board of Directors and which mentions the names of the directors deemed present pursuant to article 11 of the Internal Rules;
- is authorised to issue and certify as true copies or extracts of minutes;
- keeps the document on the status of requests made by the Board of Directors up to date.

10.5. The Secretary of the Board of Directors shall set up, in accordance with the guidelines of the Nomination and Corporate Governance Committee, the annual assessment of the work of the Board of Directors.

10.6. The Secretary of the Board of Directors shall organise, in conjunction with the Chairman, the preparation of the Annual General Meeting of Shareholders with the assistance of the General Secretariat.

10.7. He/she is available to the directors for any request for information concerning their rights and obligations, the functioning of the Board of Directors or the everyday operations of the Company.

10.8. The Secretary to the Board of Directors relies on the General Secretariat to perform his duties, notably in respect of the following matters:

- reviewing the legal and regulatory duties of the Board of Directors;
- gathering the necessary information related to corporate officers required by French or foreign regulations and the implementation of the corresponding procedures;
- calculating and paying Directors' compensation, and filling in the Single Tax Declarations Forms ("*Imprimé Fiscal Unique*" / "*IFU*");

10.9. Secretarial services for each Committee are provided, under the supervision of the Chairman of each of the Committees, by the Secretary of the Board of Directors or a person designated by the latter.

## Article 11 : <u>**Meetings of the Board of Directors**</u>

11.1. Timetable, agenda, duration

a) The Board of Directors meets as often as required by the corporate interest and at least eight times per year.

b) Except in exceptional circumstances, the provisional dates of meetings are set no later than twelve months before the start of the year.

c) The provisional agenda of the meetings of the Board of Directors for the year shall be set no later than 1rst January.

d) The agenda of each meeting and the duration devoted to each subject are subject to prior approval by the Chairman.

e) In order to determine the agenda, priority is given to topics requiring a decision by the Board of Directors, in particular strategic points and risk management. The Chairman ensures that topics of informational purposes only are addressed either during seminars or during training sessions, where possible.

f) The frequency and duration of meetings of the Board of Directors must be such that they enable a review and discussion of each of the topics or dashboards falling within the competence of the Board of Directors, including when preparatory work has been performed by a Committee.

11.2. Quorum

a) In accordance with article 11 of the By-laws, in all cases, Board of Directors decisions shall only be deemed valid where at least half of the members are present.

b) Directors who participate in a meeting of the Board of Directors by means of videoconference or telecommunication enabling their identification and guaranteeing their effective participation shall be deemed present for the calculation of the quorum and the majority. To this end, the means chosen shall transmit at least the voice of the participants and comply with technical characteristics enabling the continuous and simultaneous transmission of the deliberations.

This provision does not apply when the Board of Directors is convened to carry out the work for establishing and adopting the annual and consolidated annual accounts and the Management Report unless, after the last date on which these Internal Rules are updated, new legal provisions come into force authorising in these cases participation in meetings of the Board of Directors by video conference or telecommunication means.

A director who participates by video conference or telecommunications shall ensure that the confidentiality of the debates is preserved.

c) In accordance with the By-laws, every Director may give his/her proxy to another Director, but a Director may act as proxy for only one other Director and a proxy can only be given for one specific meeting of the Board of Directors.

### 11.3. Notification of Board Meetings

The possible authors of a notice of a Board of Directors meeting are defined in article 10 of the By-laws.

Convening notices, which may be transmitted by the Secretary of the Board of Directors, are sent by letter, fax, email or by any other means, including verbally.

The delegate of the Central Social and Economic Committee attends the meetings of the Board of Directors under the conditions provided for by the regulations.

At the decision of the Chairman, the Deputy Chief Executive Officers or other Group senior managers or, where relevant, external persons whose  is useful to the deliberations may attend all or part of the meetings of the Board of Directors. These persons are subject to the same rules of ethics, confidentiality, loyalty and ethics as Directors.

### 11.4. Preparation of the Board of Directors' files

The files, previously validated by General Management under the conditions it determines, are, except in an emergency, sent by the Secretary of the Board of Directors no later than seven calendar days before the meeting of the Board of Directors.

The files sent to the Board of Directors contain:

i. the indication that the file is sent for debate, guidance or decision;
ii. the name of the member of the General Management who validated it and the BU/SU author of the document;
iii. where applicable, the legal or regulatory references justifying the review by the Board of Directors;
iv. a summary;
v. an indication of the points to which the attention of the Board of Directors is particularly drawn;
vi. information on the social and environmental issues to be taken, where applicable, into consideration by the Board of Directors;
vii. where applicable, the text of the draft decision of the Board of Directors;
viii. relevant supporting document in appendix

A file template is available from the Secretary of the Board of Directors.

When a subject requires a formal opinion from the risk, compliance or audit function, this opinion must be the subject of a separate note added as an appendix to the file. As part of the preparation, the Chairman of the Board of Directors may hear the heads of the control functions.

### 11.5. Holding of meetings

In accordance with article 11 of the By-laws, board meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by a Director designated for this purpose at the beginning of the meeting.

At the beginning of the meeting, the Chairman of the meeting:

- mentions, where applicable, the Director responsible for introducing a file on the agenda;
- systematically indicates the nature of the conclusion following the consideration of each item on the agenda (for discussion, orientation, or decision); and

- in the event of a request for approval by the Board of Directors, indicates whether there will be a formal vote.

On each item on the agenda, the Chairman leaves each Director the necessary speaking time in accordance with the indicative time provided for in the agenda.

In accordance with article 11 of the By-laws, resolutions are adopted by a majority vote of the directors present or represented. In the event of a tie, the Chairman holds a casting vote.

11.6. Minutes

Each of the deliberations of the Board of Directors is reported in minutes drawn up by the Secretary of the Board of Directors. The minutes include a summary of the discussions and deliberations. They mention the questions raised or the reservations stated by the participants, grouping them together by theme if possible. They specify the guidelines or decisions adopted by the Board of Directors.

Each set of minutes of the Board of Directors are approved at a subsequent meeting of the Board of Directors.

They are then transcribed in a special register in accordance with the legislation in force.

11.7. Statement of requests from the Board of Directors

When the Board of Directors sends requests, they are formalised in a document, which contains an expected target response date and, where applicable, the BU(s) or SU concerned for each request.

This document is regularly updated and sent to the Board of Directors at each of its meetings.

It compiles the previous requests that have not yet received a response and mentions the requests that have received a response, indicating the date of the response sent.

## Article 12 : <u>Executive session</u>

The Directors meet at least twice a year in an executive sessions, with the exception of Executive Officers and Directors who have an employee status.

It is up to the Chairman to assess, in view of the subject(s) addressed, whether the Chief Executive Officer can be convened to participate in all or part of an executive session.

It is also up to the Chairman to assess, in view of the subjects addressed, whether Directors with employee status may be convened to an executive session for all or part of this session, particularly if the performance of the Executive Officers is assessed at this meeting.

This meeting is convened and chaired by the Chairman of the Board of Directors if he/she has the status of independent director or, failing that, by the lead director.

This meeting includes an agenda decided by the Chairman, who leaves room for various matters at the directors' initiative.

## Article 13 : <u>Seminar</u>

13.1. The Board of Directors meets at least once a year during a seminar to conduct working sessions which may be held either on the Company premises or outside such premises. In addition to the members of the Board of Directors, the General Management, the Head of Strategy and the Chief Financial Officer participate in the seminar. The heads of the BUs and SUs attend, where appropriate.

