RISK REPORT

2021

PILLAR 3 - 30.06.2021

SOCIETE GENERALE

CONTENTS

ABBREVIATIONS USED

Millions of euros: EUR m / **Billions of euros:** EUR bn / **FTE:** Headcount in Full-Time Equivalents

Rankings: the source for all references to rankings is given explicitly. Where it is not, rankings are based on internal sources.

SOCIETE GENERALE

RISK REPORT

2021

PILLAR 3 - 30.06.2021

1

KEY FIGURES

The information disclosed through this half-year report takes into account the evolutions stemming from the Commission Implementing Regulation (EU) No 2021/637 of 15 March 2021 regarding prudential disclosure requirements to which Societe Generale group is subject. The formats of the tables have thus been adapted to the technical instructions emanating from the European Banking Authority (notably EBA/ITS/2020/04).

The various indicators and metrics featured across the whole document follow in particular the new provisions introduced by Regulation (EU) No 2019/876. Some calculation methods have been impacted and some new requirements have been set, the main changes affecting the leverage ratio, the Net stable funding ratio (NSFR) as well as the measurement of counterparty credit risk.

It should be noted that the amounts forming the prudential solvency and leverage ratios which are featured hereinafter take into account the transitional arrangements relating to the introduction of the IFRS 9 standard, over the whole historical period considered.

TABLE 1: KEY METRICS (KM1)

(In EURm)		30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2020
AVAILABLE OWN FUNDS (AMOUNTS)						
1	Common Equity Tier 1 (CET1) capital	48,315	47,082	47,290	46,107	45,053
2	Tier 1 capital	57,258	55,318	56,179	54,024	53,254
3	Total capital	69,331	66,858	67,584	64,945	64,448
RISK-WEIGHTED ASSETS (RWA)						
4	Total risk-weighted assets	361,488	353,063	351,852	351,864	360,423
CAPITAL RATIOS (AS A PERCENTAGE OF RWA)						
5	Common Equity Tier 1 ratio *(%)*	13.37%	13.34%	13.44%	13.10%	12.50%
6	Tier 1 ratio *(%)*	15.84%	15.67%	15.97%	15.35%	14.78%
7	Total capital ratio *(%)*	19.18%	18.94%	19.21%	18.46%	17.88%
ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OTHER THAN THE RISK OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF RWA)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage *(%)*	1.75%	1.75%	1.75%	1.75%	1.75%
EU 7b	*of which to be made up of CET1 capital (%)*	*0.98%*	*0.98%*	*0.98%*	*0.98%*	*0.98%*
EU 7c	*of which to be made up of Tier 1 capital (%)*	*1.31%*	*1.31%*	*1.31%*	*1.31%*	*1.31%*
EU 7d	Total SREP own funds requirements *(%)*	9.75%	9.75%	9.75%	9.75%	9.75%
COMBINED BUFFER REQUIREMENT (AS A PERCENTAGE OF RWA)						
8	Capital conservation buffer *(%)*	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State *(%)*	-	-	-	-	-

(In EURm)		30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2020
9	Institution-specific countercyclical capital buffer *(%)*	0.04%	0.04%	0.04%	0.04%	0.06%
EU 9a	Systemic risk buffer *(%)*	-	-	-	-	-
10	Global Systemically Important Institution buffer *(%)*	1.00%	1.00%	1.00%	1.00%	1.00%
EU 10a	Other Systemically Important Institution buffer	-	-	-	-	-
11	Combined buffer requirement *(%)*	3.54%	3.54%	3.54%	3.54%	3.56%
EU 11a	Overall capital requirements *(%)*	13.29%	13.29%	13.29%	13.29%	13.31%
12	CET1 available after meeting the total SREP own funds requirements *(%)*	7.88%				
LEVERAGE RATIO						
13	Leverage ratio total exposure measure[1]	1,243,050	1,241,437	1,178,543	1,197,879	1,248,750
14	Leverage ratio	4.61%	4.46%	4.77%	4.51%	4.26%
ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OF EXCESSIVE LEVERAGE (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage *(%)*	-				
EU 14b	*of which to be made up of CET1 capital (%)*	-				
EU 14c	Total SREP leverage ratio requirements *(%)*[2]	3.09%				
LEVERAGE RATIO BUFFER AND OVERALL LEVERAGE RATIO REQUIREMENT (AS A PERCENTAGE OF TOTAL EXPOSURE MEASURE)						
EU 14d	Leverage ratio buffer requirement *(%)*	-				
EU 14e	Overall leverage ratio requirements *(%)*[2]	3.09%				
LIQUIDITY COVERAGE RATIO						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	224,460	217,669	204,815	188,059	175,241
EU 16a	Cash outflows – Total weighted value	365,861	357,183	356,097	353,408	358,139
EU 16b	Cash inflows – Total weighted value	215,876	218,961	227,719	230,385	235,250
16	Total net cash outflows (adjusted value)	149,984	138,223	128,378	123,023	122,889
17	Liquidity coverage ratio *(%)*	151.41%	159.24%	160.14%	153.47%	143.15%
NET STABLE FUNDING RATIO						
18	Total available stable funding	597,160				
19	Total required stable funding	555,238				
20	NSFR ratio *(%)*	107.55%				

(1) Since 30 September 2020, the measurement of the leverage exposure has been taking into account the option to exempt temporarily some central bank exposures in accordance with the European regulation.

(2) The leverage ratio requirement applicable to Societe Generale group is 3.09% (enhancement of the initial regulatory requirement of 3% in relation to the abovementioned central bank exemption).

Besides, key figures relating to the TLAC (Total Loss Absorbing Capacity) ratio can be found in section 3 of Chapter 3 of this report. As at 30 June 2021, the Group presents a TLAC ratio of 30.5% of risk-weighted assets (RWA) with the option of Senior preferred debt limited to 2.5% of RWA (the ratio being 28.9% without this option) for a regulatory requirement of 19.5%, and of 8.9% of the leverage exposure for a regulatory requirement of 6%.

2

RISK FACTORS

2.1 TYPES OF RISKS

The Group's risk management framework involves the following main categories:

- **credit risk:** risk of losses arising from the inability of the Group's customers, issuers or other counterparties to meet their financial commitments. This risk includes the risk linked to market transactions and securitisation activities and may be further amplified by individual, country and sector concentration risk;
- **counterparty credit risk:** Credit risk of a counterparty on a market transaction, combined with the risk of changes in exposure;
- **market risk:** risk of a loss of value on financial instruments arising from changes in market parameters, the volatility of these parameters and correlations between them. These parameters include, but are not limited to, exchange rates, interest rates, the price of securities (equity, bonds), commodities, derivatives and other assets;
- **operational risk:** risk of losses resulting from inadequacies or failures in processes, personnel or information systems, or from external events. It includes:
  - **non-compliance risk:** risk of court-ordered, administrative or disciplinary sanctions, financial loss or reputational damage due to failure to comply with legal and regulatory requirements or professional/ethical standards and practices applicable to banking,
  - **reputational risk:** risk arising from a negative perception on the part of customers, counterparties, shareholders, investors or regulators that could negatively impact the Group's ability to maintain or engage in business relationships and to sustain access to sources of financing,
  - **misconduct risk:** risk resulting from actions (or inactions) or behaviour of the Bank or its employees inconsistent with the Group's Code of Conduct, which may lead to adverse consequences for our stakeholders, or place the Bank's sustainability or reputation at risk,
  - **IT and Information Systems Security risk** (cybercrime, IT systems failures, etc.);
- **structural risk:** risk of losses in interest margin or banking book value if interest rates, exchange rates, or credit spreads change. This risk is related to the Bank's commercial and proprietary activities, it includes the distortion of the structural difference between assets and liabilities related to pension obligations, as well as the risk related to longer terms of future payments;
- **liquidity and funding risk:** liquidity risk is defined as the inability of the Group to meet its financial obligations: debt repayments, collateral supply, etc. Funding risk is defined as the risk that the Group will not be able to finance its business growth on a scale consistent with its commercial objectives and at a cost that is competitive compared to its competitors;
- **model risk:** Risk of losses due to decisions reached based on results of internal modelling due to errors in development, implementation or use of these models;
- **risk related to insurance activities:** through its insurance subsidiaries, the Group is also exposed to a variety of risks linked to this business. In addition to balance sheet management risks (interest rate, valuation, counterparty and exchange rate risk), these risks include premium pricing risk, mortality risk and the risk of an increase in claims;
- **strategic/business risk:** risks resulting from the Group's inability to execute its strategy and to implement its business plan for reasons that are not attributable to the other risks in this list; for instance, the non-occurrence of the macroeconomic scenarios that were used to construct the business plan or sales performance that was below expectations;
- **private equity risk:** risk of reduction in the value of our equity ownership interests;
- **residual value risk:** through its specialised financing activities, mainly in its long-term vehicle leasing subsidiary, the Group is exposed to residual value risk (where the net resale value of an asset at the end of the leasing contract is less than expected).

In addition, **risks associated with climate change**, both physical (increase in the frequency of extreme climatic events) and transition-related (New Carbon Regulation), have been identified as factors that could aggravate the Group's existing risks.

2.2 RISK FACTORS

This section identifies the main risk factors that the Group estimates could have a significant effect on its business, profitability, solvency or access to financing.

The risks inherent to the Group's activity are presented below under six main categories, in accordance with Article 16 of the "Prospectus 3" Regulation 2017/1129 of 14 June 2017 applicable to risk factors since 21 July 2019:

- risks related to the macroeconomic, market and regulatory environments;
- credit and counterparty credit risks;
- market and structural risks;
- operational risks (including risk of inappropriate conduct) and model risks;
- liquidity and funding risks;
- risks related to insurance activities.

Risk factors are presented on the basis of an evaluation of their materiality, with the most material risks indicated first within each category. The risk exposure or measurement figures included in the risk factors provide information on the Group's exposure level but are not necessarily representative of future evolution.

2.2.1 RISKS RELATED TO THE MACROECONOMIC, MARKET AND REGULATORY ENVIRONMENTS

2.2.1.1 The coronavirus pandemic (Covid-19) and its economic consequences could adversely affect the Group's business, operations and financial position.

In December 2019, a new strain of coronavirus (Covid-19) emerged in China. The virus has since spread to numerous countries around the world and the World Health Organization declared the outbreak of a pandemic in March 2020.

The propagation of the virus and the health measures taken in response to it (border closures, lockdown measures, restrictions on certain economic activities, etc.) have and may continue to have a significant impact, both direct and indirect, on the global economic situation and financial markets. The persistence of the Covid-19 pandemic and the emergence of new variants (such as the Delta variant) have led to new restrictive measures on mobility (introduction of new lockdown measures and local or national curfews), notably the implementation of a third lockdown in France in the spring of 2021. Despite the good performance of industry and global trade, uncertainty remains high, and the pandemic continues to affect the most exposed service sectors. An ever-active virus could lead to the extension or repetition of restrictive measures for several months, and thus adversely affect the Group's business, financial position and results. The deployment of vaccination programmes is encouraging, but risks regarding the overall effectiveness of these programmes persist. Logistical difficulties, delays in vaccine production, or doubts over their effectiveness (notably with regard to new variants) could prolong uncertainties and negatively affect economic activity and financial markets. The impact of the crisis related to the Covid-19 will have lasting consequences that remain difficult to be fully assessed, notably through the lossof human capital (loss of skills due to long periods of inactivity, lower quality of training, etc.) and increasing public and corporate debts.

The different restrictivemeasures also led to a decline in the Group's commercial activity and results due to the reduced opening of its retail network and lower demand from its customers, despite a rapid adaptation. New phases of lockdown measures or curfews in the countries where the Group operates may have an even greater impact on the Group's financial results.

In many jurisdictions in which the Group operates, national governments and central banks have taken or announced exceptional measures to support the economy and its actors (government-guaranteed loan facilities programmes, tax deferrals, facilitated recourses to part-time working, compensation, etc.) or to improve liquidity in financial markets (asset purchases, etc.). In the United States, the USD 1,900 billion support plan adopted in March 2021 is expected to be followed by a new program to improve the national infrastructures and energy efficiency to achieve net zero emissions by 2050. The support plan proposed by the Biden administration exceeds USD 3,000 billion, but this will certainly be reduced by the time Congress votes on it. The European Union has approved a EUR 750 billion recovery package to encourage a more demand-driven recovery, partly financed by joint loans. The European Commission carried out its first debt issue in June 2021 to start financing the recovery plan. National recovery plans submitted to the Commission in April 2021 are beginning to be validated and the first disbursements may be made starting from July. In France, after the EUR 471 billion in emergency measures injected in 2020, the government has implemented a "*France Relance*" plan of EUR 100 billion, backed by the state budget for 2021 and 2022 and partially financed by European funds. The plan is intended to be structural by nature and is built around three pillars: "ecology and energy transition", "business competitiveness" and "territorial cohesion". Although the initial support measures adequately addressed the immediate effects of the crisis, the measures that are currently being implemented may not be sufficient to support the recovery. As these plans unfold, the ECB's ability to conduct its quantitative easing policy will remain crucial for ensuring financial stability in the Eurozone.

As part of the French government-guaranteed loan (*Prêts Garantis par l'Etat*) programme for a maximum amount of EUR 300 billion, the Group has adapted its loan approval processes to handle the massive flow of applications. The Group has taken exceptional measures to financially support its customers and help them address the effects of the Covid-19 pandemic on their activities and income. The Group also supports its clients abroad within the framework of public or private moratoria or government-guaranteed loans. These measures require the Group to reallocate resources and to adapt its granting and management processes. In the event that these support measures for both businesses and individuals were to be further strengthened (extension of moratoria, additional financing, strengthening of equity capital, etc.), the Group's business and results may continue to be affected.

The restrictive measures taken in several of the main countries where the Group operates (with Western Europe representing 69% of the Group's EAD (Exposure at Default) as of 31 December 2020, of which 47% was in France) have significantly reduced economic activity and have led to an unprecedented global economic recession. The risk of new restrictive measures (especially in the event of new pandemic waves) as well as a too slow recovery of demand could increase the economic difficulties resulting from the health crisis. This, combined with a high level of public and corporate indebtedness, could constitute a brake on the recovery and lead to significant adverse repercussions on the credit quality of the Group's counterparties and the level of non- performing loans for both businesses and individuals.

Within the Corporate portfolio, as of 31 December 2020, the most impacted sectors have been the automotive sector (0.9% of the Group's total exposure), hotels, catering and leisure (0.6% of the Group's total exposure), non-food retail distribution (the entirety of the retail distribution sector represents 1.6% of the Group's total exposure), air transport (less than 0.5% of the Group's total exposure) and maritime transport (less than 1% of the Group's total exposure). The oil and gas sector (1.9% of the Group's total exposure) has been strongly impacted by the drop in demand due to the Covid-19 pandemic and by the initially uncoordinated actions on supply from several producing countries, including OPEC countries and Russia, resulting in a sharp drop in the price per barrel in 2020. The price per barrel of petrol has nevertheless risen sharply since the beginning of 2021 and returned to pre-pandemic levels. However, the context still remains uncertain with regard to the recovery of global demand and this market will continue to face uncertainties.

2020 was characterized by a significant increase in the cost of risk, mainly due to the prudence provisioning for Stages 1 and 2 in anticipation of future defaults. In the first half of 2021, the net cost of risk was low in the absence of default, while the Group continued to maintain a prudent provisioning policy for Stages 1 and 2 in the event that defaults begin to materialize. The Group's cost of risk could be affected by its participation in the French government-guaranteed loan programmes (in respect of the unguaranteed residual exposure). The Group anticipates a 2021 net cost of risk between 20 to 25 basis points.

Due to the Covid-19 pandemic, the Group's results and financial position were affected by unfavourable developments in global financial markets due to the Covid-19 crisis, especially in March and April 2020 (extreme volatility and dislocation of term structure, alternate sharp declines and rapid rebounds in the equity markets, widening of credit spreads, unprecedented declines in, or cancellation of, dividend distributions, etc.). These exceptional conditions have particularly affected the management of structured equity linked products. These activities have since been and continue to be adapted in order to improve their risk profiles.

Developments since the end of the first quarter of 2021 offer hope that the health crisis will be overcome. However, the recovery will take shape at different rates depending on the deployment of vaccination programmes, the appearance of new variants of the virus, the timing of lifting of social distancing measures and support from publicauthorities. The confirmation and extension in 2021 of the economic policies implemented in Europe and the United States in 2020 have been reassuring with respect to the consequences of a premature withdrawal of support measures on corporate and household balance sheets and on the financial markets.

The first half of 2021 was also marked by the emergence of inflationary fears, mostly related to the rise in input costs (raw materials, transport, electroniccomponents, etc.). This has led to a steepening of yield curves. The various statements by central banks affirming greater tolerance for inflation or emphasizing its transitory nature aim at moderating the upward pressure on long-term rates.

The measures taken during the Covid-19 pandemic helped to preserve the liquidity of financial markets, at the risk of making these markets vulnerable (for example by the potential formation of financial bubbles). The strength of the recovery is subject to these uncertainties, and a deterioration in the credit quality of borrowers who have been significantly affected cannot be ruled out, which could weigh on risk appetite. Given the magnitude of external financing needs, several emerging countries are facing difficulties that could be exacerbated in the event of a rise in U.S. rates and the related tightening of their financial conditions. In addition, despite the progressive deployment of vaccine programmes, the still-active circulation of the virus and the related uncertainties may result in a further adverse impact on the Group's capital markets activities, including a decline in activity, higher hedging costs, trading losses, increase in market risk reserves, reduction in liquidity on certain markets and operational losses related to capital markets activities, among others.

For information purposes, risk-weighted assets (RWA) related to market risks were thus up 6% at the end of 2020 compared to the situation at the end of December 2019, to EUR 15.3 billion. The Global Markets and Investor Services sector, which mainly concentrates the Group's market risks, represented a net banking income of EUR 4.2 billion, or 19% of the Group's total revenues in 2020.

Restrictive measures have led the Group to massively implement remote working arrangements, particularly for a significant part of its market activities. This organisation, which was deployed in immediate response to the crisis, increases the risk of operational incidents and the risk of cyber-attacks. In addition, all employees remain subject to health risks at the individual level. Prolonged remote working also increases psychosocial risk, with potential impacts in terms of organisation and business continuity in the event of prolonged absence of such individuals.

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

In a press release dated 23 July 2021, the ECB confirmed that the recommendation to restrict dividend distribution and share buybacks for all banks placed under its direct supervision will expire on 30 September 2021. As of this date, dividend policies will be reviewed by the ECB on a case-by-case basis, in accordance with the terms in force before the pandemic. Where applicable, the Group's dividend policy should take into account any recommendations that may be issued by the ECBfollowing this review.

Uncertainty as to the duration and impact of the Covid-19 pandemic makes it difficult to predict its impact on the global economy. Consequences for the Group will depend on the duration of the pandemic, the measures taken by national governments and central banks and developments in the health, economic, financial and social context.

2.2.1.2 The global economic and financial context, as well as the context of the markets in which the Group operates, may adversely affect the Group's activities, financial position and results of operations.

As a global financial institution, the Group's activities are sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The Group generates 44% of its business in France (in terms of 2020 net banking income), 35% in Europe, 7% in the Americas and 14% in the rest of the world. The Group could face a significant deterioration in market and economic conditions resulting from, in particular, crises affecting capital or credit markets, liquidity constraints, regional or global recessions, sharp fluctuations in commodity prices (notably oil), currency exchange rates or interest rates, inflation or deflation, rating downgrades, restructuring or defaults of sovereign or private debt, or adverse geopolitical events (including acts of terrorism and military conflicts). Such events, which can develop quickly and thus potentially may not be anticipated and hedged, could affect the Group's operating environment for short or extended periods and have a material adverse effect on its financial position, cost of risk and results of operations.

The situation related to the Covid-19 crisis is an aggravating factor in these risks and remains the main source of uncertainty. It is detailed in the risk factor 2.2.1.1 "*The coronavirus (Covid-19) pandemic and its economic consequences could adversely affect the Group's business and financial performance*".

In recent years, the financial markets have thus experienced significant disruptions resulting notably from concern over the trajectory of the sovereign debt of several Eurozone countries, Brexit, the persistence of commercial and political tensions (especially between the United States and China) or fears of a major slowdown growth in China. Geopolitical risks also remain high and the accumulation of different risks is an additional source of instability, which could also weigh on economic activity and demand for credit, while increasing the volatility of financial markets. In the context of Brexit, the topic of non-equivalence of clearing houses (central counterparties, or CCPs) remains a point of vigilance, with possible impacts on financial stability, notably in Europe, and on the Group's business.

The long period of low interest rates in the Eurozone and the United States, driven by accommodating monetary policies, has affected, and could continue to affect, the Group's net interest margin (which stood at EUR 1.9 billion in H1 21 for Retail Banking in France). The growth in the volume of loans made to non-financial companies, already high before the pandemic, significantly increased in 2020 with the implementation of government-guaranteed loan programmes (such as the *Prêt Garanti par l'Etat* programme in France). In 2021, this growth has slowed with the repayment of a part of the credit lines drawn in 2020. If the economic recovery is too slow, it may provoke a rise in the volume of non-performing loans and create a weak investment dynamic in a context where companies' balance sheets are already fragile. The environment of low interest rates tends to lead to an increased risk appetite of some participants in the banking and financial system, lower risk premiums compared to their historical average and high valuation levels of certain assets. These favourable market conditions could change rapidly in the event of a gradual phase-out of highly expansionary central-bank policies.

Furthermore, the environment of abundant liquidity that has been at the origin of the upturn in credit growth in the Eurozone and particularly in France, amplified by the implementation of the French government-guaranteed loan programme, could lead in the future to additional regulatory measures by supervisory authorities in order to limit the extension of credit or to further protect banks against a financial cycle downturn. In addition, the ongoing presence of geopolitical or political risks is another source of uncertainty which, if tensions are escalated, could impact global economic activity and credit demand, while increasing the volatility of financial markets.

The Group's results are significantly exposed to economic, financial and political conditions in the principal markets in which it operates.

At 30 June 2021, Group's exposures at default (EAD) to credit and counterparty risks were concentrated in Europe and the United States (together accounting for 90%), with a predominant exposure to France (46% of EAD). The other exposures concern Western Europe excluding France (accounting for 21%), North America (accounting for 14%), Eastern European members of the European Union (accounting for 7%) and Eastern Europe excluding the European Union (accounting for 2%).

In France, the Group's principal market, the good growth performance during the 2016-2019 period and low interest rates have fostered an upturn in the housing market. A reversal of activity in this area could have a material adverse effect on the Group's asset value and business, by decreasing demand for loans and resulting in higher rates of non-performing loans.

The Group also operates in emerging markets, such as Russia (2% of the Group's exposure to credit and counterparty risk at 31 December 2020) and Africa and the Middle East (4% of the Group's credit exposure). A significant adverse change in the macroeconomic, health, political or financial environment in these markets could have a material adverse effect on the Group's business, results and financial position. These markets may be adversely affected by uncertainty factors and specific risks, such as a new decline in oil prices, which would weigh on the financial position of producing countries as well as their growth and exchange rates. The correction of macroeconomic or budgetary imbalances that would result could be imposed by the markets with an impact on growth and on exchange rates. Another source of uncertainty comes from the enforcement of international sanctions against certain countries such as Russia. In the longer term, the energy transition to a "low-carbon economy" could adversely affect fossil energy producers, energy-intensive sectors of activity and the countries that depend on them. In addition, capital markets (including foreign exchange activity) and securities trading activities in emerging markets may be more volatile than those in developed markets and may also be vulnerable to certain specific risks, such as political instability and currency volatility. These elements could negatively impact the Group's activity and results of operations.

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

At the time of the publication of its annual results on 11 February 2021, the Group communicated new guidance on operating expenses, cost of risk and the solvency of the Group. The Group aims by 2023 to reduce its underlying costs compared to 2020. The Group has launched several initiatives expected to produce results starting from 2022, with a cost reduction target of approximately EUR 450 million in market activities as early as 2022-2023, a cost reduction target of approximately EUR 450 million in retail banking in France in 2025 compared to 2019 (of which approximatively 80% is expected by 2024) and other cost reductions through the finalisation of remediation actions and by standardising and digitalising certain processes. The Group expects a 2021 cost of risk between 20 to 25 basis points. The Group is targeting a CET1 ratio of 200 basis points higher than regulatory requirements, defined as the Maximum Distributable Amount (MDA), including after entry into force of the Basel III reform.

These expectations are based on a number of assumptions related to the health and macroeconomic context. The non- occurrence of these assumptions (including in the event of the occurrence of one or more of the risks described in this section) or the occurrence of unanticipated events could compromise the achievement of Group's strategic and financial objectives and negatively affect its activity, results and financial situation.

More precisely, the Group's "Vision 2025" project anticipates the merger between the Retail Banking network of Société Générale in France and Crédit du Nord. Although this project has been designed to enable a controlled deployment, the merger could have a short-term material adverse effect on the Group's business, financial position and costs. System reconciliations could face delays, delaying part of the expected merger benefits. The project could lead to the departure of a number of employees, requiring replacements and efforts related to new employee training, thus potentially generating additional costs. The merger could also lead to the departure of a portion of the Group's customers, resulting in loss of revenue. The legal and regulatory aspects of the transaction could result in delays or additional costs. In addition, the Lyxor transaction is expected to be finalised by the end of 2021, subject to obtaining the required approvals of the relevant regulatory and competition authorities.

Furthermore, the Group is committed to becoming a leading bank in the field of responsible finance through, among others:

- a new commitment to raise EUR 120 billion for energy transition between 2019 and 2023 (including EUR 100 billion in sustainable bond issues and EUR 20 billion earmarked for the renewable energy sector in the form of advisory and financing);
- a planned total exit from thermal coal;
- the signing as co-founder of the Principles for a Responsible Banking Sector, through which the Group undertakes to strategically align its business with the Sustainable Development Objectives set by the United Nations and the Paris Agreement on Climate Change;
- the adhesion to the Net-Zero Banking Alliance initiative, with a commitment to align its portfolios on trajectories aimed at global carbon neutrality by 2050 in order to reach the objective of limiting global warming to 1.5 °C.

These measures (and additional measures that may be taken in the future) could in some cases affect decrease the Group's results in the sectors concerned.

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

The Group applies the regulations of the jurisdictions in which it operates. French, European and U.S. regulations as well as other local regulations are concerned, given among other things the cross-border activities of the Group. The application of existing regulations and the implementation of future regulations requires significant resources that could affect the Group's performance. In addition, possible non-compliance with regulations could lead to fines, damage to the Group's reputation, forced suspension of its operations or the withdrawal of operating licences. By way of illustration, exposures to credit and counterparty risks (EAD) in France, the 27-member European Union (including France) and the United States represented 47%, 67% and 12%, respectively as of 31 December 2020.

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

- in the next two years, certain regulatory changes are still likely to degrade the environment for market activities: (i) the possible strengthening of transparency constraints and investor protection measures (review of MiFID II/MiFIR, IDD), (ii) the implementation of the fundamental review of the trading book, or FRTB, which may significantly increase requirements applicable to European banks and (iii) a potential mandatory relocation, due to the loss of equivalence recognition in the European Union of CCPs located in the United Kingdom, of clearing activities related to euro-denominated rate derivatives, which could affect the competitiveness of European actors;
- in the United States, the implementation of the Dodd-Frank Act has been almost finalised. The new Securities and Exchange Commission (SEC) regulations related to security-based swap dealers are applicable from 2021 and will require Société Générale's forthcoming registration as a Securities Based Swap Dealer and compliance with related regulations. Further, once the SEC has issued a final order on substituted compliance for France, a portion of the SEC's rules could be satisfied by demonstrating compliance with home country laws;
- new European measures aimed at restoring banks' balance sheets, especially through active management of non- performing loans ("NPLs"), which are leading to a rise of prudential requirements and an adaptation of the Group's strategy for managing NPLs. More generally, additional measures to define a framework of good practices for granting (e.g., loan origination orientations published by the European Banking Authority) and monitoring loans could also impact the Group;
- the strengthening of data quality and protection requirements and a potential strengthening of cyber-resilience requirements in relation to the publication on 24 September 2020 of the proposed European regulation on digital operational resilience for the financial sector;
- the implementation of the European sustainable finance regulatory framework, with an increase in non-financial reporting obligations, enhanced inclusion of environmental, social and governance issues in risk management activities and the potential inclusion of such risks in the supervisory review and assessment process (Supervisory Review and Evaluation Process, or SREP);
- the strengthening of the crisis prevention and resolution regime set out in the Bank Recovery and Resolution Directive of 15 May 2014 ("BRRD"), as revised, gives the Single Resolution Board ("SRB") the power to initiate a resolution procedure when the point of non-viability is reached. In this context, the SRB could, in order to limit the cost to the taxpayer, force some creditors and the shareholders of the Group to incur losses in priority. Should the resolution mechanism be triggered, the Group could, in particular, be forced to sell certain of its activities, modify the terms and conditions of the remuneration of its debt instruments, issue new debt instruments, or be subjected to the depreciation of its debt instruments or their conversion into equity securities. Furthermore, the Group's contribution to the annual financing of the Single Resolution Fund ("SRF") is significant and will grow steadily until 2023, with 2024 being the year of the full endowment of the fund. The contribution to the banking resolution mechanisms is described in Note 7.3.2 "*Other provisions for risks and expenses*" of the 2021 Universal Registration Document.

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

- the ongoing implementation in France of consumer- and social-oriented measures affecting retail banking (limitation of banks' fees for individuals and extension of such measures to small and medium-sized businesses, and protection measures for vulnerable customers);
- the potential requirement at the European level to open more access to banking data (savings books, investments) to third-party service providers and/or to pool customer data;
- new obligations arising from a package of proposed measures announced by the European Commission on 20 July 2021 aiming to strengthen the European supervisory framework around the fight against money laundering and terrorist financing, as well as the creation of a new European agency to fight money laundering;
- new measures arising from changes to bankruptcy laws relating to the management of the health crisis caused by the Covid-19 pandemic, including those facilitating recourse to accelerated safeguard and accelerated financial safeguard procedures.

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

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

2.2.1.5 The Group could be subject to a resolution procedure, which could have an adverse effect on its business and the value of its financial instruments.

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

The powers granted to the resolution authority under the BRRD and the SRM Regulations include write-down/conversion powers to ensure that capital instruments and eligible liabilities absorb the Group's losses and recapitalize it in accordance with an established order of priority (the "Bail-in Tool"). Subject to certain exceptions, losses are borne first by the shareholders and then by the holders of additional Tier 1 and Tier 2 capital instruments, then by the non-preferred senior debt holders and finally by the senior preferred debt holders, all in the order of their claims in a normal insolvency proceeding.

The conditions for resolution provided by the French Monetary and Financial Code implementing the BRRD are deemed to be met if: (i) the resolution authority or the competent supervisory authority determines that the institution is failing or likely to fail; (ii) there is no reasonable perspective that any measure other than a resolution measure could prevent the failure within a reasonable timeframe; and (iii) a resolution measure is necessary to achieve the resolutions' objectives (in particular, ensuring the continuity of critical functions, avoiding a significant negative effect on the financial system, protecting public funds by minimizing the recourse to extraordinary public financial support, and protecting customers' funds and assets) and the winding up of the institution under normal insolvency proceedings would not meet these objectives to the same extent.

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

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

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

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

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

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

2.2.1.6 Increased competition from banking and non-banking operators could have an adverse effect on the Group's business and results, both in its French domestic market and internationally.

Due to its international activity, the Group faces intense competition in the global and local markets in which it operates, whether from banking or non-banking actors. As such, the Group is exposed to the risk of not being able to maintain or develop its market share in its various activities. This competition may also lead to pressure on margins, which is detrimental to the profitability of the Group's activities.

Consolidation in the financial services industry could result in the competitors benefiting from greater capital, resources and an ability to offer a broader range of financial services. In France and in the other main markets where the Group operates, the presence of major domestic banking and financial actors, as well as new market participants (notably neo-banks and online financial services providers), has increased competition for virtually all products and services offered by the Group. Newmarket participants such as "fintechs" and new services that are automated, scalable and based on new technologies (such as blockchain) are developing rapidly and are fundamentally changing the relationship between consumers and financial services providers, as well as the function of traditional retail bank networks. Competition with these new actors could be exacerbated by the emergence of substitutes for central bank currency (crypto-currencies, digital central bank currency, etc.).

Moreover, competition is also enhanced by the emergence of non-banking actors that, in some cases, may benefit from a regulatory framework that is more flexible and in particular less demanding in terms of equity capital requirements.

To address these challenges, the Group has implemented a strategy, in particular with regard to the development of digital technologies and the establishment of commercial or equity partnerships with these new actors (such as Lumo, the platform offering green investments, or Shine, the neobank for professionals). In this context, additional investments may be necessary for the Group to be able to offer new innovative services and to be competitive with these new actors. This intensification of competition could, however, adversely affect the Group's business and results, both on the French market and internationally.

2.2.1.7 Environmental, social and governance (ESG) risks, in particular related to climate change, could have an impact on the Group's activities, results and financial situation in the short-, medium- and long-term.

Environmental, social and governance (ESG) risks are defined as risks stemming from the current or prospective impacts of ESG factors on counterparties or invested assets of financial institutions. ESG risks are seen as aggravating factors to the traditional categories of risks (credit and counterparty risk, market and structural risk, operational risk, reputational risk, compliance risk, liquidity and funding risk, risks related to insurance activities) and are likely to impact the Group's activities, results and financial position in the short-, medium- and long-term.

The Group is thus exposed to environmental risks, and in particular climate change risks through its financing, investment and service activities. Concerning climate risks, a distinction is made between (i) physical risk, with a direct impact on entities, people and property stemming from climate change and the multiplication of extreme weather events; and (ii) transition risk, which results from the process of transitioning to a low-carbon economy, such as regulatory or technological disruptions or changes in consumer preferences.

The Group could be exposed to physical risk resulting from a deterioration in the credit quality of its counterparties whose activity could be negatively impacted by extreme climatic events or long-term gradual changes in climate, and through a decrease in the value of collateral received (particularly in the context of real estate financing). The Group's insurance activities could also be impacted with exposure in regions and countries that are particularly vulnerable to climate change.

The Group may also be exposed to transition risk through its credit portfolio in a limited number of sensitive sectors that are subject to more stringent regulations or technological disruptions, and through exposure to reputation risk in the event that the Group is unable to respect its commitments in favor of environmental transition or if these commitments are considered insufficient by its stakeholders.

Beyond the risks related to climate change, risks more generally related to environmental degradation (such as the risk of loss of biodiversity) are also aggravating factors and could expose the Group to credit risk on a portion of its portfolio, linked for example to lower profitability.

