SG Issuer

Société Anonyme

Condensed interim financial statements,
Report of the Executive Board and Corporate Governance Statement and
Report of the Réviseur d'entreprises agréé on review of the condensed interim financial statements

As at and for the six-month period ended 30 June 2024

15, avenue Emile Reuter,
L-2420 Luxembourg
R.C.S. Luxembourg: B121.363

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EXECUTIVE BOARD MEMBERS

Chairman:

Mr Yves CACCLIN
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Members:

Mr Thierry BODSON
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr François CARALP
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Julien BOUCHAT
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Youenn LE BRIS
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11, avenue Emile Reuter, L-2420 Luxembourg

Mr Laurent SIMONET
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Samuel WOROBEL
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Supervisory Board Members
As at 30 June 2024

SUPERVISORY BOARD MEMBERS

Chairman:

Mr Laurent WEIL
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Vice-president:

Mrs Peggy VENIANT COTTIN
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Members:

Mr Faouzi BORGI
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Mr Gregory CLAUDY
Independent Director
225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Mr Emanuele Maiocchi
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

AUDIT COMMITTEE MEMBERS

Chairman:

Mr Gregory CLAUDY
Independent Director
225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Members:

Mr Emanuele MAIOCCHI
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mrs Peggy VENIANT COTTIN
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

MANAGEMENT AND ADMINISTRATION

Issuer
SG Issuer
15, avenue Emile Reuter, L-2420 Luxembourg

Guarantor (if applicable, as specified in the Final Terms)
Société Générale
29, boulevard Haussmann, F-75009 Paris, France

Arranger and Dealer
Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Security Trustee and Security Agent Trustee
The Bank of New York Mellon Corporate Trustee Services Limited
One Canada Square, London E14 5AL, United Kingdom

Collateral Custodian
The Bank of New York Mellon S.A., Luxembourg Branch
Vertigo Building, Polaris, 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Luxembourg

Collateral Monitoring Agent
The Bank of New York Mellon London Branch
One Canada Square, London E14 5AL, United Kingdom

Custodian Agent, Issuing and Paying Agent, Registrar, Exchange Agent and Transfer Agent
Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg

Paying Agents
Société Générale
29, boulevard Haussmann, F-75009 Paris, France
&
Société Générale, New York Branch
1221, avenue of the Americas, New York NY 10020, United States of America

Warrant Agent
Société Générale Luxembourg
15, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg

LEGAL ADVISERS AND RÉVISEUR D'ENTREPRISES AGRÉÉ

Legal advisers
To the Arranger as to English, French and U.S. laws
Allen & Overy LLP
52, avenue Hoche, CS 90005, 75379 Paris Cedex 08, France

To the Trustee as to English Law
Allen & Overy LLP
1 Bishops Square, London E1 6AD, United Kingdom

To the Arranger as to Luxembourg Law
Allen & Overy Luxembourg
5, avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg

Independent Auditor (Réviseur d'entreprises agréé)
PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator L-2182 Luxembourg

REPORT OF THE EXECUTIVE BOARD AND CORPORATE GOVERNANCE STATEMENT

The Directors of SG Issuer (the "Company" or "SGIS") (each a " Director", collectively the "Executive Board") present the condensed interim financial statements and the Report of the Executive Board and Corporate Governance Statement of the Company for the period from 1 January 2024 to 30 June 2024.

1. ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The purpose of SG Issuer is to issue Notes and Warrants with all types of underlyings including, without restriction, Shares, Index, Interest Rate, Dividend, Credit Risk, Foreign Exchange, Commodities, Funds, Warrants, allowing investors to access to the full pricing capabilities of Société Générale Group, which proposes an extensive range of investment strategies linked to these various asset classes.

Notes and Warrants issued by the Company can be sold in either Private Placements or Public Offerings. Notes are mainly Debt Securities, Bonds, and Certificates. Issuing proceeds raised by the sale of the Notes will be transferred to Société Générale S.A. (Société Générale) through a Fully Funded Swap (FFS), which perfectly hedges SGIS for the full issue size.

Warrants are financial products like Turbos, inline Warrants, daily Leverage Certificates, which aim to replicate the same financial exposure as buying (Call) or selling (Put) an asset such as a share or an index, at a predetermined price (strike price) on a predetermined date (expiry) and to offer different pay-off or exposures to investors.

Payments in respect of the Notes and Warrants issued by the Company are unconditionally and irrevocably guaranteed by Société Générale.

On request of investors, the Company can issue Collateralised Notes or Warrants (respectively "secured Notes" or "secured Warrants") in order to propose an additional layer of protection to investors in case of default of Société Générale.

Notes and Warrants issuances are governed by the programs prepared by Société Générale.

The main programs for Notes are (i) the Debt Instruments Issuance Program, the Base Prospectus of which has been updated and approved by the CSSF on 31 May 2024 and (ii) the "Programme d'Emission de Titres de Créance", the Base Prospectus of which has been updated and approved by the CSSF on 12 June 2024. Similarly, the main program for Warrants is the Warrants Issuance Program, for which the last updates have been approved by the CSSF on 26 June 2024.

In addition, (i) the UK Debt Instrument Issuance Program has been approved by the FCA on 31 May 2024, ii) the German Debt Instruments Issuance Program has been approved by the CSSF on 10 June 2024 and iii) the Swiss Securities Issuance Program on 3 July 2024 by the SIX Exchange Regulation Ltd.

The state of business of the Company at the closing of the six-month period ended 30 June 2024 is adequately presented in the interim financial statements published hereby.

During the six-month period ended 30 June 2024, 11 427 new Notes were issued (among which 57 new secured Notes) and 1 395 new Warrants were issued[1]. The net loss for the period from 1 January 2024 to 30 June 2024 amounts to KEUR 8.

The Company did not exercise any research and development activity, does not have any branch, and did not acquire any own shares.

2. RISKS AND UNCERTAINTIES

The risks associated with the investment in the Notes or Warrants depend on several factors. Such factors will vary depending on the characteristics of the Notes or Warrants issued, in particular depending on the underlying type, the maturity, the secured/unsecured status of the Notes or Warrants, the interest rates incurred, the volatility of the underlying.

For each Note, the Company systematically hedges its position by contracting a FFS with Société Générale, with strictly identical characteristics. Also, for each Warrant, the Company systematically hedges its position by contracting an option with Société Générale, with strictly identical characteristics.

The legal documentation and the derivative instruments have been put in place in order to make sure that the assets match the liabilities at any time. Therefore, no market risk is supported by the Company. The risk management in relation to the Notes and Warrants is also described in Note 10 of the condensed interim Financial Statements.

3. FUTURE DEVELOPMENTS AND PERSPECTIVES

Following the acquisition by the Société Générale Group (SG Group) of the listed warrants activities from Commerzbank group, Société Générale decided to centralize the new warrants issuances into another vehicle of the Société Générale Group. The Company will however pursue its warrants issuances activity on the Asian markets.

4. INFORMATION ON LITIGATIONS

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

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

[1] The number of issued Notes and Warrants does not take into account the issuances which have been issued and cancelled during the same financial period.

5. CORPORATE GOVERNANCE STATEMENT

The Executive Board of the Company is committed to maintaining the standards of corporate governance enforced at the level of the European Union and at level of the Société Générale Group. This statement describes the Company's governance principles and practices.

In compliance with its status, the Company is governed by an Executive Board and supervised by a dedicated Supervisory Board.

5.1. Executive board

The Executive Board supervises and controls the management and operations of the Company and is responsible for the Company system of risk management and internal control.

The Executive Board meetings are held on demand several times during the year.

The Board has quorum when more than half of its members are present. An opinion supported by more than half of the members present becomes a decision.

Key tasks of the Executive Board:

- Ensures that the supervision of accounting is organised and monitored appropriately;
- Reviews and approves the Company's financial statements and condensed interim financial statements;
- Supervises and controls operative management.

5.2. Supervisory board

The Supervisory Board ensures permanently and by all necessary means the control of the management of the Company carried out by the Executive Board. However, this supervision has to be translated in no way by an intervention in the management of the Company. The Supervisory Board can mandate advisory committees comprised of members of the Supervisory Board and/or of other non-members to lead different missions. The Supervisory Board can confer power or mandates permanently or temporary to these advisory committees. These advisory committees cannot have the effect of restricting the powers of the Executive Board.

5.3. Audit committee

The mission of the Audit Committee is to monitor the issues related to the preparation and control of accounting and financial information, to monitor the independence of the statutory auditors, as well as to monitor the efficiency of the internal control, measurement, supervision and risk control systems related to the accounting and financial processes. If needed, it gives recommendations and its opinion to the Supervisory Board.

An Audit Committee meeting took place on 24 April 2024, during which the financial statements for the financial period ended 31 December 2023 and the external audit results were presented. At least one member of the committee must be independent, which is the case of the Chairman of the Company's Audit Committee.

5.4. Internal audit

The Internal Audit of both Société Générale Luxembourg S.A. (SG Luxembourg) and Société Générale Group support the Company's Executive Board in overseeing the Company's activities and securing its operations by carrying out internal audits and providing consultative assistance. The objective of Internal Audit is to add value by making recommendations designed to improve the Company's functioning. Internal Audit is an independent function and its activities are based on international professional internal audit standards and rules of ethics.

The central task of Internal Audit is to audit the functioning of SG Issuer on a regular basis and evaluate its internal controls, risk management, and administrative function. The areas to be audited are determined by the projected financial and operational risks concerned. Internal Audit can also carry out special assignments at the request of management.

Internal Audit does not have any direct authority over the activities it reviews.

5.5. Controls framework

First level of controls is related to the execution of the procedures, guidelines and instructions established to ensure the proper and efficient functioning of the Company. They are executed by the involved teams in charge of the production.

A second level of control is ensured by SG Luxembourg: Outsourced Essential Services (OES) supervision (ensured by the Corporate department), Market Risk and Operational Risk (ensured by the Risk department), "Level 2 permanent control" activity (monitoring and assessment of the level 1 permanent control system)."