13.2. The purpose of this seminar is notably to review the banking environment, the Group's main business lines and its competitive environment. Where applicable, a summary of the guidelines is drawn up and submitted for approval at the next Board meeting.

## Article 14 : <u>Information provided to the Board of Directors</u>

14.1. Resources

The Chairman or the Chief Executive Officer shall provide each Director and non-voting Director with all the information and documents necessary for the performance of their duties; each Director is provided with computer equipment to facilitate access to them. All protective measures deemed necessary are taken to preserve the confidentiality, integrity and availability of information, and each member of the Board of Directors or any person who has received the documentation is responsible not only for the ressources and materials thus made available to them but also for their access.

14.2. Information received

Effective Senior Managers shall inform the Board of Directors of all significant risks, risk management policies and changes made to them.

Meetings of the Board of Directors and the Committees are preceded by the online publication or availability in a timely manner of a file on the agenda items that require special analysis and prior thought whenever confidentiality considerations so permit.

Between meetings, Directors also receive all useful information, including critical information, about events or transactions significant for the Company. Notably, they receive press releases issued by the Company.

14.3. Information requested

In order to contribute effectively to the meetings of the Board of Directors and to enable it to make an informed decision, each Director may request to be provided by the Chairman or the Chief executive officer all of documents and information necessary for the performance of his/her mission, as long as they are useful for decision-making and related to the powers of the Board of Directors.

Requests are sent to the Chairman, who directly relays the requests either to the Chief Executive Officer or through the Secretary of the Board of Directors.

When the Chief Executive Officer considers it preferable, for reasons of confidentiality, the documents thusly made available to the Director and to any person attending the meetings of the Board of Directors are consulted with the Secretary of the Board of Directors or with the relevant Group employee.

## Article 15 : <u>Training of Directors</u>

15.1. Training of all Directors

The Company devotes the necessary human and financial resources to the training of the Directors, particularly in the banking and financial field. Annual training is provided by the Company, during which the members of the Board of Directors meet the managers of the topics presented . The seminars mentioned in article 13 are also an opportunity to supplement the directors' training, particularly on subjects relating to changes in the environment of the Group's activity.

Two types of training are held each year:

- training related to the specifics of the bank's business lines, the regulations applicable to them (banking, prudential and financial); and
- training relating to risks, including emerging risks.

Several training sessions are held each year, with a number of hours adapted to the Directors' needs and with a minimum of five sessions of two hours.

Each Director may, on his/her appointment or throughout his/her term of office, receive any training that he/she deems necessary for the performance of the corporate office position. He/she submits a request to the Secretary of the Board of Directors.

These training sessions shall be organised by the Company, which shall bear their costs.

15.2. Training of employee Directors

This enables the acquisition and improvement of the knowledge and techniques necessary for the performance of their corporate office position.

It focuses on the role and functioning of the Board of Directors, the rights and obligations of the Directors and their responsibilities, and the organisation and activities of the Company.

Employee Directors receive 40 hours of training per year (including training time dedicated to the entire Board of Directors).

The time spent on training is deducted from actual working time and remunerated as such on the normal expiry date.

The Secretary of the Board of Directors reports on, for validation by the Board of Directors during the first half of the year of the beginning of the term of office of each of the employee Directors:

- the content of the training programme after obtaining the opinion of the employee Director; and
- the entities responsible for providing the training.

At the end of the training, the training centre chosen by the Board of Directors must issue a certificate of  that the employee Director must submit to the Secretary of the Board of Directors.

## Article 16 : __Annual assessment__

The Board of Directors annually reviews its operations in the form of an assessment. As part of this process, an annual assessment of each of the Directors is also carried out.

This assessment is carried out every three years by a specialised external consultant.

In other years, this assessment is carried out based on:
- individual interviews with the Chairman of the Board of Directors and the Chairman of the Nomination and Corporate Governance Committee; and
- questionnaires prepared by the Nomination and Corporate Governance Committee

The Board debates the views and opinions stated. It draws conclusions from this in order to improve the conditions under which its work and the work of its Committees is prepared and organised.

The findings of the review are made public in the assessment part of the corporate governance report.

## Article 17 : __The Committees of the Board of Directors__

17.1. In certain areas, the Board of Directors' deliberations are prepared by specialised Committees composed of Directors appointed by the Board of Directors, which examine the subjects within their remit and submit their opinions and proposals to the Board of Directors. Apart from the Audit and Internal Control Committee, regarding the selection of Statutory Auditors and on the authorisation of services other than the certification of the financial statements, they never have decision-making power. Each file presented mentions the nature of the decision to be taken by the Board of Directors.

17.2. These Committees are comprised of members of the Board of Directors who do not hold any executive function within the Company and who have suitable knowledge for the performance of the missions of the Committee in which they participate.

17.3. The Chairman of the Nomination and Corporate Governance Committee is appointed by the Board of Directors.

The Chairpersons of the other Committees are appointed by the Board of Directors on the recommendation of the Nomination and Corporate Governance Committee.

All Committee Chairpersons are appointed from among the independent Directors.

17.4. These Committees may decide, as necessary, to involve other Directors without voting rights in their meetings.

17.5. They have the necessary resources to carry out their duties and act under the responsibility of the Board of Directors.

17.6. In the exercise of their respective powers, they may request the communication of any relevant information, hear the Chief Executive Officer, the Deputy Chief Executive Officers and the Group's management executives and, after informing the Chairman, request the conduct of external technical studies, at the Company's expense. They subsequently report on the information obtained and the advice collected.

17.7. Each Committee defines its annual work programme which is approved by the Chairman of the Committee. The frequency and duration of Committee meetings must be such that they enable an in-depth review and discussion of each of the topics or dashboards falling within the competence of the Committees. The agendas and the duration devoted to each topic must receive prior approval from the Chairman. The agendas systematically indicate the nature of the conclusions expected from the Board of Directors (for debate, guidance or decision);

17.8. As for meetings of the Board of Directors, the timetable and agenda of the meetings shall be set by the Chairman of the Committee at the latest, except in exceptional circumstances, on 1 January, with the ability to add meetings and items to the agenda of the meetings as necessary. The minimum number of meetings of each of the Committees is specified in their respective charters.

17.9. Four standing Committees exist:

- the Audit and Internal Control Committee;
- the Risk Committee;
- the Compensation Committee,
- the Nomination and Corporate Governance Committee.

The Risk Committee also acts as a US Risk Committee. A dedicated Charter appended to these Internal Rules defines its mission, composition, organisation and operation. The Chairman of the Risk Committee reports on his/her work to the Board of Directors, which validates this work.

17.10. By decision of the Chairmen of the Committees concerned, joint meetings between the Committees may be organised on topics of common interest. These meetings are co-chaired by the Chairmen of the Committees.

17.11. The Board may create one or more "ad hoc" committees.

17.12. The Risk Committee, the Compensation Committee and the Nomination and Corporate Governance Committee may perform their missions for Group companies on a consolidated or sub-consolidated basis.

17.13. The secretarial services of each Committee are provided by the Secretary of the Board of Directors or a person appointed by the Secretary of the Board of Directors.

The Secretary of the Committee shall prepare the minutes of the meetings, which are kept in the archives specific to each Committee.

17.14. The Chairman of each Committee produces a detailed report for the Board of Directors, stating the subjects examined by the Committee, the issues discussed and the recommendations made with the decisions of the Board of Directors in mind. A written report of the Committees' work is made available to the members of the Board of Directors.