In addition, the Group is exposed to social risks, related for example to non-compliance by some of its counterparties with labor rights or workplace health and safety issues, which may trigger or aggravate non-compliance, reputational and credit risks for the Group.

Similarly, risks relating to governance of the Group's counterparties, such as an inadequate management of environmental and social issues or non-compliance with corporate governance codes related to, among others, anti-money laundering issues, could generate credit and reputational risks for the Group.

Beyond the risks related to its counterparties or invested assets, the Group could also be exposed to risks related to its own activities. For example, the Group's ability to maintain its services in geographies impacted by extreme events (such as floods) is exposed to physical climate risk.

The Group also remains exposed to specific social risks, relating for example to compliance with labor laws or the management of its human resources. The Group is also exposed to social risks related to certain of its stakeholders (such as suppliers and service providers) that could, for example, generate reputational risk for the Group.

Finally, the Group could be exposed to risks in connection with its own governance, relating to ethical issues, transparency, the composition (such as in terms of diversity) of its Board of Directors or staff.

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

2.2.2 CREDIT AND COUNTERPARTY CREDIT RISKS

Weighted assets (RWA) subject to credit and counterparty risks amounted to EUR 298.2 billion at 30 June 2021.

2.2.2.1 The Group is exposed to credit, counterparty and concentration risks, which may have a material adverse effect on the Group's business, results of operations and financial position.

Due to its financing and market activities, the Group is exposed to credit and counterparty risk. The Group may therefore incur losses in the event of default by one or more counterparties, particularly if the Group encounters legal or other difficulties in enforcing its collateral or if the value of this collateral is not sufficient to fully recover the exposure in the event of default. Despite the Group's efforts to limit the concentration effects of its credit portfolio exposure, it is possible that counterparty defaults could be amplified within the same economic sector or region of the world due to the interdependence of these counterparties.

Consequently, the default of one or more significant counterparties of the Group could have a material adverse effect on the Group's cost of risk, results of operations and financial position.

For information, as of 31 December 2020, the Group's exposure at default (EAD, excluding counterparty risk) was EUR 877 billion, with the following breakdown by type of counterparty: 31% on sovereigns, 28% on corporates, 23% on retail customers and 7% on credit institutions and similar. Risk-weighted assets (RWA) for credit risk totalled EUR 261 billion.

Regarding counterparty risks resulting from market transactions (excluding CVA), at the end of December 2020, the exposure value (EAD) was EUR 126 billion, mainly to corporates (44%) and credit institutions and similar entities (34%) and to a lesser extent to sovereign entities (19%). Risk-weighted assets (RWA) for counterparty risk amounted to EUR 23 billion.

As at 30 June 2021, The main sectors to which the Group is exposed in its corporate portfolio included financial activities (accounting for 21.6% of exposure), commercial services (10.7%), real estate (10.4%), wholesale trade (7.3%), the transport, postal services and logistics sector (6.5%), collective services (6.5%) and the oil and gas sector (5.2%).

In addition, the sectors particularly impacted by the Covid-19 pandemic are described in the risk factor 2.2.1.1 "*The coronavirus pandemic (Covid-19) and its economic consequences could adversely affect the Group's business and financial performance*".

In terms of geographical concentration, the five main countries to which the Group is exposed as of 31 December 2020 were France (47% of the Group's total EAD, mainly related to retail customers and corporates), the United States (12% of EAD, mainly related to corporates and sovereigns), the Czech Republic (4% of the Group's total EAD, mainly related to retail clients, corporates and sovereigns), the United Kingdom (5% of EAD, mainly related to corporates and sovereigns) and Germany (4% of the Group's total EAD, mainly related to corporates and credit institutions).

For more details on credit and counterparty risk, see sections 4.5.6 "*Quantitative information*" and 4.6.3 "*Market risk main measures*" of the 2021 Universal Registration Document and its amendments.

2.2.2.2 The financial soundness and conduct of other financial institutions and market participants could adversely affect the Group.

Financial institutions and other market players (commercial or investment banks, mutual funds, alternative funds, institutional clients, clearing houses, investment service providers, etc.) are important counterparties for the Group in capital or inter-bank markets. Financial services institutions and financial players are closely interrelated as a result of trading, clearing, counterparty and funding relationships. In addition, there is a growing involvement in the financial markets of players with little or no regulation (hedge funds, for example). As a result, defaults by one or several actors in the sector or a crisis of confidence affecting one or more actors could result in market-wide liquidity scarcity or chain defaults, which would have an adverse effect on the Group's activity.

The Group is exposed to clearing institutions and their members because of the increase in transactions traded through these institutions, induced in part by regulatory changes that require mandatory clearing for over-the-counter derivative instruments standardised by these clearing counterparties. The Group's exposure to clearing houses amounted to EUR 28 billion of EAD at 31 December 2020. The default of a clearing institution or one of its members could generate losses for the Group and have an adverse effect on its business and results of operations.

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

At 31 December 2020, the Group's exposure (EAD) to credit and counterparty risks of financial institutions amounted to EUR 106 billion, representing 11% of the Group's EAD in respect of credit risk.

2.2.2.3 The Group's results of operations and financial position could be adversely affected by a late or insufficient provisioning of credit exposures.

The Group regularly records provisions for doubtful loans in connection with its lending activities in order to anticipate the occurrence of losses. The amount of provisions is based on the most accurate assessment at the time of the recoverability of the debts in question. This assessment relies on an analysis of the current and prospective situation of the borrower as well as an analysis of the value and recovery prospects of the debt, taking into account any security interests. In some cases (loans to individual customers), the provisioning method may call for the use of statistical models based on the analysis of historical loss and recovery data. Since 1 January 2018, the Group has also been recording provisions on performing loans under the IFRS9 accounting standard. This assessment is based on statistical models for assessing probabilities of default and potential losses in the event of default, which take into account a prospective analysis based on regularly updated macroeconomic scenarios.

IFRS 9 accounting standard principles and provisioning models could be pro-cyclical in the event of a sharp and sudden deterioration in the environment. A deterioration in the operating environment could lead to a significant and/or not-fully- anticipated variation in the cost of risk and therefore in the Group's results of operations.

At 30 June 2021, the stock of provisions relating to outstanding amounts (on- and off-balance sheet) amounted to EUR 3.5 billion on performing assets and EUR 9.1 billion on assets in default. Outstanding loans in default (stage 3 under IFRS 9) represented EUR 18.2 billion, including 48% in France, 22% in Africa and Middle East and 14% in Western Europe (excluding France). The gross ratio of doubtful loans on the balance sheet was 3.1% and the gross coverage ratio of these loans was approximately 52%. The cost of risk stood at 16 basis points in the first half of 2021, against a cost of risk of 64 basis points in 2020.

2.2.3 MARKET AND STRUCTURAL RISKS

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

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

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

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

Severe market disruptions and high market volatility have occurred in recent years and may occur again in the future (the Covid- 19 pandemic being the latest example; see risk factor 2.2.1.1 "*The coronavirus (Covid-19) pandemic and its economic consequences could affect negatively affect the Group's business and financial performance*" for more information), which could result in significant losses for the Group's markets activities. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products.

In the event that a low-volatility environment emerges, reflecting a generally optimistic sentiment in the markets and/or the presence of systematic volatility sellers, increased risks of correction may also develop, particularly if the main market participants have similar positions on certain products. Such corrections could result in significant losses for the Group's market activities.

The volatility of the financial markets makes it difficult to predict trends and implement effective trading strategies; it also increases risk of losses from net long positions when prices decline and, conversely, from net short positions when prices rise. Such losses could have a material adverse effect on the Group's results of operations and financial position.

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

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

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

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

For information purposes, Global Markets & Investor Services activities, which account for most of the Group's market risks, represented EUR 3.0 billion of net banking income in the first half of 2021, or 24% of the Group's total revenues. At 30 June 2021, risk-weighted assets (RWA) subject to market risk represented EUR 14.1 billion (representing 4% of the Group's total RWA).

2.2.3.2 Changes in interest rates may adversely affect retail banking activities.

The Group generates a significant part of its income through net interest margin and as such remains highly exposed to interest rate fluctuations as well as to changes in the yield curve, particularly in its retail banking activities. The Group's results are influenced by changes in interest rates in Europe and in the other markets in which it operates. In Europe in particular, a protracted environment of low or even negative interest rates has affected and could continue to adversely affect the Group's retail banking income, notably in France. Net banking income (NBI) of French retail banking amounted to EUR 3.8 billion in the first half of 2021.

For more information on structural interest rate risks, see chapter 4.9 "*Structural interest rate and currency exchange rate risks*" and Note 8.1 "*Segmented reporting*" of the 2021 Universal Registration Document and its amendments.

2.2.3.3 Fluctuations in exchange rates could adversely affect the Group's results.

As a result of its international activities and its geographical presence in many countries, the Group's revenues and expenses as well as its assets and liabilities are recorded in different currencies, which exposes it to the risk of exchange-rate fluctuations.

Because the Group publishes its consolidated financial statements in euros, which is the currency of most of its liabilities, it is also subject to translation risk for items recorded in other currencies, in the preparation of its consolidated financial statements. Exchange rate fluctuations of these currencies against the euro may adversely affect the Group's consolidated results, financial position and cash flows. Exchange rate fluctuations may also negatively affect the value (denominated in euros) of the Group's investments in its subsidiaries outside the Eurozone.

For information, at 31 December 2020, out of a total of EUR 1,258 billion of assets on the balance sheet, 39% was recorded in euros, 37% in USD and 7% in JPY.

For more information of structural exchange rate risk, see chapter 4.7.5 "*Market Risk Capital Requirements and Risk-Weighted Assets*", chapter 4.9.3 "*Structural exchange rate risk*" and Note 8.1 "*Foreign exchange transactions*" in chapter 6 of the 2021 Universal Registration Document and its amendments.

2.2.4 OPERATIONAL (INCLUDING RISK OF INAPPROPRIATE CONDUCT) AND MODEL RISKS

At 30 June 2021, risk-weighted assets subject to operational risk amounted to EUR 49.2 billion, or 14% of the Group's total RWA. These risk-weighted assets relate mainly to Global Markets & Investor Services (67% of total operational risk).

Between 2016 and 2020, the Group's operational risks were primarily concentrated in five risk categories, representing 93% of the Group's total operating losses observed over the period: fraud (mainly external frauds) and other criminal activities (34%), execution errors (23%), disputes with authorities (16%), errors in pricing or risk assessment, including model risk (12%) and commercial disputes (9%). The Group's other categories of operational risk (unauthorised activities in the markets, failure of information systems and loss of operating resources) remain minor, representing 7% of the Group's losses on average over the 2016 to 2020 period.

See chapter 4.7.3 "*Operational risk measure*" of the 2021 Universal Registration Document and its amendments for more information on the allocation of operating losses.

2.2.4.1 The Group is exposed to legal risks that could have a material adverse effect on its financial position or results of operations.

In the case of non-compliance with applicable laws and regulations, the Group and certain of its former and current representatives may be involved in various types of litigation, including civil, administrative, tax, criminal and arbitration proceedings. The large majority of such proceedings arise from transactions or events that occur in the Group's ordinary course of business. There has been an increase in client, depositor, creditor and investor litigation and regulatory proceedings against intermediaries such as banks and investment advisors in recent years, in part due to the challenging market environment. This has increased the risk for the Group of losses or reputational harm arising from litigation and other proceedings. Such proceedings or regulatory enforcement actions could also lead to civil, administrative, tax or criminal penalties that could adversely affect the Group's business, financial position and results of operations.

In preparing its financial statements, the Group makes estimates regarding the outcome of civil, administrative, tax, criminal and arbitration proceedings in which it is involved, and records a provision when losses with respect to such matters are probable and can be reasonably estimated. It is inherently difficult to predict the outcome of litigation and proceedings involving the Group's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, cases where claims for damages are of unspecified or indeterminate amounts, or cases involving unprecedented legal claims. Should such estimates prove inaccurate or should the provisions set aside by the Group to cover such risks prove inadequate, the Group's financial position or results of operations could be adversely affected.

The provision recorded in the Group's financial statements for public rights disputes amounted to EUR 334 million at 31 December 2020.

For a description of the most significant ongoing proceedings, see the section 4.11 "*Compliance and reputational risk, Litigations*", Note 8.3.2 "*Other provisions*" and Note 9 "*Information on risks and litigation*" of chapter 6 of the 2021 Universal Registration Document and its amendments.

2.2.4.2 Operational failure, termination or capacity constraints affecting institutions the Group does business with, or failure of information technology systems could have an adverse effect on the Group's business and result in losses and damages to its the reputation.

Any dysfunction, failure or interruption of service of the Group's communication and information systems or the systems of its external partners, even brief and temporary, could result in significant disruptions to the Group's business. Such incidents could result in significant costs related to information retrieval and verification, loss of revenue, loss of customers, litigation with counterparties or customers, difficulties in managing market operations and short-term refinancing, and ultimately damage to the Group's reputation.

The Group is exposed to the risk of operational failure or capacity constraints in its own systems and in the systems of third parties, including those of financial intermediaries that it uses to facilitate cash settlement or securities transactions (such as clearing agents and houses and stock exchanges), as well as those of clients and other market participants.

The interconnections between various financial institutions, clearing houses, stock exchanges and service providers, including external cloud services, increase the risk that the operational failure of any one of them could lead to an operational failure of the entire sector, which could have an adverse impact on the Group's ability to conduct its business and could therefore result in losses. This risk is likely to be increased by industry concentration, whether among market participants or financial intermediaries, as complex and disparate systems need to be integrated, often on an accelerated basis.

The Group is also subject to various regulatory reforms and major internal strategic projects that may lead to operational disruptions and have an impact on the Group's operations, the accounting of transactions and their tax or prudential treatment, and on the Group's results in the event of poor project management and understanding of operational risks. Examples include the IBOR interbank rate reform, which aims to ensure the continuity of contracts indexed on interbank rates, or the internal project to merge the Société Générale and Crédit du Nord retail networks, with the transfer of Crédit du Nord's information system to the Société Générale information system.

See "*Information security risks*" of section 4.8.1 "*Organisation of operational risk management – Quantitative data*", and "*quantitative data*" of section 4.8.3 "*Measurement of operational risk*" for a breakdown of operational risk losses, and section 4.8.4 "Weighted assets and capital requirements" of the 2021 Universal Registration Document and its amendments for a breakdown of risk-weighted exposure to operational risks by division.

The operational risks specific related to the Covid-19 pandemic are also described in the section 2.2.1.1 "*The coronavirus (Covid-19) pandemic and its economic consequences could negatively affect the Group's business and financial performance*".

2.2.4.3 The Group is exposed to fraud risk, which could result in losses and damage its reputation.

Fraud risk is defined as the intentional non-compliance with existing laws, regulations or procedures, which in most cases results in harm to the bank or its customers, and provides the fraudster or his or her relatives with a direct or indirect material or moral benefit.

This risk mainly involves external frauds related to credit activities, payment methods (checks and cards) at the Group customers' sites, as well as cybercrime through attempted fraudulent intrusion of information systems, with social engineering campaigns becoming increasingly complex in recent years.

Between 2016 and 2020, the risk of fraud represented 34% of the Group's total operating losses and has increased sharply over the last two years, mainly due to external credit fraud.

2.2.4.4 A breach of information systems, including in particular a cyber-attack, could have an adverse effect on the Group's business, results in losses and damage the Group's reputation.

The Group relies heavily on communication and information systems to conduct its business and this is reinforced by the widespread use of remote banking. Any breach of its systems or the systems of its external partners could materially disrupt the Group's business. Such incidents could result in significant costs related to the recovery and verification of information, loss of revenues, customer attrition, disputes with counterparties or customers, difficulties in managing market operations and short- term refinancing operations, and ultimately damage the Group's reputation. Difficulties experienced by the Group's counterparties could also indirectly generate a credit risks for the Group.

Each year, the Group is subject to several cyber-attacks on its systems or those of its customers, partners and suppliers. The Group could be subject to targeted and sophisticated attacks on its computer network, resulting in embezzlement, loss, theft or disclosure of confidential data or customer data (in particular in the event of violation of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR")). Such actions could result in operational losses and have an adverse effect on the Group's business, results and reputation with its customers.

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

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

As a result, negative comments regarding the Group, whether or not legitimate, and concerning events that may or may not be attributable to the Group, could deteriorate the Group's reputation and affect its competitive position.

The Group's reputation could also be adversely affected by a weakness in its internal control measures aimed at monitoring and preventing operational, compliance, credit and market risks, particularly with respect to monitoring inappropriate conduct of its employees (such as corruption, fraud, market abuse and tax evasion). This risk may arise from the conduct itself as well as from administrative or criminal sanctions penalising an insufficiently effective control environment, such as the sanctions issued by the US and French authorities in 2018.

Financing extended by the bank that does not comply with regulations or its commitments could affect the Group's reputation. Methods of distribution of products and services that do not provide sufficient information to customers, a lack of transparency in its communication (particularly financial communication) or internal management rules (including human resources management or relations with suppliers and service providers) that do not comply with regulatory obligations or the bank's commitments could affect the Group's reputation. In addition, a corporate social responsibility strategy (in particular with regard to environmental issues) deemed insufficiently ambitious in relation to the expectations of external stakeholders or difficulties in implementing this strategy could also impact the Group's reputation.

The consequences of these events, which could potentially result in legal proceedings, may vary according to the extent of media coverage and the overall context and remain difficult to estimate.

For more information about reputation risk please see section 4.11 "*Non-compliance risks, Litigations*" and section 5.2.1 *"Satisfying clients by ensuring their protection"* of Chapter 5 "*Corporate Social Responsibility*" of the 2021 Universal Registration Document and its amendments.

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

The Group employs 133,000 people in more than 60 countries. The Group's human resources are key assets of the Group, its business model and value proposition. Inadequate career or skills management (integration, career prospects and training, or in terms of compensation levels in line with market practice, etc.) could affect the performance of the Group's banking and financial activities.The Group's inability to attract and retain employees, a high rate of turnover or the departure of strategic employees could expose the Group to a loss in its know-how as well as a deterioration in the quality of service, at the expense of client satisfaction.

Furthermore, the increased oversight of compensation policies to which the banking sector is subject, including rules on certain types of compensation (fixed, variable, performance conditions, deferred payments, etc.), may limit the Group's ability to attract and retain talent. Examples of this oversight include the CRD IV and the CRD V directives, which have applied since 2014 and January 2021, respectively, to banks in the European Economic Area (EEA) and therefore to the Group. These directives include a cap on the variable component of compensation compared to its fixed component for the relevant personnel, which could reduce the Group's ability to attract and retain employees, in particular against competitors located out of the EEA.

Furthermore, the Covid-19 crisis has reinforced the aspirations of a part of the Group's employees to access new ways of working, starting with remote working. While the Group has initiated a partial return to the workplace, its inability to maintain a high level of employee satisfaction could affect its performance.

For more information, see section 5.3.3.3 "*To ensure the health and safety of persons in workplace and in the exercise of work and continuously improve working conditions*" on page 287 of the Universal Registration Document.

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

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

In particular:

- the valuation of certain financial instruments that are not traded on regulated markets or other trading platforms, such as OTC derivative contracts between banks, uses internal models that incorporate unobservable parameters. The unobservable nature of these parameters results in an additional degree of uncertainty as to the adequacy of the valuation of the positions. In the event that the relevant internal models prove unsuitable for changing market conditions, some of the instruments held by the Group could be misvalued and could generate losses for the Group. For illustrative purposes, financial assets and liabilities measured at fair value on the balance sheet categorised within level 3 (for which the valuation is not based on observed data) represented EUR 14.0 billion and EUR 42.1 billion, respectively, as of 30 June 2021 (see Note 3.4.1 and Note 3.4.2 of Chapter 6 of the consolidated financial statements included in the second amendment to the 2020 Universal Registration Document on financial assets and liabilities measured at fair value);
- the assessment of customer solvency and the Bank's exposure to credit and counterparty risk is generally based on historical assumptions and observations that may prove to be inappropriate in light of new economic conditions. It is based on economic scenarios and projections that may not adequately anticipate unfavourable economic conditions or the occurrence of unprecedented events. This miscalculation could, among other things, result in an under-provisioning of risks and an incorrect assessment of capital requirements;
- hedging strategies used in market activities rely on models that include assumptions about the evolution of market parameters and their correlation, partly inferred from historical data. These models could be inappropriate in certain market environments (in the event of strong movements in volatility resulting, for example, from a new wave of the Covid-19 pandemic, from the evolution of the trade war between the United States and China, or from Brexit), leading to an ineffective hedging strategy, thus causing unanticipated losses that could have a material adverse effect on the Group's results and financial position;
- management of the interest rate risk of the investment portfolio and of the liquidity risk of all balance sheet and off- balance sheet items uses behavioural models that depend on market conditions. These models, based in particular on historical observations, could have an impact on the hedging of these risks when unprecedented events occur.

In addition, the Group has initiated an evolution of its system of internal credit risk models (project "Haussmann"). This evolution could have a significant impact on the calculation of its RWA credit and counterparty risk in the event of delay in the schedule for submitting its models to the supervisor or in the event of late validation by the supervisor.

2.2.4.8 The Group may incur losses as a result of unforeseen or catastrophic events, including health crises, terrorist attacks or natural disasters.

The Group remains dependent on its natural and social environment. The occurrence of a new epidemic or pandemic crisis (such as the Covid-19 pandemic) or a crisis related to the pollution of the natural environment could have a significant impact on the Group's activities. Also, terrorist attacks, natural disasters (including earthquakes, such as in Romania, and floods, such as the exceptional flooding of the Seine in Paris), extreme weather conditions (such as heatwaves), or major social unrest (such as the "gilets jaunes" movement in France) could affect the Group's activities.

Such events could create economic and financial disruptions or lead to operational difficulties (including travel limitations or relocation of affected employees) for the Group.

These events could impair the Group's ability to manage its businesses and also expose its insurance activities to significant losses and increased costs (such as higher re-insurance premiums). Upon the occurrence of such events, the Group could incur losses.

2.2.5 LIQUIDITY AND FUNDING RISKS

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

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

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

For several years, central banks have taken measures to facilitate financial institutions' access to liquidity, in particular by lowering interest rates to historical lows and by setting up TLTRO (Targeted Longer-Term Refinancing Operations) type facilities and by implementing asset purchase policies to keep long-term interest rates at very low levels. In the event that central banks put an end to these extraordinary measures, for example in a context of persistently higher inflation, the Group could face an unfavourable evolution of its financing cost and of its access to liquidity.

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

The Group's regulatory short-term liquidity coverage ratio (LCR) stood at 133% at 30 June 2021 and liquidity reserves amounted to EUR 227 billion at 30 June 2021.

2.2.5.2 A downgrade to the Group's external rating or to the sovereign rating of the French state could have an adverse effect on the Group's cost of financing and its access to liquidity.

For the proper conduct of its activities, the Group depends on access to financing and other sources of liquidity. In the event of difficulties in accessing the secured or unsecured debt markets on terms it considers acceptable, due to market conditions or factors specific to the Group, or if it experiences unforeseen outflows of cash or collateral, including material decreases in customer deposits, its liquidity could be impaired. In addition, if the Group is unable to maintain a satisfactory level of customer deposits collection, it may be forced to turn to more expensive funding sources, which would reduce the Group's net interest margin and results.

The Group is exposed to the risk of an increase in credit spreads. The Group's medium- and long-term financing cost is directly linked to the level of credit spreads which can fluctuate depending on general market conditions. These spreads can also be affected by an adverse change in France's sovereign debt rating or the Group's external ratings by rating agencies.

The Group is currently monitored by four financial rating agencies: Fitch Ratings, Moody's, R&I and Standard & Poor's. The downgrading of the Group's credit ratings, by these or other agencies, could have a significant impact on the Group's access to funding or increase its costs and reduce its ability to carry out certain types of transactions or activities with customers. This could also require the Group to provide additional collateral to certain counterparties, which could have an adverse effect on its business, financial position and results of operations.

The deterioration of the economic environment following the health crisis and its impact on the Group, particularly in terms of profitability and cost of risk, could increase the risk of external rating downgrades. The Group's ratings could be placed under negative watch or be subject to a downgrade. In addition, France's sovereign ratings could also be downgraded due to an increase in its debt and deficits (further increased by the Covid-19 pandemic and the response measures taken by the French government). These elements could have a negative impact on the Group's financing costs and its access to liquidity. The Group's ratings by Fitch Ratings, Moody's, R&I and Standard & Poor's are available on the Group's website (*https://investors.societegenerale.com/en/financial-and-non-financial-in formation/ratings/credit-ratings*).

Access to financing and liquidity constraints could have a material adverse effect on the Group's business, financial position, results of operations and ability to meet its obligations to its counterparties.

For 2021, the Group has planned a funding programme of approximately EUR 14.5 billion in vanilla long-term debt, in senior preferred and secured debt as well as in senior non-preferred debt and subordinated debt.

At 30 June 2021, the Group had raised a total of EUR 27.5 billion of long-term funding (EUR 26.1 billion for the parent company and EUR 1.4 billion for its subsidiaries) which relates, at the parent company level, to senior structured issues (EUR 11.9 billion), subordinated issues (EUR 4.4 billion), senior vanilla non-preferred issues (EUR 6.9 billion), unsecured senior vanilla preferred issues (EUR 2.1 billion) and secured issues (EUR 0.8 billion).

2.2.6 RISKS RELATED TO INSURANCE ACTIVITIES

2.2.6.1 A deterioration in market conditions, and in particular a significant increase or decrease in interest rates, could have a material adverse effect on the life insurance activities of the Group's Insurance business.

In the first half of 2021, the Group's insurance activities represented net banking income of EUR 0.5 billion, or 4% of the Group's consolidated net banking income. The Group's Insurance division is mainly focused on life insurance. At 30 June 2021, life insurance contracts registered outstandings of EUR 131 billion, divided between euro-denominated contracts (65%) and unit- linked contracts (35%).

The Group's Insurance business is highly exposed to structural interest-rate risk due to the high proportion of bonds in the euro-denominated funds in its life insurance contracts. The level of and changes in interest rates may, in certain configurations, have a material adverse effect on the results and financial position of this business line.

With its impact on the yield of euro-denominated contracts, a prolonged outlook of low interest rates reduces the attractiveness of these products for investors, which can negatively affect fundraising and income from this segment of the life insurance business.

A sharp rise in interest rates could also degrade the competitiveness of the life insurance offerings in euros (compared with bank savings products, for example) and trigger significant repurchases and arbitrage operations by customers, in an unfavourable context of unrealised losses on bond holdings. This configuration could affect the revenues and profitability of the life insurance activity.

More generally, a pronounced widening of spreads and a decline in equity markets could also have a significant negative effect on the results of the Group's life insurance business.

In the event of a deterioration in market parameters, the Group could be required to strengthen the own funds of its insurance subsidiaries to enable them to continue meeting their regulatory capital requirements.

3

CAPITAL MANAGEMENT AND ADEQUACY

3.1 SCOPE OF APPLICATION – PRUDENTIAL SCOPE

The Group’s prudential reporting scope includes all fully consolidated entities, with the exception of insurance entities, which are subject to separate capital supervision.

All regulated entities of the Group comply with their prudential commitments on an individual basis.

Non-regulated entities outside of the scope of prudential consolidation are subject to periodic reviews, at least annually.

The following table provides the main differences between the accounting scope (consolidated Group) and the prudential scope (Banking Regulation requirements).

TABLE 2: DIFFERENCE BETWEEN ACCOUNTING SCOPE AND PRUDENTIAL REPORTING SCOPE

Type of entity	Accounting treatment	Prudential treatment
Entities with a finance activity	Full consolidation	Full consolidation
Entities with an Insurance activity	Full consolidation	Equity method
Holdings with a finance activity by nature	Equity method	Equity method
Joint ventures with a finance activity by nature	Equity method	Proportional consolidation

TABLE 3: RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS (CC2)

ASSETS at 30.06.2021 *(In EURm)*	Balance sheet as in published financial statements	Prudential restatements linked to insurance[(1)]	Prudential restatements linked to consolidation methods	Balance sheet under regulatory scope of consolidation	Reference to table 14 (CC1)
Cash, due from banks	160,801	(0)	0	160,801	
Financial assets at fair value through profit or loss	440,774	11,441	(0)	452,215	
Hedging derivatives	15,306	16	-	15,322	
Financial assets at fair value through other comprehensive income	49,068	(0)	-	49,068	
Securities at amortised cost	18,922	(0)	-	18,922	
Due from banks at amortised cost	61,733	0	146	61,879	1
o.w. subordinated loans to credit institutions	*97*	*0*	-	*97*	
Customer loans at amortised cost	464,622	1,536	(7)	466,151	
Revaluation differences on portfilios hedged against interest rate risk	222	-	-	222	
Investment of insurance activities	172,016	(172,016)	-	-	
Tax assets	4,601	(157)	0	4,444	
o.w. deferred tax assets that rely on future profitability excluding those arising from temporary differences	*1,685*	-	*(558)*	*1,127*	2
o.w. deferred tax assets arising from temporary differences	*2,315*	-	*333*	*2,648*	
Other assets	69,473	(2,629)	63	66,907	
o.w. defined-benefit pension fund assets	*58*	-	-	*58*	3
Non-current assets held for sale	368	(0)	-	368	
Investments accounted for using the equity method	96	4,556	(74)	4,578	
Tangible and intangible assets	30,786	(163)	0	30,623	
o.w. intangible assets exclusive of leasing rights	*2,554*	-	*(138)*	*2,416*	4
Goodwill	3,821	(325)	-	3,496	4
TOTAL ASSETS	**1,492,609**	**(157,741)**	**128**	**1,334,996**	

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

LIABILITIES at 30.06.2021 *(In EURm)*	Balance sheet as in published financial statements	Prudential restatements linked to insurance[(1)]	Prudential restatements linked to consolidation methods	Balance sheet under regulatory scope of consolidation	Reference to table 14 (CC1)
Due to central banks	5,515	-	-	5,515	
Financial liabilities at fair value through profit or loss	376,762	1,940	-	378,702	
Hedging derivatives	10,170	9	-	10,179	
Debt securities issued	137,938	632	-	138,570	
Due to banks	147,938	(2,162)	(19)	145,757	
Customer deposits	478,774	1,605	(37)	480,342	
Revaluation differences on portfolios hedged against interest rate risk	5,214	-	-	5,214	
Tax liabilities	1,365	(209)	1	1,157	
Other Liabilities	87,805	(7,391)	183	80,597	
Non-current liabilities held for sale	104	-	-	104	
Liabilities related to insurance activities contracts	151,119	(151,119)	-	-	
Provisions	4,595	(22)	0	4,573	
Subordinated debts	16,673	39	-	16,712	
o.w. redeemable subordinated notes including revaluation differences on hedging items	*16,266*	*42*	-	*16,308*	5
TOTAL DEBTS	**1,423,972**	**(156,678)**	**128**	**1,267,422**	
Subtotal Equity, Group share	63,136	(202)	(0)	62,934	6
Issued common stocks, equity instruments and capital reserves	*31,285*	*1*	-	*31,286*	
Retained earnings	*30,961*	*(203)*	*(0)*	*30,758*	
Net income	*2,253*	*(0)*	-	*2,253*	
Unrealised or deferred capital gains and losses	*(1,363)*	*(0)*	*(0)*	*(1,363)*	
Minority interests	5,501	(861)	-	4,640	7
TOTAL EQUITY	**68,637**	**(1,063)**	**(0)**	**67,574**	
TOTAL LIABILITIES	**1,492,609**	**(157,741)**	**128**	**1,334,996**	

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

ASSETS at 31.12.2020 *(In EURm)*	Balance sheet as in published financial statements	Prudential restatements linked to insurance[(1)]	Prudential restatements linked to consolidation methods	Balance sheet under regulatory scope of consolidation	Reference to table 14 (CC1)
Cash, due from banks	168,179	(0)	0	168,179	
Financial assets at fair value through profit or loss	429,458	10,966	(0)	440,424	
Hedging derivatives	20,667	22	-	20,689	
Financial assets at fair value through other comprehensive income	52,060	(0)	-	52,060	
Securities at amortised cost	15,635	(0)	-	15,635	
Due from banks at amortised cost	53,380	0	214	53,594	1
o.w. subordinated loans to credit institutions	*97*	*(0)*	-	*97*	
Customer loans at amortised cost	448,761	1,543	(5)	450,299	
Revaluation differences on portfilios hedged against interest rate risk	378	-	-	378	
Investment of insurance activities	166,854	(166,854)	-	-	
Tax assets	5,001	(88)	0	4,913	
o.w. deferred tax assets that rely on future profitability excluding those arising from temporary differences	*1,840*	-	*(613)*	*1,227*	*2*
o.w. deferred tax assets arising from temporary differences	*2,267*	-	*436*	*2,703*	
Other assets	67,341	(2,529)	50	64,862	
o.w. defined-benefit pension fund assets	*52*	-	-	*52*	*3*
Non-current assets held for sale	6	-	-	6	
Investments accounted for using the equity method	100	4,668	(76)	4,692	
Tangible and intangible assets	30,088	(166)	0	29,922	
o.w. intangible assets exclusive of leasing rights	*2,485*	-	*(140)*	*2,345*	*4*
Goodwill	4,044	(325)	-	3,719	4
TOTAL ASSETS	**1,461,952**	**(152,763)**	**183**	**1,309,372**	

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

LIABILITIES at 31.12.2020 *(In EURm)*	Balance sheet as in published financial statements	Prudential restatements linked to insurance[(1)]	Prudential restatements linked to consolidation methods	Accounting balance sheet within the prudential scope	Reference to table 14 (CC1)
Due to central banks	1,489	-	-	1,489	
Financial liabilities at fair value through profit or loss	390,247	2,031	-	392,278	
Hedging derivatives	12,461	10	-	12,471	
Debt securities issued	138,957	823	-	139,780	
Due to banks	135,571	(2,710)	43	132,904	
Customer deposits	456,059	1,438	(58)	457,439	
Revaluation differences on portfolios hedged against interest rate risk	7,696	-	-	7,696	
Tax liabilities	1,223	(294)	0	929	
Other Liabilities	84,937	(6,881)	198	78,254	
Non-current liabilities held for sale	-	-	-	-	
Liabilities related to insurance activities contracts	146,126	(146,126)	-	-	
Provisions	4,775	(20)	-	4,755	
Subordinated debts	15,432	40	-	15,472	
o.w. redeemable subordinated notes including revaluation differences on hedging items	*15,001*	*40*	-	*15,041*	*5*
TOTAL DEBTS	**1,394,973**	**(151,690)**	**183**	**1,243,466**	
Subtotal Equity, Group share	61,684	(202)	(0)	61,482	6
Issued common stocks, equity instruments and capital reserves	*31,628*	*0*	-	*31,628*	
Retained earnings	*32,076*	*(202)*	*(0)*	*31,874*	
Net income	*(258)*	*(0)*	-	*(258)*	
Unrealised or deferred capital gains and losses	*(1,761)*	*(0)*	*(0)*	*(1,762)*	
Minority interests	5,295	(871)	-	4,424	7
TOTAL EQUITY	**66,979**	**(1,074)**	**(0)**	**65,905**	
TOTAL LIABILITIES	**1,461,952**	**(152,763)**	**183**	**1,309,372**	

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

The main Group companies outside the prudential reporting scope are the following ones:

TABLE 4: ENTITIES OUTSIDE THE PRUDENTIAL SCOPE

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

TABLE 5: REGULATORY CAPITAL AND SOLVENCY RATIOS[1]

(In EURm)	30.06.2021	31.12.2020
Shareholders' equity (IFRS), Group share	**63,136**	**61,684**
Deeply subordinated notes	(8,905)	(8,830)
Perpetual subordinated notes	(62)	(264)
Group consolidated shareholders' equity net of deeply subordinated and perpetual subordinated notes	**54,169**	**52,590**
Non-controlling interests	4,645	4,378
Intangible assets	(1,567)	(1,647)
Goodwill	(3,709)	(3,710)
Dividends proposed (to the General Meeting) and interest expenses on deeply subordinated and perpetual subordinated notes	(1,099)	(557)
Deductions and regulatory adjustments	(4,124)	(3,764)
COMMON EQUITY TIER 1 CAPITAL	**48,315**	**47,290**
Deeply subordinated notes and preferred shares	8,905	8,830
Other additional Tier 1 capital	174	195
Additional Tier 1 deductions	(136)	(136)
TOTAL TIER 1 CAPITAL	**57,258**	**56,179**
Tier 2 instruments	13,254	12,587
Other Tier 2 capital	259	240
Tier 2 deductions	(1,440)	(1,422)
Total regulatory capital	**69,331**	**67,584**
TOTAL RISK-WEIGHTED ASSETS	**361,488**	**351,852**
Credit and counterparty credit risk-weighted assets	298,183	287,324
Market risk-weighted assets	14,084	15,340
Operational risk-weighted assets	49,221	49,188
Solvency ratios		
Common Equity Tier 1 ratio	13.37%	13.44%
Tier 1 ratio	15.84%	15.97%
Total capital ratio	19.18%	19.21%

(1) Ratios set in accordance with CRR2/CRD5 rules as published in June 2019, including Danish compromise for insurance, and taking into account the IFRS 9 phasing (fully-loaded CET1 ratio of 13.16% as at 30 June 2021, the phasing effect being +20 bps).

