RISK REPORT

2020

PILLAR 3 - 30.06.2020

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.

RISK REPORT

2020

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RISKS AND CAPITAL ADEQUACY

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 Regulation (EU) 2017/1129, also known as "Prospectus 3" regulation of 14 June 2017, whose provisions relating to risk factors came into force on 21 July 2019:

- risks related to the macroeconomic, market and regulatory environments;
- credit and counterparty credit risk;
- 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.

1.1 RISKS RELATED TO THE MACROECONOMIC, MARKET AND REGULATORY ENVIRONMENTS

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

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 sanitary 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, and thus will adversely affect the Group's business, financial position and results.

The sharp recession experienced by the affected countries and the reduced world trade will continue to have a negative impact on the global economic environment as long as global production, investments, supply chains and consumer demand are affected, thereby impacting the Group's business and that of its customers and counterparties.

Lockdown measures also led to a decline in the Group's commercial activity and results due to a reduced opening of its retail network and lower demand from its customers. The renewal of lockdown measures 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 programs, tax deferrals, facilitated recourse to part-time working, compensation, etc.) or to improve liquidity in financial markets (asset purchases, etc.). The agreement reached on 21 July 2020 by the European Commission to provide the European Union with a EUR 750 billion recovery mechanism and the announcement by the French President of a new EUR 100 billion national recovery plan, which is currently being elaborated, should encourage a more demand-driven recovery. 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 euro zone.

As part of the French government-guaranteed loan facilities program for a maximum amount of EUR 300 billion, the Group has adapted its granting processes to handle the massive flow of applications. The Group has taken exceptional measures to financially support its customers and help them overcome the effects of the Covid-19 pandemic on their activities and income. The Group also supports its clients abroad in the framework of public or private moratoriums or government-guaranteed loan facilities. 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 moratoriums, additional financing, strengthening of equity capital, etc.), the Group's business and results may continue to be affected.

The lockdown measures taken in several of the main countries where the Group operates (with Western Europe representing 68% of the Group's EAD (Exposure at Default) as of 30 June 2020, of which 46% is in France) are significantly reducing economic activity and will lead many countries to face economic recessions. The risk of new lockdown periods (especially in the event of new epidemic waves) as well as a slow recovery of demand could increase the scale and duration of these recessions. 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 quality of the Group's counterparties and the level of non-performing loans for both businesses and individuals.

Within the Corporate portfolio, the most impacted sectors to date are the automotive sector (1.0% of the Group's total exposure as of 30 June 2020), tourism (0.6% of the Group's total exposure), air transport and aeronautics (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 has been strongly impacted by a drop in demand due to the pandemic and by the initially uncoordinated actions on supply from several producing countries such as the OPEC countries and Russia, resulting in a sharp drop in the price per barrel and enhanced price volatility. Within the Corporate portfolio, this sector represented approximately 2.1% of the Group's total exposure as of 30 June 2020.

This context led to a significant increase in the Group's cost of risk during the first half of 2020. This increase takes into account the adjustment in our outlook in accordance with IFRS 9 principles. The cost of risk in 2020 is consequently expected to remain at a higher level than in previous years.

For information purposes, the cost of risk was 97 basis points for the second quarter 2020. A cost of risk is expected in 2020 at the low end of the 70bp-100bp range. As of June 30, 2020, the non-performing loan ratio stands at 3.2%.

Due to the Covid-19 crisis, the Group's results and financial position were affected by unfavorable developments in global financial markets in March and April 2020 (extreme volatility, sharp decline in the equity and index markets, pressure on spreads, unexpected declines in dividends distribution, etc.). These exceptional conditions have particularly affected the management of structured financial instruments whose underlyings are equity products. By way of illustration, market risk risk-weighted assets (RWA) are thus up 19% in the second quarter of 2020 compared to the situation at the end of December 2019, to 21 billion euros.

The situation in financial markets has since improved as a result of the governments' announced recovery plans, accommodating central banks' policies and the gradual ending of the lockdown measures. However, the prospect of new epidemic waves and the related uncertainties may result in a further adverse impact on the Group's capital markets activities: decline in activity, higher hedging costs, trading losses, increase in market risk reserves, reduction in liquidity on certain markets, operational losses related to capital markets activities, etc.

For example, the Global Markets and Investor Services sector, which mainly concentrates the Group's market risks, represented a net banking income of EUR 1.8 billion, or 17% of the Group's total revenues in the first semester 2020.

Lockdown measures have led the Group to massively implement remote working arrangements, particularly in a significant part of its market activities. This organization in immediate response to the crisis increases the risk of operational incidents and the risk of cyber-attacks faced by the Group. In addition, all employees remain subject to health risks at the individual level, with potential impacts in terms of organization 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 plausible, leading 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.

Following the European Central Bank's recommendation of 27 March 2020 to euro zone financial institutions to suspend dividend distributions and share buyback programs in light of the Covid-19 pandemic until at least October 2020, the Board of Directors' meeting of 31 March 2020 decided to discontinue the proposed dividend payment for the 2019 financial year. On July 28, 2020, the European Central Bank extended its recommendation to banks not to pay dividends and not to proceed with share buy-backs until January 2021. The European Central Bank will examine whether this guidance remains appropriate in the fourth quarter of 2020, taking into account the economic environment, the stability of the financial system and the adequacy of capital requirements. During the second half of 2020, the Board of Directors will propose guidelines for dividends distribution to shareholders. In addition, as part of the support measures and actions taken by central banks and national governments, restrictions or additional recommendations relating to the management of its activities, as well as on its distribution and capital allocation policies could be issued. Eventually, further restrictions on the payment of dividends, enhanced by public opinion pressure, cannot be ruled out at this stage.