Each Committee shall give an opinion to the Board of Directors on the part of the Universal Registration Document dealing with the issues falling within its scope of activity and prepare an annual activity report, submitted to the Board of Directors' approval, to be inserted in the Universal Registration Document.

17.15. The missions, composition, organisation and functioning of each Committee are defined by a dedicated charter. These charters are appended hereto. The subjects that may be dealt with jointly by the Risk Committee and the Audit and Internal Control Committee are indicated by an asterisk (*).

## Article 18 : <u>**Directors' compensation**</u>

18.1. The overall amount of the Directors' compensation is set by the General Meeting. The Board of Directors may decide to only partially use it. It may decide to allocate a budget for specific tasks or temporary workload increases for some members of the Board of Directors or of Committees.

18.2. The Chairman and the Chief Executive Officer, when he/she is also a Director, do not receive this compensation.

18.3. As from 1 May 2018, the amount of allocated compensation is reduced by a sum equal to €200,000 to be distributed between the members of the Risk Committee and the members of the Audit and Internal Control Committee gathered as the US Risk Committee. This amount is distributed in equal portions, except for the Chairman of the Risk Committee, who has two portions.

The balance is then reduced by a lump sum of €130,000 distributed between the Chairman of the Audit and Internal Control Committee and the Chairman of the Risk Committee.

18.4. The balance is divided into 50% fixed, 50% variable. The number of fixed portions per Director is 6. Additional fixed units are allocated as follows:

- Chairman of the Audit and Internal Control Committee or of the Risk Committee: 4 portions;
- Chairman of the Nomination and Corporate Governance Committee or of the Compensation Committee: 3 portions;
- Member of the Nomination and Corporate Governance Committee or of the Compensation Committee: 0.5 portions;
- Member of the Audit and Internal Control Committee or of the Risk Committee: 1 portion.

Fixed shares may be reduced in proportion to the actual  when the  over the year is below 80%.

18.5. The variable portion of the compensation is divided up at the end of the year, in proportion to the number of meetings or working meetings of the Board of Directors and of each of the Committees which each Director has attended.

Executive sessions, work seminars and training are not counted as meetings of the Board of Directors and do not give rise to the award of any specific compensation.

## Article 19 : <u>**Personally-owned shares**</u>

Each Director appointed by the General Meeting (whether in his/her own name or as a permanent representative of a legal entity) must hold at least 2,000 Societe Generale shares. Each Director has a six month timeframe to hold the 600 shares provided for by the By-laws, followed by an additional six month timeframe to increase his/her holding to at least 1,000 shares. Later, the number of shares held by each Director must rise to 2,000 before the end of the month of February of the year his/her term of office expires. The Director representing employee shareholders appointed pursuant to Article L. 225-23 of the French Commercial Code is not bound by the terms of the present paragraph. In the event that a Director is co-opted, the duty to acquire 600 and subsequently 1,000 shares applies from the starting date of the co-optation without, however, this holding having to be increased to 2,000 shares at the date of the General Meeting of Shareholders convened to ratify said Director’s appointment.

The Board of Directors sets a minimum number of shares that the Chief Executive Officers must hold in registered form until the end of their functions. This decision shall be reviewed at least each time their term of office is renewed. Until this shareholding objective is achieved, the Chief Executive Officers use for this purpose a portion of the exercise of options or performance share awards as determined by the Board of Directors. This information is included in the corporate governance report.

Each corporate officer shall refrain from hedging his/her shares.

## Article 20 : <u>**Directors' expenses**</u>

20.1. Directors' travel, accommodation, meals and mission expenses pertaining to the meetings of the Board of Directors, the Committees of the Board of Directors, the General Meeting of Shareholders or any other meetings related to the work of the Board of Directors or the Committees, are borne or reimbursed by Societe Generale upon delivery of receipts.

At least once a year, the Nomination and Corporate Governance Committee reviews the statement of Directors' expenses in respect of the previous year and, as necessary, makes proposals or recommendations.

20.2. As to the Chairman, the Company also pays the expenses necessary for the performance of his/her duties.

20.3. The Secretary of the Board of Directors receives and verifies the relevant supportive documents and ensures that the sums due are paid or reimbursed.

### Article 21 : Non-voting Director

The non-voting Director attends meetings, executive sessions and seminars of the Board of Directors and may participate in the meetings of the specialised committees in an advisory capacity.

One of his tasks is to assist the Board of Directors on social and environmental responsibility and, more specifically, on energy transition. In addition to his role in defining strategy in this area, he assists all Committee meetings dealing with social and environmental responsibility topics.

He is subject to the same rules of ethics, confidentiality, conflicts of interest and professional conduct (“*déontologie*”) as the Directors.

The compensation of the non-voting Director is set by the Board of Directors upon the proposal from the Compensation Committee. It is equal to the average compensation paid to Directors pursuant to Article 18 of the Internal Rules after deducting the amount allocated under the US Risk Committee and with the exception of the compensation paid to Committee Chairpersons. Said compensation takes into account his . His expenses may be reimbursed under the same conditions as those applying to the Directors.

List of Appendices to the Internal Rules of the Board of Directors of Societe Generale

**Appendix 1 - Charter of the Audit and Internal Control Committee of Societe Generale**

## Article 1 : Content of the Policy

This Charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this Charter shall be governed by the Internal Rules, and the terms used are defined in the Internal Rules.

The subjects that may be addressed jointly by the Audit and Internal Control Committee and the Risk Committee are indicated by an asterisk (*) in each of the charters.

## Article 2 : Role

Without prejudice to the detailed list of missions referred to in article 5, the Audit and Internal Control Committee's mission is to monitor issues concerning the preparation and control of accounting, financial and non-financial information, as well as the monitoring of the effectiveness of internal control, measurement, monitoring and risk control systems. It conducts the procedure for selecting the Statutory Auditors. It approves the services provided by the Statutory Auditors other than the certification of the financial statements.

## Article 3 : Composition

The Audit and Internal Control Committee is comprised of at least four directors, appointed by the Board of Directors, who have appropriate financial, accounting, statutory audit or non-financial expertise. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code.

The heads of the control functions (risk, compliance, audit), the CFO and the Secretary General are present at all meetings, unless otherwise decided by the Chairman of the Committee.

The Statutory Auditors shall be invited to the meetings of the Audit and Internal Control Committee, unless the Committee decides otherwise. They may also be consulted outside meetings and without the presence of Executive Officers and any employee of the company.

When the Committee reviews the financial statements, this is preceded by a meeting with the Statutory Auditors, without the presence of the Executive Officers and any employee of the company.

The Executive Officer in charge of supervising internal control is present at the Committee's meetings when it examines the report on internal control.

The Executive Officers may also, from time to time, assist the work of the Committee at its request.

## Article 4 : Meetings

The Audit and Internal Control Committee meets as often as required by the corporate interest and at least four times per year.