The Chief Financial Officer of the Company ensures the completeness of the procedural framework.

5.6. New products committee

All the new activities and businesses of the Company are analysed and authorised by a dedicated New Products Committee (NPC). All involved departments within SG Luxembourg are represented (operations, finance, risk, accounting standards, etc.) to assess the impact for the Company.

5.7. Service level agreements

The Company and several of its service providers are subsidiaries of the Société Générale Group.

Service Level Agreements (SLAs) were signed by the Company with SG Luxembourg and with Société Générale. The SLAs govern the relations between the entities as well as their respective obligations. The services supplied by SG Luxembourg and Société Générale are listed in the appendices of the agreements (mainly General services, legal services, business continuity management services and financial services from SG Luxembourg and operational services – Middle Office and Back Office – from Société Générale). In particular, the calculation of the remuneration related to the issuance of the Notes is delegated to Société Générale Paris Middle office within the framework of the SLA.

Luxembourg, 25 September 2024
For the Executive Board

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Yves CACCLIN
Chairman of the Executive Board

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Thierry Bodson
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Thierry BODSON
Member of the Executive Board

Global Statement for the condensed interim financial statements

As at 30 June 2024

To the best of our knowledge, these condensed interim financial statements gives a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Report of the Executive Board (management report) includes a fair presentation of the development and performance of the business and the position of the Company, together with a description of the main risks and uncertainties that it faces.

Luxembourg, 25 September 2024

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Yves CACCLIN
Chairman of the Executive Board

DocuSigned by:

Thierry Bodson

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Thierry BODSON
Member of the Executive Board

Report on Review of Condensed Interim Financial Statements

To the Executive Board of
SG Issuer S.A.

We have reviewed the accompanying condensed interim financial statements of SG Issuer S.A. (the “Company”), which comprise the interim statement of financial position as at 30 June 2024, and the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and interim statement of cash flow for the six-month period then ended, and material accounting policy information and other explanatory information.

Executive Board responsibility for the condensed interim financial statements

The Executive Board is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union, and for such internal control as the Executive Board determines is necessary to enable the preparation of condensed interim financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the independent auditor

Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2400 “Engagement to review historical financial statements”) as adopted for Luxembourg by the “Institut des Réviseurs d’Entreprises”. This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the condensed interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of condensed interim financial statements in accordance with ISRE 2400 is a limited assurance engagement. The independent auditor performs procedures, primarily consisting of making inquiries of management and others within the Company, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed interim financial statements.

pwc

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 26 September 2024

Electronically signed by :
Name of the signer

F. Pansera

Franck Pansera

Condensed interim financial statements

As at 30 June 2024

Interim statement of financial position

	Note	('000 EUR) 30.06.2024	('000 EUR) 31.12.2023
Cash and cash equivalents	3, 10.4, 10.5	38,654	42,010
Financial assets at fair value through profit or loss			
- Mandatorily measured at fair value through profit or loss	4.1, 10.4, 10.5	50,442,087	51,118,092
- Trading derivatives at fair value through profit or loss	4.1, 10.4, 10.5	85,338	57,316
Loans and receivables	5	50,019	50,035
Other assets		282,642	2,182,233
Total assets		**50,898,740**	**53,449,686**
Financial liabilities at amortised cost	4.3, 10.4, 10.5	63,116	82,741
Financial liabilities at fair value through profit or loss			
- Designated at fair value through profit or loss	4.2, 10.4, 10.5	50,440,613	51,112,066
- Trading derivatives	4.2, 9, 10.4, 10.5	84,828	57,148
Other liabilities		307,986	2,195,502
Tax liabilities	6	5	13
Total liabilities		**50,896,548**	**53,447,470**
Share capital	7.1	2,000	2,000
Share premium	7.1	-	-
Legal reserve	7.2.1	200	200
Other reserves	7.2.2	-	-
Profit for the financial period/year		(8)	15
Total equity		**2,192**	**2,215**
Total equity and liabilities		**50,898,740**	**53,449,686**

Condensed interim financial statements (continued)
As at 30 June 2024

Interim statement of profit or loss and other comprehensive income

	Note	('000 EUR) 1st half of 2024	('000 EUR) 1st half of 2023
Interest income		2,025	1,185
Commission income	8.1	21,689	23,668
Total revenues		**23,714**	**24,853**
Interest expenses		(15,052)	(18,123)
Net result from financial instruments at fair value through profit or loss	8.2	(2)	(147)
Personnel expenses		(96)	(109)
Other operating expenses		(8,567)	(6,717)
Total expenses		**(23,717)**	**(25,096)**
Profit or (loss) before tax		**(3)**	**(243)**
Income tax	6	(5)	-
Profit or (loss) for the interim period		**(8)**	**(243)**
Total comprehensive income for the interim period		**(8)**	**(243)**

Condensed interim financial statements (continued)
As at 30 June 2024

Interim statement of change in Equity

	('000 EUR) Share capital	('000 EUR) Share premium	('000 EUR) *Legal reserve*	('000 EUR) *Other reserves*	('000 EUR) Total reserves	('000 EUR) Profit or (loss) for the financial year/interim period	('000 EUR) Total equity
As at 31 December 2022	**2,000**	**-**	*200*	*(214)*	**(14)**	**590**	**2,576**
Allocation of the result of the previous year before dividend distribution	-	-	-	*590*	**590**	**(590)**	**-**
Capital increase / Allocation to the share premium account (Note 7.1)	-	**22,050**	-	-	-	-	**22,050**
Dividend paid (Note 7.1)	-	-	-	*(375)*	**(375)**	-	**(375)**
Reimbursement of the share premium (Note 7.1)	-	**(22,050)**	-	-	-	-	**(22,050)**
Profit and other comprehensive income for the period from 1 January 2023 to 30 June 2023	-	-	-	-	-	**(243)**	**(243)**
As at 30 June 2023	**2,000**	**-**	*200*	*1*	**201**	**(243)**	**1,958**
Profit and other comprehensive income for the period from 1 July 2023 to 31 December 2023	-	-	-	*(1)*	**(1)**	**258**	**257**
As at 31 December 2023	**2,000**	**-**	*200*	*-*	**200**	**15**	**2,215**
Allocation of the result of the previous year before dividend distribution	-	-	-	*15*	**15**	**(15)**	**-**
Capital increase/Allocation to the share premium account (Note 7.1)	-	**34,361**	-	-	-	-	**34,361**
Dividend paid (Note 7.1)	-	-	-	*(15)*	**(15)**		**(15)**
Reimbursement of the share premium (Note 7.1)	-	**(34,361)**	-	-	-	-	**(34,361)**
Profit and other comprehensive income for the period from 1 January 2024 to 30 June 2024	-	-	-	-	-	**(8)**	**(8)**
As at 30 June 2024	**2,000**	**-**	*200*	*-*	**200**	**(8)**	**2,192**

Condensed interim financial statements (continued)
As at 30 June 2024

Interim statement of cash flows

	Notes	('000 EUR) 1st half of 2024	('000 EUR) 1st half of 2023
OPERATING ACTIVITIES			
Profit or (loss) for the financial period		(8)	(243)
Net change in fair value and foreign exchange difference	4.1, 4.2	(1,921)	(348,899)
Net (increase)/decrease in financial assets	4.1	(769,038)	(4,674,261)
Net increase/(decrease) in financial liabilities	4.2	755,560	5,043,084
(Increase)/decrease in other assets		1,899,589	(11,200)
Increase/(decrease) in tax liabilities and other liabilities		(1,853,149)	501
Taxes paid	7	(13)	(201)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**31,020**	**8,778**
FINANCING ACTIVITIES			
Payment of capital surplus*	7.1	(34,361)	(22,050)
Dividend paid		(15)	(375)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(34,376)**	**(22,425)**
Cash and cash equivalents as at the beginning of the period	3	42,010	36,176
Net increase/(decrease) in cash and cash equivalents		(3,356)	(13,647)
Cash and cash equivalents as at the end of the period		**38,654**	**22,529**
Additional information on operational cash flows from interest and dividends			
Interest paid		35,388	23,609
Interest received		2,025	1,184
Dividend received		-	-

** KEUR 34,361 for the period ended 30 June 2024 (and KEUR 22,050 for the period ended 30 June 2023) represent the share premium reimbursed by the Company to the shareholder (refer to Note 7.1).*

Notes to the condensed interim financial statements
As at 30 June 2024

NOTE 1 – CORPORATE INFORMATION

SG Issuer (hereafter the "Company" or “SGIS”) is a Luxembourg company incorporated on 16 November 2006 as a public limited liability company (Société Anonyme) for an unlimited period.

Since April 2013, the Company’s corporate objects are to issue debt securities, bonds, certificates, warrants and any other debt securities or acknowledgements of debts or financial securities, whether or not accompanied by guarantees, with any type of underlying security, including, without limitation, company stock, any other capital security or security other than capital, index, currency, exchange rate, interest rate, dividend, credit risk, fund unit, investment company stock, term deposit, life assurance contract, loan, merchandise, term contract, option, warrant or option coupons, allocated or unallocated precious metals, unit of account, basket or any other factor or any other type of underlying securities and any combination of the latter.

To that effect, the Company may purchase, hold, dispose of, lend, loan or resell, by any means, including in particular the use of trusts, in trust or repurchase, any type of assets whatever their names and forms and whether or not accompanied by guarantees, in particular financial instruments (financial securities - stocks, fund units, bonds, certificates, warrants - or financial contracts - swaps, options or other) or any other debt securities, acknowledgements of debts or capital securities, receive or issue monetary loans (including loans convertible into shares of the Company) - within the group of companies to which the Company belongs - and to supply guarantees in any form (actual guarantees such as pledges, securities, mortgages or other - personal guarantees or any other form of guarantee) for their own account, for the account of the group of companies to which the Company belongs or on behalf of third parties.

The Company’s financial year begins on 1 January and ends on 31 December each year.