TABLE 6: CET1 REGULATORY DEDUCTIONS AND ADJUSTMENTS

(In EURm)	30.06.2021	31.12.2020
Unrecognised minority interests	(2,764)	(2,507)
Deferred tax assets	(1,127)	(1,226)
Prudent Valuation Adjustment	(910)	(884)
Adjustments related to changes in the value of own liabilities	263	289
Other	414	564
TOTAL CET1 REGULATORY DEDUCTIONS AND ADJUSTMENTS	**(4,124)**	**(3,764)**

The prudential deductions and restatements included in the “Other” category essentially involve the following:

- any positive difference between expected losses on customer loans and receivables managed under the internal ratings-based (IRB) approach, and the sum of related value adjustments and impairment losses;
- expected losses on equity portfolio exposures;
- unrealised gains and losses on cash flow hedges;
- assets from defined benefit pension funds, net of deferred taxes;
- securitisation exposures weighted at 1,250%, when these positions are excluded from the calculation of RWA.

3.2 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

TABLE 7: OVERVIEW OF RISK-WEIGHTED ASSETS (OV1)

	Risk-weighted assets		Total own funds requirements
(In EURm)	30.06.2021	31.03.2021	30.06.2021
Credit risk (excluding counterparty credit risk)	**260,719**	**256,829**	**20,857**
o.w. standardised approach	*98,053*	*93,059*	*7,844*
o.w. Foundation IRB (FIRB) approach	*4,256*	*4,429*	*341*
o.w. slotting approach	*720*	*774*	*58*
o.w. equities under the simple risk-weighted approach	*3,145*	*3,280*	*252*
o.w. other equities under IRB approach	*18,184*	*18,824*	*1,455*
o.w. Advanced IRB (AIRB) approach	*136,360*	*136,463*	*10,909*
Counterparty credit risk – CCR	**31,606**	**25,943**	**2,528**
o.w. standardised approach[1]	*9,876*	*6,055*	*790*
o.w. internal model method (IMM)	*14,849*	*15,163*	*1,188*
o.w. exposures to a CCP	*1,434*	*1,325*	*115*
o.w. credit valuation adjustment – CVA	*3,908*	*2,889*	*313*
o.w. other CCR	*1,538*	*512*	*123*
Settlement risk	**39**	**58**	**3**
Securitisation exposures in the non-trading book (after the cap)	**5,819**	**5,806**	**466**
o.w. SEC-IRBA approach	*2,003*	*2,085*	*160*
o.w. SEC-ERBA incL IAA	*3,483*	*3,545*	*279*
o.w. SEC-SA approach	*333*	*176*	*27*
o.w. 1,250%/deductions	-	-	-
Position, foreign exchange and commodities risks (Market risk)	**14,084**	**15,207**	**1,127**
o.w. standardised approach	*1,691*	*2,432*	*135*
o.w. IMA	*12,393*	*12,775*	*991*
Large exposures	-	-	-
Operational risk	**49,221**	**49,221**	**3,938**
o.w. basic indicator approach	-	-	-
o.w. standardised approach	*2,283*	*2,282*	*183*
o.w. advanced measurement approach	*46,938*	*46,938*	*3,755*
Amounts (included in the “credit risk” section above) below the thresholds for deduction (subject to 250% risk weight)	7,878	7,760	630
TOTAL	**361,488**	**353,063**	**28,919**

(1) The amount of RWA as at 30 June 2021 corresponds to the new SA-CCR approach, following the application of Regulation (EU) No 2019/876 (CRR2). The equivalent amount as at 31 March 2021 is featured here according to the former Current exposure method (CEM).

TABLE 8: RISK-WEIGHTED ASSETS BY CORE BUSINESS AND RISK TYPE

(In EURbn)	Credit and counterparty credit	Market	Operational	Total 30.06.2021	Total 31.12.2020
French Retail Banking	90.5	0.0	4.4	94.9	98.9
International Retail Banking and Financial Services	105.2	0.4	5.6	111.2	108.0
Global Banking and Investor Solutions	89.1	13.4	31.9	134.3	125.9
Corporate Centre	13.4	0.2	7.3	21.0	19.1
Group	**298.2**	**14.1**	**49.2**	**361.5**	**351.9**

As at 30 June 2021, RWA (EUR 361.5 billion) were distributed as follows:

- credit and counterparty credit risks accounted for 82% of RWA (of which 35% for International Retail Banking and Financial Services);
- market risk accounted for 4% of RWA (of which 95% for Global Banking and Investor Solutions);
- operational risk accounted for 14% of RWA (of which 65% for Global Banking and Investor Solutions).

3.3 TLAC RATIO

TABLE 9: TLAC – KEY METRICS (KM2)

		TLAC				
(in EURm)		30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2020
OWN FUNDS AND ELIGIBLE LIABILITIES, RATIOS AND COMPONENTS[1]						
1	Own funds and eligible liabilities	110,318	108,915	108,871	104,364	103,181
2	Total RWA of the Group	361,488	353,063	351,852	351,864	360,423
3	**Own funds and eligible liabilities as a percentage of RWA**	**30.52%**	**30.85%**	**30.94%**	**29.66%**	**28.63%**
4	Total exposure measure of the Group	1,243,050	1,241,437	1,178,543	1,197,879	1,248,750
5	**Own funds and eligible liabilities as percentage of the total exposure measure**	**8.87%**	**8.77%**	**9.24%**	**8.71%**	**8.26%**
6a	Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)	No	No	No	No	No
6b	Pro-memo item: Aggregate amount of permitted non-subordinated eligible liabilities in-struments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)	5,910	7,300	8,289	8,797	9,011
6c	Pro-memo item: If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied *(%)*	100.00%	100.00%	100.00%	99.84%	87.15%

(1) With IFRS 9 phasing effect taken into account over the whole historical period considered.

As at 30 June 2021, the TLAC ratio on own funds and eligible junior debt reached 30.5% of RWA with the option of Senior Preferred debt limited to 2.5% of RWA (28.9% without taking into account this option). The TLAC ratio calculated as a percentage of the leverage exposure was 8.9%.

3.4 LEVERAGE RATIO

The Group calculates its leverage effect in accordance with CRR2 provisions applicable since June 2021 (except those regarding G-SIBs expected to be applicable from January 2023).

Managing the leverage ratio means both calibrating the amount of Tier 1 capital (the numerator of the ratio) and controlling the Group's leverage exposure (the denominator of the ratio) to achieve the target ratio levels that the Group sets for itself. To this end, the leverage exposure of the different businesses is under the Finance Division's control.

The Group aims to maintain a consolidated leverage ratio that is significantly higher than the 3.5% minimum set in the Basel Committee's recommendations, transposed in Europe *via* CRR2, including a fraction of the systemic buffer which is applicable to the Group.

As at 30 June 2021, the leverage ratio of Societe Generale stood at 4.6%, considering a Tier 1 capital amount of EUR 57.3 billion compared with a leverage exposure of EUR 1,243 billion (versus 4.8% as at 31 December 2020, with EUR 56.2 billion and EUR 1,179 billion respectively).

TABLE 10: LEVERAGE RATIO SUMMARY AND TRANSITION FROM PRUDENTIAL BALANCE SHEET TO LEVERAGE EXPOSURE[1]

(In EURm)	30.06.2021	31.12.2020
Tier 1 capital[2]	**57,258**	**56,179**
Total assets in prudential balance sheet[3]	**1,334,996**	**1,309,372**
Adjustments for fiduciary assets recognised on the balance sheet but excluded from the leverage ratio exposure	-	-
Adjustments for derivative financial instruments[4]	(28,229)	(118,705)
Adjustments for securities financing transactions[5]	17,872	5,988
Off-balance sheet exposure (loan and guarantee commitments)	110,677	104,034
Technical and prudential adjustments (Tier 1 capital prudential deductions)	(6,861)	(6,866)
Technical and prudential adjustments (regulated saving exemption)	(18,739)	(17,087)
Technical and prudential adjustments (central banks exemption)	(105,705)	(98,192)
Other technical and prudential adjustments[4]	(60,961)	-
Leverage ratio exposure	**1,243,050**	**1,178,543**
Leverage ratio	**4.61%**	**4.77%**

(1) Ratio set in accordance with CRR2 rules and taking into account the IFRS 9 phasing (leverage ratio of 4.55% as at 30 June 2021, the phasing effect being +6 bps).
(2) The capital overview is available in Table 5.
(3) The reconciliation between the consolidated balance sheet and the accounting balance sheet within the prudential scope is available in Table 3.
(4) Reclassification of the miscellaneous adjustments (previously classified on the line relating to derivatives and to which the new exclusion linked with guaranteed parts of exposures arising from export credits has been added) onto the line "Other technical and prudential adjustments".
(5) Securities financing transactions: repurchase transactions, securities lending or borrowing transactions and other similar transactions.

3.5 COUNTERCYCLICAL BUFFER

TABLE 11: GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL BUFFER (CCYB1)

	30.06.2021												
	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures – Exposure value for non-trading book	Total exposure value	Own fund requirements						
(In EURm)	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	RWA	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Europe	**109,934**	**391,783**	**51**	**(502)**	**22,024**	**523,290**	**17,376**	**120**	**11**	**17,506**	**218,828**	**82.32%**	
Bulgaria	1	215	-	0	-	215	8	-	-	8	100	0.04%	0.50%
Czech Republic	3,185	29,169	-	(12)	-	32,342	998	-	-	998	12,470	4.69%	0.50%
Denmark	508	711	-	(16)	-	1,202	48	0	-	49	611	0.23%	-
France	46,931	258,468	7	(19)	14,110	319,497	10,244	19	4	10,267	128,341	48.28%	-
Norway	498	983	-	42	-	1,522	49	1	-	50	620	0.23%	1.00%
Slovakia	956	351	-	1	-	1,308	80	-	-	80	996	0.37%	1.00%
Sweden	670	1,310	-	(82)	-	1,898	95	6	-	101	1,261	0.47%	-
Ireland	281	6,339	-	13	1,043	7,676	126	8	1	135	1,692	0.64%	-
Iceland	0	0	-	-	-	0	0	-	-	0	0	0.00%	-
Lithuania	0	19	-	0	-	19	0	-	-	0	3	0.00%	-
Luxembourg	1,215	14,083	-	40	1,623	16,961	374	13	2	388	4,851	1.83%	0.50%
United Kingdom	8,233	14,020	-	(228)	1,210	23,234	805	33	1	839	10,491	3.95%	-
North America	**3,017**	**63,585**	**5,737**	**(93)**	**14,059**	**86,306**	**1,376**	**53**	**11**	**1,440**	**17,994**	**6.77%**	
Asia-Pacific	**1,998**	**20,772**	**-**	**97**	**2,890**	**25,757**	**599**	**4**	**3**	**606**	**7,574**	**2.85%**	
Hong-Kong	368	925	-	66	-	1,359	23	2	-	25	317	0.12%	1.00%
Rest of the world	**19,458**	**19,657**	**-**	**42**	**152**	**39,310**	**1,712**	**2**	**0**	**1,713**	**21,417**	**8.06%**	
TOTAL	**134,407**	**495,797**	**5,788**	**(456)**	**39,125**	**674,662**	**21,062**	**178**	**25**	**21,265**	**265,813**	**100.00%**	**0.04%**

TABLE 12: AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER (CCYB2)

(In EURm)	30.06.2021	31.12.2020
Total RWA	361,488	351,852
Institution-specific countercyclical capital buffer (rate)	0.04%	0.04%
Institution-specific countercyclical capital buffer requirement (amount)	**145**	**126**

3.6 ADDITIONAL QUANTITATIVE INFORMATION ON OWN FUNDS AND CAPITAL ADEQUACY

TABLE 13: COMPARISON OF OWN FUNDS AND CAPITAL AND LEVERAGE RATIOS WITH AND WITHOUT THE APPLICATION OF TRANSITIONAL ARRANGEMENTS FOR IFRS 9 (IFRS9-FL)

	(In EURm)	30.06.2021	31.03.2021	31.12.2020	30.09.2020	30.06.2020
AVAILABLE CAPITAL (AMOUNTS)						
1	Common Equity Tier 1 (CET1) capital	48,315	47,082	47,290	46,107	45,053
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	47,568	46,262	46,374	45,481	44,508
3	Tier 1 capital	57,258	55,318	56,179	54,024	53,254
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	56,510	54,498	55,263	53,398	52,708
5	Total capital	69,331	66,858	67,584	64,945	64,448
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	68,583	66,038	66,668	64,319	63,902
RISK-WEIGHTED ASSETS (AMOUNTS)						
7	Total risk-weighted assets	361,488	353,063	351,852	351,864	360,423
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	361,373	353,416	352,380	352,330	360,749
CAPITAL RATIOS						
9	Common Equity Tier 1 (as a percentage of RWA)	13.37%	13.34%	13.44%	13.10%	12.53%
10	Common Equity Tier 1 (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.16%	13.09%	13.16%	12.91%	12.34%
11	Tier 1 (as a percentage of RWA)	15.84%	15.67%	15.97%	15.35%	14.80%
12	Tier 1 (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.64%	15.42%	15.68%	15.16%	14.61%
13	Total capital (as a percentage of RWA)	19.18%	18.94%	19.20%	18.46%	17.91%
14	Total capital (as a percentage of RWA) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.98%	18.69%	18.92%	18.26%	17.71%
LEVERAGE RATIO						
15	Leverage ratio total exposure measure	1,243,050	1,241,437	1,178,543	1,197,879	1,248,750
16	Leverage ratio	4.61%	4.46%	4.77%	4.51%	4.27%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.55%	4.43%	4.69%	4.45%	4.20%

(1) Leverage ratio total exposure measure taking into account the IFRS 9 transitional provisions over the whole historical period considered, as well as the option to exempt some central bank exposures since 30 September 2020.

OWN FUNDS DETAILS

TABLE 14: COMPOSITION OF REGULATORY OWN FUNDS (CC1)

(In EURm)		30.06.2021 Amounts	30.06.2021 Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES			
1	Capital instruments and the related share premium accounts	21,006	6
	of which fully paid up capital instruments	*1,067*	
	of which share premium	*19,939*	
2	Retained earnings	5,832	6
3	Accumulated other comprehensive income (and other reserves)	25,070	6
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	1,881	7
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	1,153	6
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**54,942**	
COMMON EQUITY TIER 1 (CET1) CAPITAL: REGULATORY ADJUSTMENTS			
7	Additional value adjustments (negative amount)	(910)	
8	Intangible assets (net of related tax liability) (negative amount)	(5,276)	4
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(1,127)	2
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(174)	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	265	
15	Defined-benefit pension fund assets (negative amount)	(73)	3
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(40)	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		-
EU-20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	(37)	
EU-20b	*of which qualifying holdings outside the financial sector (negative amount)*	-	
EU-20c	*of which securitisation positions (negative amount)*	*(37)*	
EU-20d	*of which free deliveries (negative amount)*	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	*of which direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	-	
25	*of which deferred tax assets arising from temporary differences*	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjusments	746	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(6,626)**	
29	**Common Equity Tier 1 (CET1) capital**	**48,315**	

(In EURm)		30.06.2021 Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
ADDITIONAL TIER 1 (AT1) CAPITAL: INSTRUMENTS			
30	Capital instruments and the related share premium accounts	5,118	
31	*of which classified as equity under applicable accounting standards*	*8,905*	*6*
32	*of which classified as liabilities under applicable accounting standards*	-	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	3,787	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	174	7
35	*of which instruments issued by subsidiaries subject to phase out*	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**9,079**	
ADDITIONAL TIER 1 (AT1) CAPITAL: REGULATORY ADJUSTMENTS			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	(125)	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(11)	1
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**(136)**	
44	**Additional Tier 1 (AT1) capital**	**8,943**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**57,258**	
TIER 2 (T2) CAPITAL: INSTRUMENTS			
46	Capital instruments and the related share premium accounts	5,789	5
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	7,465	5
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	259	7
49	*of which instruments issued by subsidiaries subject to phase out*	-	
50	Credit risk adjustments	478	
51	**Tier 2 (T2) capital before regulatory adjustments**	**13,991**	
TIER 2 (T2) CAPITAL: REGULATORY ADJUSTMENTS			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(150)	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(1,768)	1
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
56b	Other regulatory adjusments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**(1,918)**	
58	**Tier 2 (T2) capital**	**12,073**	
59	**Total capital (TC = T1 + T2)**	**69,331**	
60	**Total RWA**	**361,488**	

(In EURm)		30.06.2021	
		Amounts	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
CAPITAL RATIOS AND REQUIREMENTS INCLUDING BUFFERS			
61	**Common Equity Tier 1 (as a percentage of RWA)**	**13.37%**	
62	**Tier 1 (as a percentage of RWA)**	**15.84%**	
63	**Total capital (as a percentage of total RWA)**	**19.18%**	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of RWA)	9.02%	
65	*of which capital conservation buffer requirement*	*2.50%*	
66	*of which countercyclical buffer requirement*	*0.04%*	
67	*of which systemic risk buffer requirement*	-	
EU-67a	*of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	*1.00%*	
EU-67b	*of which additional own funds requirements to address the risks other than the risk of excessive leverage*	*0.98%*	
68	**Common Equity Tier 1 available to meet buffer (as a percentage of RWA)**	**7.88%**	
AMOUNTS BELOW THE THRESHOLDS FOR DEDUCTION (BEFORE RISK WEIGHTING)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	3,644	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	504	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	2,648	
APPLICABLE CAPS ON THE INCLUSION OF PROVISIONS IN TIER 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	1,297	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	478	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	1,100	
CAPITAL INSTRUMENTS SUBJECT TO PHASE-OUT ARRANGEMENTS (ONLY APPLICABLE BETWEEN 1 JAN 2014 AND 1 JAN 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

TLAC RATIO DETAILS

TABLE 15: TLAC – COMPOSITION (TLAC1)

(in EURm)		30.06.2021
OWN FUNDS AND ELIGIBLE LIABILITIES AND ADJUSTMENTS		
1	Common Equity Tier 1 capital (CET1)	48,315
2	Additional Tier 1 capital (AT1)	8,943
6	Tier 2 capital (T2)	12,073
11	Own funds for the purpose of Articles 92a CRR and 45 BRRD	69,331
OWN FUNDS AND ELIGIBLE LIABILITIES: NON-REGULATORY CAPITAL ELEMENTS		
12	Eligible liabilities instrumentsissued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	32,425
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 (subordinated grandfathered)	-
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	2,652
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	2,854
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	3,057
14	Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	5,910
17	Eligible liabilities items before adjustments	40,987
EU-17a	*of which subordinated*	*35,076*
OWN FUNDS AND ELIGIBLE LIABILITIES: ADJUSTMENTS TO NON-REGULATORY CAPITAL ELEMENTS		
18	Own funds and eligible liabilities items before adjustments	110,318
19	(Deduction of exposures between MPE resolution groups)	-
20	(Deduction of investments in other eligible liabilities instruments)	-
22	Own funds and eligible liabilities after adjustments	110,318
RWA AND LEVERAGE EXPOSURE MEASURE OF THE RESOLUTION GROUP		
23	Total RWA	361,488
24	Total exposure measure	1,243,050
RATIO OF OWN FUNDS AND ELIGIBLE LIABILITIES		
25	Own funds and eligible liabilities (as a percentage of total RWA)	30.52%
26	Own funds and eligible liabilities (as a percentage of total exposure measure)	8.87%
27	CET1 (as a percentage of TREA) available after meeting the resolution group’s requirements	10.98%
28	Institution-specific combined buffer requirement	3.54%
29	*of which capital conservation buffer requirement*	*2.50%*
30	*of which countercyclical buffer requirement*	*0.04%*
31	*of which systemic risk buffer requirement*	-
EU-31a	*of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	*1.00%*
MEMORANDUM ITEMS		
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) CRR	939,378

TABLE 16: TLAC – CREDITOR RANKING OF THE RESOLUTION ENTITY[1] (TLAC3)

		30.06.2021						
		Insolvency ranking						
		1	2	4	5	6	10	
(In EURm)		(most junior)					(most senior)	Sum of 1 to 10
1	Description of insolvency ranking[2]	Common Equity Tier 1 (CET1) capital	Additional Tier 1 (AT1) capital and Tier 2 (T2) capital	Senior Non-Preferred debt	Senior Preferred debt	Deposits	Secured debt	
2	Liabilities and own funds	48,315	23,667	35,728	516,600	35,728	516,600	1,052,007
3	*o.w. excluded liabilities*	-	-	-	*310,998*	*130,819*	*296,878*	*738,695*
4	Liabilities and own funds less excluded liabilities	48,315	23,667	35,728	205,602	-	-	313,312
5	Subset of row 4 that are own funds and liabilities potentially eligible for meeting TLAC	48,315	23,667	32,425	5,910	-	-	110,318
6	*o.w. residual maturity ≥ 1 year < 2 years*	-	*2,761*	*1,730*	*2,925*	-	-	*7,416*
7	*o.w. residual maturity ≥ 2 year < 5 years*	-	*8,850*	*16,259*	*1,702*	-	-	*26,811*
8	*o.w. residual maturity ≥ 5 years < 10 years*	-	*1,705*	*14,386*	*1,283*	-	-	*17,374*
9	*o.w. residual maturity ≥ 10 years, but excluding perpetual securities*	-	*1,408*	*50*	-	-	-	*1,458*
10	*o.w. perpetual securities*	*48,315*	*8,943*	-	-	-	-	*57,258*

(1) Scope of the resolution entity Societe Generale SA.

(2) For further details regarding the nature and definitions of creditor ranks as per French jurisdiction, please refer to the Single Resolution Board's documentation (part 8, page 29): https://www.srb.europa.eu/system/files/media/document/LDR%20-%20Annex%20on%20Insolvency%20ranking%202021%20v1.6_1.pdf.

LEVERAGE RATIO DETAILS

TABLE 17: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES (LR1-LRSUM)

(In EURm)		30.06.2021	31.12.2020
1	Total assets as per published financial statements	1,492,609	1,461,952
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(157,613)	(152,580)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	(1,305)	
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	(105,705)	(98,192)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustment for eligible cash pooling transactions	(5)	-
8	Adjustments for derivative financial instruments(1)	(28,229)	(118,705)
9	Adjustments for securities financing transactions “SFTs”	17,872	5,988
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	110,677	104,034
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-	
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-11b	((Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	(18,739)	(17,087)
12	Other adjustments(1)	(66,512)	(6,866)
13	**Total exposure measure**	**1,243,050**	**1,178,543**

(1) Reclassification of the miscellaneous adjustments (previously classified on the line relating to derivatives and to which the new exclusion linked with guaranteed parts of exposures arising from export credits has been added) onto the line “Other adjustments”.

TABLE 18: LEVERAGE RATIO – COMMON DISCLOSURE (LR2-LRCOM)

(In EURm)		30.06.2021	31.12.2020
ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	994,974	953,170
2	(Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework)	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(19,231)	(18,273)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(6,861)	(6,866)
7	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)**	**968,882**	**928,031**
DERIVATIVE EXPOSURES			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	71,157	
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach(1)	-	29,662
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	144,589	
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach(1)	-	88,717
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(102,028)	
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	(28,308)
11	Adjusted effective notional amount of written credit derivatives	93,810	101,932
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(89,305)	(96,895)
13	**Total derivative exposures**	**118,224**	**95,108**
SECURITIES FINANCING TRANSACTION EXPOSURES			
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	244,958	239,598
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(80,261)	(89,021)
16	Counterparty credit risk exposure for SFT assets	17,872	16,073
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**182,569**	**166,650**
OTHER OFF-BALANCE SHEET EXPOSURES			
19	Off-balance sheet exposures at gross notional amount	240,603	230,540
20	(Adjustments for conversion to credit equivalent amounts)	(129,641)	(126,506)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	(285)	
22	**Other off-balance sheet exposures**	**110,677**	**104,034**
EXCLUDED EXPOSURES			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR) (on and off balance sheet)	(18,739)	(17,087)
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-

(In EURm)		30.06.2021	31.12.2020
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	(11,553)	
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans) (Other exempted exposures)[2]	- (107,010)	- (98,192)
EU-22k	**(Total exempted exposures)**	**(137,301)**	**(115,279)**
CAPITAL AND TOTAL EXPOSURES			
23	**Tier 1 capital**	**57,258**	**56,179**
24	**Total leverage ratio exposures**	**1,243,050**	**1,178,543**
LEVERAGE RATIO			
25	**Leverage ratio** *(%)*	**4.61%**	**4.77%**
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) *(%)*	4.61%	4.77%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank exposures) *(%)*	4.25%	4.40%
26	Regulatory minimum leverage ratio requirement *(%)*	3.09%	
EU-26a	Additional own funds requirements to address the risk of excessive leverage *(%)*	-	
EU-26b	*of which to be made up of CET1 capital (%)*	-	
27	Leverage ratio buffer requirement *(%)*	-	
EU-27a	Overall leverage ratio requirement *(%)*	3.09%	

(1) Amount as at 31 December 2020 calculated via the original exposure method.
(2) Notably including the temporary central bank exemption amount.

TABLE 19: LEVERAGE RATIO – SPLIT-UP OF ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES) (LR3-LRSPL)

(In EURm)		30.06.2021	31.12.2020
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**839,625**	**819,617**
EU-2	Trading book exposures[1]	156,601	63,619
EU-3	Banking book exposures, of which:	683,024	755,998
EU-4	*Covered bonds*	*195*	*206*
EU-5	*Exposures treated as sovereigns*[2]	*166,920*	*181,674*
EU-6	*Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns*	*14,353*	*14,453*
EU-7	*Institutions*	*55,266*	*48,161*
EU-8	*Secured by mortgages of immovable properties*	*17,672*	*16,447*
EU-9	*Retail exposures*	*194,588*	*195,019*
EU-10	*Corporates*	*204,307*	*190,072*
EU-11	*Exposures in default*	*8,299*	*8,338*
EU-12	*Other exposures (eg equity, securitisations, and other non-credit obligation assets)*	*21,425*	*101,627*

(1) Modification of the amount as at 31 December 2020 with a view to excluding all exposures relating to derivatives, in accordance with EBA technical instructions.
(2) Modification of the amount as at 31 December 2020 with a view to excluding exempted central bank exposures in accordance with EBA technical instructions.

4

CREDIT RISK

4.1 QUANTITATIVE INFORMATION

CREDIT RISK EXPOSURE (INCLUDING COUNTERPARTY CREDIT RISK)

In this section, the measurement used for credit exposures is the EAD – Exposure At Default (on- and off-balance sheet). Under the standardised approach, the EAD is calculated net of collateral and provisions.

The EAD is broken down according to the guarantor's characteristics, after taking into account the substitution effect (unless otherwise indicated).

The presentation of the data features the exposure classes as defined in the portfolios of the COREP regulatory financial statements, in relation to EBA requirements on Pillar 3.

A simplified view of credit risk exposures by exposure class is presented below.

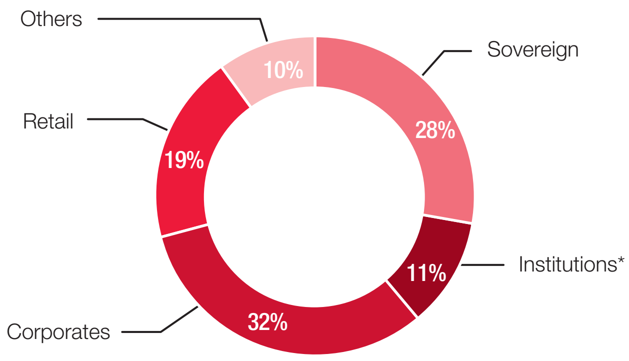
TABLE 20: EXPOSURE CLASSES

Sovereigns	Claims or contingent claims on sovereign governments, regional authorities, local authorities or public sector entities as well as on multilateral development banks and international organisations.
Institutions	Claims or contingent claims on regulated credit institutions, as well as on governments, local authorities or other public sector entities that do not qualify as sovereign counterparties.
Corporates	Claims or contingent claims on corporates, which include all exposures not covered in the portfolios defined above. In addition, small/medium-sized enterprises are included in this category as a sub-portfolio, and are defined as entities with total annual sales below EUR 50 million.
Retail	Claims or contingent claims on an individual or individuals, or on a small or medium-sized entity, provided in the latter case that the total amount owed to the credit institution does not exceed EUR 1 million. Retail exposure is further broken down into residential mortgages, revolving credit and other forms of credit to individuals, the remainder relating to exposures to very small entities and self-employed.
Others	Claims relating to securitisation transactions, equity, fixed assets, accruals, contributions to the default fund of a CCP, as well as exposures secured by mortgages on immovable property under the standardised approach, and exposures in default under the standardised approach.

As at 30 June 2021, the Group's Exposure at Default (EAD) amounted to EUR 1,052 billion.

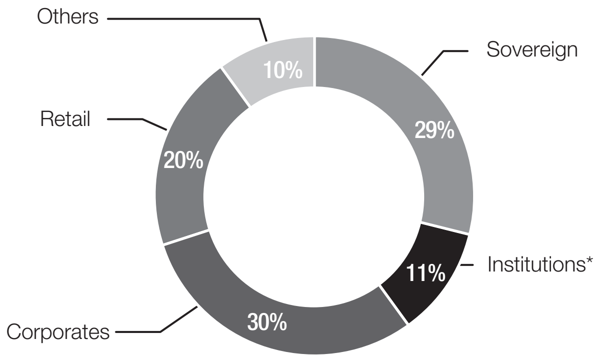
GROUP RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 30 JUNE 2021

On- and off-balance sheet exposures (EUR 1,052 billion in EAD)



GROUP RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 31 DECEMBER 2020

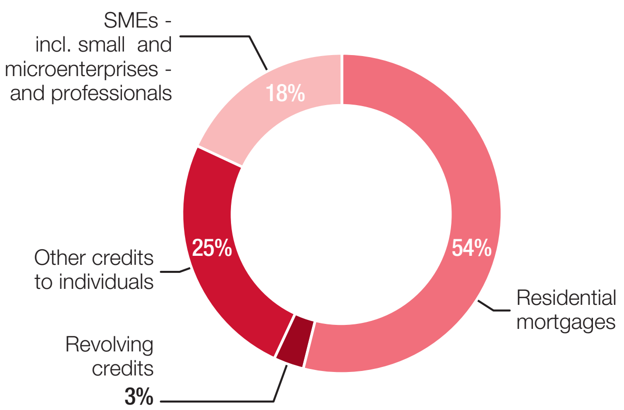
On- and off-balance sheet exposures (EUR 1,004 billion in EAD)



** Institutions: Basel classification bank and public sector portfolios.*

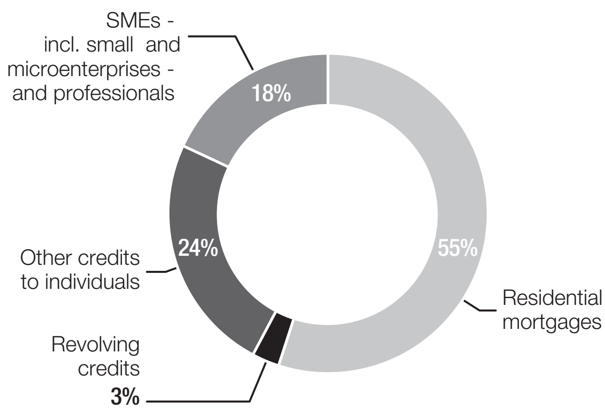
GROUP RETAIL RISK EXPOSURE BY EXPOSURE SUBCLASS (EAD) AT 30 JUNE 2021

On- and off-balance sheet exposures (EUR 204 billion in EAD)

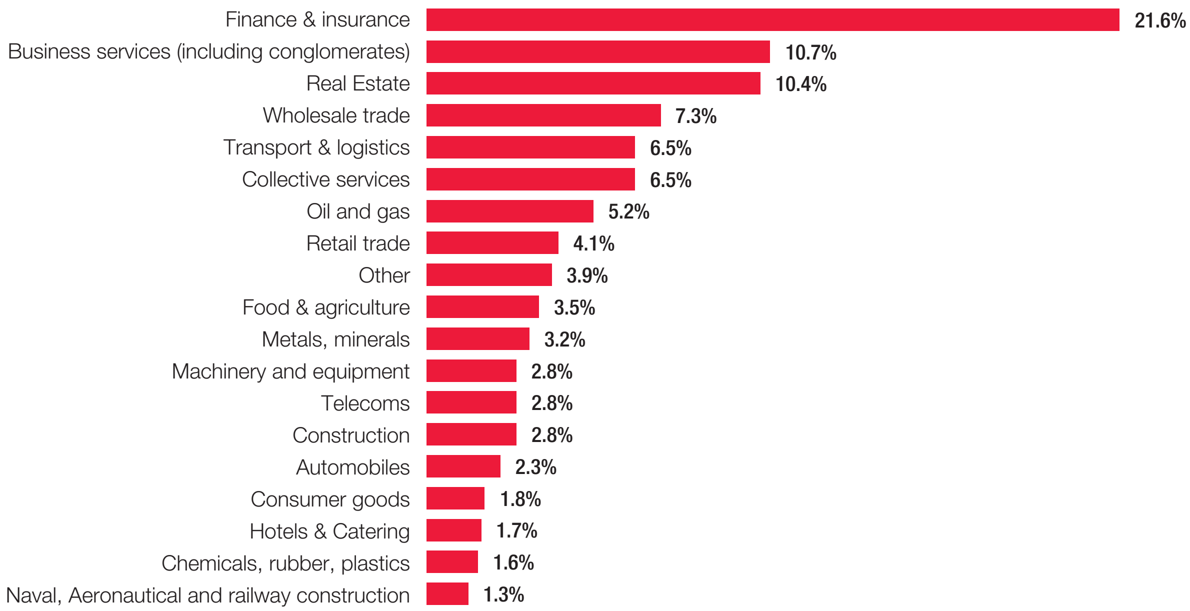


GROUP RETAIL RISK EXPOSURE BY EXPOSURE SUBCLASS (EAD) AT 31 DECEMBER 2020

On- and off-balance sheet exposures (EUR 202 billion in EAD)



SECTOR BREAKDOWN OF GROUP CORPORATE EXPOSURE (BASEL PORTFOLIO)

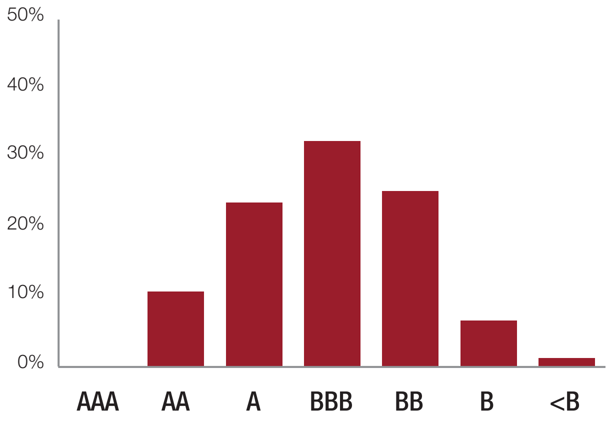


EAD of the Corporate portfolio is presented in accordance with the Basel rules (large corporates, including insurance companies, funds and hedge funds, SMEs, specialised financing, factoring businesses), based on the obligor's characteristics, before taking into account the substitution effect (credit risk scope: debtor, issuer and replacement risk).