## Article 5 : Missions

In particular, it is responsible for:

a) ensuring the monitoring of the process for the production of financial and non-financial information, particularly reviewing the quality and reliability of existing systems, making proposals for their improvement and ensuring that corrective actions have been implemented in the event of a malfunction in the process; where appropriate, it makes recommendations to ensure their integrity;

b) analysing the draft accounts to be submitted to the Board of Directors in order to, in particular, verify the clarity of the information provided and assess the relevance and consistency of the accounting methods adopted for drawing up annual accounts and consolidated annual accounts; it examines the scope of the consolidated companies and, where applicable, the reasons why companies would not be included therein; it also examines the implementation procedures adopted for the application of the main accounting standards applicable to the Group, particularly with regard to the provisioning rules*;

c) submitting to the Board of Directors its opinion on these financial statements and the corresponding financial communication, after having heard the opinion of the Statutory Auditors;

d) reporting regularly to the Board of Directors on the results of the audit of the accounts, the manner in which this mission has contributed to the integrity of the financial and non-financial information and the role it has played in this process. It informs the Board of Directors without delay of any difficulty encountered;

e) conducting the procedure for selecting the Statutory Auditors and issuing a recommendation to the Board of Directors, developed in accordance with the provisions of article 16 of the regulation (EU) no. 537/2014 dated 16 April 2014, concerning their appointment or renewal as well as their compensation;

f) ensuring the independence of the Statutory Auditors in accordance with the regulations in force;

g) approving, in accordance with article L. 823-19 of the French Commercial Code and the policy adopted by the Board of Directors, the provision of services other than the certification of accounts referred to in article L. 822-11-2 of said Code after analysing the risks to the Statutory Auditor's independence and the safeguard measures applied by the latter;

h) reviewing the work programme of the Statutory Auditors and, more generally, monitoring the control of the accounts by the Statutory Auditors in accordance with the regulations in force;

i) ensuring the monitoring of the effectiveness of internal control and audit systems, in particular with regard to procedures for the preparation and processing of accounting, financial and non-financial information. To this end, the Committee is responsible primarily for:

   - reviewing the Group's permanent control quarterly dashboard;
   - reviewing the internal control and risk control of the business segments, divisions and main subsidiaries;
   - reviewing the Group's annual and multi-year periodic monitoring programmes, as well as their amendments, prior to their approval by the Board of Directors;
   - monitoring the implementation of the audit plan for the year and is systematically informed in the event of a delay or postponement of the missions;
   - giving its opinion on the organisation and functioning of the internal control departments*;
   - reviewing the follow-up letters from the banking and markets supervisors and issuing an opinion on draft replies to these letters;

j) familiarising itself with the reports prepared to comply with regulations on internal control and in particular the audit reports;

k) concerning anti-money laundering and financing of terrorism (AML-FT), it prepares the discussions of the Board of Directors when it:

   - reviews the policy, mechanisms and procedures, and their effectiveness*;
   - is informed, at least once a year, of the activity and results of the internal controls in terms of AML-FT, incidents and shortcomings, as well as the corrective measures taken;
   - approves the annual report on the internal control of AML-FT systems;

l) examining the system put in place concerning "whistleblowers" and developments in the system;

m) examining compliance incidents, as well as the corresponding action plans;

n) examining the system put in place to prevent and detect corruption and influence peddling. It receives all of the necessary information for this purpose;

o) giving its opinion to the Board of directors prior to the appointment and dismissal of the Head of inspection and Audit and the Head of Compliance.

The Audit and Internal Control Committee or its Chairman hears the Directors in charge of the internal control functions (risk, compliance, audit), as well as the Chief Financial Officer, possibly at their request and, where necessary, the managers responsible for the preparation of accounts, internal control, risk control, compliance control and periodic control; each quarter, prior to the session examining the report of the Head of the Inspection and Audit, the Committee hears him in a meeting without the presence of any other senior manager.

The Audit and Internal Control Committee sends its opinion to General Management on the objectives and assessment of the heads of risk control, compliance control and periodic control.

The Audit and Internal Control Committee provides an annual update on matters related to:
- customer protection;
- market integrity:
- the implementation of the obligations arising from the GDPR (General Data Protection Regulation);
- the Group's tax policy and management*.

The Audit Committee monitors sales and acquisitions annually. It receives a *post-mortem* appraisal of the most significant transactions.

At each meeting of the Board of Directors subsequent to the holding of an Audit Committee meeting, the Chairman of the Committee produces a detailed report reiterating the subjects examined, the issues discussed and the recommendations made with the decisions of the Board of Directors in mind.

**Appendix 2 - Charter of the Risk Committee of Societe Generale**

## Article 1 : Content of the Policy

This Charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this Charter shall be governed by the Internal Rules, and the terms used are defined in the Internal Rules. The type of risks falling within the scope of the Committee's competence is that mentioned in the Group's Risk Appetite Statement.

The subjects that may be dealt with jointly by the Risk Committee and the Audit and Internal Control Committee are indicated by an asterisk (*) in each of the charters.

## Article 2 : Role

The Risk Committee prepares the Board of Directors' work on the Group's overall strategy and appetite for risks of all kinds[1], both current and future, [and assists it when the controls reveal difficulties in their implementation].

## Article 3 : Composition

The Risk Committee is composed of at least four Directors appointed by the Board of Directors who have knowledge, skills and expertise concerning risks. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code.

The heads of the control functions (risk, compliance, audit), the CFO and the Secretary General are present at all meetings, unless otherwise decided by the Chairman of the Committee.

The Executive Officer in charge of supervising the control functions is present at the Committee's meetings when it examines the assessment of these functions. He/she may also participate from time to time in the Committee's work at its request.

The Statutory Auditors are invited to the meetings of the Risk Committee, unless the Committee decides otherwise. They may also be consulted outside these meetings.

## Article 4 : Meetings

The Risk Committee meets as often as required by the corporate interest and at least four times a year.

## Article 5 : Missions

In particular, it is responsible for:

a) assisting the Board of Directors in determining the global risk strategy and appetite for risks of all types. It assists the Board of Directors and prepares the discussions in respect of the annual approval of the Group Risk Appetite Statement, and of the Group Risk Appetite Framework. It is regularly informed of developments in the risk context, notably to enable it to provide information to the Board of Directors. It examines and prepares the discussions of the Board of Directors, which approves the risk limits and in particular market risk limits;

b) performing a regular review of the strategies, policies, procedures and systems used to detect, manage and monitor risks of all types[2] and reports its findings to the Board of Directors; *

c) reviewing the risk control procedures and is consulted in order to set global risk limits;

d) analysing the results of the annual risk, compliance and audit function review assessments. On this occasion, it is informed of significant changes to the control functions organisations and, on an annual basis, to their budgets and resources. When assessing the audit function*, it relies on information received from the Audit and Internal Control Committee;

[1] The typology of risks is that mentioned in the Group Risk Appetite Statement.
[2] The typology of risks falling within the scope of the Committee's competence appears in the chapter of the Universal Registration Document on risks.

e) issuing an opinion on the Group's overall policy and level of provisioning, as well as on specific provisions of a significant amount; *

f) reviewing the reports prepared to comply with banking regulations on risks;

g) reviewing the policy concerning risk control and the monitoring of off-balance sheet commitments, especially in light of memoranda prepared to this end by the Finance Division, the Risk Division and the Statutory Auditors; *

h) reviewing, as part of its mission, whether the prices for the products and services mentioned in Books II and III of the French Monetary and Financial Code and offered to clients are consistent with the Company's risk strategy. When these prices do not correctly reflect the risks, it informs the Board of Directors accordingly and provides its opinion on the remedial action plan;

i) without prejudice to the Compensation Committee's missions, it reviews whether the incentives provided for by the compensation policy and practices are consistent with the Company's situation and strategic objectives in respect of its risk exposure, its capital and its liquidity, and in respect of the probability and phasing of the expected benefits;

j) reviewing the risks related to strategic orientations in terms of social and environmental responsibility, including climate-related risks. The Risk Committee also examines the risks related social and environmental responsibility at least once every quarter, together with climate stress test results.