The Company’s capital is divided into 50,011 shares, of which 49,911 are held by Société Générale Luxembourg (hereafter “SG Luxembourg" or “SGL”) and 100 are held by Société Générale S.A. (hereafter “Société Générale” or the “Parent Company”).

The accounts of the Company are included in the consolidated accounts of Société Générale S.A., which is the largest body of undertakings of which the Company forms a part as a subsidiary undertaking, and whose head-office is located at 29, boulevard Haussmann, 75009 Paris, France.

The accounts of the Company are included in the consolidated accounts of Société Générale Luxembourg S.A., which is the smalled body of undertakings of which the Company forms a part as a subsidiary undertaking, and whose head-office is located at 11, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg.

NOTE 2 – MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 Statement of compliance

The condensed interim financial statements as at and for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. The condensed interim financial statements as at and for the six-month period ended 30 June 2024 were approved and authorised for issue by the Supervisory Board on 25 September 2024.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at 31 December 2023. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out in 2.2.

2.1.2 Basis of measurement of financial assets and financial liabilities

Financial assets and financial liabilities linked to the activity of the Company are measured at fair value through profit or loss (see notes 4.1, 4.2, 10.4, 10.5). Other financial assets and financial liabilities are measured at amortised cost (see note 4.3).

2.1.3 Functional and presentation currency

These condensed interim financial statements are prepared in Euro (EUR), which is the Company's functional currency and the currency of its share capital. Unless stated otherwise, the amounts in the condensed interim financial statements are expressed in thousands of EUR (KEUR). The value "0" indicates the presence of a number, which is rounded to zero, while "-" represents the value nil.

2.1.4 Use of estimates and judgements

The preparation of the Company's condensed interim financial statements requires the Executive Board to make judgments, estimates and assumptions that affect the reported amount of figures recorded in the statement of profit and loss, on the unrealised or deferred gains and losses, on the valuation of assets and liabilities in the statement of financial position, and on information disclosed in the notes to the condensed interim financial statements.

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

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

The use of significant estimates and judgment mainly concerns the following topics:

- Fair value in the interim statement of financial position of financial instruments not quoted in an active market which are classified as financial assets and liabilities at fair value through profit or loss (see Notes 4.1 and 4.2);
- The amount of impairment and provisions for credit risk related to financial assets measured at amortised cost (see Note 5);
- The analysis of the contractual cash flow characteristics of financial assets (see Note 2.3.3.1).

2.1.5 Segment reporting

No dedicated management reporting information is presented for SGIS to a chief decision maker; only the annual financial statements and the condensed interim financial statements are presented to the Executive Board of SGIS in analysing the performance of the Company. The Company has only one geographical area related to its revenue, which is France.

The business of the Company is not seasonal. Therefore, the additional disclosure of financial information for the twelve months up to the end of the interim period and comparative information for the prior twelve-month period, encouraged in IAS 34.21, are not necessary and not provided.

2.2 New accounting standards and amendments

2.2.1 New accounting standards applicable as at 1 January 2024

2.2.1.1 AMENDMENTS TO IFRS 16 – LEASE LIABILITY IN A SALE AND LEASEBACK

These amendments provide clarifications on the subsequent measurement of leaseback transactions when the initial sale of the asset meets the criteria of IFRS 15 (Revenue from contract with customers) to be recognised as a sale. These amendments specify in particular how to subsequently assess the lease liability resulting from these leaseback transactions, made of variable lease payments that do not depend on an index or a rate.

These amendments are not applicable on the Company’s financial statement, as there are no lease transactions.

2.2.2 Accounting standards, amendments or interpretations to be applied by the Company in the future

International Accounting Standards Board (IASB) publishes accounting standards, amendments and interpretations, some of which have not been adopted by the European Union as at 30 June 2024. They are required to be applied from annual periods beginning on 1 January 2025 at the earliest or on the date of their adoption by the European Union. They have not been applied by the Company as at 30 June 2024.

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

2025
- Amendments to "IAS 21 - The Effects of Changes in Foreign Exchange Rates"

2026
- Amendments To IFRS 9 regarding the classification and measurement of financial instruments

2027
- IFRS 18 "Presentation and disclosures in financial statements"

2.2.2.1 Lack of Exchangeability"- Amendments to "IAS 21 - The Effects of Changes in Foreign Exchange Rates

Published on 15 August 2023.

These amendments specify the circumstances in which a currency is considered convertible, and the procedure for assessing the exchange rate of a non-convertible currency. They also detail the supplementary information to provide in the Notes to the financial statements for non-convertible currencies.

The provisions of these amendments are already being applied to prepare the Company's financial statements.

2.2.2.2 Amendments to IFRS 9 regarding the classification and measurement of financial instruments

Published on 30 May 2024

These amendments provide clarifications on the classification of financial assets, and in particular on how to assess the consistency of the contractual flows of an asset with a basic lending arrangement. They thus clarify the classification of financial assets with Environmental, Social and Governance (ESG) characteristics and similar features.

Clarifications are also provided on the classification of contractually linked instruments and financial assets guaranteed solely through the provision of security rights.

These amendments also clarify the derecognition of a financial liability settled through electronic transfer.

New disclosures are also required regarding the equity instruments initially designated at fair value through other comprehensive income as well as the financial assets and liabilities with conditional characteristics, such as the instruments with ESG factors.

The impact of these amendments on the Company's financial statements are currently being analysed.

2.2.2.3 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

Published 9 April 2024.

This standard will replace IAS 1 "Presentation of Financial statements".

It will require presenting the income statement in a structured way by mandatory sub-totals and organised in three categories of income and expenses: operating, investing and financing.

Regarding the entities for which investing in assets or providing financing to customers is a main business activity, such as entities in the bank and insurance sectors, the standard provides for an adapted presentation of the income and expenses relating to these activities amidst the operating income and expenses.

IFRS 18 requires, as well, presenting in the Notes to the financial statements alternate performance measures defined by the Management of the entity (Management-defined performance measures (MPMs)") and used in Financial communication (justification for using these MPM, calculation method, reconciliation between the MPM and the subtotals required by the standard).

The standard also provides guidelines for the aggregation and disaggregation of quantitative information in the primary financial statements and accompanying notes (the Notes).

IFRS 18 will be applicable to financial years starting from 1 January 2027.

The impacts of this standard on the Company's financial statements are currently being examined.

2.3 Summary of material accounting policies

2.3.1 Foreign currency transactions

The Company maintains its books in EUR, which is its functional currency. Assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates ruling at the reporting date. Foreign exchange differences arising on translation and realised exchange gains and losses are recognised in the interim statement of profit and loss in the caption Net gains on financial instruments at fair value through profit or and Net result from financial instruments at fair value through profit or loss.

Revenues and expenses in foreign currencies are translated into EUR at the exchange rates prevailing at the date of the transactions.

The most important foreign currency positions for the Company are USD, JPY, GBP, HKD and CHF. The following foreign exchange rates were used:

	USD	JPY	GBP	HKD	CHF
30.06.2024	1.0705	171.94	0.84638	8.3594	0.9634
31.12.2023	1.1050	156.3300	0.86905	8.6314	0.9260
30.06.2023	1.0866	157.16	0.85828	8.5157	0.9788

2.3.2 Cash and Cash equivalents

Cash and cash equivalents comprise only cash repayable on demand.

Cash and cash equivalents in the Company are subject to impairment under IFRS 9 and are presented net of impairment (cf. Note 2.3.3.3).

2.3.3 Financial instruments

2.3.3.1. Classification of financial instruments

<u>Classification of financial assets</u>

Financial assets are classified under IFRS 9 based on the characteristics of their contractual cash flows and on how they are managed (business models).

For the debt instruments held, SGIS has defined its business model as “held to collect” for the FFS, for Cash and cash equivalents and for Loans and receivables. These assets are acquired in order to collect the contractual cash-flows attached to the assets. No sale has been made in the past years and no sale is anticipated in the future.

The FFS are economically assimilated to loans with embedded derivatives (the swap embedded in the FFS). These types of financial assets comply with the IFRS definition of debt instruments (fixed maturity, coupon calculated as a rate, no right nor interest/control in an entity). As these financial assets of SGIS contain embedded derivatives that modify the cash flows of the entire contract, the contract does not pass the Solely Payments of Principles and Interest (or “SPPI”) test and consequently these financial assets are mandatorily measured at Fair Value through Profit and Loss (FVTPL).

Cash and cash equivalents and Loans and receivables are SPPI compliant and are thus measured at amortised cost. Cash and cash equivalents and Loans and receivables are subject to impairment under IFRS 9 and are presented net of impairment.

The Options held, covering the Warrants issued, are Trading derivatives and thus measured at FVTPL.

Purchases and sales of financial assets recorded under Financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income are recognised in the statement of financial position at the delivery-settlement date. Changes in fair value between the trade and settlement dates are recorded in the income statement or booked to shareholders' equity depending on the accounting category of the relevant financial assets. Loans and receivables are recorded in statement of financial position on the date they are paid or at the maturity date for invoiced services. The trade date is the date on which the contractual commitment becomes binding and irrevocable for the Company.

Classification of financial liabilities

Financial liabilities are classified into one of the following two categories:

- Financial liabilities at fair value through profit or loss:

These are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Company upon initial recognition to be carried at fair value through profit or loss in accordance with the fair value option.

The Company has designated at fair value through profit or loss the notes issued because mirror transactions (FFS) that are used to hedge those notes are measured mandatorily at fair value through profit and loss and thus reduce the accounting mismatch.

- Financial liabilities at amortised cost:

These include the other non-derivative financial liabilities and are measured at amortised cost.

2.3.3.2. Valuation of financial instruments

Definition of fair value

Fair value is 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.

In the absence of observable prices for identical assets or liabilities, the fair value of financial instruments is determined using another measurement technique that maximises the use of observable market input based on assumptions that market operators would use to set the price of the instrument in question.

Fair value hierarchy

The fair values of financial instruments include accrued interest as applicable.