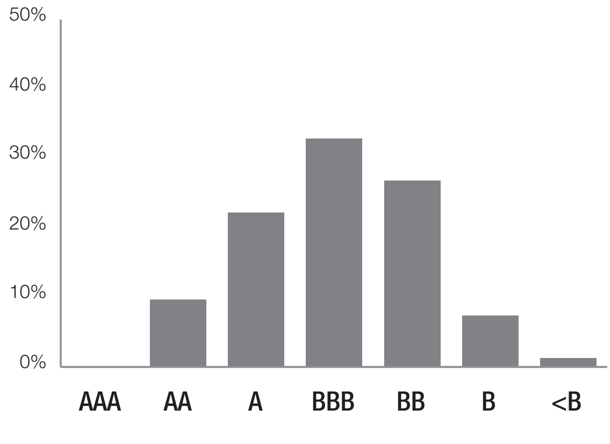
As at 30 June 2021, the Corporate portfolio amounted to EUR 369 billion (on- and off-balance sheet exposures measured in EAD). Three sectors accounted for more than 10% of the portfolio each (Finance and Insurance, Business services, Real Estate). The Group's exposure to its ten largest Corporate counterparties accounted for 7% of this portfolio.

Corporate and bank clients exposure

BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CLIENTS AT 30 JUNE 2021 (AS % OF EAD)



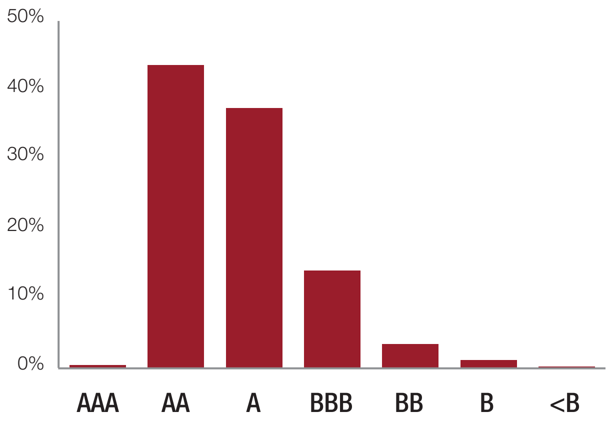
BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CLIENTS AT 31 DECEMBER 2020 (AS % OF EAD)



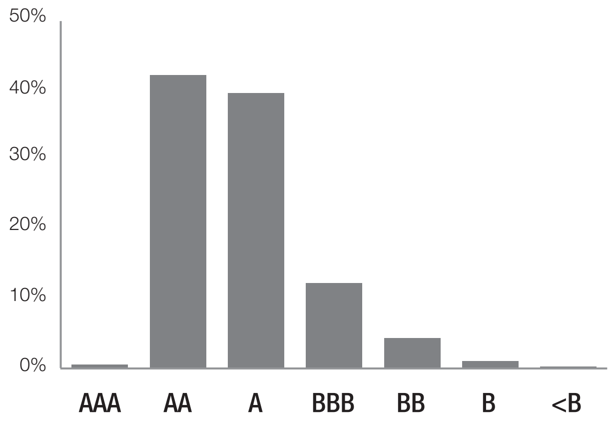
Regarding Corporate clients, the scope consists of performing loans recorded under the IRB approach (excluding prudential classification criteria, by weight, of specialised financing) over the entire Corporate clients portfolio, all divisions combined, and represents a EUR 290 billion EAD (out of a EUR 325 billion total EAD for the Corporate Basel portfolio, standardised approach included). The rating breakdown of Societe Generale Group's Corporate counterparty exposure reveals the sound quality of the portfolio. It is based on an internal counterparty rating system, displayed above as its Standard & Poor's equivalent.

As at 30 June 2021, the majority of the portfolio had an Investment Grade rating, *i.e.* counterparties with an S&P-equivalent internal rating higher than BBB- (67% of Corporate clients). Transactions with non-Investment Grade counterparties were very often backed by guarantees and collaterals in order to mitigate the risk incurred.

BREAKDOWN OF RISK BY INTERNAL RATING FOR BANKING CLIENTS AT 30 JUNE 2021 (AS % OF EAD)



BREAKDOWN OF RISK BY INTERNAL RATING FOR BANKING CLIENTS AT 31 DECEMBER 2020 (AS % OF EAD)

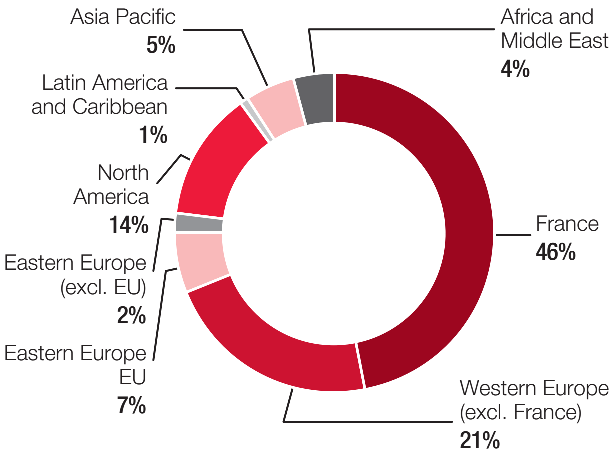


Regarding banking clients, the scope consists of performing loans recorded under the IRB approach over the entire banking clients portfolio, all divisions combined, and represents a EUR 62 billion EAD (out of a EUR 120 billion total EAD for the Institutions Basel portfolio, standardised approach included). The rating breakdown of Societe Generale Group's banking counterparty exposure reveals the sound quality of the portfolio. It is based on an internal counterparty rating system, displayed above as its Standard & Poor's equivalent.

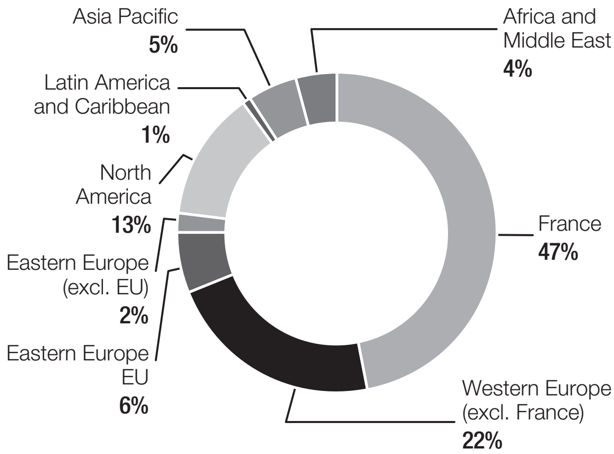
As at 30 June 2021, exposures on banking clients were concentrated on Investment Grade counterparties (95% of the exposure) and in developed countries (91%).

Geographic breakdown of Group exposure

GEOGRAPHIC BREAKDOWN OF GROUP RISK EXPOSURE AT 30 JUNE 2021 (ALL CLIENT TYPES INCLUDED): EUR 1,052BN



GEOGRAPHIC BREAKDOWN OF GROUP RISK EXPOSURE AT 31 DECEMBER 2020 (ALL CLIENT TYPES INCLUDED): EUR 1,004BN



As at 30 June 2021, 91% of the Group's on- and off-balance sheet exposures were concentrated in the advanced economies. Almost half of the overall amount of outstanding loans was towards French clients (32% exposure to the non-retail portfolio and 14% to the retail one).

NON-PERFORMING LOANS (NPL)

Non-performing loans (NPL)

The following tables have been prepared in accordance with the technical instructions of the European Banking Authority (EBA) regarding the disclosure of non-performing and renegotiated exposures (EBA/ITS/2020/04).

They present the credit quality of restructured exposures and of performing and non-performing exposures, by geographical area and industry sector, with provisions and associated collateral, as well as details of the change over the period of outstanding loans and non-performing advances.

For information purposes, and in accordance with the ECB's recommendations, the concepts of Basel default, impaired assets and non-performing exposures are aligned within the Group.

The non-performing loan ratio at the end of June 2021 was 3.1%.

This ratio is calculated in accordance with the instructions relating to the requirements of prudential disclosures published by the EBA.

Restructured debt

Within Societe Generale group, "restructured" debt refers to loans for which the amount, term or financial conditions have been contractually modified due to the borrower's insolvency (whether insolvency has already occurred or will definitely occur unless the debt is restructured). Societe Generale aligns its definition of restructured loans with the EBA definition.

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

Any situation leading to debt restructuring entails classifying the considered customer in the Basel default category and classifying the loans themselves as impaired in the event of a loss of value greater than 1% of the original debt.

The customers whose loans have been restructured are kept in the default category for as long as the Bank remains uncertain of their ability to meet their future commitments and for at least one year. In other cases, an analysis of the customer's situation makes it possible to estimate his/her ability to repay according to the new schedule. Otherwise, the customer is also transferred to Basel default.

TABLE 21: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (CR1)

	30.06.2021														
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
(In EURm)	TOTAL	of which stage 1(1)	of which stage 2(2)	TOTAL	of which stage 2(2)	of which stage 3(3)	TOTAL	of which stage 1(1)	of which stage 2(2)	TOTAL	of which stage 2(2)	of which stage 3(3)	Accumulated write-off	On performing exposures	On non performing exposures
Cash balances at central banks and other demand deposits	185,353	185,353	-	-	-	-	-	-	-	-	-	-	-	1	-
Loans and advances	**519,332**	**454,789**	**42,046**	**16,720**	**-**	**16,720**	**(3,024)**	**(1,103)**	**(1,921)**	**(8,619)**	**-**	**(8,619)**	**(738)**	**276,054**	**4,649**
Central banks	12,355	12,355	1	13	-	13	(0)	(0)	(0)	(13)	-	(13)	-	1	-
General governments	27,773	18,010	430	145	-	145	(13)	(5)	(8)	(62)	-	(62)	(0)	5,465	64
Credit institutions	19,236	18,445	510	29	-	29	(4)	(2)	(2)	(6)	-	(6)	-	2,518	18
Other financial corporations	42,638	40,757	135	116	-	116	(14)	(9)	(5)	(97)	-	(97)	-	8,464	14
Non-financial corporations	201,535	167,635	23,487	8,728	-	8,728	(1,676)	(498)	(1,178)	(4,370)	-	(4,370)	(319)	101,995	2,716
of which SMEs	*45,177*	*37,408*	*6,042*	*3,797*	-	*3,797*	*(575)*	*(176)*	*(398)*	*(2,083)*	-	*(2,083)*	-	*28,255*	*1,086*
Households	215,795	197,586	17,483	7,689	-	7,689	(1,317)	(589)	(728)	(4,069)	-	(4,069)	(420)	157,611	1,837
Debt securities	**67,730**	**67,451**	**73**	**211**	**-**	**153**	**(7)**	**(6)**	**(1)**	**(43)**	**-**	**(43)**	**-**	**6,182**	**-**
Central banks	4,570	4,570	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
General governments	47,116	47,074	39	15	-	15	(5)	(4)	(1)	(15)	-	(15)	-	-	-
Credit institutions	6,060	6,030	30	-	-	-	(0)	(0)	-	-	-	-	-	233	-
Other financial corporations	5,783	5,593	-	58	-	-	(1)	(1)	-	-	-	-	-	2,716	-
Non-financial corporations	4,203	4,184	4	138	-	138	(1)	(1)	(1)	(28)	-	(28)	-	3,233	-
Off-balance-sheet exposures	**410,291**	**390,164**	**20,128**	**1,086**	**-**	**1,086**	**(512)**	**(177)**	**(335)**	**(340)**	**-**	**(340)**	**-**	**56,052**	**207**
Central banks	1,104	1,104	-	-	-	-	(0)	(0)	-	-	-	-		-	-
General governments	6,680	6,584	96	0	-	0	(2)	(1)	(1)	-	-	-		3,156	-
Credit institutions	142,843	142,557	286	0	-	0	(13)	(1)	(12)	(0)	-	(0)		556	-
Other financial corporations	57,483	57,443	40	9	-	9	(5)	(4)	(1)	(2)	-	(2)		5,853	-
Non-financial corporations	185,546	166,337	19,209	999	-	999	(423)	(141)	(282)	(321)	-	(321)		40,988	195
Households	16,635	16,139	496	77	-	77	(69)	(30)	(39)	(18)	-	(18)		5,499	12
TOTAL	**997,353**	**912,403**	**62,246**	**18,017**	**-**	**17,960**	**(3,543)**	**(1,286)**	**(2,257)**	**(9,002)**	**-**	**(9,002)**	**(738)**	**338,288**	**4,857**

(1) Assets without significant increase in credit risk since initial recognition.
(2) Assets with significant increase in credit risk since initial recognition, but not impaired..
(3) Impaired assets.

The table as at 31 December 2020 has been modified as follows:

	31.12.2020														
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
(In EURm)	TOTAL	of which stage 1[1]	of which stage 2[2]	TOTAL	of which stage 2[2]	of which stage 3[3]	TOTAL	of which stage 1[1]	of which stage 2[2]	TOTAL	of which stage 2[2]	of which stage 3[3]	Accumulated write-off	On performing exposures	On non performing exposures
Cash balances at central banks and other demand deposits	191,476	-	-	-	-	-	-	-	-	-	-	-	-	3	-
Loans and advances	**496,521**	**423,989**	**49,852**	**17,040**	**-**	**17,040**	**(3,024)**	**(1,075)**	**(1,950)**	**(8,795)**	**-**	**(8,795)**	**(1,917)**	**257,287**	**4,240**
Central banks	8,771	8,770	1	13	-	13	(0)	(0)	(0)	(13)	-	(13)	-	5	-
General governments	26,829	17,291	377	137	-	137	(14)	(5)	(9)	(67)	-	(67)	(0)	4,922	59
Credit institutions	13,458	12,967	490	33	-	33	(5)	(3)	(2)	(7)	-	(7)	(0)	1,600	23
Other financial corporations	31,512	29,609	209	142	-	142	(16)	(10)	(6)	(72)	-	(72)	-	6,718	24
Non-financial corporations	205,332	164,774	29,736	8,731	-	8,731	(1,689)	(496)	(1,193)	(4,512)	-	(4,512)	(854)	94,814	2,358
of which SMEs	*44,633*	*36,479*	*6,312*	*3,705*	*-*	*3,705*	*(570)*	*(147)*	*(424)*	*(2,019)*	*-*	*(2,019)*	*-*	*25,943*	*912*
Households	210,618	190,578	19,037	7,984	-	7,984	(1,301)	(561)	(740)	(4,124)	-	(4,124)	(1,063)	149,230	1,776
Debt securities	**67,504**	**67,194**	**91**	**121**	**-**	**121**	**(5)**	**(5)**	**(1)**	**(45)**	**-**	**(45)**	**-**	**5,590**	**-**
Central banks	4,563	4,522	41	-	-	-	(0)	(0)	(0)	-	-	-	-	-	-
General governments	47,727	47,679	19	13	-	13	(4)	(4)	(0)	(13)	-	(13)	-	-	-
Credit institutions	6,397	6,366	30	-	-	-	(0)	(0)	-	-	-	-	-	222	-
Other financial corporations	4,778	4,588	-	-	-	-	(0)	(0)	-	-	-	-	-	2,292	-
Non-financial corporations	4,039	4,039	-	108	-	108	(1)	(1)	-	(32)	-	(32)	-	3,076	-
Off-balance-sheet exposures	**336,234**	**308,236**	**27,998**	**1,160**	**-**	**1,160**	**(591)**	**(162)**	**(429)**	**(337)**	**-**	**(337)**	**-**	**51,849**	**222**
Central banks	42	42	-	-	-	-	(0)	(0)	-	-	-	-		-	-
General governments	7,045	6,964	80	0	-	0	(1)	(1)	(1)	-	-	-		3,324	-
Credit institutions	75,742	75,204	538	0	-	0	(64)	(2)	(63)	-	-	-		317	-
Other financial corporations	58,682	58,388	294	12	-	12	(7)	(5)	(2)	(2)	-	(2)		5,234	-
Non-financial corporations	179,597	153,032	26,565	1,058	-	1,058	(459)	(129)	(331)	(317)	-	(317)		38,257	208
Households	15,126	14,606	521	89	-	89	(58)	(27)	(32)	(18)	-	(18)		4,716	14
TOTAL	**900,259**	**799,419**	**77,940**	**18,321**	**-**	**18,321**	**(3,621)**	**(1,242)**	**(2,379)**	**(9,177)**	**-**	**(9,177)**	**(1,917)**	**314,727**	**4,462**

(1) Assets without significant increase in credit risk since initial recognition.
(2) Assets with significant increase in credit risk since initial recognition, but not impaired.
(3) Impaired assets.

TABLE 22: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES (CR2)

	30.06.2021
(In EURm)	Gross carrying value defaulted exposures
Initial stock of non-performing loans and advances	**17,040**
Inflows to non-performing portfolios	1,959
Outflows from non-performing portfolios	(2,279)
Outflows due to write-offs	(166)
Outflow due to other situations	(2,113)
Final stock of non-performing loans and advances	**16,720**

TABLE 23: CREDIT QUALITY OF FORBORNE EXPOSURES (CQ1)

	30.06.2021							
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Non-performing forborne						
(In EURm)	Performing forborne	TOTAL	of which defaulted	of which impaired	On performing forborne exposures	On non-performing forborne exposures	TOTAL	of which collateral and financial guarantees received on non-performing exposures with forbearance measures
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	**4,275**	**2,947**	**2,947**	**2,947**	**(46)**	**(1,074)**	**4,548**	**1,136**
Central banks	-	-	-	-	-	-	-	-
General governments	0	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	10	-	-	-	(0)	-	6	-
Non-financial corporations	3,217	1,676	1,676	1,676	(39)	(540)	3,622	899
Households	1,048	1,271	1,271	1,271	(6)	(534)	920	237
Debt Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loan commitments given	**719**	**41**	**41**	**41**	**(6)**	**(1)**	**700**	**10**
TOTAL	**4,994**	**2,987**	**2,987**	**2,987**	**(51)**	**(1,075)**	**5,248**	**1,145**

TABLE 24: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS (CQ3)

	30.06.2021											
	Performing exposures			Non-performing exposures								
(In EURm)	TOTAL perfor-ming-	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	TOTAL non perfor-ming	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	of which defaulted
Cash balances at central banks and other demand deposits	185,353	185,353	-	-	-	-	-	-	-	-	-	-
Loans and advances	**519,332**	**518,627**	**704**	**16,720**	**12,308**	**515**	**570**	**1,426**	**1,016**	**297**	**588**	**16,720**
Central banks	12,355	12,355	-	13	-	-	-	-	-	-	13	13
General governments	27,773	27,764	9	145	24	12	22	8	37	-	43	145
Credit institutions	19,236	19,235	0	29	26	-	-	0	-	-	3	29
Other financial corporations	42,638	42,636	2	116	13	-	10	0	93	-	-	116
Non-financial corporations	201,535	201,331	204	8,728	7,085	166	203	574	369	63	269	8,728
of which SMEs	*45,177*	*45,070*	*107*	*3,797*	*2,956*	*107*	*169*	*132*	*204*	*50*	*179*	*3,797*
Households	215,795	215,306	489	7,689	5,161	337	335	844	517	235	259	7,689
Debt securities	**67,730**	**67,730**	**-**	**211**	**211**	**-**	**-**	**-**	**-**	**-**	**-**	**211**
Central banks	4,570	4,570	-	-	-	-	-	-	-	-	-	-
General governments	47,116	47,116	-	15	15	-	-	-	-	-	-	15
Credit institutions	6,060	6,060	-	-	-	-	-	-	-	-	-	-
Other financial corporations	5,783	5,783	-	58	58	-	-	-	-	-	-	58
Non-financial corporations	4,203	4,203	-	138	138	-	-	-	-	-	-	138
Off-balance-sheet exposures	**410,291**	**-**	**-**	**1,086**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,086**
Central banks	1,104			-								-
General governments	6,680			0								0
Credit institutions	142,843			0								0
Other financial corporations	57,483			9								9
Non-financial corporations	185,546			999								999
Households	16,635			77								77
TOTAL	**997,353**	**586,357**	**704**	**18,017**	**12,519**	**515**	**570**	**1,426**	**1,016**	**297**	**588**	**18,017**

TABLE 25: CREDIT QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY (CQ4)

(In EURm)	30.06.2021						
	Gross carrying/nominal amount						
		of which non-performing					
	TOTAL nominal	TOTAL non performing	of which defaulted	of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
On-balance sheet exposures	**603,993**	**16,931**	**16,931**	**581,232**	**(11,694)**		**-**
Europe	478,888	12,094	12,094	456,308	(8,150)		-
France	*297,939*	*8,041*	*8,041*	*277,165*	*(5,297)*		-
Czech Republic	*44,362*	*713*	*713*	*44,362*	*(507)*		-
Germany	*23,749*	*521*	*521*	*23,687*	*(301)*		-
Luxembourg	*12,473*	*458*	*458*	*12,463*	*(109)*		-
United Kingdom	*22,835*	*376*	*376*	*21,907*	*(136)*		-
Italy	*15,859*	*659*	*659*	*15,859*	*(581)*		-
Switzerland	*4,659*	*66*	*66*	*4,656*	*(20)*		-
Russian Federation	*14,611*	*388*	*388*	*14,611*	*(453)*		-
Romania	*10,553*	*329*	*329*	*10,553*	*(442)*		-
Spain	*5,025*	*182*	*182*	*4,545*	*(107)*		-
Other European countries: EU and EFTA	*18,587*	*278*	*278*	*18,266*	*(165)*		-
Other European countries	*8,235*	*83*	*83*	*8,231*	*(32)*		-
North America	55,799	262	262	55,630	(205)		-
United States	*52,768*	*255*	*255*	*52,607*	*(197)*		-
Other North American countries	*3,031*	*7*	*7*	*3,023*	*(8)*		-
Asia-Pacific	21,730	688	688	21,730	(400)		-
Japan	*1,780*	*0*	*0*	*1,780*	*(1)*		-
China	*5,446*	*171*	*171*	*5,446*	*(68)*		-
Other Asia-Pacific countries	*14,503*	*516*	*516*	*14,503*	*(332)*		-
Africa and Middle East	40,830	3,694	3,694	40,829	(2,831)		-
Morocco	*10,937*	*1,509*	*1,509*	*10,937*	*(1,082)*		-
Other Africa and Middle East countries	*29,893*	*2,184*	*2,184*	*29,892*	*(1,749)*		-
Latin America and Caribbean	6,745	194	194	6,735	(109)		-
Off-balance sheet exposures	**411,377**	**1,086**	**1,086**			**(851)**	
Europe	301,276	780	780			(644)	
France	*208,276*	*528*	*528*			*(367)*	
Czech Republic	*8,233*	*48*	*48*			*(35)*	
Germany	*15,332*	*4*	*4*			*(33)*	
Luxembourg	*9,858*	*1*	*1*			*(3)*	
United Kingdom	*14,918*	*8*	*8*			*(14)*	
Italy	*6,734*	*3*	*3*			*(13)*	

(In EURm)	30.06.2021						
	Gross carrying/nominal amount						
		of which non-performing					
	TOTAL nominal	TOTAL non performing	of which defaulted	of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Switzerland	*5,555*	*2*	*2*			*(6)*	
Russian Federation	*4,068*	*11*	*11*			*(10)*	
Romania	*1,872*	*47*	*47*			*(62)*	
Spain	*5,422*	*81*	*81*			*(56)*	
Other European countries: EU and EFTA	*19,318*	*47*	*47*			*(39)*	
Other European countries	*1,691*	*1*	*1*			*(5)*	
North America	62,648	8	8			(71)	
United States	*60,184*	*8*	*8*			*(71)*	
Other North American countries	*2,464*	*-*	*-*			*(1)*	
Asia-Pacific	33,894	68	68			(14)	
Japan	*20,364*	*-*	*-*			*(0)*	
China	*3,405*	*7*	*7*			*(2)*	
Other Asia-Pacific countries	*10,126*	*60*	*60*			*(11)*	
Africa and Middle East	10,040	230	230			(120)	
Morocco	*1,788*	*69*	*69*			*(43)*	
Other Africa and Middle East countries	*8,252*	*161*	*161*			*(77)*	
Latin America and the Caribbean	3,520	0	0			(2)	
TOTAL	**1,015,370**	**18,017**	**18,017**	**581,232**	**(11,694)**	**(851)**	**-**

TABLE 26: CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY (CQ5)

The table below displays loans and advances to non-financial corporations, in accordance with EBA instructions (EBA/ITS/2020/04).

	30.06.2021					
	Gross carrying amount					Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which non-performing				
(In EURm)	TOTAL nominal	TOTAL non performant	of which defaulted	of which loans and advances subject to impairment	Accumulated impairment	
Agriculture, forestry and fishing	1,724	110	110	1,649	(86)	-
Mining and quarrying	8,585	295	295	8,571	(143)	-
Manufacturing	28,246	1,728	1,728	27,565	(1,156)	-
Electricity, gas, steam and air conditioning supply	12,696	90	90	12,412	(70)	-
Water supply	2,133	25	25	1,720	(29)	-
Construction	7,270	738	738	6,686	(564)	-
Wholesale and retail trade	25,966	1,910	1,910	25,152	(1,398)	-
Transport and storage	18,080	530	530	17,702	(342)	-
Accommodation and food service activities	3,846	1,051	1,051	3,643	(435)	-
Information and communication	6,872	108	108	6,796	(88)	-
Financial and insurance actvities	18,827	379	379	17,103	(326)	-
Real estate activities	27,832	533	533	25,370	(358)	-
Professional, scientific and technical activities	6,634	198	198	6,197	(205)	-
Administrative and support service activities	7,343	318	318	7,198	(171)	-
Public administration and defence, compulsory social security	1,653	0	0	1,401	(1)	-
Education	324	30	30	316	(13)	-
Human health services and social work activities	1,447	70	70	1,395	(38)	-
Arts, entertainment and recreation	950	68	68	853	(64)	-
Other services	29,834	548	548	28,120	(562)	-
TOTAL	**210,263**	**8,728**	**8,728**	**199,850**	**(6,046)**	**-**

TABLE 27: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES (CQ7)

	30.06.2021	
	Collateral obtained by taking possession accumulated	
(In EURm)	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	49	(26)
Other than PP&E	45	(22)
Residential immovable property	*1*	*(0)*
Commercial Immovable property	*2*	-
Movable property (auto, shipping, etc.)	-	-
Equity and debt instruments	-	-
Other	*42*	*(22)*
TOTAL	**94**	**(48)**

The table as at 31 December 2020 has been modified as follows:

	31.12.2020	
	Collateral obtained by taking possession accumulated	
(In EURm)	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	37	(8)
Other than PP&E	52	(17)
Residential immovable property	*2*	*(0)*
Commercial Immovable property	*2*	-
Movable property (auto, shipping, etc.)	-	-
Equity and debt instruments	-	-
Other	*49*	*(16)*
TOTAL	**89**	**(24)**

TABLE 28: MATURITY OF EXPOSURES (CR1-A)

	30.06.2021					
	Net exposure value					
(In EURm)	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	12,121	155,694	144,952	185,837	37,447	**536,052**
Debt securities	4	19,119	31,135	17,406	278	**67,941**
TOTAL	**12,125**	**174,813**	**176,087**	**203,242**	**37,725**	**603,993**

TABLE 29: CREDIT RISK MITIGATION TECHNIQUES – OVERVIEW (CR3)

	30.06.2021				
(In EURm)	**Exposures unsecured – Carrying amount**	**Exposures secured – Carrying amount**	**of which secured by collateral**	**of which secured by financial guarantees**	**of which secured by credit derivatives**
Total loans	440,701	280,704	117,175	163,529	-
Total debt securities	61,759	6,182	6,091	91	
TOTAL EXPOSURES	**502,460**	**286,886**	**123,266**	**163,619**	**-**
of which non-performing exposures	*12,282*	*4,649*	*2,015*	*2,634*	-
of which defaulted	*12,282*	*4,649*	*2,015*	*2,634*	-

	31.12.2020				
(In EURm)	**Exposures unsecured – Carrying amount**	**Exposures secured – Carrying amount**	**of which secured by collateral**	**of which secured by financial guarantees**	**of which secured by credit derivatives**
Total loans	442,980	262,058	104,775	157,282	-
Total debt securities	62,035	5,590	5,486	104	
TOTAL EXPOSURES	**505,014**	**267,648**	**110,262**	**157,386**	**-**
of which non-performing exposures	*12,921*	*4,240*	*1,975*	*2,265*	-
of which defaulted	*12,921*	*4,240*	*1,975*	*2,265*	-

TABLE 30: INFORMATION ON LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA

	30.06.2021													
	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk						
		Performing			Non-performing				Performing			Non-performing		
(In EURm)	TOTAL	TOTAL performing	of which exposures with forbearance measures	of which Instruments with significant increase in credit risk since initial recognition but not credit impaired (Stage 2)	TOTAL non-performing	of which exposures with forbearance measures	of which Unlikely to pay that are not past-due or past-due <= 90 days	TOTAL	TOTAL performing	of which exposures with forbearance measures	of which Instruments with significant increase in credit risk since initial recognition but not credit impaired (Stage 2)	TOTAL non-performing	of which exposures with forbearance measures	of which Unlikely to pay that are not past-due or past-due <= 90 days
Loans and advances subject to moratorium	**503**	**459**	**39**	**160**	**44**	**0**	**26**	**(48)**	**(24)**	**(5)**	**(16)**	**(24)**	**(0)**	**(7)**
of which Households	*19*	*19*	*-*	*13*	*1*	*-*	*0*	*(2)*	*(1)*	*-*	*(1)*	*(0)*	*-*	*(0)*
of which Collateralised by residential immovable property	*14*	*14*	*-*	*9*	*0*	*-*	*0*	*(1)*	*(1)*	*-*	*(1)*	*(0)*	*-*	*(0)*
of which Non-financial corporations	*483*	*440*	*39*	*148*	*43*	*0*	*26*	*(46)*	*(23)*	*(5)*	*(15)*	*(23)*	*(0)*	*(7)*
of which Small and Medium-sized Enterprises	*415*	*399*	*38*	*115*	*16*	*0*	*14*	*(22)*	*(19)*	*(5)*	*(12)*	*(2)*	*(0)*	*(2)*
of which Collateralised by commercial immovable property	*133*	*133*	*-*	*32*	*0*	*-*	*0*	*(2)*	*(1)*	*-*	*(1)*	*(0)*	*-*	*(0)*

TABLE 31: BREAKDOWN OF LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA BY RESIDUAL MATURITY OF THE MORATORIA

	30.06.2021								
		Gross carrying amount							
					Residual maturity of moratoria				
(In EURm)	Number of obligors	TOTAL	of which legislative moratoria	of which expired	<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
Loans and advances for which moratorium was offered	**441,322**	**29,332**							
Loans and advances subject to moratorium (granted)	**416,479**	**28,489**	**3,689**	**27,986**	**188**	**314**	**1**	**0**	**0**
of which Households		*4,971*	*1,491*	*4,952*	*16*	*3*	*0*	*0*	*0*
of which Collateralised by residential immovable property		*3,644*	*1,205*	*3,630*	*12*	*2*	*0*	*0*	*0*
of which Non-financial corporations		*23,500*	*2,196*	*23,017*	*172*	*311*	*0*	*0*	*0*
of which Small and Medium-sized Enterprises		*14,943*	*1,838*	*14,528*	*121*	*294*	*0*	*0*	*0*
of which Collateralised by commercial immovable property		*2,928*	*1,293*	*2,795*	*1*	*132*	*-*	*-*	*-*

Societe Generale group has granted moratoria to its clients on their loans and advances in order to support them during the Covid-19 crisis.