k) reviewing culture and conduct indicators;

l) reviewing the enterprise risk management of the Company's operations in the United States in accordance with the requirements of the US Federal Reserve's Enhanced Prudential Standard Rules and supervisory guidelines. When sitting as the US Risk Committee, the Risk Committee operates under a dedicated charter which forms part of and supplements this section. The Chairman of the Risk Committee reports on the work performed by the US Risk Committee to the Board of Directors, which validates it;

m) reviewing, at least every six months, the risks related to financial security, the anti-money laundering and financing of terrorism policy referred to in Article L. 561-4-1 of the French Monetary and Financial Code, the systems and procedures put in place to comply with the provisions of Book II of Article L. 561-36-1 of the same code and the remedial measures necessary to correct significant incidents and deficiencies in the fight against money laundering and the financing of terrorism, and the freezing of assets and the prohibition on making available or using funds or economic resources, and to ensure their effectiveness;*

n) reviewing the documents and preparing the discussions and decisions of the Board of Directors on the ICAAP (internal capital adequacy assessment process) and the ILAAP (internal liquidity adequacy assessment process);

o) regularly reviewing risk dashboards of all types, including reputation risk and compliance risk. It also reviews the dashboards on operations. It receives all the information provided for by the regulations or the Risk Appetite Framework on breaches of limits and remedial measures;

p) reviewing the follow-up of the recommendations of supervisors in its area of competence;

q) reviewing the business continuity and operational resilience plans;

r) reviewing the preventive recovery plan communicated to the ECB and deliberating on any similar plan requested by other authorities;

s) reviewing the elements necessary to establish the resolution plan communicated to the competent supervisory authorities;

t) reviewing the risks related to the information system security policy, including cyber security, IT strategy and outsourced activities;

u) reviewing significant incidents that may affect the Bank with regard to the risks arising from the mapping and associated with reputation, compliance, operations and regulatory projects. In particular, it reviews environmental risks or risk related to the implementation of strategic orientations by the Group in respect of social and environmental responsibility, data quality notably in respect of the BCBS 239, and dispute management;

v) issuing an opinion to the Compensation Committee in which the risks in the compensation procedure for regulated persons (market professionals and others) are analysed;

w) regularly reviewing the important points raised at the new product committees;

x) issuing its opinion to the Board of Directors prior to the appointment and dismissal of the Chief Risk Officer.

The Risk Committee or its Chairman hear the heads of the internal control functions (risk, compliance, internal audit) as well as the Chief Financial Officer and, as necessary, the managers responsible for drawing up the accounts, internal control, risk control, compliance control and periodic control.

The Committee is kept informed by General Management of the appointment of the managers of the second-level internal control and periodic control functions.

## Appendix 3 - Charter of the Compensation Committee of Societe Generale

### Article 1 : Content of the Policy

This Charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this Charter shall be governed by the Internal Rules, and the terms used are defined in the Internal Rules.

### Article 2 : Role

The Compensation Committee prepares the decisions of the Board of Directors concerning compensation, especially those related to the compensation of Executive Officers, as well as of persons that have an impact on the risk and the management of risks in the Company.

### Article 3 : Composition

It is comprised of at least four Directors and includes a Director elected by the employees. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Code[1]. Its composition enables it to assess the compensation policies and practices with regard to the management of the Company's risks, equity and liquidity.

### Article 4 : Meetings

The Compensation Committee meets as often as required by the corporate interest and at least four times per year.

### Article 5 : Missions

a) It performs an annual review of the principles of the Company's compensation policy;
b) It prepares the Board of Directors' decisions:

- without the persons concerned being present, regarding the compensation, allowances and benefits of any kind granted to the Chief Executive Officers, as well as the Effective Senior Managers, if they are different.

- regarding the compensation policy for regulated persons within the meaning of banking regulations whose professional activities have a significant impact on the risk profile of the Company or the Group, as well as any employee who, in view of their global income, falls within the same compensation bracket. For this purpose, it hears the Chief Risk Officer, the Head of Compliance and the Head of inspection and Audit as part of the mission provided for in Article L. 511-74 of the French Monetary and Financial Code. As part of this process, it takes into account the opinion of the Risk Committee and refers to it in its opinion to the Board of Directors. It hears, where necessary, the Chairman of the Risk Committee.

It prepares the control by the Board of Directors of the compensation of the Chief Risk Officer, the Head of Compliance and the Head of inspection and Audit, following the opinion of the Audit and Internal Control Committee and the Risk Committee, each as far as it is concerned.

It receives all information necessary for its mission.

It examines the annual reports sent to the supervisory authorities.

It shall hear, as necessary, General Management, the heads of Business Units and Service Units and the heads of the control functions.

[1] For the calculation of the rate of independents within the committees, the AFEP-MEDEF Code does not take employees into account.

It may be assisted by the internal control services or by external experts.

In particular, the Committee:

a) proposes to the Board of Directors, in compliance with the regulations applicable to credit institutions, the principles given by the AFEP-MEDEF Corporate Governance Code and professional standards, the principles of the compensation policy for Executive Officers, and especially the criteria for determination, the structure and the amount of this compensation, including allowances and benefits in kind, insurance or retirement and compensation of any kind received from all Group companies; it ensures their application;

b) prepares the annual performance assessment of the Executive Officers;

c) proposes to the Board of Directors the policy on performance shares;

d) prepares the decisions of the Board of Directors concerning employee savings and employee share ownership.

**Appendix 4 - Charter of the Nomination and Corporate Governance Committee of Societe Generale**

## Article 1 : Content of the Policy

This Charter forms an integral part of the Internal Rules of the Board of Directors of Societe Generale (the "Internal Rules"). Any subject not covered by this Charter shall be governed by the Internal Rules, and the terms used are defined in the Internal Rules.

## Article 2 : Role

The Nomination and Corporate Governance Committee prepares the decisions of the Board of Directors regarding the selection of Directors, the appointment of Executive Officers, succession plans, the composition of management bodies and the proper functioning of the Board of Directors, in particular the application of the governance rules described in the Internal Rules.

## Article 3 : Composition

It is comprised of at least four Directors. At least two thirds of the Committee's members are independent within the meaning of the AFEP-MEDEF Corporate Governance Code. The Chief Executive Officer is involved, as necessary, in the Committee's work.

## Article 4 : Meetings

The Nomination and Corporate Governance Committee meets as often as required by the corporate interest and at least four times per year.