For information purposes, in the notes to the condensed interim financial statements, the fair value of financial instruments is classified using a fair value hierarchy that reflects the significance of the inputs used according to the following levels:

Level 1 (L1): instruments valued on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 1 instruments carried at fair value on the statement of financial position include in particular shares listed in an active market, government or corporate bonds priced directly by external brokers/dealers, derivatives traded on organised markets (futures, options), and units of funds (including UCITS) whose net asset value is available on the statement of financial position date.

A financial instrument is considered as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and if they reflect actual and regular market transactions on an arm's length basis.

Determining whether a market is inactive requires the use of indicators such as a sharp decline in trading volume and the level of activity in the market, a sharp disparity in prices over time and among the various above-mentioned market participants, or the fact that the latest transactions conducted on an arm's length basis did not take place recently enough.

Where a financial instrument is traded in several markets to which the Company has immediate access, its fair value is represented by the market price at which volumes and activity levels are highest for the instrument in question.

Transactions resulting from involuntary liquidations or distressed sales are usually not taken into account to determine the market price.

Level 2 (L2): instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

These are instruments measured using a financial model based on observable market inputs. Prices published by an external source derived from the valuation of similar instruments are considered as data derived from prices.

Level 2 instruments include in particular non derivative financial instruments carried at fair value on the statement of financial position that are not directly quoted or do not have a quoted price on a sufficiently active market (e.g. corporate bonds, repos transactions, mortgage-backed securities, units of funds), and firm derivatives and options traded over-the-counter: interest rate swaps, caps, floors, swaptions, equity options, index options, foreign exchange options, commodity options and credit derivatives. The maturities of these instruments are linked to ranges of terms commonly traded in the market, and the instruments themselves can be simple or offer a more complex remuneration profile (e.g. barrier options, products with multiple underlying instruments), with said complexity remaining limited however. The valuation techniques used in this category are based on common methods shared by the main market participants.

Level 3 (L3): instruments valued using inputs that are not based on observable market data (referred to as unobservable inputs)

Level 3 instruments carried at fair value on the statement of financial position are predominantly instruments for which the sales margin is not immediately recognised in profit or loss.

Accordingly, Level 3 financial instruments include derivatives with longer maturities than those usually traded and/or with specifically tailored return profiles. Similarly, debt measured at fair value is classified as Level 3 where the valuation of the associated embedded derivatives is also based on unobservable inputs.

The main L3 complex derivatives are:

- Equity derivatives: options with long maturities and/or incorporating bespoke remuneration mechanisms. These instruments are sensitive to market inputs (volatility, dividend rates, correlations, etc.). In the absence of market depth and an objective approach made possible by regularly observed prices, their valuation is based on proprietary methods (e.g. extrapolation from observable data, historical analysis). Hybrid equity instruments (i.e. having at least one non-equity underlying instrument) are also classified as L3 insofar as correlations between the different underlyings are generally unobservable;
- Interest rate derivatives: long-term and/or exotic options, products sensitive to correlation between different interest rates, different exchange rates, or between interest rates and exchange rates, for example for quanto products (in which the instrument is settled in a currency different from the currency of the underlying); they are liable to be classified as L3 because the valuation inputs are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD/JPY);

- Credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation ("N to default" products in which the buyer of the hedge is compensated as of the Nth default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or Collateralised Debt Obligations (CDO) Bespoke products, which are created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility;
- Commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (i.e. options on commodity swaps or instruments based on baskets of underlyings).

At the level of the SG Group, valuation models are determined in order to fully embed the impact of IFRS 13 as described above and use appropriate parameters and methodologies in order to determine L3 instruments valuation. Counterparty credit risk estimates relies on Credit Value Adjustments (CVA) and Debit Value Adjustments (DVA) calculations.

Different calculation methods can exist regarding the CVA-DVA / OCA (Own Credit Adjustment) impact calculation: derived from the yield discounting methodology, other from the Monte-Carlo EPE / ENE (Expected Positive / Negative Exposure). The methodology for calculation of CVA-DVA (OCA not applicable to the Company) applied to SGIS (the same as the Société Générale Group) is the yield discounting methodology.

The valuation methods used by the Company to establish the fair value of financial instruments are detailed below.

The fair values of financial instruments include accrued interest as applicable.

- For Unsecured Notes and Fully Funded Swaps

The fair value for both the unsecured Notes (liabilities) and the Fully Funded Swap (FFS) (assets) is calculated by discounting the expected future cash flows with the risk-free curve. To take the credit adjustment into account, the risk-free curve is adjusted with Société Générale Group's credit spread curve. A dedicated process has been implemented using Société Générale Group and SGIS operational teams' input. This process is fully functional, constantly monitored as of today.

- For Secured and Repack Notes

Secured Notes are Notes which are collateralised with assets deposited on segregated or pooled accounts with external custodian (The Bank of New York Mellon S.A., Luxembourg Branch, hereafter "BNY Mellon Luxembourg") and pledged in favour of the Note holders.

Repack Notes are Notes which allow investors to calibrate the funding yield of their structure by selecting a bond (the "Reference Bond") issued by a third-party issuer (the "Reference Bond Issuer").

The collateral assets are composed of eligible securities.

Should Société Générale default, the pledge on the assets is to be enforced; the Notes holders are exposed to credit risk of the collateral (external securities). Therefore, as Société Générale and SGIS are mere risk pass-through, the credit risk premium (external bonds issuers) shall not be adjusted with Société Générale credit spread. Thus, no additional credit adjustment is needed for the secured Notes.

The fair value of the Secured Notes, of the Repack Notes and of the associated FFS is computed, for each accounting period, by discounting the expected future cash flows by a composite Repo rate curve.

- For Warrants and Options

For financial instruments recognised at fair value in the interim statement of financial position, fair value is determined primarily on the basis of the prices quoted in an active market. These prices can be adjusted if none are available on the interim statement of financial position date or if the clearing value does not reflect transaction prices.

However, especially due to the varied characteristics of financial instruments traded over-the-counter on the financial markets, a large number of financial products traded by the Company does not have quoted prices in the markets.

The base models may not fully capture all factors relevant to the valuation of SGIS on these financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (Funding Valuation Adjustment or "FVA"). Therefore, SGIS applies various techniques (from the Group) to estimate the credit risk associated with its financial instruments measured at fair value.

The revaluation differences attributable to the Company's credit risk are thus determined using valuation models which take into account the most recent financing terms and conditions on the markets along with the residual maturity of the related liabilities.

- For secured notes issued by the Company, as investors are not exposed to the Company's risk, no own credit risk should impact the fair value of the instruments and as such, no adjustment has to be calculated.

- For unsecured notes, investors are not contractually exposed to the Company's credit risk but to Société Générale Group's own credit risk.

SGIS valuation models therefore reflect the absence of credit risk, and structured bonds are not impacted by Own Credit Adjustments within the entity.

Deferred margin related to main unobservable inputs

The Company does not apply deferred margin related to its main unobservable inputs as margin on Notes and Warrants issued are offset by a similar margin on Fully Funded Swaps and Options purchased.

2.3.3.3. Impairments and provisions

Some financial assets involve credit risk which exposes the Company to a potential loss if the counterparties were to be unable to respect their financial commitments. The Company is remunerated for bearing this risk by a portion of the contractual interest that it receives on those assets; this is known as the credit margin.

This potential loss, or expected credit loss, is recognised in profit or loss without waiting for the occurrence of a default event on a specific counterparty.

For loans and receivables measured at amortised cost or, if any, fair value through other comprehensive income, the expected credit loss, as assessed by the Company, is recognised in profit or loss. In the interim statement of financial position, this potential loss is recognised as an impairment that reduces the carrying amount of assets measured at amortised cost. Impairments are written-back in case of a subsequent decrease of credit risk. No significant impairment is recognized on cash and cash equivalents. The Company does not have loan commitments or financial guarantees contracts.

Impairment and provisions for credit risk

To determine the amount of impairment or loss allowances to be recorded at each reporting date, these exposures are classified into one of three categories based on the increase in credit risk observed since initial recognition. An impairment or loss allowance shall be recognised for the exposures in each category as follows:

Exposures classified in Stage 1: At the initial recognition date, the exposures are systematically classified in Stage 1, unless they are underperforming/credit-impaired on acquisition. Stage 1 exposures are impaired for the amount of credit losses that the Company expects to incur within 12 months (12- month expected credit losses), based on past data and the current situation:

- Exposures classified in Stage 2: To identify Stage 2 exposures, the significant increase in credit risk is assessed by the Company, taking into account the counterparty's credit risk rating, the magnitude of the change in the counterparty's credit rating and the existence of payments of more than 30 days;
- Exposures classified in Stage 3 (doubtful outstandings): The Company determines whether or not there is objective evidence of impairment (default event).

Stage 2 and 3 exposures are impaired for the amount of credit losses that the Company expects to incur over the life of the exposures (lifetime expected credit losses), taking into consideration past data, the present situation and reasonable forecast changes in economic conditions, and relevant macroeconomic factors through to maturity.

Impairments / Reversal of impairments

Impairments / Reversal of impairments include net reversals of impairment and loss allowances for credit risk, losses on irrecoverable loans and amounts recovered on amortised receivables.

2.3.3.4. Offsetting financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount presented on the interim statement of financial position when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously. The legal right to set off the recognised amounts must be enforceable in all circumstances, in both the normal course of business and in the event of default of one of the counterparties.

The financial instruments issued by the Company are subscribed by the investors through Société Générale as a lead manager during the issuance period and as a market maker for a secondary market. The instruments which are unsold are held by Société Générale.

The treatment is applied based on IAS 32 paragraph 42: "A financial asset and a financial liability shall be offset and the net amount presented in the interim statement of financial position when, and only when, an entity:

a. Currently has a legally enforceable right to set off the recognised amounts; and

b. Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

In December 2014, a cash netting clause was added in the legal framework with Société Générale and the Company consequently acquired a legally enforceable right to offset the recognised amount with the same counterparty (Société Générale). The assets (the Fully Funded Swaps) and the liabilities (the Notes) are settled (and intended to be settled) simultaneously.