As at 30 June 2021, the exposure of the Group related to loans having been subject to moratoria[1] amounts to EUR 28.5 billion, of which EUR 0.5 billion are still active, among which the proportion of outstanding having a residual maturity strictly greater than 6 months is lower than 0.5%. These moratoria have been granted to households, comprised of professionals as well as of individuals, up to EUR 5.0 billion and to non-financial corporations up to EUR 23.5 billion.

TABLE 32: INFORMATION ON NEWLY ORIGINATED LOANS AND ADVANCES PROVIDED UNDER NEWLY APPLICABLE PUBLIC GUARANTEE SCHEMES INTRODUCED IN RESPONSE TO COVID-19 CRISIS

	30.06.2021			
	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
(In EURm)	TOTAL	of which forborne	Public guarantees received	Inflows to non performing exposures
Newly originated loans and advances subject to public guarantee schemes	**17,420**	**-**	**14,740**	**545**
of which Households	*4,290*			*89*
of which Collateralised by residential immovable property	*-*			*-*
of which Non-financial corporations	*13,071*	*-*	*10,925*	*456*
of which Small and Medium-sized Enterprises	*6,119*			*164*
of which Collateralised by commercial immovable property	*-*			*-*

As at 30 June 2021, EUR 17.4 billion of loans secured by public guarantee mechanisms have been granted by Societe Generale group to its clients. The amount of guarantees associated with these loans amounts to EUR 14.7 billion.

(1) in accordance with EBA guidelines on legislative and non-legislative moratoria on loan repayments applied due to the Covid-19 pandemic.

4.2 ADDITIONAL QUANTITATIVE INFORMATION ON CREDIT RISK

DEFINITION OF REGULATORY METRICS

The main metrics used in the following tables are:

- Exposure: defined as all assets (*e.g.* loans, receivables, accruals, etc.) associated with market or customer transactions, recorded on- and off-balance sheet;
- EAD (Exposure At Default) is defined as the bank's exposure (on- and off-balance sheet) in the event of a counterparty's default. Unless otherwise specifically indicated to the contrary, the EAD is reported post-CRM (Credit Risk Mitigation), after factoring in guarantees and collateral. Under the Standardised approach, EADs are presented net of specific provisions and financial collateral;
- Risk-Weighted Assets (RWA): are computed from the exposures and the associated level of risk, which depends on the debtors' credit quality;
- Expected Loss (EL): potential loss incurred, given the quality of the structuring of a transaction and any risk mitigation measures such as collateral. Under the AIRB method, the following equation summarises the relation between these variables: EL = EAD x PD x LGD (except for defaulted exposures).

BREAKDOWN OF CREDIT RISK – OVERVIEW

TABLE 33: CREDIT RISK EXPOSURE, EAD AND RWA BY EXPOSURE CLASS AND APPROACH

	30.06.2021								
(In EURm)	IRB approach			Standardised approach			Total		
Exposure classes	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	228,319	247,557	6,337	10,604	12,502	8,166	238,923	260,059	14,504
Institutions	46,090	40,013	3,791	6,141	18,123	4,341	52,231	58,136	8,132
Corporates	353,695	229,650	101,216	48,225	30,642	29,689	401,920	260,292	130,905
Retail	173,611	171,079	29,863	53,557	32,581	21,215	227,168	203,660	51,078
Others	43,640	43,430	26,945	57,424	52,825	34,974	101,064	96,255	61,919
TOTAL	**845,354**	**731,729**	**168,151**	**175,951**	**146,674**	**98,386**	**1,021,305**	**878,402**	**266,538**

	31.12.2020								
(In EURm)	IRB approach			Standardised approach			Total		
Exposure classes	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	238,278	259,525	6,035	9,884	11,795	7,965	248,162	271,320	14,000
Institutions	50,071	42,174	4,260	14,400	20,213	3,267	64,472	62,386	7,526
Corporates	336,718	218,170	97,642	47,472	30,320	27,815	384,190	248,490	125,456
Retail	173,480	171,042	32,667	47,489	30,688	20,413	220,969	201,730	53,081
Others	41,646	41,345	27,241	56,393	52,079	33,612	98,039	93,425	60,853
TOTAL	**840,192**	**732,255**	**167,845**	**175,638**	**145,095**	**93,072**	**1,015,831**	**877,351**	**260,917**

BREAKDOWN OF CREDIT RISK – DETAILS

TABLE 34: STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION (CRM) EFFECTS (CR4)

The credit conversion factor (CCF) is the ratio between the current undrawn part of a credit line which could be drawn and would therefore be exposed in the event of default and the undrawn part of this credit line. The significance of the credit line depends on the authorised limit, unless the unauthorised limit is greater.

The concept of "credit risk mitigation" (CRM) is a technique used by an institution to reduce the credit risk associated with its exposures.

In accordance with EBA instructions (EBA/ITS/2020/04), the amounts are presented without securitisation and contributions to default funds of central counterparties.

	30.06.2021					
(In EURm)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Exposure classes	**On-balance sheet exposures**	**Off-balance sheet exposures**	**On-balance sheet exposures**	**Off-balance sheet exposures**	**RWA**	**RWA density** *(%)*
Central governments or central banks	9,183	26	10,932	40	8,108	74%
Regional government or local authorities	566	84	824	32	214	25%
Public sector entities	243	21	215	2	97	44%
Multilateral development banks	1,376	17	1,528	2	58	4%
International organisations	-	-	-	-	-	
Institutions	3,894	1,321	16,165	885	4,030	24%
Corporates	37,583	10,320	27,740	2,903	29,689	97%
Retail	45,505	7,663	31,005	1,576	21,215	65%
Secured by mortgages on immovable property	16,004	645	15,877	433	7,157	44%
Exposures in defaul	3,325	199	3,211	84	3,507	106%
Higher-risk categories	281	91	231	35	398	150%
Covered bonds	195	-	195	-	19	10%
Institutions and corporates with a short term credit assessment	-	-	-	-	-	
Collective investment undertakings	12	-	12	-	126	1,090%
Equity	1,379	-	1,379	-	739	54%
Other items	28,685	-	28,684	-	22,695	79%
TOTAL	**148,229**	**20,387**	**137,997**	**5,992**	**98,053**	**68%**

(In EURm)	31.12.2020					
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Exposure classes	**On-balance sheet exposures**	**Off-balance sheet exposures**	**On-balance sheet exposures**	**Off-balance sheet exposures**	**RWA**	**RWA density** *(%)*
Central governments or central banks	8,492	35	10,288	28	7,932	77%
Regional government or local authorities	497	73	731	49	193	25%
Public sector entities	272	18	262	2	71	27%
Multilateral development banks	1,339	16	1,478	1	33	2%
International organisations	-	-	-	-	-	
Institutions	8,806	4,719	18,710	459	3,002	16%
Corporates	36,371	10,759	27,470	2,850	27,815	92%
Retail	40,619	6,525	29,248	1,440	20,413	67%
Secured by mortgages on immovable property	14,941	332	14,891	152	6,645	44%
Exposures in defaul	2,861	179	2,814	77	3,057	106%
Higher-risk categories	295	186	294	75	553	150%
Covered bonds	206	-	206	-	21	10%
Institutions and corporates with a short term credit assessment	-	-	-	-	-	
Collective investment undertakings	5	-	5	-	5	100%
Equity	974	-	974	-	706	72%
Other items	29,012	-	29,012	-	22,324	77%
TOTAL	**144,692**	**22,841**	**136,382**	**5,134**	**92,771**	**66%**

TABLE 35: STANDARDISED APPROACH – CREDIT RISK EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS (CR5)

In accordance with EBA instructions (EBA/ITS/2020/04), the amounts are presented without securitisation and contributions to default funds of central counterparties.

	30.06.2021																
(In EURm)	Risk Weight																
Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1,250%**	**Other Risk Weight**	**Total**	**of which unrated**
Central governments or central banks	6,840	-	-	-	-	-	-	-	-	1,475	9	2,648	-	-	-	10,972	4,575
Regional governments or local authorities	111	-	-	-	652	-	1	-	-	90	-	-	-	-	3	856	477
Public sector entities	2	-	-	-	148	-	1	-	-	67	-	-	-	-	0	217	187
Multilateral Development Banks	1,462	-	-	-	-	-	20	-	-	48	-	-	-	-	-	1,530	71
International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	41	-	-	-	15,853	-	536	-	-	588	0	-	-	-	32	17,050	995
Corporates	-	-	-	-	1,007	-	754	-	143	28,454	281	-	-	-	5	30,642	24,933
Retail	-	-	-	-	-	1,840	-	-	30,514	179	-	-	-	-	47	32,581	31,708
Secured by mortgages on immovable property	-	-	-	-	-	11,264	1,706	-	3,111	223	-	-	-	-	6	16,310	15,026
Exposures in default	-	-	-	-	-	-	-	-	-	2,208	747	-	-	-	341	3,296	3,156
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	265	-	-	-	-	265	233
Covered bonds	-	-	-	195	-	-	-	-	-	-	-	-	-	-	-	195	-
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-	2	-	-	-	10	-	12	12
Equity exposures	27	-	-	-	-	-	-	-	-	701	-	6	-	-	645	1,379	1,379
Other exposures	796	-	-	3	468	-	3,303	-	-	18,980	-	-	-	-	5,134	28,684	26,947
TOTAL	**9,278**	**-**	**-**	**198**	**18,128**	**13,104**	**6,320**	**-**	**33,768**	**53,014**	**1,302**	**2,654**	**-**	**10**	**6,213**	**143,989**	**109,701**

(In EURm)	31.12.2020																
	Risk Weight																
Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1,250%**	**Other Risk Weight**	**Total**	**of which unrated**
Central governments or central banks	6,436	-	-	-	-	-	-	-	-	1,178	-	2,702	-	-	-	10,316	5,035
Regional governments or local authorities	94	-	-	-	615	-	1	-	-	70	-	-	-	-	0	780	487
Public sector entities	0	-	-	-	240	-	-	-	-	23	-	-	-	-	0	263	230
Multilateral Development Banks	1,436	-	-	-	-	-	20	-	-	23	-	-	-	-	-	1,479	46
International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	5,053	1,617	17	-	11,750	-	203	-	-	505	0	-	-	-	22	19,169	7,313
Corporates	-	-	-	-	920	-	813	-	4	28,331	245	-	-	-	8	30,320	24,586
Retail	-	-	-	-	0	1,777	-	-	28,659	132	-	-	-	-	119	30,688	30,688
Secured by mortgages on immovable property	0	-	-	-	-	10,258	1,649	-	2,879	251	-	-	-	-	7	15,043	13,840
Exposures in default	-	-	-	-	-	-	-	-	-	1,810	702	-	-	-	379	2,891	2,769
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	369	-	-	-	-	369	318
Covered bonds	-	-	-	206	-	-	-	-	-	-	-	-	-	-	-	206	-
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	5	5
Equity exposures	3	-	-	-	-	-	-	-	-	668	-	10	-	-	293	974	974
Other exposures	1,914	-	-	-	456	-	2,776	-	-	17,284	0	-	-	-	6,581	29,012	27,399
TOTAL	**14,936**	**1,617**	**19**	**206**	**13,982**	**12,035**	**5,462**	**-**	**31,542**	**50,279**	**1,316**	**2,712**	**-**	**-**	**7,409**	**141,516**	**113,690**

TABLE 36: INTERNAL APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (CR6) – AIRB

The table below pesents Group exposures subject to credit risk and for which an internal model is used with a view to calculating RWA.

	30.06.2021												
(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provi-sions
Central governments and central banks	0.00 to < 0.15	211,557	2,546	82%	214,041	0.01%	16,437	2.19%	1	1,466	0.69%	2	
	0.00 to < 0.10	*206,287*	*2,545*	*82%*	*208,429*	*0.01%*	*16,430*	*1.77%*	*1*	*626*	*0.30%*	*1*	
	0.10 to < 0.15	*5,270*	*1*	*30%*	*5,612*	*0.13%*	*7*	*17.93%*	*3*	*840*	*14.97%*	*1*	
	0.15 to < 0.25	-	-		90	0.16%	2	0.00%	3	-	0.00%	-	
	0.25 to < 0.50	1,744	1	95%	3,012	0.26%	244	14.59%	3	406	13.46%	1	
	0.50 to < 0.75	1,838	118	100%	3,647	0.52%	20	16.05%	3	963	26.42%	3	
	0.75 to < 2.50	3,972	580	100%	9,952	1.60%	35	8.21%	3	1,325	13.32%	10	
	0.75 to < 1.75	*2,225*	*0*	*100%*	*5,334*	*1.14%*	*12*	*7.32%*	*3*	*296*	*5.54%*	*3*	
	1.75 to < 2.50	*1,747*	*580*	*100%*	*4,618*	*2.13%*	*23*	*9.24%*	*3*	*1,030*	*22.30%*	*7*	
	2.50 to < 10.00	3,007	1,342	91%	10,504	5.13%	195	4.77%	3	1,221	11.62%	8	
	2.50 to < 5.00	*1,617*	*956*	*87%*	*7,017*	*3.94%*	*170*	*3.60%*	*3*	*811*	*11.56%*	*3*	
	5.00 to < 10.00	*1,389*	*386*	*100%*	*3,487*	*7.52%*	*25*	*7.12%*	*3*	*410*	*11.75%*	*5*	
	10.00 to < 100.00	1,020	413	100%	5,418	15.47%	29	5.59%	3	862	15.90%	17	
	10.00 to < 20.00	*1,020*	*413*	*100%*	*5,367*	*15.29%*	*21*	*5.64%*	*3*	*862*	*16.05%*	*17*	
	20.00 to < 30.00	*-*	*-*		*-*		*-*		*-*	*-*		*-*	
	30.00 to < 100.00	*-*	*-*		*51*	*34.05%*	*8*	*0.00%*	*3*	*-*	*0.00%*	*-*	
	100.00 (default)	128	0	100%	828	100.00%	12	10.11%	3	89	10.70%	81	
	Subtotal	**223,267**	**5,000**	**88%**	**247,492**	**0.97%**	**16,974**	**3.00%**	**1**	**6,332**	**2.56%**	**122**	**(99)**
Institutions	0.00 to < 0.15	28,105	10,277	66%	34,063	0.04%	4,776	14.83%	2	1,493	4.38%	2	
	0.00 to < 0.10	*26,017*	*9,826*	*65%*	*31,300*	*0.03%*	*4,217*	*15.31%*	*2*	*1,311*	*4.19%*	*2*	
	0.10 to < 0.15	*2,088*	*451*	*87%*	*2,763*	*0.13%*	*559*	*9.34%*	*3*	*182*	*6.59%*	*0*	
	0.15 to < 0.25	-	-		1	0.17%	6	5.00%	5	0	2.53%	0	
	0.25 to < 0.50	933	780	57%	1,370	0.26%	497	17.17%	2	225	16.43%	1	
	0.50 to < 0.75	615	818	73%	1,281	0.50%	235	22.76%	2	382	29.86%	1	
	0.75 to < 2.50	1,505	692	57%	1,660	1.61%	165	20.59%	2	629	37.90%	4	
	0.75 to < 1.75	*978*	*424*	*60%*	*844*	*1.11%*	*97*	*17.47%*	*2*	*293*	*34.73%*	*1*	
	1.75 to < 2.50	*527*	*268*	*51%*	*815*	*2.13%*	*68*	*23.81%*	*1*	*336*	*41.19%*	*3*	
	2.50 to < 10.00	1,452	364	44%	1,183	4.99%	435	20.82%	2	746	63.06%	10	
	2.50 to < 5.00	*599*	*274*	*43%*	*834*	*3.83%*	*383*	*17.80%*	*3*	*406*	*48.71%*	*4*	
	5.00 to < 10.00	*853*	*90*	*47%*	*349*	*7.77%*	*52*	*28.05%*	*1*	*340*	*97.41%*	*7*	
	10.00 to < 100.00	278	225	32%	281	14.65%	97	23.52%	1	252	89.67%	6	
	10.00 to < 20.00	*244*	*209*	*33%*	*223*	*12.37%*	*79*	*25.83%*	*1*	*222*	*99.54%*	*5*	
	20.00 to < 30.00	*34*	*16*	*27%*	*56*	*23.00%*	*16*	*14.48%*	*3*	*30*	*53.25%*	*1*	
	30.00 to < 100.00	*-*	*-*		*2*	*34.67%*	*2*	*20.00%*	*2*	*0*	*9.25%*	*0*	
	100.00 (default)	45	0	20%	171	100.00%	17	10.03%	4	63	36.68%	10	
	Subtotal	**32,932**	**13,155**	**64%**	**40,010**	**0.80%**	**6,228**	**15.62%**	**2**	**3,790**	**9.47%**	**35**	**(43)**
Corporate – SME	0.00 to < 0.15	897	481	75%	1,103	0.10%	1,924	33.65%	3	198	17.92%	0	
	0.00 to < 0.10	*310*	*181*	*97%*	*440*	*0.05%*	*1,091*	*31.55%*	*3*	*61*	*13.74%*	*0*	
	0.10 to < 0.15	*587*	*300*	*61%*	*662*	*0.13%*	*833*	*35.04%*	*3*	*137*	*20.70%*	*0*	
	0.15 to < 0.25	4,444	634	87%	4,804	0.20%	2,998	12.65%	1	350	7.29%	1	
	0.25 to < 0.50	709	729	64%	834	0.31%	8,412	62.64%	4	489	58.63%	2	
	0.50 to < 0.75	3,007	1,365	64%	3,145	0.53%	7,805	34.50%	3	1,301	41.35%	6	
	0.75 to < 2.50	10,386	2,182	70%	10,079	1.54%	21,289	28.57%	4	5,281	52.40%	50	
	0.75 to < 1.75	*6,386*	*1,135*	*70%*	*6,244*	*1.18%*	*11,522*	*27.06%*	*4*	*3,119*	*49.95%*	*20*	
	1.75 to < 2.50	*4,000*	*1,047*	*71%*	*3,834*	*2.12%*	*9,767*	*31.03%*	*3*	*2,163*	*56.40%*	*30*	
	2.50 to < 10.00	9,036	1,253	74%	7,629	4.55%	23,213	32.87%	3	6,116	80.17%	114	
	2.50 to < 5.00	*6,873*	*1,017*	*75%*	*5,972*	*3.69%*	*18,170*	*33.05%*	*3*	*4,662*	*78.07%*	*74*	
	5.00 to < 10.00	*2,163*	*236*	*70%*	*1,657*	*7.64%*	*5,043*	*32.21%*	*3*	*1,454*	*87.71%*	*40*	
	10.00 to < 100.00	2,780	226	65%	2,077	15.57%	7,997	32.10%	3	2,309	111.17%	106	
	10.00 to < 20.00	*2,032*	*162*	*66%*	*1,537*	*12.31%*	*5,384*	*31.97%*	*3*	*1,633*	*106.24%*	*62*	
	20.00 to < 30.00	*658*	*55*	*63%*	*493*	*24.00%*	*2,001*	*31.62%*	*3*	*602*	*122.06%*	*37*	
	30.00 to < 100.00	*90*	*10*	*57%*	*47*	*33.73%*	*612*	*41.48%*	*2*	*74*	*157.98%*	*6*	
	100.00 (default)	1,758	201	49%	1,658	100.00%	6,163	47.32%	2	3,035	183.06%	818	
	Subtotal	**33,018**	**7,071**	**70%**	**31,329**	**8.02%**	**79,801**	**30.08%**	**3**	**19,079**	**60.90%**	**1,096**	**(1,190)**

(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provi-sions
	30.06.2021												
Corporate – Specialised lending	0.00 to < 0.15	5,364	2,879	47%	6,479	0.09%	630	16.69%	2	743	11.46%	1	
	0.00 to < 0.10	2,346	1,898	48%	3,202	0.05%	524	15.64%	2	379	11.84%	0	
	0.10 to < 0.15	3,018	981	45%	3,278	0.13%	106	17.72%	2	364	11.09%	1	
	0.15 to < 0.25	-	-		-		-		-	-		-	
	0.25 to < 0.50	5,666	2,623	45%	6,095	0.27%	260	16.20%	3	1,020	16.74%	2	
	0.50 to < 0.75	8,336	2,896	44%	8,615	0.53%	977	13.74%	4	1,884	21.88%	6	
	0.75 to < 2.50	16,143	7,884	43%	17,460	1.54%	1,206	16.07%	3	5,909	33.84%	40	
	0.75 to < 1.75	10,245	5,156	43%	10,764	1.14%	606	15.27%	3	3,502	32.54%	18	
	1.75 to < 2.50	5,898	2,728	43%	6,697	2.17%	600	17.36%	3	2,406	35.93%	22	
	2.50 to < 10.00	9,085	3,286	46%	8,531	4.52%	885	14.99%	3	3,743	43.87%	46	
	2.50 to < 5.00	6,985	2,463	44%	6,793	3.78%	733	13.48%	3	2,924	43.05%	30	
	5.00 to < 10.00	2,100	823	51%	1,737	7.43%	152	20.89%	2	818	47.10%	16	
	10.00 to < 100.00	1,134	245	56%	1,187	15.25%	147	14.58%	4	717	60.40%	25	
	10.00 to < 20.00	706	122	51%	806	12.10%	107	13.85%	4	470	58.30%	14	
	20.00 to < 30.00	428	123	61%	381	21.89%	40	16.13%	3	247	64.84%	11	
	30.00 to < 100.00	-	-		-		-		-	-		-	
	100.00 (default)	1,360	79	73%	1,175	100.00%	105	56.02%	2	891	75.82%	577	
	Subtotal	**47,089**	**19,892**	**45%**	**49,542**	**4.20%**	**4,210**	**16.49%**	**3**	**14,906**	**30.09%**	**697**	**(780)**
Corporate – Other	0.00 to < 0.15	27,729	84,757	50%	63,872	0.07%	5,576	33.77%	2	10,573	16.55%	15	
	0.00 to < 0.10	18,915	57,752	50%	43,278	0.04%	3,874	34.31%	2	5,621	12.99%	6	
	0.10 to < 0.15	8,813	27,005	49%	20,594	0.13%	1,702	32.65%	2	4,952	24.04%	9	
	0.15 to < 0.25	42	14	27%	42	0.16%	62	34.96%	2	10	23.66%	0	
	0.25 to < 0.50	10,051	20,547	44%	17,734	0.26%	2,231	30.26%	2	6,022	33.96%	13	
	0.50 to < 0.75	8,757	13,863	42%	13,068	0.50%	3,158	29.68%	2	5,966	45.65%	19	
	0.75 to < 2.50	18,311	15,658	45%	21,833	1.60%	7,397	42.04%	2	12,295	56.32%	82	
	0.75 to < 1.75	8,542	9,450	43%	11,324	1.11%	3,920	26.03%	2	5,713	50.45%	29	
	1.75 to < 2.50	9,769	6,208	49%	10,508	2.13%	3,477	59.30%	2	6,582	62.64%	53	
	2.50 to < 10.00	17,059	9,578	53%	18,770	4.63%	10,954	30.50%	2	18,789	100.10%	234	
	2.50 to < 5.00	13,633	7,845	49%	14,512	3.71%	8,762	29.86%	2	14,279	98.40%	152	
	5.00 to < 10.00	3,425	1,733	70%	4,259	7.75%	2,192	32.70%	2	4,511	105.92%	83	
	10.00 to < 100.00	6,113	2,868	57%	4,141	15.04%	3,041	32.36%	2	5,801	140.08%	175	
	10.00 to < 20.00	3,921	1,809	59%	3,019	12.34%	2,090	33.70%	2	4,168	138.08%	109	
	20.00 to < 30.00	2,171	1,050	54%	1,103	22.10%	934	28.65%	2	1,603	145.26%	63	
	30.00 to < 100.00	21	9	50%	19	34.72%	17	34.70%	2	30	156.20%	2	
	100.00 (default)	2,640	497	46%	2,363	100.00%	1,686	48.96%	2	2,805	118.72%	1,206	
	Subtotal	**90,702**	**147,782**	**48%**	**141,822**	**3.07%**	**34,105**	**34.01%**	**2**	**62,261**	**43.90%**	**1,744**	**(2,061)**
Retail – Secured by real estate SME	0.00 to < 0.15	25	7	100%	32	0.04%	15,895	13.37%		0	0.58%	0	
	0.00 to < 0.10	25	7	100%	32	0.04%	15,895	13.37%		0	0.58%	0	
	0.10 to < 0.15	-	-		-		-			-		-	
	0.15 to < 0.25	1	-		1	0.23%	20	13.62%		0	4.93%	0	
	0.25 to < 0.50	840	14	100%	853	0.27%	4,862	16.19%		56	6.56%	0	
	0.50 to < 0.75	1,753	24	100%	1,777	0.62%	30	9.83%		122	6.84%	1	
	0.75 to < 2.50	2,252	29	100%	2,281	1.04%	12,528	14.46%		335	14.68%	3	
	0.75 to < 1.75	2,252	29	100%	2,280	1.04%	9,897	14.46%		335	14.69%	3	
	1.75 to < 2.50	1	-		1	2.09%	2,631	5.29%		0	8.58%	0	
	2.50 to < 10.00	528	6	100%	535	2.78%	171	14.88%		151	28.33%	2	
	2.50 to < 5.00	501	6	100%	507	2.56%	9	14.80%		138	27.12%	2	
	5.00 to < 10.00	27	0	100%	27	6.92%	162	16.28%		14	50.87%	0	
	10.00 to < 100.00	191	3	100%	194	15.55%	611	9.54%		78	40.21%	3	
	10.00 to < 20.00	176	3	100%	179	14.59%	529	8.97%		66	37.15%	2	
	20.00 to < 30.00	15	0	100%	15	26.83%	82	16.19%		12	76.27%	1	
	30.00 to < 100.00	-	-		-		-			-		-	
	100.00 (default)	159	1	98%	159	100.00%	666	30.90%		214	134.57%	37	
	Subtotal	**5,751**	**83**	**100%**	**5,833**	**4.13%**	**34,783**	**13.62%**		**956**	**16.39%**	**47**	**(42)**

	30.06.2021												
(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provi-sions
Retail – Secured by real estate non-SME	0.00 to < 0.15	31,793	1,234	99%	33,005	0.06%	538,133	13.84%		807	2.45%	3	(0)
	0.00 to < 0.10	31,793	1,234	99%	33,005	0.06%	538,129	13.84%		807	2.45%	3	(0)
	0.10 to < 0.15	0	0	100%	0	0.14%	4	19.59%		0	7.70%	0	(0)
	0.15 to < 0.25	26,935	765	100%	27,556	0.22%	86,982	14.44%		1,787	6.49%	9	(1)
	0.25 to < 0.50	8,230	311	95%	8,339	0.41%	8,841	17.55%		1,050	12.59%	6	(3)
	0.50 to < 0.75	12,907	612	100%	13,336	0.62%	120,733	10.78%		1,347	10.10%	9	(1)
	0.75 to < 2.50	14,275	555	90%	14,658	1.58%	69,693	11.74%		2,964	20.22%	23	(13)
	0.75 to < 1.75	6,698	385	87%	6,940	1.03%	60,659	17.78%		1,960	28.24%	13	(8)
	1.75 to < 2.50	7,577	169	97%	7,718	2.08%	9,034	6.30%		1,004	13.01%	10	(5)
	2.50 to < 10.00	5,609	135	95%	5,716	4.94%	30,560	12.11%		2,245	39.28%	32	(51)
	2.50 to < 5.00	3,056	90	93%	3,125	3.28%	23,892	14.92%		1,306	41.79%	15	(23)
	5.00 to < 10.00	2,553	44	99%	2,591	6.94%	6,668	8.72%		940	36.27%	17	(29)
	10.00 to < 100.00	938	16	100%	950	17.76%	4,496	9.26%		499	52.49%	17	(19)
	10.00 to < 20.00	808	14	100%	821	16.10%	1,681	8.73%		405	49.32%	12	(14)
	20.00 to < 30.00	107	1	100%	107	24.41%	2,801	11.32%		72	67.28%	3	(3)
	30.00 to < 100.00	23	0	100%	22	47.30%	14	18.84%		22	98.77%	2	(2)
	100.00 (default)	982	3	90%	971	100.00%	7,807	28.85%		861	88.67%	246	(256)
	Subtotal	**101,670**	**3,629**	**98%**	**104,531**	**1.77%**	**867,245**	**13.61%**		**11,561**	**11.06%**	**344**	**(343)**
Retail – Qualifying revolving	0.00 to < 0.15	77	1,193	59%	648	0.10%	371,648	43.14%		45	6.96%	0	(0)
	0.00 to < 0.10	16	142	64%	202	0.07%	163,969	51.69%		33	16.22%	0	(0)
	0.10 to < 0.15	61	1,051	59%	446	0.11%	207,679	39.27%		12	2.77%	0	(0)
	0.15 to < 0.25	-	252	66%	106	0.24%	198,321	34.55%		5	4.44%	0	(0)
	0.25 to < 0.50	85	196	59%	318	0.42%	179,188	48.83%		32	10.04%	1	(0)
	0.50 to < 0.75	104	545	56%	306	0.60%	355,692	35.63%		89	29.10%	3	(2)
	0.75 to < 2.50	307	414	59%	698	1.41%	474,698	42.34%		167	23.97%	4	(5)
	0.75 to < 1.75	114	227	66%	437	1.13%	305,264	46.68%		107	24.57%	2	(1)
	1.75 to < 2.50	194	187	50%	261	1.89%	169,434	35.08%		60	22.97%	2	(4)
	2.50 to < 10.00	603	231	61%	1,218	4.72%	807,030	45.93%		522	42.83%	21	(17)
	2.50 to < 5.00	275	150	63%	671	3.11%	440,520	45.56%		199	29.66%	6	(6)
	5.00 to < 10.00	328	81	59%	547	6.69%	366,510	46.39%		323	58.97%	15	(11)
	10.00 to < 100.00	337	25	63%	396	21.70%	355,150	42.77%		407	102.86%	33	(27)
	10.00 to < 20.00	220	22	63%	272	14.38%	221,332	44.84%		289	106.28%	18	(11)
	20.00 to < 30.00	26	2	74%	27	25.12%	34,271	38.63%		5	19.02%	1	(2)
	30.00 to < 100.00	91	2	58%	97	41.30%	99,547	38.10%		113	116.79%	15	(13)
	100.00 (default)	294	5	19%	294	100.00%	170,763	61.58%		144	48.80%	189	(189)
	Subtotal	**1,807**	**2,861**	**59%**	**3,983**	**11.34%**	**2,912,490**	**44.83%**		**1,410**	**35.41%**	**251**	**(240)**
Retail – Other SME	0.00 to < 0.15	93	8	16%	95	0.07%	262	14.54%		2	2.63%	0	(0)
	0.00 to < 0.10	84	1	100%	86	0.06%	212	11.41%		2	1.78%	0	(0)
	0.10 to < 0.15	9	7	0%	9	0.13%	50	43.82%		1	10.61%	0	(0)
	0.15 to < 0.25	15	6	22%	15	0.24%	159	31.26%		2	11.55%	0	(0)
	0.25 to < 0.50	2,948	469	55%	3,147	0.38%	24,853	18.39%		287	9.13%	2	(4)
	0.50 to < 0.75	2,894	32	95%	2,919	0.57%	122,792	19.51%		427	14.63%	3	(4)
	0.75 to < 2.50	9,363	589	70%	9,717	1.43%	158,687	22.91%		2,331	23.99%	35	(34)
	0.75 to < 1.75	7,804	448	71%	8,080	1.31%	65,562	21.99%		1,676	20.74%	24	(23)
	1.75 to < 2.50	1,559	141	67%	1,638	2.03%	93,125	27.43%		655	40.00%	10	(11)
	2.50 to < 10.00	4,213	199	71%	4,339	5.01%	105,395	24.52%		1,724	39.74%	57	(59)
	2.50 to < 5.00	2,236	131	63%	2,308	3.62%	82,769	23.52%		898	38.90%	23	(18)
	5.00 to < 10.00	1,977	68	87%	2,032	6.59%	22,626	25.66%		826	40.68%	34	(42)
	10.00 to < 100.00	1,095	101	80%	1,173	18.83%	36,945	26.44%		591	50.33%	61	(101)
	10.00 to < 20.00	765	71	77%	822	13.41%	21,713	25.55%		364	44.27%	29	(67)
	20.00 to < 30.00	175	23	86%	191	25.37%	7,931	31.97%		142	74.14%	16	(14)
	30.00 to < 100.00	154	6	84%	160	38.83%	7,301	24.38%		85	52.99%	15	(21)
	100.00 (default)	1,281	14	16%	1,277	100.00%	40,721	43.13%		519	40.67%	700	(700)
	Subtotal	**21,902**	**1,419**	**65%**	**22,682**	**8.30%**	**489,814**	**23.44%**		**5,883**	**25.94%**	**858**	**(903)**

	30.06.2021												
(In EURm)	**PD scale**	**Original on-balance sheet gross exposure**	**Off-balance sheet exposures pre CCF**	**Average CCF**	**EAD post CRM and post-CCF**	**Average PD**	**Number of obligors**	**Average LGD**	**Average maturity**	**RWA**	**RWA density**	**EL**	**Value adjust-ments and Provi-sions**
Retail – Other non-SME	0.00 to < 0.15	1,882	233	19%	1,919	0.09%	16,952	17.98%		85	4.41%	0	(0)
	0.00 to < 0.10	*1,571*	*40*	*100%*	*1,611*	*0.09%*	*4,274*	*15.98%*		*61*	*3.81%*	*0*	*(0)*
	0.10 to < 0.15	*311*	*193*	*2%*	*309*	*0.10%*	*12,678*	*28.39%*		*23*	*7.54%*	*0*	*(0)*
	0.15 to < 0.25	6,679	1,168	99%	7,834	0.20%	66,366	13.48%		441	5.63%	2	(4)
	0.25 to < 0.50	4,245	567	88%	4,735	0.40%	204,571	34.00%		1,020	21.54%	6	(11)
	0.50 to < 0.75	2,462	134	100%	2,596	0.61%	343,587	35.62%		777	29.95%	6	(10)
	0.75 to < 2.50	7,975	821	91%	8,696	1.36%	441,763	32.69%		3,376	38.82%	39	(42)
	0.75 to < 1.75	*6,088*	*748*	*90%*	*6,735*	*1.15%*	*326,068*	*31.33%*		*2,372*	*35.22%*	*24*	*(28)*
	1.75 to < 2.50	*1,887*	*73*	*100%*	*1,961*	*2.06%*	*115,695*	*37.36%*		*1,004*	*51.18%*	*15*	*(14)*
	2.50 to < 10.00	5,167	349	91%	5,482	4.24%	332,678	34.77%		3,000	54.73%	82	(76)
	2.50 to < 5.00	*3,672*	*314*	*91%*	*3,956*	*3.30%*	*280,330*	*33.25%*		*2,049*	*51.79%*	*44*	*(38)*
	5.00 to < 10.00	*1,495*	*35*	*90%*	*1,526*	*6.68%*	*52,348*	*38.71%*		*952*	*62.36%*	*38*	*(38)*
	10.00 to < 100.00	1,160	31	47%	1,175	24.96%	127,276	34.24%		912	77.64%	93	(108)
	10.00 to < 20.00	*566*	*28*	*42%*	*578*	*13.73%*	*54,605*	*39.21%*		*451*	*77.90%*	*31*	*(37)*
	20.00 to < 30.00	*218*	*2*	*100%*	*221*	*23.67%*	*44,015*	*32.89%*		*182*	*82.40%*	*17*	*(21)*
	30.00 to < 100.00	*376*	*0*	*99%*	*376*	*43.02%*	*28,656*	*27.37%*		*280*	*74.44%*	*45*	*(50)*
	100.00 (default)	1,608	8	81%	1,613	100.00%	143,094	51.00%		442	27.39%	937	(937)
	Subtotal	**31,179**	**3,310**	**88%**	**34,049**	**6.78%**	**1,676,287**	**29.10%**		**10,052**	**29.52%**	**1,165**	**(1,188)**
TOTAL		**589,316**	**204,202**	**52%**	**681,274**	**2.70%**	**6,121,937**	**16.37%**		**136,231**	**20.00%**	**6,359**	**(6,890)**