## Article 5 : Missions

The Nomination and Corporate Governance Committee:

a) periodically reviews, and at least once a year the structure, size, composition and effectiveness of the Board of Directors' work with regard to the missions assigned to it and submits to the Board of Directors any recommendation relevant to conducting the annual assessment of the Board of Directors and its members. This assessment is prepared by the Committee, its Chairman reporting to the Board of Directors. Every three years, when the assessment is carried out by an external firm, the Committee makes any proposal for the selection of the firm and the smooth running of the assessment;

b) periodically reviews the Board of Directors' policies concerning the selection and appointment of the Executive Officers and makes recommendations in this area;

c) is responsible for making proposals to the Board of Directors for the appointment of Directors, non-voting Directors ("*censeurs*") and Committee members. To this end, it prepares the selection criteria to be submitted to the Board of Directors, proposes to the Board of Directors an objective to be achieved concerning the balanced representation of women and men on the Board of Directors and develops a policy designed to achieve this objective[1];

d) in carrying out its missions, it seeks to comply with all of the conditions laid down by the EBA and the ECB as part of the "fit and proper" reviews;

e) prepares and reviews, each year, the succession plan for corporate officers, particularly in the event of an unforeseeable vacancy, after carrying out the useful studies;

[1] The objective and policy of the credit institutions, as well as the terms of implementation, are made public in accordance with paragraph 2 (c) of article 435 of regulation (EU) no. 575/2013 dated 26 June 2013.

f) ensures the existence of an appointment selection procedure for holders of key functions and is informed of the appointment of the Heads of Business Units or Service Units. Their succession plan is communicated to it and it reports on this plan to the Board of Directors;

g) gives its opinion to the Board of Directors on the appointment and dismissal of the Chief Risk Officer, the Head of Compliance and the Head of inspection and Audit, after notifying:
  - the Risk Committee regarding the Chief Risk Officer; and
  - the Audit and Internal Control Committee regarding the Head of inspection and Audit and the Head of Compliance;

h) prepares the review by the Board of Directors of corporate governance issues, as well as the Board of Directors' work on matters relating to Corporate culture. It proposes to the Board of Directors the presentation of the Board of Directors in the Universal Registration Document and in particular the list of independent Directors.

i) prepares the work of the Board of Directors relating to the governance of the subsidiaries in order to ensure compliance with the general principles applicable to the Group;

j) prepares the work of the Board of Directors in the event of a revision of the Company's By-laws or the Internal Rules of the Board of Directors;

k) It proposes to the Board of Directors the distribution of directors' compensation.

**Appendix 5 - Charter of the US Risk Committee of the Board of Directors of Societe Generale**

| |
|---|
| **Title:**<br><br>Charter of the U.S. Risk Committee of the Société Générale Board of Directors (the "Charter") |
| **Mandate:**<br><br>The U.S. Risk Committee ( "Committee" or the "USRC") of the Société Générale ("SG" or "SG Group") Board of Directors ("Board") is formed in accordance with the requirements of the Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations ("EPS Rules") as promulgated by the Board of Governors of the Federal Reserve System.[1] The Committee's mandate is to (a) review all kinds of risks, both current and future, relating to, booked in or arising from SG's business, activities, affairs and operations in the United States, including SG's subsidiaries, branches and representative offices in the United States (collectively, "SGUS"), (b) advise the Board on the overall strategy and the appetite regarding such risks, and (c) assist the Board when it oversees the implementation of this strategy; and (d) oversee the adequacy and effectiveness of the SGUS Internal Audit function.<br><br>For avoidance of doubt, it is the responsibility of SG and SGUS senior management to identify and assess SGUS' exposure to risk and escalate those risks, and planned mitigants, to the Committee. Although the Committee is responsible for overseeing the SGUS enterprise risk management function and challenging management on SGUS risk issues, it is not the sole body responsible for ensuring that SGUS' risk management function is carried out efficiently and effectively. |
| **Charter:**<br><br>The USRC is formed pursuant to Article 17.9 of the Internal Rules of the SG Board of Directors, as amended from time to time (the "Internal Rules"), which forms the USRC and this Charter forms part of and supplements the Internal Rules. Any topic not covered herein shall be governed by the Internal Rules. |
| **Membership:**<br><br>The Committee is composed of the members of the SG Board's Risk Committee (*Comité des Risques)*, the Chair of the Board's Audit and Internal Control Committee (*Comité d'Audit et de Contrôle Interne).* and the other members of the *Comité d'Audit et de Contrôle Interne* unless the Board has provided an exception to one or more of such members. The Committee is chaired by the Chair of the *Comité des Risques*. If the Committee Chair cannot be present at a meeting, he or she shall delegate the role to the Chair of the *Comité d'Audit et de Contrôle Interne*.<br><br>The Committee shall meet the requirements for independent membership set out in the Internal Rules and shall at all times include at least one member who meets the independence requirements set forth in the EPS Rules. |
| **Quorum and Committee Decisions:**<br><br>The presence of at least a majority of the members of the Committee shall constitute a quorum. If a quorum is present, the Committee may act through the vote of a majority of the directors who are in . Committee members may attend meetings in person, or by video conference or by telephone. Committee decisions may be taken absent a meeting by unanimous written consent. |
| **Agenda and Committee Materials:**<br><br>The Committee shall approve an annual agenda submitted to it by the SGUS Chief Executive Officer after consultation with the SGUS Chief Risk Officer and SGUS General Counsel. The agenda for each meeting is based off the approved annual agenda, with additions and modifications as relevant issues within the USRC's mandate arise each year. Materials for each meeting of the Committee are typically circulated to Committee members no less than five business days prior to meetings. |

[1] 79 Fed. Reg. 17,240 (Mar. 27, 2014), codified at 12 C.F.R. Part 252.

**Meeting Frequency:**

The Committee may meet as often as it determines is appropriate to carry out its responsibilities under this Charter, provided that the Committee shall meet at least once per quarter. Special meetings of the Committee may be held from time to time.

**Meeting Minutes:**

The SGUS General Counsel (or his or her designee) shall be the Secretary of the Committee and shall document the meetings. Minutes shall be circulated to the Committee members prior to the next meeting of the Committee and shall be approved at such subsequent meeting of the Committee. The official records of Committee meetings shall be maintained by the Secretary to the Board.

**Roles and Responsibilities:**

The mandate of the Committee, including its function of challenging management, is set forth above. The Committee's specific roles and responsibilities in fulfillment of this mandate include the following:

- Regularly receiving updates from the heads of the internal control functions (risk, compliance, internal audit) as well as the Chief Financial Officer and, as necessary, other SGUS managers;
- At least annually, reviewing and approving the SGUS enterprise risk management framework including, but not limited to, the elements of the framework relating to liquidity risk management, and any material revisions thereto;
- At least annually, reviewing and approving the SGUS Risk Appetite Statement, and any material revisions thereto, and reviewing any other relevant overarching policies establishing the SGUS risk management governance and risk control infrastructure as well as the processes and systems for implementing, monitoring and reporting compliance with such policies;
- On a quarterly basis, reviewing a quarterly-report from the U.S. Chief Risk Officer on risks affecting SGUS, which risks include, but are not limited to, liquidity risk. For avoidance of doubt, no member of the SG management has the right to demand changes to or veto the contents of the quarterly risk report;
- At least annually, reviewing and approving the SGUS Liquidity Risk Policy, and any material revisions thereto;
- At least quarterly, and more frequently if needed, conducting *in camera* meetings with the SGUS Chief Risk Officer with no other SG Group or SGUS personnel present. In addition, the SGUS Chief Risk Officer shall have unfettered access to the USRC should he or she need to report an issue, finding, conclusion, recommendation or analysis to the Committee;
- At least annually, reviewing and approving the acceptable level of liquidity risk that SG may assume in connection with the operating strategies for its combined U.S. operations (liquidity risk tolerance), taking into account the capital structure, risk profile, complexity, activities, size and SG's enterprise-wide liquidity risk tolerance of such operations;
- At least semi-annually, reviewing information sufficient to determine whether SG's combined U.S. operations are operating in accordance with its established liquidity risk tolerance and to ensure that such liquidity risk tolerance is consistent with SG's enterprise-wide liquidity risk tolerance;
- At least annually, reviewing SGUS significant business lines and products to determine whether each creates or has created any unanticipated liquidity risk and whether the liquidity risk of each is within the established liquidity risk tolerance;
- At least annually, reviewing and approving the SGUS contingency funding plan and any material revisions thereto;
- At least annually, reviewing the SGUS business plans, results and strategy;
- On a regular basis, reviewing progress on all SGUS remediation projects arising from prudential supervisory issues;
- At least quarterly, reviewing information about the SGUS corporate compliance framework, including metrics, updates and challenges;
- At least annually, reviewing and approving the SGUS Compliance Risk Management Program Framework and any material revisions thereto;