In June 2017, the Company added a new cash netting clause in the legal framework with Société Générale Personne Morale and the Company consequently acquired a legally enforceable right to offset the recognised amount with the same counterparty (Société Générale). The assets (OTC Options) and the liabilities (the Warrants) are settled (and intended to be settled) simultaneously.

In application of IAS 32 - Offsetting a financial asset and a financial liability, the Company proceeds to the accounting netting of the non-sold amounts. The impact of the off-setting for the non-sold Notes and the corresponding Fully Funded Swaps and impact of the off-setting for the non-sold Warrants and the corresponding options are described in Note 4.1 and Note 4.2.

2.3.4 Other assets and other liabilities

Settlement accounts for trades are included in other assets or other liabilities and are presented separately in distinctive captions on assets or liabilities side.

2.3.5 Shareholders' equity

Equity are the resources contributed to the Company by external shareholders as capital, as well as the cumulative and undistributed results (retained earnings).

The statement "Changes in Shareholders' Equity" presents the various changes that affect the components of equity over the reporting period.

2.3.6 Interest income and expense

Interest is recognized as expense or income over the life of the financing service granted or received, proportionally to the principal amount outstanding.

Interest income and expense are recorded in the statement of profit or loss under Interest and similar income and Interest and similar expense for all financial instruments measured using the effective interest method (instruments at amortised cost and debt instruments at fair value through other comprehensive income).

The effective interest rate is taken to be the rate used to net discount future cash inflows and outflows over the expected life of the instrument in order to establish the net book value of the financial asset or liability. The calculation of this rate considers the future cash flows estimated on the basis of the contractual provisions of the financial instrument without taking account of possible future credit losses and also includes commissions paid or received between the parties where these may be assimilated to interest, directly linked transaction costs, and all types of premiums and discounts.

Where a financial asset is classified in Stage 3 for impairment, subsequent interest income is measured at the effective interest rate applied to the net carrying amount of the financial asset with an offsetting entry equal to the outstanding financial asset before impairment.

2.3.7 Fee income and expense

Fee income and Fee expense combine fees on services rendered and received, as well as fees on pledge security granted that cannot be assimilated to interest. Fees that can be assimilated to interest are integrated into the effective interest rate on the associated financial instrument and are recorded under Interest income and Interest expenses.

The Company recognizes fee income or expense for an amount equivalent to the remuneration for the service provided and depending on the progress transferring control of these services:

- Fees for ongoing services, such as custody fees and administration costs are recognized as income over the life of the service;
- Fees for one-off services, such as issuance and listing fees are recognized as income when the service is provided.

The possible mismatch between the payment date of the service provided and the date of execution of the service gives assets and liabilities depending on the type of contract and mismatch which are recognized under Other Assets and Other Liabilities. For example: supplier contracts generate trade payables, accrued expenses or prepaid expenses.

Income related to the issuance of Notes and Warrants falls under the scope of IFRS 15 and as such, is considered separately as income generated by two services when the Company performs its activities:

- The issuing fee, which is recognized upfront for the initiation and the structuration of the issuance;
- Account and security servicing fee during the lifecycle of the security.

2.3.8 Other operating expenses

The Company records operating expenses according to the type of services to which they refer.

Other operating expenses mainly include lease payments, building maintenance and other costs, travel and business expenses, outsourcing and advisory fees and marketing and advertising expenses.

2.3.9 Income tax

Income tax includes current taxes and deferred taxes:

- Current taxes correspond to the amount of taxes due (or refundable) as calculated according to the taxable profit base for the reporting period;
- Deferred taxes correspond to the amount of taxes resulting from past transactions and that will be payable (or refundable) in a future reporting period.

2.3.9.1. Current tax

Current tax is based on the taxable profit and determined in accordance with the rules established by the local taxation authorities, upon which income taxes are payable. This tax expense also includes net allowances for tax adjustments pertaining to income tax.

Tax credits arising in respect of interest from loans and income from securities are recorded in the relevant interest account as they are applied in settlement of income taxes for the year. The related tax charge is included under Income tax in the statement of profit and loss.

The Company is included in the scope of consolidation of the group « Société Générale S.A. ».
Société Générale S.A. is subject to the OECD rules introducing a global minimum tax rate of 15% on the profits of the multinational companies (« Pillar 2 » rules), transposed into the European directive of 22 December 2022 and introduced in Luxembourg by the Law of 22 December 2023 which is in effect in 2024.

For the period ended 30 June 2024, Société Générale S.A. set up dedicated processes to estimate amounts to be booked in relation with above mentioned “Pillar 2” rules .Awaited impacts are not significant for the Company nor the Group Société Générale.

At Luxembourg, SGIS is part of a tax integration group led by SG Luxembourg.

The Company expects non-significant impact of “Pilar 2” rules.

2.3.9.2. Deferred tax

Deferred taxes are recognized whenever the Company identifies a temporary difference between the accounting base and tax base for assets and liabilities that will affect future tax payments or from tax loss carried forward.

The amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realized or the liability settled. These deferred taxes are adjusted in the event of changes to tax rates. This amount is not discounted to present value.

The Company off-sets its deferred tax assets against liabilities as there is both legal right to offset its current tax assets and liabilities and it is the Company's intention to settle on a net basis.

2.3.9.3. Other commitments linked to secured Notes

In relation to each Serie of Secured Notes, in order to secure its obligations in respect of such Notes, the Company enters into a pledge agreement which is governed by the Luxembourg act dated 5 August 2005 on financial collateral arrangements, as amended. Under each pledge agreement, the Company grants first ranking security over the Collateral Assets contained in one or more accounts held by the Company with BNY Mellon Luxembourg (or such other custodian or account bank as is specified in the applicable Final Terms, pursuant to the terms of a custodian agreement between, inter alia, the Company and the collateral custodian).

The security granted under each pledge agreement is granted either in favour of:

- (i) in the case of English Law Notes, The Bank of New York Mellon Corporate Trustee Services Limited or such other security trustee as is specified in the applicable Final Terms as security trustee on behalf of itself and the relevant Noteholders and the other relevant Secured Parties (as defined in the Additional Terms and Conditions for Secured Notes) or,
- (ii) in the case of French Law Notes, directly in favour of the relevant Noteholders and the other relevant Secured Parties as represented by The Bank of New York Mellon Corporate Trustee Services Limited or such other security agent as is specified in the applicable Final Terms as security agent.

Following the occurrence of a Secured Note Acceleration Event (as defined in the Additional Terms and Conditions for Secured Notes), all Noteholders whose Notes have become immediately due and payable is first entitled to claim for any outstanding amounts due to them under the terms of the Guarantee. If neither the Issuer nor the Guarantor (pursuant to the terms of the Guarantee) has paid all amounts due to Noteholders within a period of 3 Collateral Business Days following the occurrence of a Secured Note Acceleration Event, Noteholders may send a notice in writing to the Security Trustee (in the case of English Law Notes) or the Security Agent (in the case of French Law Notes) requesting that the relevant Pledge Agreement be enforced in accordance with the terms of the Base Prospectus.

The Company borrows the securities to be pledged from Société Générale Group. In accordance with IFRS 9, the borrowing of the securities to be pledged by the Company is not assimilated to the transfer of assets and thus does not result in recognition in the interim statement of financial position. The risks and rewards associated to the securities remain in Société Générale Group and as such are not presented in the Company's interim statement of financial position.

The pledged securities are accounted as an off balance-sheet commitment "Securities pledged". The committed amount is re-measured at each closing to reflect the value of the securities pledged.

2.4 GEOPOLITICAL CRISIS AND MACROECONOMIC CONTEXT

Global business has demonstrated resilience despite the high interest rate environment. We expect a deceleration in the United States, where we observe the first signs of slowdown in household consumption after the resilience witnessed during the last few quarters. In Europe, the situation is less dynamic. In China, stimulus measures have averted a more severe slowdown related to real-estate, however without allowing for structural change.

Monetary policy is expected to ease on both sides of the Atlantic, as the European Central Bank (ECB) has already lowered its rates by 25 basis points. The persisting inflation in the United States owing to specific factors might delay monetary easing and support the dollar.

The European budgetary rules are back in force and several countries might find it difficult to comply with them. The yield spreads between sovereign bonds of countries in the euro area might thus come under pressure, forcing the ECB to intervene. Environmental issues might increase volatility in the economic outlook and burden already stressed public finance.

Geopolitical risk remains high owing to the ongoing international conflicts and key elections in 2024, in particular the forthcoming elections in France and the American elections in November. Those items have already been considered in the fair value of the financial instruments.

In this context, the Société Générale Group updated the macroeconomic scenarios chosen for the preparation of the consolidated financial statements and maintained some adjustments applied to its models to determine the credit risk adjustments (expected credit losses) in the preparation of its condensed interim financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to KEUR 38,654 as at 30 June 2024 (31 December 2023: KEUR 42,010) and are mainly composed of cash held with SG Luxembourg and Société Générale.

As at 30 June 2024 and 31 December 2023, this caption only contains cash that is repayable on demand.

NOTE 4 – FINANCIAL INSTRUMENTS

4.1. Financial assets at fair value through profit or loss

	30.06.2024 (‘000 EUR)	**31.12.2023** (‘000 EUR)
Financial assets at fair value through profit or loss		
- Mandatorily at fair value through profit or loss (Fully Funded Swaps)	50,442,087	51,118,092
- Trading derivatives (Options)	85,338	57,316
Total	**50,527,425**	**51,175,408**

As at 30 June 2024, financial assets mandatorily at fair value through profit or loss (Fully Funded Swaps) amount to KEUR 50,442,087 (31 December 2023: KEUR 51,118,092) and replicate all the Notes issued by the Company (see Note 4.2). Differences between Fully Funded Swaps and Notes arise due to late settlements.