(In EURm)	PD scale[1]	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD[1]	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provi-sions
		31.12.2020										
Central governments and central banks	0.00 to < 0.15	215,434	3,033	67%	250,956	0.02%	1.98%	1.18	2,083	1%	2	
	0.15 to < 0.25	-	-		-				-		-	
	0.25 to < 0.50	727	0	20%	3,234	0.26%	17.80%	2.79	719	22%	1	
	0.50 to < 0.75	11,990	150	75%	1,454	0.50%	32.58%	2.52	879	60%	2	
	0.75 to < 2.50	1,078	593	75%	2,526	1.76%	22.75%	2.60	1,206	48%	23	
	2.50 to < 10.00	2,928	1,317	68%	867	5.43%	23.86%	2.22	753	87%	12	
	10.00 to < 100.00	628	248	84%	362	11.65%	22.46%	1.99	386	107%	10	
	100.00 (default)	97	0	75%	62	100.00%	81.31%	1.12	4	7%	68	
	Subtotal	**232,882**	**5,341**	**69%**	**259,461**	**0.10%**	**2.67%**	**1.23**	**6,029**	**2%**	**120**	**(101)**
Institutions	0.00 to < 0.15	23,624	8,925	64%	36,845	0.04%	11.52%	2.47	1,667	5%	2	
	0.15 to < 0.25	-	-		-				-		-	
	0.25 to < 0.50	492	413	58%	797	0.26%	22.52%	1.54	175	22%	0	
	0.50 to < 0.75	6,993	3,723	23%	1,987	0.28%	14.12%	1.97	436	22%	1	
	0.75 to < 2.50	2,435	796	50%	1,135	1.58%	20.50%	1.54	645	57%	4	
	2.50 to < 10.00	1,559	629	52%	1,197	3.97%	24.09%	1.83	1,023	85%	13	
	10.00 to < 100.00	215	212	36%	178	14.28%	8.54%	1.05	257	144%	7	
	100.00 (default)	52	2	26%	31	100.00%	25.67%	3.04	55	176%	7	
	Subtotal	**35,370**	**14,699**	**52%**	**42,170**	**0.34%**	**12.51%**	**2.38**	**4,259**	**10%**	**35**	**(78)**
Corporate – SME	0.00 to < 0.15	852	486	53%	1,345	0.09%	36.31%	2.41	484	36%	3	
	0.15 to < 0.25	3,984	644	88%	3,482	0.20%	12.86%	2.23	305	9%	1	
	0.25 to < 0.50	1,484	848	52%	1,616	0.28%	36.74%	2.52	492	30%	2	
	0.50 to < 0.75	1,763	1,162	49%	2,965	0.53%	34.63%	2.77	1,272	43%	5	
	0.75 to < 2.50	10,617	1,771	53%	9,050	1.51%	28.78%	3.48	5,163	57%	40	
	2.50 to < 10.00	9,290	1,402	59%	8,302	4.53%	32.69%	2.86	6,483	78%	122	
	10.00 to < 100.00	3,000	248	54%	2,380	16.33%	30.66%	2.76	2,592	109%	118	
	100.00 (default)	1,799	226	47%	1,796	100.00%	37.38%	2.23	2,320	129%	846	
	Subtotal	**32,790**	**6,787**	**56%**	**30,937**	**8.81%**	**29.98%**	**2.88**	**19,111**	**62%**	**1,137**	**(1,213)**
Corporate – Specialised lending	0.00 to < 0.15	4,300	2,494	43%	9,549	0.07%	20.08%	3.00	1,331	14%	1	
	0.15 to < 0.25	-	-		-				-		-	
	0.25 to < 0.50	4,030	1,804	49%	4,523	0.26%	14.04%	2.97	733	16%	2	
	0.50 to < 0.75	7,509	2,823	44%	8,848	0.50%	13.27%	3.54	1,977	22%	6	
	0.75 to < 2.50	15,885	6,990	40%	14,026	1.49%	14.69%	3.25	5,452	39%	38	
	2.50 to < 10.00	8,415	2,865	38%	6,027	4.28%	13.95%	2.63	2,983	49%	45	
	10.00 to < 100.00	1,077	147	41%	468	15.06%	20.59%	3.38	478	102%	17	
	100.00 (default)	1,367	90	79%	1,179	100.00%	39.81%	2.21	624	53%	594	
	Subtotal	**42,583**	**17,214**	**42%**	**44,619**	**3.98%**	**16.12%**	**3.12**	**13,577**	**30%**	**703**	**(820)**
Corporate – Other	0.00 to < 0.15	18,971	80,335	46%	62,789	0.07%	35.15%	2.27	12,244	20%	16	
	0.15 to < 0.25	44	10	33%	19	0.16%	37.90%	2.07	5	28%	0	
	0.25 to < 0.50	7,602	20,891	47%	16,681	0.26%	31.41%	2.31	5,864	35%	16	
	0.50 to < 0.75	18,168	10,145	60%	12,037	0.50%	30.41%	2.21	5,600	47%	22	
	0.75 to < 2.50	18,216	16,007	48%	21,355	1.52%	25.31%	2.11	12,567	59%	92	
	2.50 to < 10.00	17,080	8,934	46%	16,847	4.39%	30.17%	2.26	16,345	97%	241	
	10.00 to < 100.00	4,678	1,951	43%	3,285	15.14%	31.92%	2.02	5,007	152%	155	
	100.00 (default)	2,770	3,120	9%	2,595	100.00%	36.01%	1.82	2,117	82%	1,337	
	Subtotal	**87,530**	**141,392**	**47%**	**135,609**	**3.17%**	**32.00%**	**2.23**	**59,749**	**44%**	**1,880**	**(2,171)**
Retail – Secured by real estate SME	0.00 to < 0.15	26	7	100%	79	0.03%	11.94%		27	34%	0	
	0.15 to < 0.25	3	-		3	0.21%	13.65%		0	6%	0	
	0.25 to < 0.50	824	10	100%	833	0.27%	16.19%		55	7%	0	
	0.50 to < 0.75	1,641	25	100%	1,666	0.62%	9.76%		155	9%	1	
	0.75 to < 2.50	2,376	33	100%	2,409	1.09%	14.12%		362	15%	4	
	2.50 to < 10.00	648	11	100%	659	2.92%	14.80%		190	29%	3	
	10.00 to < 100.00	236	3	100%	240	15.64%	9.83%		106	44%	4	
	100.00 (default)	133	1	85%	87	100.00%	40.01%		142	164%	24	
	Subtotal	**5,887**	**90**	**100%**	**5,976**	**3.05%**	**13.44%**		**1,037**	**17%**	**36**	**(31)**

		31.12.2020										
(In EURm)	PD scale[1]	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD[1]	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provi-sions
Retail – Secured by real estate non-SME	0.00 to < 0.15	28,108	1,100	100%	29,795	0.06%	13.81%		2,102	7%	3	
	0.15 to < 0.25	24,934	653	89%	25,500	0.22%	14.41%		1,646	6%	8	
	0.25 to < 0.50	8,066	235	73%	8,128	0.41%	17.42%		1,014	12%	6	
	0.50 to < 0.75	11,883	437	84%	12,673	0.62%	10.64%		1,263	10%	8	
	0.75 to < 2.50	20,746	691	85%	20,843	1.45%	10.35%		3,547	17%	28	
	2.50 to < 10.00	6,427	129	93%	6,530	4.80%	12.37%		2,607	40%	36	
	10.00 to < 100.00	998	16	99%	1,010	18.16%	9.55%		546	54%	19	
	100.00 (default)	1,379	3	83%	783	100.00%	40.96%		1,569	200%	253	
	Subtotal	**102,540**	**3,265**	**90%**	**105,261**	**1.68%**	**13.24%**		**14,294**	**14%**	**361**	**(351)**
Retail – Qualifying revolving	0.00 to < 0.15	77	1,153	38%	618	0.10%	42.83%		19	3%	0	
	0.15 to < 0.25		251	40%	100	0.23%	35.31%		4	4%	0	
	0.25 to < 0.50	91	195	38%	313	0.41%	48.36%		31	10%	1	
	0.50 to < 0.75	106	555	36%	307	0.60%	35.90%		30	10%	1	
	0.75 to < 2.50	353	497	37%	760	1.47%	43.37%		174	23%	5	
	2.50 to < 10.00	656	253	37%	1,236	4.78%	45.23%		803	65%	27	
	10.00 to < 100.00	365	29	37%	430	21.45%	42.73%		466	108%	38	
	100.00 (default)	300	7	7%	300	100.00%	64.59%		213	71%	182	
	Subtotal	**1,948**	**2,940**	**37%**	**4,064**	**11.48%**	**44.97%**		**1,740**	**43%**	**253**	**(235)**
Retail – Other SME	0.00 to < 0.15	85	7	16%	89	0.06%	14.59%		184	207%	0	
	0.15 to < 0.25	16	7	6%	17	0.23%	29.09%		2	11%	0	
	0.25 to < 0.50	3,125	438	39%	3,296	0.38%	18.30%		298	9%	2	
	0.50 to < 0.75	2,989	29	73%	2,969	0.57%	19.54%		363	12%	3	
	0.75 to < 2.50	9,338	524	52%	9,618	1.45%	22.97%		2,069	22%	33	
	2.50 to < 10.00	4,183	202	55%	4,304	4.87%	24.73%		1,648	38%	53	
	10.00 to < 100.00	1,008	109	54%	1,089	20.09%	26.92%		496	46%	58	
	100.00 (default)	1,472	13	9%	1,469	100.00%	41.78%		595	41%	819	
	Subtotal	**22,215**	**1,330**	**48%**	**22,850**	**9.04%**	**23.55%**		**5,654**	**25%**	**968**	**(1,007)**
Retail – Other non-SME	0.00 to < 0.15	1,698	165	23%	1,738	0.09%	17.52%		89	5%	0	
	0.15 to < 0.25	6,678	981	99%	6,717	0.20%	13.69%		384	6%	2	
	0.25 to < 0.50	4,562	548	90%	5,015	0.38%	31.13%		984	20%	6	
	0.50 to < 0.75	1,414	98	99%	2,453	0.62%	36.21%		759	31%	6	
	0.75 to < 2.50	7,924	370	82%	8,205	1.37%	33.17%		3,253	40%	38	
	2.50 to < 10.00	5,490	241	78%	5,676	4.24%	34.16%		3,081	54%	83	
	10.00 to < 100.00	1,241	20	90%	1,257	24.90%	34.52%		993	79%	103	
	100.00 (default)	1,825	10	72%	1,829	100.00%	47.73%		400	22%	1,044	
	Subtotal	**30,832**	**2,433**	**88%**	**32,891**	**7.74%**	**29.31%**		**9,943**	**30%**	**1,281**	**(1,302)**
TOTAL		**594,577**	**195,491**	**49%**	**683,838**	**2.37%**	**15.16%**		**135,393**	**20%**	**6,773**	**(7,307)**

(1) PD taking into account substitution and reduction effects as at 31 December 2020.

TABLE 37: INTERNAL APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (CR6) – FIRB

		30.06.2021												
(In EURm)	PD scale	On-balance sheet exposures	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD *(%)*	Exposure weighted average maturity (years)	RWA after SME supporting factor	Density of RWA	Expected loss amount	Value adjustments and provisions
Central governments and central banks	0.00 to < 0.15	49	0	100%	49	0.01%	553	43.35%	3	5	9.39%	0	
	0.00 to < 0.10	*49*	*0*	*100%*	*49*	*0.01%*	*553*	*43.35%*	*3*	*5*	*9.39%*	*0*	
	0.10 to < 0.15	-	-		-		-		-	-		-	
	0.15 to < 0.25	-	-		0	0.16%	1	40.00%	3	0	6.58%	-	
	0.25 to < 0.50	-	-		-		-		-	-		-	
	0.50 to < 0.75	-	-		0	0.63%	1	42.22%	3	0	6.94%	-	
	0.75 to < 2.50	4	-		5	1.14%	62	15.36%	3	0	2.55%	0	
	0.75 to < 1.75	*4*	-		*5*	*1.11%*	*60*	*14.42%*	*3*	*0*	*2.39%*	*0*	
	1.75 to < 2.50	-	-		*0*	*2.12%*	*2*	*41.62%*	*3*	*0*	*7.06%*	*0*	
	2.50 to < 10.00	-	-		7	4.51%	85	41.99%	3	1	7.34%	0	
	2.50 to < 5.00	-	-		*5*	*3.37%*	*60*	*41.87%*	*3*	*0*	*7.41%*	*0*	
	5.00 to < 10.00	-	-		*2*	*7.28%*	*25*	*42.28%*	*3*	*0*	*7.16%*	*0*	
	10.00 to < 100.00	-	-		2	14.76%	25	42.03%	3	0	7.50%	0	
	10.00 to < 20.00	-	-		*2*	*11.97%*	*20*	*42.14%*	*3*	*0*	*7.64%*	*0*	
	20.00 to < 30.00	-	-		*1*	*23.29%*	*4*	*41.57%*	*3*	*0*	*6.97%*	*0*	
	30.00 to < 100.00	-	-		*0*	*34.15%*	*1*	*42.97%*	*3*	*0*	*8.30%*	-	
	100.00 (default)	-	-		2	100.00%	18	42.04%	3	0	9.07%	0	
	Subtotal	**52**	**0**	**100%**	**66**	**3.56%**	**745**	**40.78%**	**3**	**6**	**8.51%**	**0**	**(0)**
Institutions	0.00 to < 0.15	3	-		3	0.02%	26	44.12%	3	1	25.95%	0	
	0.00 to < 0.10	*3*	-		*3*	*0.02%*	*23*	*44.16%*	*3*	*1*	*25.58%*	*0*	
	0.10 to < 0.15	*0*	-		*0*	*0.13%*	*3*	*42.82%*	*3*	*0*	*39.72%*	*0*	
	0.15 to < 0.25	-	-		-		-		-	-		-	
	0.25 to < 0.50	0	-		0	0.26%	2	44.30%	3	0	52.36%	0	
	0.50 to < 0.75	-	-		-		-		-	-		-	
	0.75 to < 2.50	0	-		0	2.12%	1	41.43%	3	0	113.99%	0	
	0.75 to < 1.75	-	-		-		-		-	-		-	
	1.75 to < 2.50	*0*	-		*0*	*2.12%*	*1*	*41.43%*	*3*	*0*	*113.99%*	*0*	
	2.50 to < 10.00	0	-		0	3.26%	4	41.36%	3	0	136.39%	0	
	2.50 to < 5.00	*0*	-		*0*	*3.26%*	*4*	*41.36%*	*3*	*0*	*136.39%*	*0*	
	5.00 to < 10.00	-	-		-		-		-	-		-	
	10.00 to < 100.00	0	-		0	20.44%	1	40.00%	3	0	225.37%	0	
	10.00 to < 20.00	-	-		-		-		-	-		-	
	20.00 to < 30.00	*0*	-		*0*	*20.44%*	*1*	*40.00%*	*3*	*0*	*225.37%*	*0*	
	30.00 to < 100.00	-	-		-		-		-	-		-	
	100.00 (default)	-	-		-		-		-	-		-	
	Subtotal	**3**	**-**		**3**	**0.10%**	**34**	**44.06%**	**3**	**1**	**29.29%**	**0**	**(0)**
Corporate – SME	0.00 to < 0.15	54	4	100%	57	0.12%	310	41.41%	3	13	22.37%	0	
	0.00 to < 0.10	*5*	-		*5*	*0.04%*	*10*	*41.11%*	*3*	*1*	*15.87%*	*0*	
	0.10 to < 0.15	*49*	*4*	*100%*	*53*	*0.13%*	*300*	*41.44%*	*3*	*12*	*22.98%*	*0*	
	0.15 to < 0.25	59	7	100%	64	0.16%	317	41.30%	3	16	24.78%	0	
	0.25 to < 0.50	114	15	100%	126	0.29%	558	41.58%	3	46	36.46%	0	
	0.50 to < 0.75	242	22	100%	257	0.54%	1,246	41.31%	3	122	47.40%	1	
	0.75 to < 2.50	649	52	100%	687	1.55%	3,651	41.64%	3	453	65.95%	4	
	0.75 to < 1.75	*400*	*32*	*100%*	*423*	*1.20%*	*1,984*	*41.62%*	*3*	*261*	*61.76%*	*2*	
	1.75 to < 2.50	*249*	*20*	*100%*	*264*	*2.12%*	*1,667*	*41.66%*	*3*	*192*	*72.67%*	*2*	
	2.50 to < 10.00	763	43	100%	786	4.54%	4,926	41.65%	3	668	84.97%	13	
	2.50 to < 5.00	*557*	*33*	*100%*	*578*	*3.54%*	*4,013*	*41.76%*	*3*	*459*	*79.48%*	*7*	
	5.00 to < 10.00	*206*	*10*	*100%*	*208*	*7.30%*	*913*	*41.33%*	*3*	*209*	*100.20%*	*6*	
	10.00 to < 100.00	198	2	100%	198	15.93%	1,564	41.06%	3	256	129.45%	12	
	10.00 to < 20.00	*137*	*1*	*100%*	*137*	*12.10%*	*1,041*	*40.87%*	*3*	*177*	*129.16%*	*7*	
	20.00 to < 30.00	*53*	*0*	*100%*	*53*	*22.96%*	*499*	*41.69%*	*3*	*67*	*126.19%*	*4*	
	30.00 to < 100.00	*8*	*0*	*100%*	*8*	*33.88%*	*24*	*40.21%*	*3*	*13*	*154.89%*	*1*	
	100.00 (default)	99	1	100%	98	100.00%	945	42.78%	3	2	1.80%	42	
	Subtotal	**2,179**	**146**	**100%**	**2,274**	**7.82%**	**13,517**	**41.59%**	**3**	**1,576**	**69.30%**	**71**	**(75)**

		30.06.2021												
(In EURm)	PD scale	On-balance sheet exposures	Off-balance sheet exposures pre CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD *(%)*	Exposure weighted average maturity (years)	RWA after SME supporting factor	Density of RWA	Expected loss amount	Value adjust-ments and provi-sions
Corporate – Other	0.00 to < 0.15	1,030	8	100%	1,036	0.08%	570	41.85%	3	244	23.51%	0	
	0.00 to < 0.10	*782*	*2*	*100%*	*783*	*0.06%*	*330*	*41.64%*	*3*	*163*	*20.79%*	*0*	
	0.10 to < 0.15	*249*	*6*	*100%*	*253*	*0.13%*	*240*	*42.50%*	*3*	*81*	*31.92%*	*0*	
	0.15 to < 0.25	5	0	100%	5	0.17%	15	40.48%	3	1	27.70%	0	
	0.25 to < 0.50	204	7	100%	209	0.26%	335	41.46%	3	99	47.27%	0	
	0.50 to < 0.75	472	13	100%	483	0.51%	545	42.14%	3	322	66.70%	1	
	0.75 to < 2.50	683	27	100%	702	1.65%	1,565	41.64%	3	675	96.14%	5	
	0.75 to < 1.75	*326*	*13*	*100%*	*334*	*1.14%*	*804*	*41.62%*	*3*	*280*	*83.93%*	*1*	
	1.75 to < 2.50	*358*	*14*	*100%*	*368*	*2.12%*	*761*	*41.65%*	*3*	*395*	*107.20%*	*3*	
	2.50 to < 10.00	746	21	100%	764	4.72%	2,655	41.35%	3	1,008	131.95%	15	
	2.50 to < 5.00	*540*	*17*	*100%*	*551*	*3.63%*	*2,179*	*41.49%*	*3*	*675*	*122.64%*	*8*	
	5.00 to < 10.00	*207*	*4*	*100%*	*213*	*7.55%*	*476*	*40.97%*	*3*	*332*	*156.05%*	*6*	
	10.00 to < 100.00	174	5	98%	177	14.56%	792	41.09%	3	325	183.60%	10	
	10.00 to < 20.00	*138*	*4*	*100%*	*141*	*12.25%*	*518*	*41.00%*	*3*	*261*	*184.99%*	*7*	
	20.00 to < 30.00	*33*	*0*	*80%*	*33*	*22.82%*	*260*	*41.55%*	*3*	*59*	*177.32%*	*2*	
	30.00 to < 100.00	*3*	*-*		*3*	*33.89%*	*14*	*40.47%*	*3*	*5*	*187.93%*	*0*	
	100.00 (default)	45	1	100%	46	100.00%	255	42.74%	3	0	1.02%	20	
	Subtotal	**3,360**	**81**	**100%**	**3,422**	**3.60%**	**6,732**	**41.68%**	**3**	**2,674**	**78.14%**	**50**	**(52)**
TOTAL		**5,594**	**227**	**100%**	**5,765**	**5.27%**	**21,028**	**41.64%**		**4,256**	**73.83%**	**121**	**(127)**

		31.12.2020										
(In EURm)	PD scale[(1)]	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD[(1)]	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provi-sions
Central governments and central banks	0.00 to < 0.15	53	1	75%	64	0.01%	44.49%	2.50	6	10%	0	
	0.15 to < 0.25	-	-		-				-		-	
	0.25 to < 0.50	-	-		-				-		-	
	0.50 to < 0.75	-	-		-				-		-	
	0.75 to < 2.50	-	-		-				-		-	
	2.50 to < 10.00	-	-		-				-		-	
	10.00 to < 100.00	-	-		-				-		-	
	100.00 (default)	-	-		-				-		-	
	Subtotal	**53**	**1**	**75%**	**64**	**0.01%**	**44.49%**	**2.50**	**6**	**10%**	**0**	**(0)**
Institutions	0.00 to < 0.15	2	0	0%	2	0.03%	44.86%	2.50	0	16%	0	
	0.15 to < 0.25	-	-		-				-		-	
	0.25 to < 0.50	0	-		0	0.26%	45.00%	2.50	0	53%	0	
	0.50 to < 0.75	-	-		-				-		-	
	0.75 to < 2.50	0	-		0	1.13%	45.00%	2.50	0	129%	0	
	2.50 to < 10.00	0	-		0	3.30%	44.85%	2.50	0	139%	0	
	10.00 to < 100.00	0	-		0	14.33%	40.00%	2.50	0	206%	0	
	100.00 (default)	-	-		-				-		-	
	Subtotal	**2**	**0**	**0%**	**2**	**0.13%**	**44.86%**	**2.50**	**0**	**20%**	**0**	**(0)**
Corporate – SME	0.00 to < 0.15	40	6	46%	80	0.08%	42.84%	2.50	20	25%	0	
	0.15 to < 0.25	36	10	75%	43	0.16%	43.31%	2.50	11	26%	0	
	0.25 to < 0.50	89	5	75%	93	0.28%	42.79%	2.50	35	37%	0	
	0.50 to < 0.75	199	18	75%	174	0.54%	42.71%	2.50	86	49%	0	
	0.75 to < 2.50	477	43	75%	510	1.54%	42.78%	2.50	358	70%	3	
	2.50 to < 10.00	678	37	75%	704	4.69%	42.96%	2.50	692	98%	14	
	10.00 to < 100.00	208	5	75%	206	16.07%	42.92%	2.50	304	148%	14	
	100.00 (default)	103	1	75%	102	100.00%	43.99%	2.50	0	0%	45	
	Subtotal	**1,830**	**124**	**74%**	**1,911**	**9.26%**	**42.94%**	**2.50**	**1,506**	**79%**	**77**	**(80)**
Corporate – Other	0.00 to < 0.15	1,038	6	75%	1,061	0.08%	44.25%	2.50	257	24%	0	
	0.15 to < 0.25	1	0	75%	1	0.16%	44.38%	2.50	0	36%	0	
	0.25 to < 0.50	123	8	75%	132	0.26%	42.70%	2.50	65	49%	0	
	0.50 to < 0.75	452	13	75%	445	0.51%	43.53%	2.50	311	70%	1	
	0.75 to < 2.50	509	18	75%	523	1.57%	43.43%	2.50	537	103%	4	
	2.50 to < 10.00	832	47	75%	868	4.53%	43.20%	2.50	1,211	140%	17	
	10.00 to < 100.00	175	4	78%	173	14.64%	43.00%	2.50	351	202%	11	
	100.00 (default)	53	0	75%	53	100.00%	44.19%	2.50	0	0%	23	
	Subtotal	**3,183**	**97**	**75%**	**3,255**	**3.97%**	**43.61%**	**2.50**	**2,733**	**84%**	**56**	**(69)**
ALTERNATIVE TREATMENT: SECURED BY REAL ESTATE	**Subtotal**	**398**	**-**	**100%**	**398**				**171**	**43%**	**-**	**-**
TOTAL		**5,466**	**222**	**74%**	**5,631**	**5.85%**	**43.38%**	**2.50**	**4,417**	**78%**	**134**	**(149)**

(1) PD taking into account substitution and reduction effects as at 31 December 2020.

TABLE 38: IRB APPROACH – EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES (CR7)

(In EURm)	30.06.2021 Pre-credit derivatives RWA	30.06.2021 Actual RWA
EXPOSURES UNDER FIRB	**4,256**	**4,256**
Central governments and central banks	6	6
Institutions	1	1
Corporates	4,250	4,250
of which Corporates – SMEs	*1,576*	*1,576*
of which Corporates – Specialised lending	-	-
EXPOSURES UNDER AIRB	**137,217**	**136,950**
Central governments and central banks	6,332	6,332
Institutions	3,775	3,790
Corporates	97,247	96,966
of which Corporates – SMEs	*19,079*	*19,079*
of which Corporates – Specialised lending	*15,626*	*15,626*
Retail	29,863	29,863
of which Retail – SMEs – Secured by immovable property collateral	*956*	*956*
of which Retail – non-SMEs – Secured by immovable property collateral	*11,561*	*11,561*
of which Retail – Qualifying revolving	*1,410*	*1,410*
of which Retail – SMEs – Other	*5,883*	*5,883*
of which Retail – Non-SMEs – Other	*10,052*	*10,052*
TOTAL	**141,473**	**141,207**

The table as at 31 December 2020 has been modified as follows in accordance with new technical instructions emanating from the EBA (EBA/ITS/2020/04):

(In EURm)	31.12.2020 Pre-credit derivatives RWA	31.12.2020 Actual RWA
EXPOSURES UNDER FIRB	**4,417**	**4,417**
Central governments and central banks	6	6
Institutions	1	1
Corporates	4,409	4,409
of which Corporates – SMEs	*1,605*	*1,605*
of which Corporates – Specialised lending	-	-
EXPOSURES UNDER AIRB	**137,149**	**136,188**
Central governments and central banks	6,031	6,029
Institutions	4,273	4,259
Corporates	94,178	93,232
of which Corporates – SMEs	*19,111*	*19,111*
of which Corporates – Specialised lending	*14,372*	*14,372*
Retail	32,667	32,667
of which Retail – SMEs – Secured by immovable property collateral	*1,037*	*1,037*
of which Retail – non-SMEs – Secured by immovable property collateral	*14,294*	*14,294*
of which Retail – Qualifying revolving	*1,740*	*1,740*
of which Retail – SMEs – Other	*5,654*	*5,654*
of which Retail – Non-SMEs – Other	*9,943*	*9,943*
TOTAL	**141,566**	**140,604**

TABLE 39: INTERNAL APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES (CR7-A) – AIRB

	30.06.2021					
		Credit risk mitigation techniques				
		Funded credit Protection (FCP)				
(In EURm)	**Total exposures**	**Part of exposures covered by Financial collaterals** *(%)*	**Part of exposures covered by other eligible collaterals** *(%)*	**Part of exposures covered by immovable property collaterals** *(%)*	**Part of exposures covered by receivables** *(%)*	**Part of exposures covered by other physical collateral** *(%)*
Central governments and central banks	247,492	0.09%	0.19%	0.00%	0.00%	0.18%
Institutions	40,010	0.83%	1.05%	0.26%	0.00%	0.79%
Corporates	223,954	1.81%	18.25%	8.50%	4.75%	5.00%
of which Corporates – SMEs	*31,329*	*1.42%*	*22.76%*	*20.94%*	*0.60%*	*1.22%*
of which Corporates – Specialised lending	*50,803*	*1.18%*	*37.31%*	*18.15%*	*3.70%*	*15.46%*
of which Corporates – Other	*141,822*	*2.12%*	*10.43%*	*2.30%*	*6.04%*	*2.09%*
Retail	171,079	-	71.95%	69.15%	-	2.80%
of which Retail – Immovable property SMEs	*5,833*	-	*94.54%*	*94.54%*	-	-
of which Retail – Immovable property non-SMEs	*104,531*	-	*99.90%*	*99.90%*	-	-
of which Retail – Qualifying revolving	*3,983*	-	-	-	-	-
of which Retail – Other SMEs	*22,682*	-	*19.33%*	*9.05%*	-	*10.28%*
of which Retail – Other non-SMEs	*34,049*	-	*25.75%*	*18.51%*	-	*7.24%*
TOTAL	**682,534**	**0.67%**	**24.15%**	**20.14%**	**1.56%**	**2.46%**

	30.06.2021			
	Credit risk Mitigation techniques		Credit risk mitigation methods in the calculation of RWA	
	Unfunded credit Protection (UFCP)			
(In EURm)	**Part of exposures covered by Guarantees** *(%)*	**Part of exposures covered by Credit Derivatives** *(%)*	**RWA without substitution effects (reduction effects only)**	**RWA with substitution effects (both reduction and sustitution effects)**
Central governments and central banks	3.42%	-	5,816	6,332
Institutions	6.30%	-	3,720	3,790
Corporates	19.45%	0.56%	97,549	96,966
of which Corporates – SMEs	*20.09%*	-	*19,298*	*19,079*
of which Corporates – Specialised lending	*25.94%*	-	*15,919*	*15,626*
of which Corporates – Other	*16.99%*	*0.89%*	*62,331*	*62,261*
Retail	0.93%	-	29,866	29,863
of which Retail – Immovable property SMEs	*4.29%*	-	*956*	*956*
of which Retail – Immovable property non-SMEs	*0.40%*	-	*11,563*	*11,561*
of which Retail – Qualifying revolving	*0.01%*	-	*1,410*	*1,410*
of which Retail – Other SMEs	*0.59%*	-	*5,884*	*5,883*
of which Retail – Other non-SMEs	*2.31%*	-	*10,053*	*10,052*
TOTAL	**8.23%**	**0.18%**	**136,950**	**136,950**

TABLE 40: INTERNAL APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES (CR7-A) – FIRB

	30.06.2021					
		Credit risk mitigation techniques				
		Funded credit Protection (FCP)				
(In EURm)	Total exposures	Part of exposures covered by Financial collaterals *(%)*	Part of exposures covered by other eligible collaterals *(%)*	Part of exposures covered by Immovable property collaterals *(%)*	Part of exposures covered by receivables *(%)*	Part of exposures covered by other physical collateral *(%)*
Central governments and central banks	66	-	35.52%	-	-	35.52%
Institutions	3	-	18.79%	-	-	18.79%
Corporates	5,696	0.06%	65.32%	0.19%	0.01%	65.12%
of which Corporates – SMEs	*2,274*	-	*66.74%*	-	-	*66.74%*
of which Corporates – Specialised lending	-	-	-	-	-	-
of which Corporates – Other	*3,422*	*0.10%*	*64.37%*	*0.32%*	*0.01%*	*64.04%*
TOTAL	**5,765**	**0.06%**	**64.95%**	**0.19%**	**0.01%**	**64.76%**

	30.06.2021			
	Credit risk Mitigation techniques		Credit risk mitigation methods in the calculation of RWA	
	Unfunded credit Protection (UFCP)			
(In EURm)	Part of exposures covered by Guarantees *(%)*	Part of exposures covered by Credit Derivatives *(%)*	RWA without substitution effects (reduction effects only)	RWA with substitution effects (both reduction and sustitution effects)
Central governments and central banks	5.42%	-	5	6
Institutions	-	-	1	1
Corporates	0.55%	-	4,251	4,250
of which Corporates – SMEs	*0.90%*	-	*1,581*	*1,576*
of which Corporates – Specialised lending	-	-	-	-
of which Corporates – Other	*0.32%*	-	*2,670*	*2,674*
TOTAL	**0.61%**	**-**	**4,256**	**4,256**

TABLE 41: RWA FLOW STATEMENT OF CREDIT RISK EXPOSURES UNDER THE IRB APPROACH (CR8)

(In EURm)	Risk-weighted assets
RWA as at the end of the previous reporting period (31.03.2021)	**169,400**
Asset size (+/-)	(1,594)
Asset quality (+/-)	(582)
Model updates (+/-)	1,721
Methodology and policy (+/-)	(248)
Acquisitions and disposals (+/-)	-
Foreign exchange movements (+/-)	(119)
Other (+/-)	(426)
RWA as at the end of the reporting period (30.06.2021)	**168,152**

TABLE 42: SPECIALISED LENDING EXPOSURES – INTERNAL APPROACH (CR10.1-10.4)

	30.06.2021						
(In EURm)	Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)						
Regulatory categories	**Remaining maturity**	**On-balance sheet exposure**	**Off-balance sheet exposure**	**Risk weight**	**Exposure value**	**RWA**	**Expected loss amount**
Category 1	Less than 2.5 years	238	1,310	50%	667	318	-
	Equal to or more than 2.5 years	7	112	70%	30	20	0
Category 2	Less than 2.5 years	321	340	70%	469	289	2
	Equal to or more than 2.5 years	17	23	90%	23	20	0
Category 3	Less than 2.5 years	23	44	115%	38	40	1
	Equal to or more than 2.5 years	1	1	115%	1	1	0
Category 4	Less than 2.5 years	8	5	250%	11	23	1
	Equal to or more than 2.5 years	1	3	250%	3	8	0
Category 5	Less than 2.5 years	17	2	-	18	-	8
	Equal to or more than 2.5 years	-	1	-	0	-	0
TOTAL	**Less than 2.5 years**	**607**	**1,701**		**1,203**	**671**	**12**
	Equal to or more than 2.5 years	**25**	**140**		**58**	**49**	**1**

	31.12.2020						
(In EURm)	Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)						
Regulatory categories	**Remaining maturity**	**On-balance sheet exposure**	**Off-balance sheet exposure**	**Risk weight**	**Exposure value**	**RWA**	**Expected loss amount**
Category 1	Less than 2.5 years	311	1,545	50%	844	404	-
	Equal to or more than 2.5 years	8	73	70%	23	16	0
Category 2	Less than 2.5 years	299	420	70%	479	289	2
	Equal to or more than 2.5 years	17	15	90%	21	19	0
Category 3	Less than 2.5 years	30	40	115%	46	46	1
	Equal to or more than 2.5 years	1	0	115%	1	1	0
Category 4	Less than 2.5 years	6	3	250%	7	13	1
	Equal to or more than 2.5 years	1	2	250%	3	7	0
Category 5	Less than 2.5 years	12	3	-	12	-	6
	Equal to or more than 2.5 years	6	-	-	6	-	3
TOTAL	**Less than 2.5 years**	**657**	**2,011**		**1,388**	**752**	**10**
	Equal to or more than 2.5 years	**32**	**90**		**53**	**43**	**3**

TABLE 43: EQUITY EXPOSURES UNDER THE SIMPLE RISK-WEIGHTED APPROACH (CR10.5)

(In EURm)	30.06.2021					
	Equity exposures under the simple risk-weighted approach					
Categories	**On-balance sheet exposure**	**Off-balance sheet exposure**	**Risk weight**	**Exposure value**	**RWA**	**Expected loss amount**
Private equity exposures	396	-	190%	396	752	3
Exchange-traded equity exposures	26	-	290%	26	76	0
Other equity exposures	626	-	370%	626	2,317	15
TOTAL	**1,048**	**-**		**1,048**	**3,145**	**18**

The table as at 31 December 2020 has been modified as follows:

(In EURm)	31.12.2020					
	Equity exposures under the simple risk-weighted approach					
Categories	**On-balance sheet exposure**	**Off-balance sheet exposure**	**Risk weight**	**Exposure value**	**RWA**	**Expected loss amount**
Private equity exposures	351	-	190%	351	668	3
Exchange-traded equity exposures	25	-	290%	25	74	0
Other equity exposures	706	-	370%	706	2,614	17
TOTAL	**1,083**	**-**		**1,083**	**3,355**	**20**

5

COUNTERPARTY CREDIT RISK

5.1 BREAKDOWN OF COUNTERPARTY CREDIT RISK – OVERVIEW

TABLE 44: COUNTERPARTY CREDIT RISK EXPOSURE, EAD AND RWA BY EXPOSURE CLASS AND APPROACH

	30.06.2021								
(In EURm)	IRB			Standard			Total		
Exposure classes	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	35,345	35,429	261	172	172	19	35,516	35,601	279
Institutions	22,037	22,246	3,422	39,638	39,817	983	61,675	62,063	4,405
Corporates	67,115	66,820	17,143	5,195	5,016	4,700	72,309	71,836	21,844
Retail	99	99	6	13	13	9	112	112	15
Other	0	0	0	3,681	3,681	1,155	3,682	3,682	1,155
TOTAL	**124,596**	**124,596**	**20,831**	**48,699**	**48,699**	**6,866**	**173,295**	**173,295**	**27,698**

	31.12.2020								
(In EURm)	IRB			Standard			Total		
Exposure classes	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	23,472	23,560	382	170	170	-	23,642	23,730	382
Institutions	19,536	19,673	3,387	23,628	23,928	1,403	43,164	43,601	4,789
Corporates	54,370	54,145	15,786	1,697	1,398	1,246	56,067	55,543	17,032
Retail	121	121	8	2	2	2	122	122	10
Other	1	1	-	3,499	3,499	986	3,500	3,500	987
TOTAL	**97,500**	**97,500**	**19,563**	**28,996**	**28,996**	**3,636**	**126,496**	**126,496**	**23,199**

The tables above feature amounts excluding the CVA (Credit Valuation Adjustment) which represents EUR 3.9 billion as at 30 June 2021 (*vs.* EUR 3.1 billion as at 31 December 2020).