- Serving as the ultimate oversight body over SGUS' compliance with U.S. anti-money laundering laws, including the Bank Secrecy Act, Office of Foreign Assets Control regulations, and applicable know-your-customer requirements and, at least annually, reviewing the SGUS framework for compliance with such regulations and requirements;
- Annually, reviewing and approving the SGUS Internal Audit function ("SGIAA") proposed annual audit plan, SGIAA charter and key performance indicators;
- On a regular basis, reviewing reports from SGIAA relating to: the conclusions of the audit work, including the adequacy of key SGUS risk management processes, areas of higher risk, the status of issues and recommendations, root-cause analysis, and information on significant industry and institution thematic trends.
- On a regular basis, receiving a presentation from the SGIAA Chief Audit Executive provided outside of the presence of SGUS senior management (other than the SGUS Chief Executive Officer and the SGUS General Counsel) relating to: the completion status of the annual audit plan, including any significant changes made to such plan; updates on ongoing SGIAA remediation plans, if any; and the results of SGIAA key performance indicators and internal and external quality assurance reviews;
- As and when requested by SGIAA, conducting *in camera* meetings with the SGIAA Chief Audit Executive. In addition, the SGIAA Chief Audit Executive shall have unfettered access to the USRC should he or she need to report an issue, finding, conclusion, recommendation or analysis to the Committee;
- At least annually: reviewing SGIAA's annual Independent and Objectivity Assertion Presentation and SGIAA's annual skills assessment; assessing the ability of SGIAA to operate independently and objectively; and raising any concerns regarding SGIAA to the Group Head of Audit and the SGUS CEO; and
- At least annually, receiving information and training on a range of topics affecting SGUS. Such topics will change from time to time but will typically include anti-bribery and corruption, liquidity risk, human resources, culture & conduct, information technology risk management; cybersecurity, regulatory developments and litigation and enforcement developments.

Additional details on the periodicity of all the foregoing topics are set forth in the annual agenda of the Committee.

For avoidance of doubt, all SGIAA presentations referenced herein shall be made to the Committee and the SGIAA Chief Audit Executive interactions described herein shall be with the Committee. The Group Audit function shall continue to report to the *Comité d'Audit et de Contrôle Interne* and may in its discretion include information in its reports about any matters relating to SGUS or SGIAA and its work.

Annex A contains a list of all documents scheduled for approval by the Committee on an annual basis. Other items may also be presented to the Committee for approval as needed.

**Amendments to this Charter:**

Amendments to this Charter shall be approved by the Committee and the SG Board after prior examination by the Nomination and Corporate Governance Committee of the Board.

**Use of Advisors:**

The Committee may request select, retain and terminate special risk management, legal, financial, accounting, audit or other professional advisors to assist the Committee in performing its responsibilities under this Charter at the corporation's expense, after informing the Chairman of the Board of Directors or the Board of Directors itself, and subject to reporting back to the Board thereon. Such retention shall be coordinated by the Committee Chair with the assistance of the Secretary to the Board.

| Annex A: List of Items Approved by the Committee Annually |
|---|
| SGUS Risk Appetite Statement |
| SGUS Liquidity Risk Tolerance |
| SGUS Enterprise Risk Management Framework |
| SGUS Contingency Funding Plan |

| |
|---|
| SGUS Liquidity Risk Policy |
| Annual U.S. Risk Committee Agenda |
| |
| SGUS Compliance Risk Management Program Framework |
| SGIAA Charter |
| SGIAA Key Performance Indicators |
| SGIAA Annual Audit Plan |

# 7. PERSON RESPONSIBLE FOR THE SECOND AMENDMENT TO THE UNIVERSAL REGISTRATION DOCUMENT

## 7.1 Person responsible for the second amendment to the Universal Registration Document

**Mr. Slawomir KRUPA**
Chief Executive Officer of Societe Generale

## 7.2 Statement of the person responsible

I hereby certify that the information contained in this amendment to the Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its meaning.

I certify, to the best of my knowledge, that the condensed accounts for the first half year have been prepared in accordance with applicable accounting standards and are a fair reflection of the assets, liabilities, financial position and profit or loss of the Company and all the entities included in the consolidation scope, and that the interim management report (comprising the sections of this amendment to the Universal Registration Document listed in the cross-reference table in section 8.2) presents a fair review of the important events which have occurred during the first six months of the financial year, their impact on the accounts, the major related parties transactions and a description of the main risks and uncertainties for the remaining six months of the financial year.

Paris, on 4 August 2023

**Mr. Slawomir KRUPA**
Chief Executive Officer of Societe Generale

## 7.3 Persons responsible for the audit of the accounts

### STATUTORY AUDITORS

**Name**: Company Ernst & Young et Autres
represented by Mr. Micha Missakian
and Mr. Vincent Roty

**Address**: 1/2, place des Saisons
92400 Courbevoie – Paris-La Défense
(France)

**Date of appointment**: 22nd May 2012

**Date of renewal**: 23rd May 2018

**Duration of current term of office**: six financial years

**End of current term of office**: at the close of the Ordinary General Meeting called to approve the accounts for the year ended 31st December 2023

**Name**: Company Deloitte & Associés
represented by Mr. Jean-Marc Mickeler
and Mrs. Maud Monin

**Address**: 6, place de la Pyramide
92908 Paris-La Défense Cedex
(France)

**Date of first appointment**: 18th April 2003

**Date of latest renewal**: 23rd May 2018

**Duration of current term of office**: six financial years

**End of current term of office**: at the close of the Ordinary General Meeting called to approve the accounts for the year ended 31st December 2023

The companies Ernst & Young et Autres and Deloitte & Associés are registered as Statutory Auditors with the *Compagnie régionale des Commissaires aux comptes de Versailles*.