As at 30 June 2024, Trading derivatives (Options) amount to KEUR 85,338 (31 December 2023: KEUR 57,316) and replicate all the Warrants issued by the Company (see Note 4.2). Differences between Options and Warrants arise due to late settlements.

As at 30 June 2024, the impact of the offsetting of financial assets and financial liabilities (decrease in the balance sheet) is KEUR 27,067,594 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2023: KEUR 27,385,976) and KEUR 4,679,673 for the non-sold Warrants and the corresponding Options (31 December 2023: KEUR 4,020,277) (see Note 4.2).

The movements in financial assets at fair value through profit or loss were as follows:

	('000 EUR) Mandatorily at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2024	51,118,092	57,316	51,175,408
Acquisition	12,044,989	41,384	12,086,373
Maturity/Disposal/Liquidation/Cancellation	(11,291,502)	(25,816)	(11,317,318)
Change in fair value and foreign exchange difference	(1,429,492)	12,454	(1,417,038)
As at 30 June 2024	50,442,087	85,338	50,527,425

	('000 EUR) Mandatorily at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2023	**38,757,924**	**1,025,209**	**39,783,133**
Acquisition	40,748,369	552,880	41,301,249
Maturity/Disposal/Liquidation/Cancellation	(33,790,350)	(1,230,337)	(35,020,687)
Change in fair value and foreign exchange difference	5,402,148	(290,436)	5,111,712
As at 31 December 2023	**51,118,092**	**57,316**	**51,175,408**

4.2. Financial liabilities at fair value through profit or loss

	30.06.2024 ('000 EUR)	31.12.2023 ('000 EUR)
Financial liabilities at fair value through profit or loss		
- Designated at fair value through profit or loss (Notes)	50,440,613	51,112,066
- Trading derivatives (Warrants)	84,828	57,148
Total	**50,525,441**	**51,169,214**

As at 30 June 2024, the Company has issued secured and unsecured Notes for a total amount of KEUR 50,440,613 (31 December 2023: KEUR 51,112,066):

- 25,526 unsecured Notes were issued (stock) for a total amount of KEUR 43,052,231 (31 December 2023: 22,973 unsecured Notes were issued (stock) for a total amount of KEUR 45,246,924);
- 622 secured Notes were issued (stock) for a total amount of KEUR 7,388,382 (31 December 2023: 426 secured Notes were issued (stock) for a total amount of KEUR 5,865,142).

In addition to the guarantee on first demand granted by Société Générale on unsecured and secured Notes, subscribers of the secured Notes issued by the Company benefit from additional collateral assets securing the payment due under the Notes terms, structured in form of a pledge governed by Luxembourg Law. This pledge may only be enforced following a default of the Company or Société Générale in its role of Guarantor.

Pledged collateral assets are deposited on an account held in the name of the Company with an authorised custodian not belonging to the Société Générale Group and are pledged in favour of the Notes holders.

As at 30 June 2024, securities deposited at BNY Mellon Luxembourg as collateral for secured issuances amount to KEUR 7,388,382 (31 December 2023: KEUR 5,865,142).

As at 30 June 2024, the Company also issued Warrants for a total amount of KEUR 84,828 (31 December 2023: KEUR 57,148). Refer to Note 9 for further details on Off-balance sheet items related to the Warrants activity.

As at 30 June 2024, the impact of the offsetting (decrease in the balance sheet) is KEUR 27,067,594 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2023: KEUR 27,385,976) and KEUR 4,679,673 for the non-sold Warrants and the corresponding Options (31 December 2023: KEUR 4,020,587) (see Note 4.1).

The movements in financial liabilities at fair value through profit or loss were as follows:

	('000 EUR) Designated at fair value through profit or loss	**('000 EUR) Trading derivatives**	**('000 EUR) Total**
As at 1 January 2024	51,112,066	57,148	51,169,214
Acquisition	12,044,989	41,383	12,086,372
Cancelled/Liquidation/Maturity Disposal	(11,285,498)	(25,689)	(11,311,187)
Change in fair value and foreign exchange difference	(1,430,944)	11,986	(1,418,958)
As at 30 June 2024	50,440,613	84,828	50,525,441

	('000 EUR) Designated at fair value through profit or loss	**('000 EUR) Trading derivatives**	**('000 EUR) Total**
As at 1 January 2023	**38,754,129**	**1,025,105**	**39,779,234**
Acquisition	40,748,369	552,818	41,301,187
Cancelled/Liquidation/Maturity Disposal	(33,364,749)	(1,230,338)	(34,595,086)
Change in fair value and foreign exchange difference	4,974,318	(290,437)	4,683,881
As at 31 December 2023	**51,112,066**	**57,148**	**51,169,214**

4.3. Financial liabilities at amortised cost

As at 30 June 2024 and 31 December 2023, financial liabilities at amortised cost are mainly composed of a convertible bond of KEUR 48,000 issued by the Company and fully subscribed by SG Luxembourg, with maturity in 2025. Conversion may occur each year.

On this convertible bond, the Company pays to SG Luxembourg both variable interests calculated on Euribor 3M plus a margin of 0.34% (total rate of 3.355% as at 30 June 2024) and activity related interests. Activity related interests mean an amount equal to 100% of the activity related profit generated by the Company.

The convertible bond maturity shall be automatically extended by successive periods of one year, unless either the Issuer or the Holder has exercised its right to terminate the bond on the scheduled maturity date. The conversion option belongs to the Holder.

Estimation of the fair value of financial liabilities at amortised cost is disclosed in Note 10.4.

NOTE 5 – LOANS AND RECEIVABLES

As at 30 June 2024 and 31 December 2023, loans and receivables only consist in term deposits with SG Luxembourg, which represent the reinvestment of the Company's share capital, reserves and other available funds.

As at 30 June 2024, expected credit losses calculated on loans and receivables in accordance with IFRS 9 amounted to KEUR 1 (31 December 2023: KEUR 0). As at 30 June 2024, the increase of the expected credit losses resulted in an allocation of the IFRS9 impairment amounting to KEUR 1.

The fair values of loans and receivables are presented in the Note 10.5.

NOTE 6 – TAXATION

The Company is liable for all taxes applicable to Luxembourg commercial companies.

Since 2007, the Company has been part of a tax integration group led by SG Luxembourg with regard to Net Wealth Tax and Income Tax, as authorised by the article 164 bis LIR and has concluded a Tax Sharing Agreement (the "Agreement") with SG Luxembourg. Under the Agreement, the Company pays to SG Luxembourg, with respect to each financial year, an amount equal to the tax which would be levied on the profits of the Company in the absence of any tax consolidation with the Parent.

The rate of current tax applied as of 30 June 2024 is 25.29% (30 June 2023: 25.09%). The current tax rate includes the corporate tax and the municipal tax.

For the period ended 30 June 2024, tax expenses amount to KEUR 5 (30 June 2023: KEUR 0).

NOTE 7 – SHAREHOLDERS' EQUITY

7.1. Share capital and Share premium

On 30 November 2020, 100 shares were sold by SG Luxembourg to Société Générale for a total amount of EUR 4,000. SG Luxembourg still held 49,907 shares amounting to EUR 1,996,280 for which it waived its entire voting rights. As at 31 December 2023, the subscribed and fully paid share capital amounted to EUR 2,000,400, divided into 50,010 shares with nominal value of EUR 40 each.

By resolution adopted on 15 January 2024, the Executive Board decided to increase the capital of the Company from EUR 2,000 400 to EUR 2,000 440 by the issue of a new share with a nominal value of EUR 40, subscribed by SG Luxembourg.

In the context of the capital increase, the 2023 activity related interests amounting to KEUR 34,361 have been allocated to the Share premium. It was then paid to the shareholders in June 2024.

As at 30 June 2024, the subscribed and fully paid share capital is EUR 2,000,440, divided into 50,011 shares with nominal value of EUR 40 each.

The Company manages its capital to ensure it will be able to continue as a going concern. The capital amount may be increased, subject to the approval of the Shareholders, if the Company's activity evolves, incurring specific additional risks.

7.2. Reserves

7.2.1 Legal reserve

In accordance with the Luxembourg law, the Company is required to allocate a minimum of 5% of its annual net profit to a Legal reserve until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at 30 June 2024, the legal reserve amounts to KEUR 200 (31 December 2023: KEUR 200).

7.2.2 Other reserves

Since 2013, the Company is fiscally integrated in its parent company SG Luxembourg. SG Luxembourg constitutes the Net Wealth Tax reserve for the Company. As a consequence, no Net Wealth Tax reserve has been constituted by the Company since 2013.

During the first half of 2024, a dividend of KEUR 15 has been paid (31 December 2023: KEUR 375).

NOTE 8.1 – COMMISSION INCOME

Commission income can be broken down as follows:

	30.06.2024 ('000 EUR)	**30.06.2023 ('000 EUR)**
Issuing upfront fees on Notes	19,246	20,381
Servicing fees on Notes	2,323	2,847
Commission on Warrants	120	440
Total	**21,689**	**23,668**

As at 30 June 2024, KEUR 6,366 are retained as deferred income under the caption "other liabilities" (30 June 2023: KEUR 3,699).

NOTE 8.2 – NET RESULT FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

Net result from financial instruments at fair value through profit and loss can be broken down as follows:

	30.06.2024	**30.06.2023**
	('000 EUR)	**('000 EUR)**
Net gain on financial assets held for trading	11,872,037	14,591,693
Net gain on financial assets at fair value option	10,239,785	6,288,066
Net loss on financial liabilities held for trading	(11,872,025)	3,193,293
Net loss on financial liabilities at fair value option	(10,239,799)	(24,073,199)
Total	**(2)**	**(147)**

NOTE 9 – OFF-BALANCE SHEET

As at 30 June 2024, financial instruments to be issued (commitment taken before 30 June 2024 with value date after 30 June 2024) amount to KEUR 4,810,392 (31 December 2023: KEUR 4,721,740).