5.2 BREAKDOWN OF COUNTERPARTY CREDIT RISK – DETAILS

TABLE 45: ANALYSIS OF COUNTERPARTY CREDIT RISK EXPOSURE BY APPROACH (CCR1)

	30.06.2021							
(In EURm)	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWA
Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
SA-CCR (for derivatives)	2,348	26,583		1.4	53,665	40,576	40,294	9,876
IMM (for derivatives and SFTs)			40,889	1.85	507,085	76,115	75,771	14,849
of which securities financing transactions netting sets			*20,270*		*425,221*	*36,084*	*35,893*	*2,598*
of which derivatives and long settlement transactions netting sets			*20,619*		*81,864*	*40,032*	*39,878*	*12,252*
of which from contractual cross-product netting sets			-		-	-	-	-
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					78,784	16,890	17,055	1,538
VaR for SFTs					-	-	-	-
TOTAL					**639,534**	**133,582**	**133,120**	**26,263**

	31.12.2020						
(In EURm)	Notional	Replace-ment cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWA
Mark to market		21,626	29,694			26,586	5,677
Original exposure							
Standardised approach							
IMM (for derivatives and SFTs)				36,449	1.85	67,431	15,767
of which securities financing transactions				*15,500*	*1.85*	*28,676*	*2,270*
of which derivatives and long settlement transactions				*20,949*	*1.85*	*38,756*	*13,497*
of which from contractual cross-product netting							
Financial collateral simple method (for SFTs)							
Financial collateral comprehensive method (for SFTs)						9,937	383
VaR for SFTs							
TOTAL							**21,827**

TABLE 46: EXPOSURES TO CENTRAL COUNTERPARTIES (CCR8)

	30.06.2021		31.12.2020	
(In EURm)	Exposure value	RWA	Exposure value	RWA
Exposures to QCCPs (total)		**1,434**		**1,228**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions), of which:	9,221	184	10,038	201
(i) OTC derivatives	895	18	1,003	20
(ii) Exchange-traded derivatives	7,644	153	7,243	145
(iii) SFTs	682	14	1,791	36
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	22,485		12,701	
Non-segregated initial margin	4,788	96	2,036	41
Pre-funded default fund contributions	3,478	1,154	3,474	986
Unfunded default fund contributions	-	-	-	-
Exposures to non-QCCPs		**-**	**61**	**35**
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions), of which:	-	-	-	-
(i) OTC derivatives	-	-	-	-
(ii) Exchange-traded derivatives	-	-	-	-
(iii) SFTs	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-		35	35
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	25	-
Unfunded default fund contributions	-	-	-	-

TABLE 47: COMPOSITION OF COLLATERAL FOR COUNTERPARTY CREDIT RISK EXPOSURES (CCR5)

	30.06.2021							
	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
(In EURm)	Segragated	Un-segragated	Segragated	Un-segragated	Segragated	Un-segragated	Segragated	Un-segragated
Cash – domestic currency	83,883	-	68,330	-	-	27,012	-	31,996
Cash – other currencies	116,001	-	85,837	-	-	6,844	-	12,017
Domestic sovereign debt	4	-	-	-	-	1,015	-	314
Other sovereign debt	141	-	45	-	-	5,576	-	10,615
Government agency debt	16,556	-	11,390	-	-	271,914	-	296,564
Corporate bonds	211	-	129	-	-	9,219	-	9,234
Equity securities	1,854	-	310	-	-	53,087	-	126,936
Other collateral	404	-	48	-	-	80,754	-	84,640
TOTAL	**219,055**	**-**	**166,088**	**-**	**-**	**455,421**	**-**	**572,315**

TABLE 48: TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK (CCR2)

	30.06.2021		31.12.2020	
(In EURm)	Exposure value	RWA	Exposure value	RWA
Total transactions subject to the Advanced Method	22,508	2,531	37,471	2,783
(i) VaR component (including the 3×multiplier)		352		740
(ii) Stressed VaR component (including the 3×multiplier)		2,180		2,043
Transactions subject to the Standardised Method	16,071	1,377	5,349	347
Transactions subject to the Alternative approach (based on Original Exposure Method)	-	-	-	-
Total transactions subject to own funds requirements for CVA risk	**38,579**	**3,908**	**42,821**	**3,131**

TABLE 49: INTERNAL APPROACH – COUNTERPARTY CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD SCALE (CCR4)

The table below presents Group exposures subject to counterparty credit risk and for which an internal model is used with a view to calculating RWA. In accordance with EBA instructions, CVA charges and exposures cleared through CCPs have been excluded.

	30.06.2021							
(In EURm)	PD scale	Exposure value	Exposure weighted average PD *(%)*	Number of obligors	Exposure weighted average LGD *(%)*	Exposure weighted average maturity (years)	RWA	RWA density
Central governments and central banks	0.00 to < 0.15	35,043	0.01%	118	1.03%	1	80	0.23%
	0.15 to < 0.25	-		-			-	
	0.25 to < 0.50	78	0.26%	6	25.69%	2	21	26.84%
	0.50 to < 0.75	25	0.50%	4	45.00%	3	19	74.00%
	0.75 to < 2.50	75	1.93%	5	17.09%	2	30	39.38%
	2.50 to < 10.00	133	5.17%	22	38.58%	2	96	72.06%
	10.00 to < 100.00	76	12.79%	5	4.38%	3	16	20.94%
	100.00 (default)	-		-			-	
	Subtotal	**35,429**	**0.06%**	**160**	**1.30%**	**1**	**261**	**0.74%**
Institutions	0.00 to < 0.15	18,726	0.04%	990	23.82%	1	1,579	8.43%
	0.15 to < 0.25	-		-			-	
	0.25 to < 0.50	1,749	0.26%	144	27.05%	2	568	32.49%
	0.50 to < 0.75	704	0.50%	131	39.83%	2	442	62.80%
	0.75 to < 2.50	746	1.58%	176	23.38%	2	383	51.32%
	2.50 to < 10.00	288	4.21%	167	35.11%	2	375	130.38%
	10.00 to < 100.00	34	13.48%	71	40.05%	2	74	220.19%
	100.00 (default)	-		-			-	
	Subtotal	**22,246**	**0.20%**	**1,679**	**24.74%**	**1**	**3,422**	**15.38%**
Corporate	0.00 to < 0.15	49,116	0.04%	5,448	33.97%	1	6,198	12.62%
	0.15 to < 0.25	2	0.16%	28	38.50%	1	0	22.78%
	0.25 to < 0.50	4,521	0.26%	986	29.14%	2	1,399	30.94%
	0.50 to < 0.75	3,879	0.52%	1,104	27.68%	3	1,598	41.19%
	0.75 to < 2.50	5,150	1.54%	2,188	30.86%	3	3,539	68.72%
	2.50 to < 10.00	3,558	4.43%	2,607	30.26%	2	3,584	100.72%
	10.00 to < 100.00	439	15.45%	422	32.97%	3	648	147.57%
	100.00 (default)	155	100.00%	88	32.86%	3	177	114.42%
	Subtotal	**66,820**	**0.76%**	**12,871**	**32.84%**	**1**	**17,143**	**25.66%**
Retail	0.00 to < 0.15	-		-			-	
	0.15 to < 0.25	91	0.20%	1,044	11.50%	-	4	4.94%
	0.25 to < 0.50	8	0.26%	29	14.37%	-	1	6.84%
	0.50 to < 0.75	0	0.50%	5	28.75%	-	0	22.64%
	0.75 to < 2.50	-		-			-	
	2.50 to < 10.00	-		-			-	
	10.00 to < 100.00	1	27.25%	1	24.00%	-	1	66.03%
	100.00 (default)	-		-			-	
	Subtotal	**99**	**0.50%**	**1,079**	**11.87%**	**-**	**6**	**5.76%**
TOTAL		**124,595**	**0.46%**	**15,789**	**22.41%**	**1**	**20,831**	**16.72%**

		31.12.2020					
(In EURm)	PD scale[(1)]	Exposure Value	Exposure weighted average PD *(%)*[(1)]	Exposure weighted average LGD *(%)*	Exposure weighted average maturity (years)	RWA	RWA density
Central governments and central banks	0.00 to < 0.15	23,262	0.02%	1.68%	1.25	120	0.51%
	0.15 to < 0.25	-				-	
	0.25 to < 0.50	22	0.26%	39.02%	1.00	7	32.39%
	0.50 to < 0.75	12	0.50%	45.00%	3.56	10	86.91%
	0.75 to < 2.50	111	2.12%	21.73%	0.98	56	49.99%
	2.50 to < 10.00	153	4.50%	39.18%	1.36	189	124.01%
	10.00 to < 100.00	-				-	
	100.00 (default)	-				-	
	Subtotal	**23,560**	**0.05%**	**2.07%**	**1.25**	**382**	**1.62%**
Institutions	0.00 to < 0.15	16,715	0.04%	24.33%	1.58	1,762	10.54%
	0.15 to < 0.25	-				-	
	0.25 to < 0.50	1,475	0.26%	26.20%	1.92	505	34.23%
	0.50 to < 0.75	717	0.50%	37.67%	1.47	412	57.56%
	0.75 to < 2.50	375	1.52%	41.49%	1.59	358	95.35%
	2.50 to < 10.00	336	3.74%	33.75%	1.13	270	80.24%
	10.00 to < 100.00	48	13.49%	28.36%	2.18	71	149.52%
	100.00 (default)	2	100.00%	35.00%	4.03	8	437.50%
	Subtotal	**19,667**	**0.21%**	**25.43%**	**1.59**	**3,386**	**17.22%**
Corporate	0.00 to < 0.15	37,109	0.06%	33.89%	1.34	5,229	14.09%
	0.15 to < 0.25	44	0.20%	12.27%	2.28	5	10.66%
	0.25 to < 0.50	4,004	0.26%	30.72%	2.40	1,561	38.98%
	0.50 to < 0.75	4,205	0.50%	24.66%	2.43	1,454	34.59%
	0.75 to < 2.50	5,334	1.49%	28.94%	2.86	3,704	69.43%
	2.50 to < 10.00	2,602	4.53%	31.11%	1.80	2,583	99.27%
	10.00 to < 100.00	397	14.08%	31.56%	2.88	571	143.97%
	100.00 (default)	296	100.00%	29.82%	2.48	527	177.89%
	Subtotal	**53,991**	**1.11%**	**32.25%**	**1.69**	**15,634**	**28.96%**
Retail	0.00 to < 0.15	-				-	
	0.15 to < 0.25	113	0.20%	11.50%	5.00	6	4.94%
	0.25 to < 0.50	6	0.34%	46.00%	5.00	2	27.90%
	0.50 to < 0.75	0	0.53%	28.75%	5.00	0	22.64%
	0.75 to < 2.50	-				-	
	2.50 to < 10.00	-				-	
	10.00 to < 100.00	1	24.71%	24.00%	5.00	0	61.40%
	100.00 (default)	-				-	
	Subtotal	**121**	**0.36%**	**13.40%**	**5.00**	**8**	**6.56%**
TOTAL		**97,340**	**0.67%**	**23.55%**	**1.57**	**19,411**	**19.94%**

(1) PD taking into account substitution and reduction effects as at 31 December 2020.

TABLE 50: STANDARDISED APPROACH – COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS (CCR3)

In accordance with EBA instructions, the amounts are presented without securitisation.

	30.06.2021											
(In EURm)	Risk weight											
Exposure Classes	**0%**	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total exposure value**
Central governments or central banks	153	-	-	-	-	-	-	-	19	-	-	172
Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	6	-	-	-	52	-	0	58
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	22,485	15,037	0	-	1,837	257	-	-	132	-	10	39,759
Corporates	-	282	-	-	0	75	-	0	4,660	-	0	5,016
Retail	-	-	-	-	-	-	-	13	0	-	0	13
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	1	-	1
TOTAL	**22,638**	**15,319**	**0**	**-**	**1,842**	**332**	**-**	**13**	**4,863**	**1**	**11**	**45,018**

(In EURm)	31.12.2020															
	Risk weight															
Exposure Classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1,250%**	**Others RW**	**Total**
Central governments or central banks	170	-	-	-	-	-	-	-	-	-	-	-	-	-	-	170
Regional governments or local authorities	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Public sector entities	-	-	-	-	2	-	-	-	-	1	-	-	-	-	-	3
Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	8,435	12,033	0	-	2,687	-	278	-	-	483	1	-	-	-	9	23,925
Corporates	-	-	-	-	0	-	22	-	-	1,193	0	-	-	-	183	1,398
Retail	-	-	-	-	-	-	-	-	1	1	-	-	-	-	0	2
Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-	-	-	-	0	-	-	-	0	0
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	0
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**8,605**	**12,033**	**0**	**-**	**2,688**	**-**	**300**	**-**	**1**	**1,678**	**1**	**-**	**-**	**-**	**192**	**25,497**

TABLE 51: CREDIT DERIVATIVES EXPOSURES (CCR6)

	30.06.2021	
	Credit derivative hedges	
(In EURm)	**Protection bought**	**Protection sold**
Notionals		
Single-name credit default swaps	44,927	57,510
Index credit default swaps	28,670	24,875
Total return swaps	1,606	-
Credit options	1,118	1,009
Other credit derivatives	12,854	4,814
TOTAL NOTIONALS	**89,176**	**88,207**
Fair values		
Positive fair value (asset)	*397*	*2,472*
Negative fair value (liability)	*(2,290)*	*(382)*

TABLE 52: RWA FLOW STATEMENT OF COUNTERPARTY CREDIT RISK EXPOSURES UNDER THE IMM (CCR7)

IMM is the internal model method applied to calculate exposures to counterparty credit risk. The banking models used are subject to approval of the supervisor.

The application of these internal models has an impact on the method used to calculate the EAD of market transactions but also on the Basel maturity calculation method.

The previous reporting period amount featured in the table below has been modified in order to extend the perimeter considered to the whole portfolio treated under IMM method (instead of the subcategory corresponding to the IRB approach).

(In EURm)	**RWA**
RWA as at end of previous reporting period (31.03.2021)	**15,261**
Asset size	(580)
Credit quality of counterparties	159
Model updates (IMM only)	-
Methodology and policy (IMM only)	-
Acquisitions and disposals	-
Foreign exchange movements	(72)
Other	215
RWA as at end of reporting period (30.06.2021)	**14,982**

The table above displays data without CVA (Credit Valuation Adjustment) which amounts to EUR 2.5 billion in advanced method.

6

SECURITISATION

TABLE 53: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK (SEC1)

	30.06.2021														
	Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	Traditional				Synthetic			Traditional				Traditional			
	STS		Non-STS												
(In EURm)		of which SRT		of which SRT		of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
TOTAL EXPOSURES	**1,314**	**1,314**	**391**	**391**	**14,815**	**14,815**	**16,519**	**4,187**	**16,149**	**-**	**20,336**	**-**	**0**	**-**	**0**
Retail (total)	**1,314**	**1,314**	**-**	**-**	**-**	**-**	**1,314**	**50**	**9,691**	**-**	**9,741**	**-**	**0**	**-**	**0**
Residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit card	-	-	-	-	-	-	-	-	1,924	-	1,924	-	0	-	0
Other retail exposures	1,314	1,314	-	-	-	-	1,314	50	7,767	-	7,817	-	0	-	0
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale (total)	**-**	**-**	**391**	**391**	**14,815**	**14,815**	**15,205**	**4,137**	**6,458**	**-**	**10,594**	**-**	**0**	**-**	**0**
Loans to corporates	-	-	-	-	14,815	14,815	14,815	-	1,727	-	1,727	-	-	-	-
Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease and receivables	-	-	-	-	-	-	-	4,137	3,762	-	7,898	-	-	-	-
Other wholesale	-	-	391	391	-	-	391	-	968	-	968	-	0	-	0
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

TABLE 54: SECURITISATION EXPOSURES IN THE TRADING BOOK (SEC2)

	30.06.2021											
	Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
	Traditional				Traditional				Traditional			
(In EURm)	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
TOTAL EXPOSURES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**27**	**456**	**5,529**	**6,012**
Retail (total)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15**	**98**	**43**	**156**
Residential mortgage	-	-	-	-	-	-	-	-	12	83	43	138
Credit card	-	-	-	-	-	-	-	-	3	-	-	3
Other retail exposures	-	-	-	-	-	-	-	-	-	14	-	14
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale (total)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12**	**358**	**5,486**	**5,856**
Loans to corporates	-	-	-	-	-	-	-	-	-	172	-	172
Commercial mortgage	-	-	-	-	-	-	-	-	-	71	5,486	5,556
Lease and receivables	-	-	-	-	-	-	-	-	-	6	-	6
Other wholesale	-	-	-	-	-	-	-	-	12	110	-	122
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

TABLE 55: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – INSTITUTION ACTING AS ORIGINATOR OR AS SPONSOR (SEC3)

	30.06.2021				
	Exposure values (by RW bands/deductions)				
(In EURm)	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1,250% RW	1,250% RW/ deductions
TOTAL EXPOSURES	**37,469**	**1,326**	**167**	**90**	**68**
Traditional transactions	**24,126**	**1,326**	**167**	**90**	**10**
Securitisation	24,126	1,326	167	90	10
Retail underlying	10,701	1,028	-	-	10
of which STS	*1,356*	-	-	-	*10*
Wholesale	13,425	299	167	90	-
of which STS	*4,599*	-	-	-	-
Re-securitisation	-	-	-	-	-
Synthetic transactions	**13,343**	**-**	**-**	**-**	**58**
Securitisation	13,343	-	-	-	58
Retail underlying	-	-	-	-	-
Wholesale	13,343	-	-	-	58
Re-securitisation	-	-	-	-	-

	30.06.2021											
	Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
(In EURm)	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions
TOTAL EXPOSURES	**13,854**	**22,543**	**2,655**	**68**	**2,003**	**3,483**	**333**	**-**	**160**	**279**	**27**	**-**
Traditional transactions	**511**	**22,543**	**2,655**	**10**	**73**	**3,483**	**333**	**-**	**6**	**279**	**27**	**-**
Securitisation	511	22,543	2,655	10	73	3,483	333	-	6	279	27	-
Retail underlying	-	10,153	1,575	10	-	1,712	46	-	-	137	4	-
of which STS	-	*51*	*1,305*	*10*	-	*5*	-	-	-	*0*	-	-
Wholesale	511	12,390	1,079	-	73	1,771	287	-	6	142	23	-
of which STS	-	*4,599*	-	-	-	*465*	-	-	-	*37*	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Synthetic transactions	**13,343**	**-**	**-**	**58**	**1,930**	**-**	**-**	**-**	**154**	**-**	**-**	**-**
Securitisation	13,343	-	-	58	1,930	-	-	-	154	-	-	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	13,343	-	-	58	1,930	-	-	-	154	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

TABLE 56: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – INSTITUTION ACTING AS INVESTOR (SEC4)

	30.06.2021				
	Exposure values (by RW bands/deductions)				
(In EURm)	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1,250% RW	1,250% RW/ deductions
TOTAL EXPOSURES	**0**	**-**	**-**	**0**	**-**
Traditional securitisation	**0**	**-**	**-**	**0**	**-**
Securitisation	0	-	-	0	-
Retail underlying	0	-	-	0	-
of which STS	-	-	-	-	-
Wholesale	-	-	-	0	-
of which STS	-	-	-	-	-
Re-securitisation	-	-	-	-	-
Synthetic securitisation	**-**	**-**	**-**	**-**	**-**
Securitisation	-	-	-	-	-
Retail underlying	-	-	-	-	-
Wholesale	-	-	-	-	-
Re-securitisation	-	-	-	-	-

	30.06.2021											
	Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
(In EURm)	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250%/ deductions
TOTAL EXPOSURES	**-**	**0**	**-**	**-**	**-**	**0**	**-**	**-**	**-**	**0**	**-**	**-**
Traditional securitisation	**-**	**0**	**-**	**-**	**-**	**0**	**-**	**-**	**-**	**0**	**-**	**-**
Securitisation	-	0	-	-	-	0	-	-	-	0	-	-
Retail underlying	-	0	-	-	-	0	-	-	-	0	-	-
of which STS	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	0	-	-	-	0	-	-	-	0	-	-
of which STS	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Synthetic securitisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Securitisation	-	-	-	-	-	-	-	-	-	-	-	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

TABLE 57: EXPOSURES SECURITISED BY THE INSTITUTION – EXPOSURES IN DEFAULT AND SPECIFIC CREDIT RISK ADJUSTMENTS (SEC5)

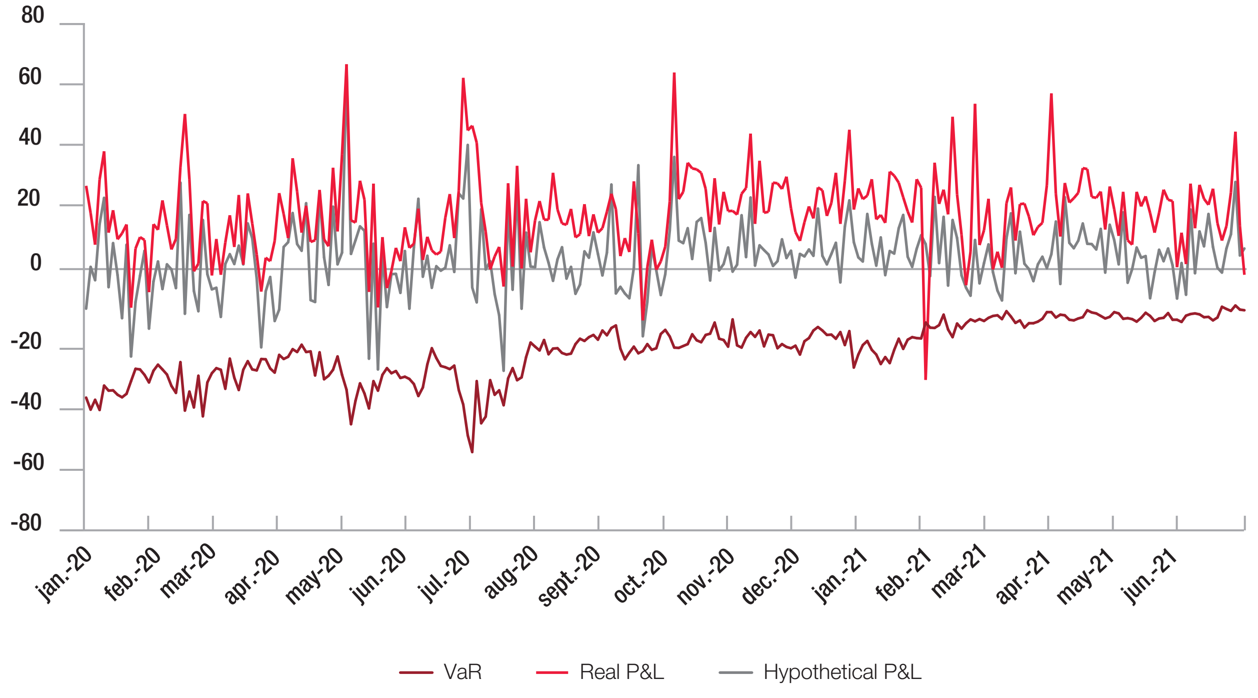
	30.06.2021		
	Exposures securitised by the institution – Institution acts as originator or as sponsor		
	Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
(In EURm)		of which exposures in default	
TOTAL EXPOSURES	**36,855**	**2,003**	**0**
Retail (total)	**11,055**	**654**	**0**
Residential mortgage	-	-	-
Credit card	1,924	-	-
Other retail exposures	9,131	654	0
Re-securitisation	-	-	-
Wholesale (total)	**25,800**	**1,349**	**-**
Loans to corporates	16,542	1,349	-
Commercial mortgage	-	-	-
Lease and receivables	7,898	-	-
Other wholesale	1,359	-	-
Re-securitisation	-	-	-

7

MARKET RISK

7.1 VALUE AT RISK 99% (VAR)

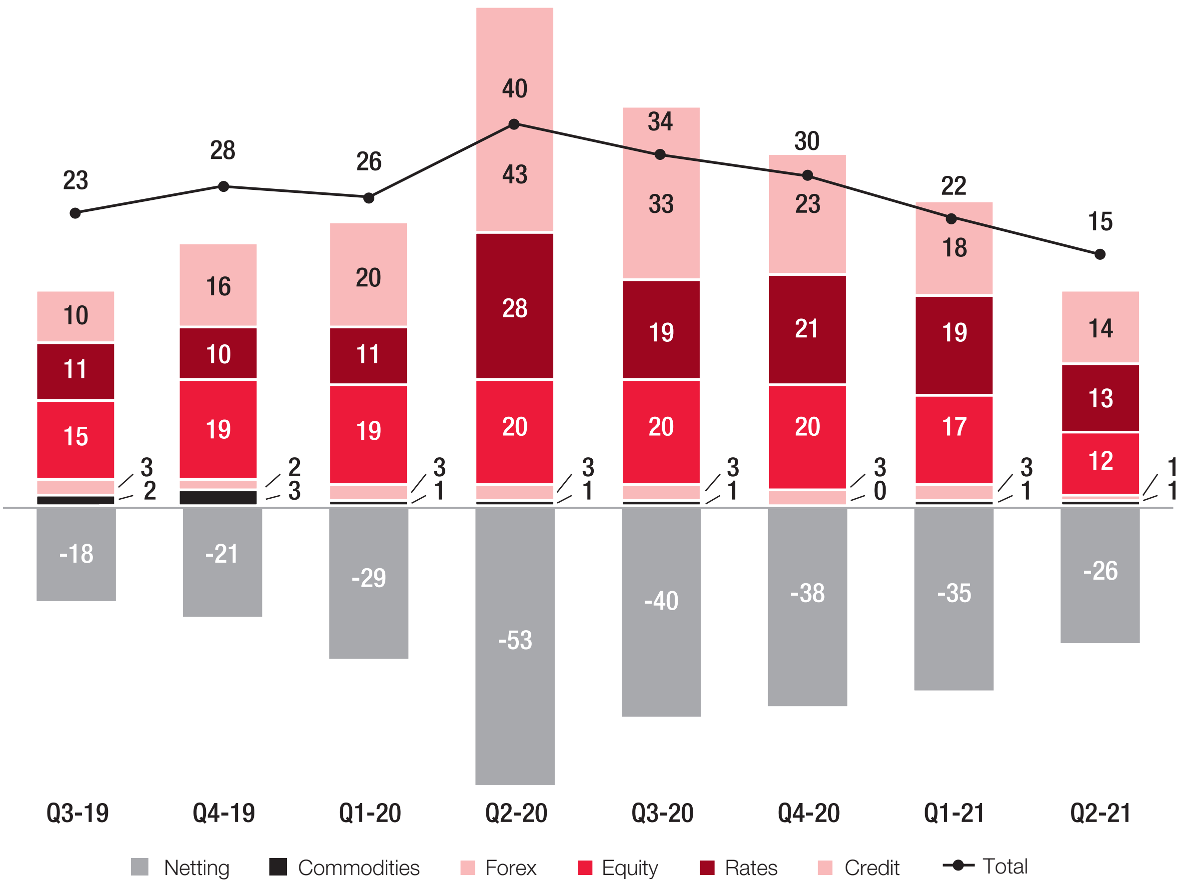
COMPARISON OF VAR (ONE-DAY, 99%) ESTIMATES WITH DAILY ACTUAL P&L[1] AND DAILY HYPOTHETICAL P&L[2] OF THE TRADING PORTFOLIO (IN EURM) (MR4)



(1) Daily profit or loss used for the VaR backtesting against actual P&L
(2) Daily profit or loss used for the VaR backtesting against hypothetical P&L

The VaR was less risky in the first half of 2021 than in 2020 (EUR 19 million compared with EUR 33 million in 2020 on average). The gradual risk decrease observed since June 2020 continued in S1 2021, coming from many activities, as reflected by the decrease of each risk factor (credit, rate, equity). Moreover, the volatility of the VaR remained contained at a low level over the period.

BREAKDOWN OF TRADING VAR[(1)] (ONE-DAY, 99%) BY RISK FACTOR – CHANGES IN QUARTERLY AVERAGES OVER THE 2019-2021 PERIOD (IN EURM)



(1) Trading VaR: measurement over one year (i.e. 260 scenarios) of the greatest risk obtained after elimination of 1% of the most unfavourable occurrences.

7.2 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

TABLE 58: MARKET RISK RWA AND CAPITAL REQUIREMENTS BY RISK FACTOR

	Risk-weighted assets			Capital requirements		
(In EURm)	30.06.2021	31.12.2020	*Change*	30.06.2021	31.12.2020	*Change*
VaR	2,222	4,117	*(1,895)*	178	329	*(152)*
Stressed VaR	7,145	6,671	*474*	572	534	*38*
Incremental Risk Charge (IRC)	1,755	1,758	*(3)*	140	141	*(0)*
Correlation portfolio (CRM)	1,271	1,066	*205*	102	85	*16*
Total market risk assessed by internal model	**12,393**	**13,612**	***(1,219)***	**991**	**1,089**	***(98)***
Specific risk related to securitisation positions in the trading portfolio	376	534	*(158)*	30	43	*(13)*
Risk assessed for currency positions	325	219	*106*	26	17	*8*
Risks assessed for interest rates (excl. securitisation)	990	975	*15*	79	78	*1*
Risk assessed for ownership positions	-	-	-	-	-	-
Risk assessed for commodities	0	0	*0*	0	0	*(0)*
Total market risk assessed by standardised approach	**1,691**	**1,728**	***(38)***	**135**	**138**	***(3)***
TOTAL	**14,084**	**15,340**	***(1,257)***	**1,127**	**1,227**	***(101)***

The market risk RWA decreased during the first half of 2021 (EUR -1.3 billion), stemming from markets being in a positive momentum with a contained variability. This decrease of the market risk RWA is mainly explained by:

- a decrease in VaR (see previous comment – impact of EUR -1.9 billion on RWA) only partially offset by a progressive increase of SVaR and CRM over the half-year period;
- a slight decrease in the standardised approach contribution resulting from the lower impact of securitisation following the reduction of positions on RMBS (Residential Mortgage-Backed Securities) and CMBS (Commercial Mortgage-Backed Securities).