## 7.4 Declaration of the issuer related to the amendment

This second amendment to the Universal Registration Document has been filed on 4 August 2023 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

# 8. CROSS-REFERENCE TABLE

This cross-reference table contains the headings provided for in Annex 1 (as referred to in Annex 2) of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) No 809/2004, and refers to the pages of this amendment to the Universal Registration Document where the information relating to each of these headings is mentioned.

| Headings | | Page numbers of the Universal Registration Document | 1st Amendment | 2nd Amendment |
|---|---|---|---|---|
| **1** | **PERSONS RESPONSIBLE** | | | |
| 1.1 | Name and function of the persons responsible | 674 | 93 | 243 |
| 1.2 | Declaration by the persons responsible | 674 | 93 | 243 |
| 1.3 | Statement or report attributed to a person as an expert | NA | NA | NA |
| 1.4 | Information sourced from a third party | NA | NA | NA |
| 1.5 | Statement by the issuer | 684 | 94 | 244 |
| **2** | **STATUTORY AUDITORS** | | | |
| 2.1 | Names and addresses of the auditors | 674 | 94 | 244 |
| 2.2 | Resignation, removal or non-reappointment of the auditors | NA | NA | NA |
| **3** | **RISK FACTORS** | **163-174** | **NA** | **55-62** |
| **4** | **INFORMATION ABOUT THE ISSUER** | | | |
| 4.1 | Legal and commercial name of the issuer | 643 | 1 | 1 |
| 4.2 | Place of registration, registration number and legal entity identifier (LEI) of the issuer | 643 | NA | NA |
| 4.3 | Date of incorporation and the length of life of the issuer | 643 | NA | NA |
| 4.4 | Domicile and legal form of the issuer, applicable legislation, country of incorporation, address and telephone number of its registered office and website | 643 | NA | NA |
| **5** | **BUSINESS OVERVIEW** | | | |
| 5.1 | Principal activities | 8-10 ; 18-26 ; 54-58 | 6-29 | 6-45 |
| 5.2 | Principal markets | 8-17 ; 18-26 ; 28-29 ; 67-68 ; 506-507 | 6-29 | 6-45 |
| 5.3 | Important events in the development of the business | 6-26 | 6-9 | 6-45 |
| 5.4 | Strategy and objectives | 11-17; 18-26 ; 30-31 | 3-5 | 3-7;42 |
| 5.5 | Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes | NA | NA | NA |

| | | | | |
|---|---|---|---|---|
| 5.6 | Basis for any statements made by the issuer regarding its competitive position | 30-40 | NA | 8-19 |
| 5.7 | Investments | 64-65 ; 288 ; 326 ; 357 ; 396-404 | NA | 42 |
| **6** | **ORGANISATIONAL STRUCTURE** | | | |
| 6.1 | Brief description of the Group | 8-10 ; 28-29 | NA | NA |
| 6.2 | List of the significant subsidiaries | 28-29 ; 518-550 | NA | 31;43-45 |
| **7** | **OPERATING AND FINANCIAL REVIEW** | | | |
| 7.1 | Financial condition | 30-45 ;59-63 ; 564-569 | 6-29 ; 31 ; 37-41 | 8-30 |
| 7.2 | Operating results | 30-45 | 6-29 | 8-19 |
| **8** | **CAPITAL RESOURCES** | | | |
| 8.1 | Information concerning the issuer's capital resources | 61 ; 374-378 ; 499-504 ; 606-609 | 20;24-29 | 41; 190-191 |
| 8.2 | Sources and amounts of the issuer's cash flows | 379 | NA | 81 |
| 8.3 | Information on the borrowing requirements and funding structure of the issuer | 62-63 | 30 | 41 |
| 8.4 | Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect the issuer's operations | NA | NA | NA |
| 8.5 | Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2 | 61-63 ; 65 | 30 | 41 |
| **9** | **REGULATORY ENVIRONMENT** | **16-17 ; 41 ; 195** | **3-5** | **3-5** |
| **10** | **TREND INFORMATION** | | | |
| 10.1 | Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year Any significant change in the financial performance of the Group or provide an appropriate negative statement. | 65-66 | 31 | 43 |
| 10.2 | Trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year | 16-17 | 3-5 | 3-5 |
| **11** | **PROFIT FORECASTS OR ESTIMATES** | **33** | **NA** | **NA** |
| **12** | **ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND GENERAL MANAGEMENT** | | | |
| 12.1 | Board of Directors and General Management | 70-111 | 34-36 | 46-54 |
| 12.2 | Administrative, management and supervisory bodies and | 158 | NA | 49 |

| | | | | |
|---|---|---|---|---|
| | General Management conflicts of interests | | | |
| **13** | **REMUNERATION AND BENEFITS** | | | |
| 13.1 | Amount of remuneration paid and benefits in kind | 112-154 | NA | NA |
| 13.2 | Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits | 486-493 | NA | 183-184 |
| **14** | **BOARD AND GENERAL MANAGEMENT PRACTICES** | | | |
| 14.1 | Date of expiration of the current term of office | 74-75 ; 81-88 ; 106-107 ; 113 ; 153 | NA | NA |
| 14.2 | Members of the administrative bodies' service contracts with the issuer | NA | NA | NA |
| 14.3 | Information about the issuer's audit committee and remuneration committee | 95-104 | 78-81 ; 85-86 | NA |
| 14.4 | Statement as to whether or not the issuer complies with the corporate governance regime | 71 | NA | NA |
| 14.5 | Potential material impacts on the corporate governance, including future changes in the board and committees composition | 72-75 | NA | NA |
| **15** | **EMPLOYEES** | | | |
| 15.1 | Number of employees | 293 | NA | 43-45 |
| 15.2 | Shareholdings and stock options of company officers | 74 ; 81-88 ; 106-107 ; 112-154 | NA | 209 |
| 15.3 | Description of any arrangements for involving the employees in the capital of the issuer | 487 ; 494 ; 638-639 ; 644-645 | NA | 209 |
| **16** | **MAJOR SHAREHOLDERS** | | | |
| 16.1 | Shareholders holding more than 5% of capital or voting rights | 639-640 | NA | 209 |
| 16.2 | Different voting rights held by the major shareholders | 639-640; 643-644 | NA | 209 |
| 16.3 | Control of the issuer | 639-640 ; 642 | NA | 209 |
| 16.4 | Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer | NA | NA | NA |
| **17** | **RELATED PARTY TRANSACTIONS** | **158-159 ; 487** | **NA** | **NA** |
| **18** | **FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES** | | | |
| 18.1 | Historical financial information | 10 ; 30-45 ; 162 ; 374-634 | 6-29 | 8-30 ; 38-40 |

| | | | | |
|---|---|---|---|---|
| 18.2 | Interim and other financial information | NA | NA | 8-30 ; 38-40 |
| 18.3 | Auditing of historical annual financial information | 557-563 ; 628-634 | NA | 207-208 |
| 18.4 | Pro forma financial information | NA | 28-29 | NA |
| 18.5 | Dividend policy | 13 ; 638 | NA | NA |
| 18.6 | Legal and arbitration proceedings | 270 ; 624-627 | 42-45 | 198-202 |
| 198-20218.7 | Significant change in the issuer's financial position | 65 | NA | NA |
| **19** | **ADDITIONAL INFORMATION** | | | |
| 19.1 | Share capital | 156-157 ; 636-646 | 1 | 1 |
| 19.2 | Memorandum and Articles of Association | 646-651 | NA | 210-242 |
| **20** | **MATERIAL CONTRACTS** | **65** | **NA** | **NA** |
| **21** | **DOCUMENTS AVAILABLE** | **643-645** | **NA** | **NA** |

## Cross-reference table of the interim financial report

Pursuant to Article 9 Section 12 to the Regulation (EU) 2017/1129 of the European Parliament and of the Council, this amendment comprises the information of the interim financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-4 of the AMF's General Regulation.

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| Management report | |
| Analysis of results, financial position, risks and main characteristics of internal control and risk management procedures for the preparation and processing of accounting and financial information of the parent company and consolidated Group (Article L. 225-100-1 of the French Commercial Code) | 8-30; 38-40 ; 72-206 |
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| Information about geographic locations and activities (Article L. 511-45 of the French Monetary and Financial Code) | 43-45 |
| Financial statements | 72-206 |
| Annual accounts | NA |
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| ▪ Consolidated accounts | 75-206 |
| ▪ Statutory Auditors' report on the consolidated accounts | 207-208 |
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