Warrants issuance summary

The Warrants issued as at 30 June 2024 and 31 December 2023 break down as follows:

				30 June 2024			31 December 2023		
Warrant Type	**Category of Underlying**	**Type of Underlying**	**Option Type**	**Quantity**	**Notional** ('000 EUR)	**Fair Value** ('000 EUR)	**Quantity**	**Notional** ('000 EUR)	**Fair Value** ('000 EUR)
Basket Warrant	Basket	Index	Call	-	-	-	-	-	-
Commodity Future Warrant	Future	Mutual Fund	Put	-	-	-	-	-	-
		Commodity Future	Call	-	-	-	-	-	-
			Put	-	-	-	-	-	-
Currency Warrant	Currency	Currency	Call	-	-	-	42	317,609	-
			Put	-	-	-	47	271,723	-
Equity Warrant	Equity	Mutual fund	Call				2	102,479	1
		Ordinary Share	Call	380	6,527,282	23,044	522	9,474,493	11,691
			Put	2,966	16,212,288	43,975	250	2,437,384	3,412
		REIT	Call	3	81,130	4	-	-	-
	Fund	Mutual Fund	Call	7	209,278	157	1	30,883	-
			Put	2	38,652		1	30,883	-

Notes to the condensed interim financial statements (continued)
As at 30 June 2024

				30 June 2024			31 December 2023		
Warrant Type	**Category of Underlying**	**Type of Underlying**	**Option Type**	**Quantity**	**Notional** ('000 EUR)	**Fair Value** ('000 EUR)	**Quantity**	**Notional** ('000 EUR)	**Fair Value** ('000 EUR)
Funds	Fund	Fund	Call	-	-	-	9	37,467	5,006
Index Warrant	Equity	Mutual Fund	Call	-	-	-	2	22,274	413
		Ordinary Share	Call	-	-	-	63	549,667	2,538
			Put	-	-	-	51	430,787	719
		Equity	Call	-	-	-	1	-	-
	Fund	Fund	Call	-	-	-	1	-	-
	Index	Index	Call	244	10,187,922	10,962	365	11,165,363	27,313
			Put	364	8,483,349	6,686	337	13,234,333	6,054
Fund Warrant	Fund	Mutual Fund	Call	-	-	-	-	-	-
			Put	-	-		-	-	-
		Fund	Call	-	-	-	1	-	-
Total Call			**Call**	**634**	**17,005,612**	**34,167**	**1,008**	**21,669,353**	**46,963**
Total Put			**Put**	**3,332**	**24,734,289**	**50,661**	**686**	**16,405,110**	**10,185**
Total Warrants				**3,966**	**41,739,901**	**84,828**	**1,694**	**38,074,464**	**57,148**

NOTE 10 – RISK MANAGEMENT

The Company and several of its service providers are subsidiaries of the Société Générale Group and therefore benefit from Société Générale's internal control systems.

For any further information on the risks relating to the Group, investors and/or Noteholders should refer to the "Risk and Capital Adequacy" section of the Registration Document (https://www.societegenerale.com).

10.1. Market risk

Market risk is the risk that changes in market prices, such as interest rates, securities prices, and foreign exchange rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company issues Notes and Warrants. The Notes are systematically hedged with Fully Funded Swaps concluded with Société Générale, with strictly identical characteristics. In the same way, the Warrants issued are hedged with Options concluded with Société Générale, with strictly identical characteristics.

The risks associated with the investment in the Notes and Warrants depend on several factors. Such factors vary depending on the characteristics of the Notes and Warrants issued, in particular depending on the underlying, the maturity of the Notes, the secured / unsecured status of the Notes, the interest rates incurred, the volatility of the underlying, etc. The main risks in relation to investments in Notes and Warrants issued by the Company are described in the Base Prospectus under the section "Risk Factor".

Because of its structure (perfect match between the assets and the liabilities), the impact of an immediate change of a market parameter would have no consequence on the net profit of the Company.

The Company is also exposed to structural interest rate risk, namely through the following transactions: reinvestment of available equity by participating interests or loans to the Company's treasury (SG Luxembourg) with hedged interest rate risk (fixed rate contracted with SG Luxembourg). The structural interest rate risk is monitored via the sensitivity of the economic value of the positions measured through modified duration.

Modified duration is calculated based on the change in the net present value of positions subsequent to a 1% change in the rate curve. Exposure monitoring is based on the determination of modified duration over the short (up to one year), medium (one to five years) and long (more than five years) term.

Climate and ESG matters have been considered in the fair value of the financial instruments. These are deemed to have a minor impact.

10.2. Credit risk

Credit risk is the risk that a third party will not be able to meet its contractual obligation.

The Company only contracts financial instruments with its parent companies, SG Luxembourg and Société Générale. Therefore, the credit risk of the Company is limited to the credit risk on SG Luxembourg and Société Générale. Should this situation evolve, specific limits would be proposed to limit the credit risk incurred.

As at 30 June 2024 and 31 December 2023, no financial assets were past due. An Expected Credit Loss is calculated on deposits, amounting to KEUR (1) as of 30 June 2024 following an allocation of impairment of KEUR 1 on the period.

All the Notes and Warrants issued by the Company benefit from a guarantee provided by Société Générale, meaning that payments in respect of the instruments issued by the Company are unconditionally and irrevocably guaranteed by Société Générale (the Guarantor).

As at 30 June 2024, the rating of Société Générale is: A- from Fitch Ratings, A from R&I, A from Standard & Poor's and A1 from Moody's.

10.3. Interest rate risk

Interest rate risk is the risk that changes in market interest rates may adversely affect the value of the assets and liabilities of the Company. Due to the financial instruments contracted by the Company with Société Générale to hedge the financial instruments issued, the Company is not significantly exposed to interest rate risk.

10.4. Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet the payment obligations associated with its financial liabilities when they fall due.

The Company does not face any liquidity risk thanks to the perfect replication between the contractual obligations of:

i) The financial instruments issued by the Company; and

ii) The financial assets held for hedging by the Company.

As at 30 June 2024, analysis per remaining maturities is as follows:

30.06.2024 - EUR' 000	**< 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**> 5 years**	**Total**
Cash and cash equivalents	38,654	-	-	-	38,654
Financial assets at fair value through profit or loss					
- Mandatorily at fair value through profit or loss	3,521,832	9,023,002	18,206,982	19,690,271	50,442,087
- Trading derivatives	10,806	37,763	36,769	-	85,338
Loans and receivables	19	48,200	800	1,000	50,019
Other assets	282,642	-	-	-	282,642
Total assets	**3,853,953**	**9,108,965**	**18,244,551**	**19,691,271**	**50,898,740**
Financial liabilities at amortised cost	1,412	61,704	-	-	63,116
Financial liabilities at fair value through profit or loss					
- Designated at fair value through profit or loss	3,523,910	9,022,144	18,200,962	19,693,597	50,440,613
- Trading derivatives	10,805	37,764	36,259	-	84,828
Other liabilities	307,986	-	-	-	307,986
Tax liabilities		5	-	-	5
Total liabilities	**3,844,113**	**9,121,617**	**18,237,221**	**19,693,597**	**50,896,548**

As at 31 December 2023, analysis per remaining maturities is as follows:

31.12.2023 - EUR' 000	**< 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**> 5 years**	**Without fixed maturity**
Cash and cash equivalents	42,010	-	-	-	42,010
Financial assets at fair value through profit or loss					
- Mandatorily at fair value through profit or loss	4,125,291	6,937,558	19,617,291	20,437,952	51,118,092
- Trading derivatives	7,211	25,313	24,793	-	57,316
Loans and receivables	48,035	200	800	1,000	50,035
Other assets	2,182,233	-	-	-	2,182,233
Total assets	**6,404,779**	**6,963,071**	**19,642,884**	**20,438,952**	**53,449,686**
Financial liabilities at amortised cost	331	82,410	-	-	82,741
Financial liabilities at fair value through profit or loss					
- Designated at fair value through profit or loss	4,129,857	6,936,107	19,615,243	20,430,859	51,112,066
- Trading derivatives	6,902	25,246	25,000	-	57,148
Other liabilities	2,195,502	-	-	-	2,195,501
Tax liabilities	13	-	-	-	13
Total liabilities	**6,332,604**	**7,043,763**	**19,640,244**	**20,430,859**	**53,447,470**

10.5. Fair Value measurement

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

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 Notes or the Black & Scholes formula for certain options and using valuation parameters that reflect current market conditions as at the interim statement of financial position date. These valuation models are validated independently by the experts from the Market Risk Department of the Group's Risk Division.

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

The Notes and the related Fully Funded Swaps are classified as Level 3 when the valuation of the associated embedded derivatives (underlying of the Notes) is also based on unobservable market data.

On each element of an identified list of unobservable parameters, it comes to determining the uncertainty of marking, and cross sensitivities with this uncertainty for a confidence interval of the value of the positions.

In parallel, marking the levels of each of these parameters is collected and reported in the Note.

The methods for determining the level of uncertainty, as well as calculating the confidence interval from sensibilities depend on each parameter.

Transfers from Level 2 to Level 3 are determined at the end of each month and occur in case of a modification within a parameter (e.g. no longer linked to the deal, modification of the observability rule of the parameter).