7.3 ADDITIONAL QUANTITATIVE INFORMATION ON MARKET RISK

TABLE 59: MARKET RISK UNDER THE STANDARDISED APPROACH (MR1)

	Risk-weighted assets	
(In EURm)	30.06.2021	31.12.2020
Outright products		
Interest rate risk (general and specific)	990	975
Equity risk (general and specific)	-	-
Foreign exchange risk	325	219
Commodity risk	0	0
Options		
Simplified approach	-	-
Delta-plus method	-	-
Scenario approach	-	-
Securitisation (specific risk)	**376**	**534**
TOTAL	**1,691**	**1,728**

Outright products refer to positions in products that are not optional.

TABLE 60: MARKET RISK UNDER THE INTERNAL MODEL APPROACH (MR2-A)

		Risk-weighted assets		Capital requirements	
	(In EURm)	30.06.2021	31.12.2020	30.06.2021	31.12.2020
1	**VaR (higher of values a and b)**	**2,222**	**4,117**	**178**	**329**
(a)	Previous day's VaR (Article 365(1) (VaRt-1))			49	79
(b)	Average of the daily VaR (Article 365(1)) on each of the preceding sixty business days (VaRavg) x multiplication factor ((mc) in accordance with Article 366)			178	329
2	**SVaR (higher of values a and b)**	**7,145**	**6,671**	**572**	**534**
(a)	Latest SVaR (Article 365(2) (SVaRt-1))			238	252
(b)	Average of the SVaR (Article 365(2) during the preceding sixty business days (SVaRavg) x multiplication factor (ms) (Article 366)			572	534
3	**Incremental risk charge – IRC (higher of values a and b)**	**1,755**	**1,758**	**140**	**141**
(a)	Most recent IRC value (incremental default and migration risks section 3 calculated in accordance with Section 3 articles 370/371)			105	112
(b)	Average of the IRC number over the preceding 12 weeks			140	141
4	**Comprehensive Risk Measure – CRM (higher of values a, b and c)**	**1,271**	**1,066**	**102**	**85**
(a)	Most recent risk number for the correlation trading portfolio (article 377)			102	70
(b)	Average of the risk number for the correlation trading portfolio over the preceding 12-weeks			59	85
(c)	8% of the own funds requirement in SA on most recent risk number for the correlation trading portfolio (Article 338(4))			66	75
5	**Other**	-	-	-	-
6	**TOTAL**	**12,393**	**13,612**	**991**	**1,089**

TABLE 61: INTERNAL MODEL APPROACH VALUES FOR TRADING PORTFOLIOS (MR3)

(In EURm)	30.06.2021	31.12.2020
VaR (10 days, 99%)[1]		
Maximum value	58	188
Average value	47	103
Minimum value	36	35
Period end	49	67
Stressed VaR (10 days, 99%)[1]		
Maximum value	151	343
Average value	113	158
Minimum value	74	73
Period end[2]	238	131
Incremental Risk Charge (99.9%)		
Maximum value	194	172
Average value	140	103
Minimum value	92	53
Period end	105	112
Comprehensive Risk capital charge (99.9%)		
Maximum value	102	462
Average value	59	116
Minimum value	54	51
Period end	102	70

(1) On the perimeter for which the capital requirements are assessed by internal model.
(2) End of period amount including a quarter-end add-on (without this add-on, the amount as at 30 June 2021 is EUR 89 million).

TABLE 62: RWA FLOW STATEMENT OF MARKET RISK EXPOSURES UNDER THE INTERNAL MODEL APPROACH (MR2-B)

(In EURm)	VaR	SVaR	IRC	CRM	Other	Total RWA	Total own funds requirements
RWA at end of previous reporting period (31.03.2021)	**3,311**	**6,764**	**1,482**	**1,218**	**-**	**12,775**	**1,022**
Regulatory adjustment	*(2,630)*	*(3,604)*	*(97)*	*-*	*-*	*(6,332)*	*(507)*
RWA at the previous quarter-end (end of the day)	*680*	*3,160*	*1,385*	*1,218*	*-*	*6,443*	*515*
Movement in risk levels	(236)	(624)	(77)	53	-	(885)	(71)
Model updates/changes	170	429	-	-	-	600	48
Methodology and policy	-	-	-	-	-	-	-
Acquisitions and disposals	-	-	-	-	-	-	-
Foreign exchange movements	2	6	-	-	-	9	1
Other	-	-	-	-	-	-	-
RWA at the end of the disclosure period (end of the day)	*617*	*2,971*	*1,308*	*1,271*	*-*	*6,167*	*493*
Regulatory adjustment	*1,605*	*4,173*	*447*	*-*	*-*	*6,226*	*498*
RWA at end of reporting period (30.06.2021)	**2,222**	**7,145**	**1,755**	**1,271**	**-**	**12,393**	**991**

Effects are defined as follows:

- regulatory adjustment: difference between RWA used for the purpose of regulatory RWA calculation on the one hand and RWA of the last day or of the last week of the period on the other hand;
- movement in risk levels: changes due to position changes;
- model updates/changes: significant updates to the model to reflect recent experience (*e.g.* recalibration), as well as significant changes in model scope;
- methodology and policy: methodology changes to the calculations driven by regulatory policy changes;
- acquisitions and disposals: modifications due to acquisition or disposal of business/product lines or entities;
- foreign exchange movements: changes arising from foreign currency fluctuations.

8

STRUCTURAL INTEREST RATE RISK

TABLE 63: INTEREST RATE RISK OF NON-TRADING BOOK ACTIVITIES (IRRBB1)

		30.06.2021	
(In EURm)		**Changes of the economic value of equity (EVE)**	**Changes of the net interest income (NII)**
Supervisory shock scenarios			
1	Parallel up	(1,176)	317
2	Parallel down	(2,181)	(183)
3	Steepener	1,127	
4	Flattener	(1,814)	
5	Short rates up	151	
6	Short rates down	185	

The shocks used to compute EVE and NII amounts of sensitivities featured in this table correspond to “Parallel up”, “Parallel down”, “Steepener”, “Flattener”, “Short rates up” and “Short rates down” scenarios as defined in EBA guidelines (EBA/GL/2018/02), paragraph 114, with applicable floor as described in 115(k), that is -100 bps for overnight tenor and 0 bp for 20Y tenor.

The EVE sensitivity amount computation follows the other subparagraphs of the aforementioned EBA guidelines, paragraph 115.

The Supervisory outlier test (cf. paragraph 114 of the guidelines) is fulfilled, insofar as the limit of 15% of Tier 1 capital amounts to EUR -8.6 billion.

The NII sensitivity amount reported is computed over a one-year horizon as from 30 June 2021.

9

LIQUIDITY RISK

9.1 LIQUIDITY RESERVE

TABLE 64: LIQUIDITY RESERVE

(In EURbn)	**30.06.2021**	**31.12.2020**
Central bank deposits (excluding mandatory reserves)	147	154
HQLA securities available and transferable on the market (after haircut)	80	82
Other available central bank-eligible assets (after haircut)	-	7
TOTAL	**227**	**243**

9.2 REGULATORY RATIOS

The Group manages its liquidity risk through the LCR, the NSFR and liquidity gaps, under stress and under normal conditions of activity, and accumulated (all currencies combined), and this, by making sure at any time that the liquidity is transferable across the main currencies.

Since the implementation of the European regulatory LCR requirement in October 2015, Societe Generale's LCR has consistently stood at over 100%. The LCR stood at 133% at end of June 2021 (*vs*. 149% at end-2020).

The liquidity profile of the Group in US dollars is subject to a specific framing by the Group, notably through an indicator of liquidity excess under stress, in US dollars.

TABLE 65: LIQUIDITY COVERAGE RATIO (LIQ1)

The liquidity coverage ratio is calculated as the simple average of month-end observations over the twelve months preceding the end of each quarter.

Prudential Group *(In EURm)*	Total unweighted value (in average)				Total weighted value (in average)			
Quarter ending on	**30.06.2021**	**31.03.2021**	**31.12.2020**	**30.09.2020**	**30.06.2021**	**31.03.2021**	**31.12.2020**	**30.09.2020**
High-quality liquid assets								
Total high-quality liquid assets (HQLA)					**224,460**	**217,669**	**204,815**	**188,059**
Cash – Outflows								
Retail deposits and deposits from small business customers, of which:	218,159	215,584	208,820	204,245	16,875	16,519	16,129	15,847
Stable deposits	*121,919*	*122,372*	*119,952*	*119,612*	*6,096*	*6,119*	*5,998*	*5,981*
Less stable deposits	*88,978*	*85,271*	*82,818*	*80,479*	*10,764*	*10,383*	*10,113*	*9,849*
Unsecured wholesale funding	264,759	261,917	256,322	248,555	142,847	139,988	135,539	128,679
Operational deposits (all counterparties) and deposits in networks of cooperative banks	*60,152*	*61,289*	*60,660*	*60,802*	*14,599*	*14,861*	*14,698*	*14,726*
Non-operational deposits (all counterparties)	*185,605*	*182,737*	*178,756*	*173,333*	*109,246*	*107,235*	*103,935*	*99,533*
Unsecured debt	*19,002*	*17,891*	*16,906*	*14,419*	*19,002*	*17,891*	*16,906*	*14,419*
Secured wholesale funding					84,329	80,338	78,303	79,785
Additional requirements	179,052	177,427	177,538	177,343	60,001	59,484	62,022	64,331
Outflows related to derivative exposures and other collateral requirements	*33,555*	*34,760*	*38,531*	*41,123*	*32,062*	*33,047*	*36,470*	*38,822*
Outflows related to loss of funding on debt products	*6,749*	*5,754*	*5,463*	*5,669*	*6,749*	*5,754*	*5,463*	*5,669*
Credit and liquidity facilities	*138,748*	*136,914*	*133,544*	*130,551*	*21,190*	*20,683*	*20,089*	*19,840*
Other contractual funding obligations	61,043	60,193	63,480	64,255	61,043	60,193	63,480	64,255
Other contingent funding obligations	48,171	45,653	44,151	43,366	766	662	624	511
TOTAL CASH OUTFLOWS					**365,861**	**357,183**	**356,097**	**353,408**
Cash – inflows								
Secured lending (eg reverse repos)	268,525	271,259	278,135	279,908	84,391	87,024	90,906	93,274
Inflows from fully performing exposures	38,797	39,690	39,816	40,037	33,693	32,733	32,857	32,864
Other cash inflows	99,976	101,418	106,166	106,363	97,793	99,203	103,956	104,246
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
(Excess inflows from a related specialised credit institution)					-	-	-	-
TOTAL CASH INFLOWS	**407,299**	**412,367**	**424,117**	**426,308**	**215,876**	**218,961**	**227,719**	**230,385**
Fully exempt Inflows	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	*247,920*	*335,981*	*348,996*	*350,846*	*215,876*	*218,961*	*227,719*	*230,385*
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					**224,304**	**217,669**	**204,815**	**188,059**
TOTAL NET CASH OUTFLOWS					**149,984**	**138,223**	**128,378**	**123,023**
LIQUIDITY COVERAGE RATIO *(%)*					**151.41%**	**159.24%**	**160.14%**	**153.47%**

As at 30 June 2021, the LCR stood at 151% in terms of monthly average over the twelve months between July 2020 and June 2021, increasing by 8 points as compared with 30 June 2020 (same computation, average over twelve months; cf. synthetic figures available in Chapter 1 as regards the 30 June 2020 reference).

The liquid reserves forming the numerator of the ratio increased by 28% (same computation), or EUR 49 billion year-on-year, reaching EUR 224 billion on average as at 30 June 2021. This increase reflects higher cash balance at central banks resulting in most part from the proceeds of TLTRO III drawings and growth experienced in customer deposits.

The net cash outflows forming the denominator of the ratio rised by 22% or EUR 27 billion year-on-year, driven mainly by the following items:

- cash outflows related to deposits increased by EUR 15 billion, mainly reflecting the growth of non-operational deposits from corporate clients;
- net cash outflows related to securities financing transactions increased by EUR 13 billion.

Net cash outflows stemming from derivative instruments exposures remained stable on average.

TABLE 66: NET STABLE FUNDING RATIO (LIQ2)

	30.06.2021				
	Unweighted value by residual maturity				
(In EURm)	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items					
Capital items and instruments	62,759	1,262	-	13,991	76,749
Own funds	*62,759*	*1,262*	*-*	*13,991*	*76,749*
Other capital instruments		*-*	*-*	*-*	*-*
Retail deposits		222,116	2,184	6,232	214,347
Stable deposits		*124,121*	*783*	*3,802*	*122,461*
Less stable deposits		*97,994*	*1,401*	*2,430*	*91,886*
Wholesale funding:		544,738	41,496	184,028	305,487
Operational deposits		*67,288*	*0*	*3*	*33,647*
Other wholesale funding		*477,450*	*41,496*	*184,025*	*271,839*
Interdependent liabilities		17,461	2	2,570	-
Other liabilities:	35,887	80,198	115	519	577
NSFR derivative liabilities	*35,887*				
All other liabilities and capital instruments not included in the above categories		*80,198*	*115*	*519*	*577*
TOTAL AVAILABLE STABLE FUNDING (ASF)					**597,160**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					42,733
Assets encumbered for more than 12m in cover pool		199	175	45,682	39,148
Deposits held at other financial institutions for operational purposes		-	-	-	-
Performing loans and securities:		255,922	53,529	348,920	380,885
Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut		*96,873*	*8,695*	*2,371*	*10,508*
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		*60,510*	*6,891*	*20,370*	*29,849*
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		*73,214*	*29,092*	*199,756*	*233,359*
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		*13,140*	*3,522*	*34,253*	*43,490*
Performing residential mortgages, of which:		*4,284*	*5,315*	*80,948*	*59,697*
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		*3,723*	*4,782*	*69,545*	*49,457*
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		*21,042*	*3,535*	*45,475*	*47,473*
Interdependent assets		17,345	2	2,570	-
Other assets:	-	136,011	613	55,846	83,577
Physical traded commodities				*-*	*-*
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		*25,087*	*-*	*-*	*21,324*
NSFR derivative assets		*-*			*-*
NSFR derivative liabilities before deduction of variation margin posted		*85,716*			*4,286*
All other assets not included in the above categories		*25,208*	*613*	*55,846*	*57,967*
Off-balance sheet items		177,932	-	-	8,897
TOTAL RSF					**555,238**
Net Stable Funding Ratio *(%)*					**107.55%**

9.3 BALANCE SHEET SCHEDULE

TABLE 67: BALANCE SHEET SCHEDULE

FINANCIAL LIABILITIES

	30.06.2021					
(In EURm)	Note to the consolidated financial statements	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Due to central banks		5,515	-	-	-	**5,515**
Financial liabilities at fair value through profit or loss, excluding derivatives		172,705	18,436	21,581	30,304	**243,026**
Due to banks	Note 3.6	62,618	9,974	74,017	1,329	**147,938**
Customer deposits	Note 3.6	443,354	15,210	13,992	6,218	**478,774**
Securitised debt payables	Note 3.6	36,396	34,066	44,667	22,809	**137,938**
Subordinated debt	Note 3.9	8	2	6,514	10,149	**16,673**

	31.12.2020					
(In EURm)	Note to the consolidated financial statements	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Due to central banks		1,489	-	-	-	**1,489**
Financial liabilities at fair value through profit or loss, excluding derivatives		164,209	17,529	20,520	28,813	**231,071**
Due to banks	Note 3.6	57,383	9,140	67,830	1,218	**135,571**
Customer deposits	Note 3.6	422,319	14,489	13,328	5,923	**456,059**
Securitised debt payables	Note 3.6	36,665	34,317	44,998	22,977	**138,957**
Subordinated debt	Note 3.9	7	2	6,029	9,394	**15,432**

FINANCIAL ASSETS

(In EURm)	30.06.2021 Note to the consolidated financial statements	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Cash, due from central banks		157,017	1,012	1,753	1,019	**160,801**
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	300,155	9,803	-	-	**309,958**
Financial assets at fair value through other comprehensive income	Note 3.4	48,291	507	-	270	**49,068**
Securities at amortised cost	Note 3.5	15,185	288	2,405	1,044	**18,922**
Due from banks at amortised cost	Note 3.5	52,436	2,159	5,876	1,262	**61,733**
Customer loans at amortised cost	Note 3.5	81,658	65,057	174,308	114,226	**435,249**
Lease financing agreements*	Note 3.5	2,668	6,149	16,160	4,396	**29,373**

* *Amounts are featured net of impairments.*

(In EURm)	31.12.2020 Note to the consolidated financial statements	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Cash, due from central banks		164,724	900	1,611	944	**168,179**
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	240,288	9,371	-	-	**249,659**
Financial assets at fair value through other comprehensive income	Note 3.4	51,090	708	-	262	**52,060**
Securities at amortised cost	Note 3.5	13,941	146	1,337	211	**15,635**
Due from banks at amortised cost	Note 3.5	46,790	1,664	4,071	855	**53,380**
Customer loans at amortised cost	Note 3.5	70,518	75,862	163,365	109,820	**419,565**
Lease financing agreements*	Note 3.5	2,582	6,036	16,167	4,411	**29,196**

* *Amounts are featured net of impairments.*

Due to the nature of its activities, Societe Generale holds derivative products and securities whose residual contractual maturities are not representative of its activities or risks.

By convention, the following residual maturities were used for the classification of financial assets:

1. assets measured at fair value through profit or loss, excluding derivatives (customer-related trading assets):
   - positions measured using prices quoted on active markets (L1 accounting classification): maturity of less than 3 months,
   - positions measured using observable data other than quoted prices (L2 accountBing classification): maturity of less than 3 months,
   - positions measured mainly using unobservable market data (L3): maturity of 3 months to 1 year;
2. financial assets at fair value through other comprehensive income:
   - available-for-sale assets measured using prices quoted on active markets: maturity of less than 3 months,
   - bonds measured using observable data other than quoted prices (L2): maturity of 3 months to 1 year,
   - finally, other securities (shares held long-term in particular): maturity of more than 5 years.

As regards the other lines of the balance sheet, other assets and liabilities and their associated conventions can be broken down as follows:

OTHER LIABILITIES

	30.06.2021						
(In EURm)	**Note to the consolidated financial statements**	**Not scheduled**	**0-3 m**	**3 m-1 yr**	**1-5 yrs**	**> 5 yrs**	**Total**
Tax liabilities	Note 6.3	-	-	910	-	455	**1,365**
Revaluation difference on portfolios hedged against interest rate risk		5,214	-	-	-	-	**5,214**
Other liabilities	Note 4.4	-	78,718	2,293	4,703	2,091	**87,805**
Non-current liabilities held for sale		-	-	104	-	-	**104**
Insurance contracts related liabilities	Note 4.3	-	15,966	9,766	39,545	85,842	**151,119**
Provisions	Note 8.3	4,595	-	-	-	-	**4,595**
Shareholders' equity		68,637	-	-	-	-	**68,637**

	31.12.2020						
(In EURm)	**Note to the consolidated financial statements**	**Not scheduled**	**0-3 m**	**3 m-1 yr**	**1-5 yrs**	**> 5 yrs**	**Total**
Tax liabilities	Note 6.3	-	-	815	-	408	**1,223**
Revaluation difference on portfolios hedged against interest rate risk		7,696	-	-	-	-	**7,696**
Other liabilities	Note 4.4	-	76,148	2,218	4,549	2,022	**84,937**
Non-current liabilities held for sale		-	-	-	-	-	-
Insurance contracts related liabilities	Note 4.3	-	16,593	9,475	38,011	82,047	**146,126**
Provisions	Note 8.3	4,775	-	-	-	-	**4,775**
Shareholders' equity		66,979	-	-	-	-	**66,979**

OTHER ASSETS

(In EURm)	30.06.2021 Note to the consolidated financial statements	Not scheduled	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Revaluation differences on portfolios hedged against interest rate risk		222	-	-	-	-	**222**
Other assets	Note 4.4	-	69,473	-	-	-	**69,473**
Tax assets	Note 6	4,601	-	-	-	-	**4,601**
Investments accounted for using the equity method		-	-	-	-	96	**96**
Tangible and intangible fixed assets	Note 8.4	-	-	-	-	30,786	**30,786**
Goodwill	Note 2.2	-	-	-	-	3,821	**3,821**
Non-current assets held for sale		-	-	164	91	113	**368**
Investments of insurance companies	Note 4.3	-	46,108	6,184	35,038	84,686	**172,016**

(In EURm)	31.12.2020 Note to the consolidated financial statements	Not scheduled	0-3 m	3 m-1 yr	1-5 yrs	> 5 yrs	Total
Revaluation differences on portfolios hedged against interest rate risk		378	-	-	-	-	**378**
Other assets	Note 4.4	-	67,341	-	-	-	**67,341**
Tax assets	Note 6	5,001	-	-	-	-	**5,001**
Investments accounted for using the equity method		-	-	-	-	100	**100**
Tangible and intangible fixed assets	Note 8.4	-	-	-	-	30,088	**30,088**
Goodwill	Note 2.2	-	-	-	-	4,044	**4,044**
Non-current assets held for sale		-	1	1	2	2	**6**
Investments of insurance companies	Note 4.3	-	44,087	7,569	34,097	81,101	**166,854**

1. Revaluation differences on portfolios hedged against interest rate risk are not scheduled, as they comprise transactions backed by the portfolios in question. Similarly, the schedule of tax assets whose schedule would result in the early disclosure of income flows is not made public.
2. Other assets and other liabilities (guarantee deposits and settlement accounts, miscellaneous receivables) are considered as current assets and liabilities.
3. Investments in subsidiaries and affiliates accounted for by the equity method and Tangible and intangible fixed assets have a maturity of more than 5 years.
4. Provisions and shareholders' equity are not scheduled.

10

PERSON RESPONSIBLE FOR THE PILLAR 3 REPORT

10.1 PERSON RESPONSIBLE FOR THE PILLAR 3 REPORT

Mr. William KADOUCH-CHASSAING

Deputy General Manager of Societe Generale

10.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE PILLAR 3 REPORT

I certify, after having taken all reasonable measures to this effect, that the information disclosed in this Pillar 3 Risk Report complies, to the best of my knowledge, with Part 8 of EU Regulation No. 2019/876 (and its subsequent amendments) and has been established in accordance with the internal control procedures agreed upon at the management body level.

Paris, 14 September 2021

Deputy General Manager

William KADOUCH-CHASSAING

11

APPENDICES

INDEX OF THE TABLES IN THE RISK REPORT

Chapter	Table number Pillar 3 report 31.12.2020	Table number Pillar 3 report 30.06.2021	Table number 2021 URD[1]	Title	Page in Pillar 3 report 31.12.2020	Page in Pillar 3 report 30.06.2021	Page in the 2021 URD[1]	EBA regulatory references
		1		Key metrics		3		KM1
1	1			Provisioning of doubtful loans	6			
1	2			Cost of risk	6			
1	3			Market risk – VaR and SVaR	8			
1	4			Sensitivity of the Group's value to a +10 bps interest rate variation	9			
3	5		1	Financial assets and liabilities and derivatives impacted by the interest rate benchmarks reform	35		171	
5	6	2	2	Difference between accounting scope and prudential reporting scope	48	21	180	
5	7	3	3	Reconciliation of regulatory own funds to balance sheet in the audited financial statements	48	22	181	CC2
5	8	4	4	Entities outside the prudential scope	50	24	183	
5	9			Total amount of debt instruments eligible for Tier 1 equity	52			
5	10		5	Changes in debt instruments eligible for solvency capital requirements	52		185	
5	11		6	Breakdown of prudential capital requirement for Societe Generale	53		185	
5	12	5	7	Regulatory capital and CRR/CRD4 solvency ratios	53	24	186	
5	13	6	8	CET1 regulatory deductions and adjustments under CRR/CRD4	54	25	186	
5	14	7	9	Overview of risk-weighted assets	55	26	187	OV1
5	15	8	10	Risk-weighted assets by core business and risk type	55	27	188	
5	16			Main subsidiaries' contributions to the Group's RWA	56			
5	17			Calculation of the TLAC ratio	57			
		9		TLAC – Key metrics		28		KM2
5	18	10	11	Leverage ratio summary and transition from prudential balance sheet to leverage exposure	58	29	189	

Chapter	Table number Pillar 3 report 31.12.2020	Table number Pillar 3 report 30.06.2021	Table number 2021 URD[1]	Title	Page in Pillar 3 report 31.12.2020	Page in Pillar 3 report 30.06.2021	Page in the 2021 URD[1]	EBA regulatory references
5	12A			Regulatory capital and CRR/CRD4 solvency ratios (details of table 12)	59			
5	12B			Transitional own funds disclosure template	61			
		14		Composition of regulatory own funds		32		CC1
		15		TLAC – Composition		35		TLAC1
		16		TLAC – Creditor ranking of the resolution entity		36		TLAC3
5	18A	17		Summary reconciliation of accounting assets and leverage ratio exposures	64	37		LR1-LRSUM
5	18B	18		Leverage ratio – Common disclosure	65	38		LR2-LRCOM
5	18C	19		Leverage ratio – Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	66	40		LR3-LRSPL
5	19			Non-deducted equities in insurance undertakings	66			INS1
5	20			Financial conglomerates information on own funds and capital adequacy ratio	66			INS2
5	21	11		Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	67	30		CCyB1
5	22	12		Amount of institution-specific countercyclical capital buffer	67	30		CCyB2
5	23			Differences between statutory and prudential consolidated balance sheets and allocation to regulatory risk categories	68			LI1
5	24			Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements	72			LI2
5	25	13		Comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9	74	31		IFRS9-FL
6	26			Credit rating agencies used in standardised approach	82			
6	27		13	Breakdown of EAD by Basel approach	83		197	
6	28		14	Scopes of application of the IRB and standardised approaches for the Group	83		197	
6	29		15	Societe Generale's internal rating scale and indicative corresponding scales of rating agencies	84		198	
6	30		16	Main characteristics of models and methods – Wholesale clients	85		199	
6	31		17	Comparison of risk parameters: estimated and actual PD values – Wholesale clients	86		200	CR9
6	32		18	Comparison of risk parameters: estimated and actual LGD values – Wholesale clients	87		201	
6	33		19	Main characteristics of models and methods used – Retail clients	88		202	
6	34		20	Comparison of risk parameters: estimated and actual PD values – Retail clients	89		203	CR9
6	35		21	Comparison of risk parameters: estimated and actual LGD and EAD values – Retail clients	89		203	
6	36	20		Exposure classes	91	41		
6	37		22	Breakdown of exposures (credit and counterparty credit risks) on top five countries by exposure class *(in %)*	95		209	
6	38			Geographical breakdown of average PD and LGD (credit and counterparty credit risks)	95			

Chapter	Table number Pillar 3 report 31.12.2020	Table number Pillar 3 report 30.06.2021	Table number 2021 URD[1]	Title	Page in Pillar 3 report 31.12.2020	Page in Pillar 3 report 30.06.2021	Page in the 2021 URD[1]	EBA regulatory references
6	39			Exposure treated under standardised approach by exposure class and external rating (credit and counterparty credit risks)	96			
6	40		23	Change in risk-weighted assets (RWA) by approach (credit and counterparty credit risks)	97		209	
6	41	23		Credit quality of forborne exposures	99	48		CQ1
6	42	24		Credit quality of performing and non-performing exposures by past due days	100	49		CQ3
6	43	21		Performing and non-performing exposures and related provisions	102	46		CR1
6	44	25		Credit quality of non-performing exposures by geography	104	50		CQ4
6	45	26		Credit quality of loans and advances to non-financial corporations by industry	106	52		CQ5
6	46	27		Collateral obtained by taking possession and execution processes	108	53		CQ7
6	47	22		Changes in the stock of non-performing loans and advances	108	48		CR2
		28		Maturity of exposures		53		CR1-A
6	48			Changes in credit risk adjustments	108			CR2-A
6	49	30		Information on loans and advances subject to legislative and non-legislative moratoria	109	55		
6	50	31		Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of the moratoria	110	56		
6	51	32		Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to Covid-19 crisis	111	56		
6	52	33		Credit risk exposure, EAD and RWA by exposure class and approach	112	57		
6	53			Credit quality of exposures by exposure class and intrument	113			CR1-A
6	54			Net exposures by exposure class	114			CRB-B
6	55	34		Standardised approach – Credit risk exposure and credit risk mitigation (CRM) effects	115	58		CR4
6	56	36		Internal approach – Credit risk exposures by exposure class and PD range – AIRB	117	62		CR6
6	57	37		Internal approach – Credit risk exposures by exposure class and PD range – FIRB	121	68		CR6
6	58	35		Standardised approach – Credit risk exposures by regulatory exposure class and risk weights	123	60		CR5
6	59			Geographical breakdown ot net exposures	124			CRB-C
6	60			Concentration of exposures by industry or counterparty type	129			CRB-D
6	61			Maturity of exposures	133			CRB-E
6	62	29	12	Credit risk mitigation techniques – Overview	135	54	193	CR3
6	63	38		IRB approach – Effect on RWA of credit derivatives used as CRM techniques	135	71		CR7
		39		Internal approach – Disclosure of the extent of the use of CRM techniques – AIRB		72		CR7-A

Chapter	Table number Pillar 3 report 31.12.2020	Table number Pillar 3 report 30.06.2021	Table number 2021 URD(1)	Title	Page in Pillar 3 report 31.12.2020	Page in Pillar 3 report 30.06.2021	Page in the 2021 URD(1)	EBA regulatory references
		40		Internal approach – Disclosure of the extent of the use of CRM techniques – FIRB		73		CR7-A
6	64	42		Specialised lending exposures – internal approach	137	74		CR10.1-10.4
		43		Equity exposures under the simple risk-weighted approach		75		CR10.5
6	65	41		RWA flow statement of credit risk exposures under the IRB approach	138	73		CR8
7	66	44	30	Counterparty credit risk exposure, EAD and RWA by exposure class and approach	144	77	220	
7	67	45	31	Analysis of counterparty credit risk exposure by approach	145	78	221	CCR1
7	68	46	32	Exposures to central counterparties	146	79	222	CCR8
7	69	47	33	Composition of collateral for counterparty credit risk exposures	147	80	223	CCR5
7	70	48	34	Transactions subject to own funds requirements for CVA risk	147	80	223	CCR2
7	71	49		Internal approach – Counterparty credit risk exposures by exposure class and PD scale	148	81		CCR4
7	72	50		Standardised approach – Counterparty credit risk exposures by regulatory exposure class and risk weights	151	83		CCR3
7	73	51		Credit derivatives exposures	153	85		CCR6
7	74			Credit derivatives exposures – Protections bought	154			
7	75			Impact of netting and collateral held on exposure values	154			CCR5-A
7	76	52		RWA flow statement of counterparty credit risk exposures under the IMM	154	85		CCR7
		53		Securitisation exposures in the non-trading book		87		SEC1
		54		Securitisation exposures in the trading book		88		SEC2
		55		Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor		89		SEC3
		56		Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor		90		SEC4
		57		Exposures securitised by the institution – Exposures in default and specific credit risk adjustments		91		SEC5
8	77			Amounts of securitised exposures by type of underlying assets	161			
8	78			Amounts of securitised exposures that are past due or impaired by type of underlying assets in the banking book	162			
8	79			Assets awaiting securitisation by type of underlying assets	163			
8	80			Amounts of securitised exposures retained or purchased by type of underlying assets in the trading book	163			
8	81			Amounts of securitised exposures retained or purchased by type of underlying assets in the banking book	164			

Chapter	Table number Pillar 3 report 31.12.2020	Table number Pillar 3 report 30.06.2021	Table number 2021 URD[1]	Title	Page in Pillar 3 report 31.12.2020	Page in Pillar 3 report 30.06.2021	Page in the 2021 URD[1]	EBA regulatory references
8	82			Amounts of securitised exposures retained or purchased by region in the banking book and in the trading book	164			
8	83			Quality of securitisation positions retained or purchased by type of underlying assets in the banking book	165			
8	84			Quality of securitisation positions retained or purchased by type of underlying assets in the trading book	166			
8	85			Credit rating agencies used in securitisations by type of underlying assets	167			
8	86			Amounts of securitised exposures retained or purchased in the banking book by approach and by Risk Weight	168			
8	87			Amounts of securitised exposures retained or purchased in the trading book by approach and by Risk Weight	169			
8	88			Securitisation exposures deducted from own funds by type of underlying assets	170			
8	89			Regulatory capital requirements relating to securitisations held or purchased in the trading book	170			
8	90			Re-securitisation positions retained or purchased	170			
9	91		35	Regulatory ten-day 99% VaR and one-day 99% VaR	177		229	
9	92		36	Regulatory ten-day 99% SVaR and one-day 99% SVaR	179		231	
9	93		37	IRC (99.9%) and CRM (99.9%)	180		232	
9	94	58	38	Market risk RWA and capital requirements by risk factor	182	95	234	
9	95		39	Market risk capital requirements and RWA by type of risk	182		234	
9	96	59		Market risk under the standardised approach	184	96		MR1
9	97	60		Market risk under the internal model approach	184	96		MR2-A
9	98	61		Internal model approach values for trading portfolios	185	97		MR3
9	99	62		RWA flow statement of market risk exposures under the internal model approach	186	98		MR2-B
10	100		40	Risk-weighted assets and capital requirements for operational risk	194		242	
11	101		41	Sensitivity of the Group's value to a +10 bps interest rate variation	200		245	
11	102		42	Sensitivity of the Group's interest margin	200		245	
		63		Interest rate risk of non-trading book activities		99		IRRBB1
11	103		43	Sensitivity of the Group's Common Equity Tier 1 ratio to a 10% change in the currency (in basis points)	201		246	
12	104			Encumbered and unencumbered assets	207			AE-ASS
12	105			Collateral received	208			AE-COL
12	106			Sources of encumbrance	208			AE-SOU
12	107	64	44	Liquidity reserve	209	101	249	
12	108	65		Liquidity Coverage Ratio	210	102		LIQ1
		66		Net Stable Funding Ratio		103		LIQ2
12	109	67	45	Balance sheet schedule	211	104	250	

Chapter	Table number Pillar 3 report 31.12.2020	Table number Pillar 3 report 30.06.2021	Table number 2021 URD[1]	Title	Page in Pillar 3 report 31.12.2020	Page in Pillar 3 report 30.06.2021	Page in the 2021 URD[1]	EBA regulatory references
16	110		46	Shares and equities in the banking book	228		263	
16	111		47	Net gains and losses on banking book equities and holdings	229		264	
16	112		48	Capital requirements related to banking book equities and holdings	229		264	

(1) Universal Registration Document.

Designed & published by LABRADOR INFORMATION DESIGN +33 (0)1 53 06 30 80

SOCIETE
GENERALE