10.5.1 Estimates of Level 3 instruments and other most significant unobservable inputs as at 30 June 2024 (by type of underlyings)

Type of underlying	**Assets** In KEUR	**Liabilities** In KEUR	**Main products**	**Valuation techniques used**	**Significant unobservable inputs**	**Range of inputs Min & Max**
Equity / Funds	9,692	9,692	Derivatives on funds, equities or baskets of stocks derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets on stocks	Equity volatilities	[2.8% ; 134.6%]
					Equity dividends	[0.03% ; 13.81%]
					Unobservable correlations	[0%]
					Hedge funds volatilities	[N/A]
					Mutual fund volatilities	[1.7% ; 26.8%]
Rates, Forex and others	2,047	2,047	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	[-81.0% ; 87.0%]
			Forex derivatives	Forex option pricing models	Forex volatilities	[1.0% ; 26.0%]
			Interest rate derivatives whose notional is indexed on the prepayment behaviour on European collateral pools	Prepayement modeling	Constant prepayment rates	[0.0% ; 20.0%]
			Inflation instruments and derivatives	Inflation pricing models	Inflation correlations	[72.0% ; 90.0%]
Credit	241	241	Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	[0% ; 100%]
					Recovery rate variance for single name underlyings	[N/A]
			Other credit derivatives	Credit default models	Time to default correlations	[N/A]
					Quanto correlations	[0.0% ; 100%]
					Unobservable credit spreads	[0 bps ; 82.4 bps]
Commodity	0	0	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	N/A N/A
Total	**11,980**	**11,980**				

Unobservable inputs add a degree of uncertainty in the valuation of Level 3 instruments. However, by its very nature, and considering mirror transactions are concluded with Société Générale to hedge the financial liabilities issued by the Company, the Company has no market risk exposure. The impact of an immediate change in an unobservable parameter would have no consequence on the net profit or net equity of the Company.

Moreover, changes in an unobservable parameter would have by underlying a mirror effect on both assets and liabilities.

Finally, the Company considers that changes in the unobservable parameters would not a material impact on the profit or loss of the Company considering the mirroring in place for financial instruments (refer to Note 4).

10.5.2. Carrying amounts and fair values of assets and liabilities not measured at fair value in the interim statement of financial position

30.06.2024 - EUR' 000	**Carrying amount**	**Fair value**
Cash and cash equivalents	38,654	38,654
Financial assets at fair value through profit or loss		
- *Mandatorily at fair value through profit or loss*	50,442,087	50,442,087
- *Trading derivatives*	85,338	85,338
Loans and receivables *	50,019	50,176
Other assets	282,642	282,642
Total	**50,898,740**	**50,898,897**
Financial liabilities at amortised cost *	63,116	63,376
Financial liabilities at fair value through profit or loss		
- *Designated at fair value through profit or loss*	50,440,613	50,440,613
- *Trading derivatives*	84,828	84,828
Other liabilities	307,986	307,986
Tax liabilities	5	5
Total	**50,896,548**	**50,896,808**

31.12.2023 - EUR' 000	**Carrying amount**	**Fair value**
Cash and cash equivalents	42,010	42,010
Financial assets at fair value through profit or loss		
- *Mandatorily at fair value through profit or loss*	51,118,092	51,118,092
- *Trading derivatives*	57,316	57,316
Loans and receivables *	50,035	49,915
Other assets	2,182,233	2,182,233
Total assets	**53,449,686**	**53,449,566**
Financial liabilities at amortised cost *	82,741	82,744
Financial liabilities at fair value through profit or loss		
- *Designated at fair value through profit or loss*	51,112,066	51,112,066
- *Trading derivatives*	57,148	57,148
Other liabilities	2,195,501	2,195,501
Tax liabilities	13	13
Total	**53,447,470**	**53,447,472**

* For Loans and receivables and Financial liabilities at amortised cost, the fair values are calculated by discounting the expected future cash flows under a EUR risk free curve adjusted with Société Générale Group credit spread curve (EUR swap curve from Bloomberg and Société Générale credit spread curve provided by Risk department Paris).

Determining fair value is dependent on many factors and can be an estimate of what value may be obtained in the open market at any point in time.
Regarding financial instruments at amortised cost with short term maturity (<1 year), the Company considers the difference between fair value and carrying amount as non-material.

Regarding other assets and other liabilities, in consideration of their short-term nature, the Company considers the difference between fair value and carrying amount as non-material.

Notes to the condensed interim financial statements (continued)
As at 30 June 2024

10.5.3. The fair value hierarchy of IFRS 13

As at 30 June 2024, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

30.06.2024 - EUR' 000	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
- Mandatorily at fair value through profit or loss	**-**	**38,477,415**	**11,964,672**	**50,442,087**
Commodities instruments	-	6,743	-	6,743
Credit derivatives/securities	-	4,587,205	219,044	4,806,249
Equity and index securities	-	23,996,926	9,681,471	33,678,397
Foreign exchange instruments/securities	-	1,604,294	214	1,604,508
Interest rate instruments/securities	-	7,915,414	2,046,988	9,962,402
Other financial instruments	-	366,833	16,955	383,788
- Trading derivatives	**-**	**69,868**	**15,470**	**85,338**
Equity and Index instruments	-	69,692	10,102	79,794
Foreign exchange instruments / securities	-			-
Other financial instruments	-	176	5,368	5,544
Financial liabilities at fair value through profit or loss				
- Designated at fair value through profit or loss	**-**	38,475,811	11,964,802	50,440,613
Commodities instruments	-	6,743	-	6,743
Credit derivatives/securities	-	4,641,741	219,006	4,860,747
Equity and index securities	-	23,580,773	9,681,970	33,262,743
Foreign exchange instruments / securities	-	1,632,065	214	1,632,279
Interest rate instruments/securities	-	8,247,662	2,046,658	10,294,320
Other financial instruments	-	366,827	16,954	383,781
- Trading derivatives	**-**	69,358	15,470	84,828
Equity and Index instruments		69,182	10,102	79,284
Foreign exchange instruments / securities	-	-	-	-
Other financial instruments	-	176	5,368	5,544

Notes to the condensed interim financial statements (continued)
As at 30 June 2024

As at 31 December 2023, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

31.12.2023 - EUR' 000	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
- Mandatorily at fair value through profit or loss	**-**	**24,163,037**	**26,955,055**	**51,118 092**
Commodities instruments	-	5,139	-	5,139
Credit derivatives/securities	-	1,095,924	3,611,352	4,707,276
Equity and index securities	-	17,428,536	17,146,422	34,574,958
Foreign exchange instruments/securities	-	847,056	330,314	1,177,370
Interest rate instruments/securities	-	4,652,926	5,582,430	10,235,356
Other financial instruments	-	133,456	284,537	417,993
- Trading derivatives	**-**	**39,589**	**17,727**	**57,316**
Equity and Index instruments	-	34,167	12,848	47,015
Foreign exchange instruments/securities	-	-	-	-
Other financial instruments	-	5,422	4,879	10,301
Financial liabilities at fair value through profit or loss				
- Designated at fair value through profit or loss	**-**	**24,163,037**	**26,949,029**	**51,112,066**
Commodities instruments	-	5,139	-	5,139
Credit derivatives/securities	-	1,095,924	3,611,352	4,707,276
Equity and index securities	-	17,427,697	17,140,396	34,568,093
Foreign exchange instruments/securities	-	847,056	330,314	1,177,370
Interest rate instruments/securities	-	4,652,926	5,582,430	10,235,356
Other financial instrument	-	134,295	284,537	418,832
- Trading derivatives	**-**	**39,024**	**18,124**	**57,148**
Equity and Index instruments	-	38,611	13,118	51,729
Foreign exchange instruments/securities	-	-	-	-
Other financial instruments	-	413	5,006	5,419

Notes to the condensed interim financial statements (continued)
As at 30 June 2024

The following table describes the variation in Level 3 by financial instruments (in KEUR):

Financial liabilities at fair value through profit or loss	**Balance at 01.01.2024**	Acquisitions	Change in fair value	Reimbursements	Transfers from L2 to L3	Transfers from L3 to L2	**Balance at 30.06.2024**
Designated at fair value through profit or loss	**26,948,981**	**1,077,425**	**1,230,290**	**(3,200,234)**	**22,643**	**(14,114,303)**	**11,964,802**
Equity and index instruments	17,140,348	939,875	1,056,269	(2,579,063)	6,221	(6,881,680)	9,681,970
Commodities securities	-	-	-	-	-	-	-
Credit derivatives	3,611,352	23,581	13,375	(284,756)	8,585	(3,153,131)	219,006
Foreign exchange instruments	330,314	-	14	(49,944)	-	(280,170)	214
Interest rate instruments	5,582,430	113,001	160,086	(182,616)	7,837	(3,634,080)	2,046,658
Other financial instruments	284,537	968	546	(103,855)	-	(165,243)	16,954
Trading derivatives	**18,124**	**-**	**984**	**(1,449)**	**-**	**(2,189)**	**15,470**
Equity and index instruments	13,118	-	600	(1,445)	-	(2,171)	10,102
Other financial instruments	5,006	-	384	(4)	-	(18)	5,368

The variations in Level 3 financial assets are similar.

Transfers from Level 3 to Level 2

The 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 high maturities these consensus data are not observable. This is the case for the implied volatility used for the valuation of 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 parameters.

Transfers from Level 2 to Level 3

Transfers from Level 2 to Level 3 can occur in case of a modification within a parameter (no longer linked to the deal modification of the observability rule of the parameter etc.).

10.6 Operational risk

Operational risk is the risk of loss or fraud caused by defects or failures in internal procedures or systems human error or external events including IT risk and management risk. Particular attention is paid to compliance risk which receives enhanced monitoring.

The Company participates in the effort to strengthen the management and monitoring of operational risk led by the Société Générale Group. This effort is guided by the Operational Risk Department which reports to the Société Générale Group Risk Department and is relayed by different Group operational risk monitoring units responsible for implementing the policies and directives issued by the Société Générale Group and monitoring and controlling operational risks.

The monitoring arrangement mainly relies on four processes supervised by the operational risk departments: periodic risk and control self-assessment (RCSA) collecting internal data on losses due to operational errors with exhaustive real-time reporting of incidents pattern analyses and permanent control system.

These procedures are supplemented by a crisis management unit and a business continuity plan.

NOTE 11 – INFORMATION ON LITIGATIONS

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

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

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

No change on this case compared to 31 December 2023 financial statements.

NOTE 12 – SIGNIFICANT CHANGES IN THE CURRENT PERIOD

The main changes are presented in the "Report of the executive board and corporate governance statement” included in those condensed interim financial statements.

NOTE 13 – SUBSEQUENT EVENTS

There was no subsequent event which could have a significant impact on the condensed interim financial information as at 30 June 2024.