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

1.1.2 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 47% of its business in France (in terms of 2019 net banking income), 34% in Europe, 6% in the Americas and 13% 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 operating environment for the Group 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 represents the main source of uncertainty. It is detailed in the risk factor 1.1.1 *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 from concern over the trajectory of the sovereign debt of several euro-zone countries, Brexit (refer to the risk factor 3.1.1.5 *Brexit and its impact on the financial markets and the economic environment could have repercussions on the Group's activity and results of operations*), the persistence of commercial and political tensions (especially between the United States and China) or fears of a cyclical slowdown growth (particularly in China). The crisis related to the Covid-19 pandemic is unprecedented in nature and its potential effects on the financial markets may still be yet to come. These factors are likely to weaken several economic sectors and consequently the credit quality of the players concerned, which could negatively affect the Group's activities and results. 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.

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 1.9 billion euros in the first semester 2020 for Retail Banking in France). Furthermore, this context 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. The current economic slowdown could also lead to excessive risk-taking positions.

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 could lead to additional regulatory measures from the supervisory authorities in order to limit the grant of credit or to further protect banks against a financial cycle downturn. Lastly, the increase or accumulation of geopolitical or political risks (in particular in the Middle East) is another source of uncertainty which, in case of military conflict, 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 2020, Group's exposures at default (EAD) to credit and counterparty credit risk are concentrated for 90% in Europe and the United States, with a predominant exposure to France (46% of EAD). The other exposures concern Western Europe excluding France (accounting for 22%), North America (accounting for 14%), Eastern European members of the European Union (accounting for 6%) 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 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 credit risk at 30 June 2020) and Africa and the Middle East (4% of the Group's credit exposure). A significant adverse change in the political, macroeconomic or financial environment in these emerging 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 significant decline in oil prices since the Covid-19 epidemic, which, if it were to last beyond several quarters, would deteriorate the financial health of producing countries.

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.

1.1.3 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.

On 28 November 2017, the Group announced a strategic and financial plan for 2017-2020. This plan includes a number of strategic objectives, in particular a plan to accelerate the digital transformation of the Group's economic model, the streamlining of its French Retail Banking network, the implementation of the program to refocus activities, the improvement of operational efficiency, the strengthening of its internal control system and the anchoring of a of corporate responsibility culture.

This strategic plan is based on a number of assumptions, in particular relating to the macroeconomic environment and the development of the Group's activities. Failure to achieve these objectives (including as a result of the realization of one or more of the risks described in this section) or the occurrence of unexpected events could compromise the achievement of the objectives of the plan and have a material adverse effect on the Group's business, results of operations and the value of its financial instruments. As part of its financial communication, the Group regularly reports on the achievement of these objectives.

Given the uncertainties related to the scope and duration of the Covid-19 pandemic, the Group is working on analyzing potential scenarios and their impact on its results, as well as possible corrective measures. In compliance with the recommendations of the *Autorité des marchés financiers* and pending the conclusion of this work, the Group has suspended its 2020 objectives communicated on February 6, 2020 as part of its 2019 annual results.

At the time of the publication of the first quarter results on 30 April 2020, the Group communicated new guidance on operating expenses, cost of risk and the solvency of the Group in 2020 in order to take into account the possible impacts, with a significant level of uncertainty, of the sanitary crisis which has led to a significant revision of the macroeconomic scenario for 2020. These objectives were specified during the publication of the results of August 3, 2020. The Group anticipates management costs in 2020, at 16.5 billion euros excluding exceptional items. The Group anticipates, over the whole of 2020, a cost of risk in the lower end of the range of between 70 and 100 basis points. At the end of 2020, the Group aims for a CET1 ratio at the top of the range of between 11.5% and 12.0%.

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 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.

These actions (or similar actions that may be taken in the future) could in some cases affect decrease the Group's results in the sectors concerned.

1.1.4 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 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, 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 credit risk (Exposure at Default (EAD)) in France, the 27-member European Union (including France) and the United States represented 45%, 66% and 14%, respectively as of 31 December 2019.

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

- the implementation of prudential reforms, notably in the context of the finalisation of the Basel Agreement, including the Fundamental Review of the Trading Book and the IRB repair initiative (including the new definition of defaults), could result in increased capital and liquidity requirements, revised standards for calculating risk-weighted assets and a restriction on the use of internal models for calculating capital requirements;
- in the United States, the implementation of the Dodd-Frank Act has not yet been finalized and additional regulations (including new Securities and Exchange Commission (SEC) regulations) have yet to be introduced. These developments could in particular have an impact on the Group's U.S. market activities;
- the constant evolution of the legal and regulatory framework for activities on the financial markets (such as the European regulations and directives EMIR, MIFID 2 and MIFIR or the Volcker regulation in the United States) increases the Group's obligations, notably in the areas of transparency and reporting. This regulatory context, combined with the strengthening of controls exercised by various authorities, notably European and American, could have a significant impact on the conduct of some of the Group's activities, such as through the obligation to offset some of its derivative transactions or the introduction of additional collateral requirement;
- new European measures aimed at restoring banks' balance sheets 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. Additional regulatory provisions (as indicated in the Guidelines of the European Banking Authority), the scope of which remains to be determined, are being considered to define a framework of good practices for granting and monitoring loans;

- the strengthening of the supervisor's requirements (through the adoption of best practices) within the Single Supervisory Mechanism (SSM) could have an impact on the management costs and risk-weighted exposure levels of internal models;
- a strengthening of requirements related to internal control as well as the Group's rules of governance and good conduct, with a potential impact on costs;
- the strengthening of data quality and protection requirements and a potential strengthening of cyber-resilience requirements in relation to the consultation on "digital operational resilience framework for financial services" initiated by the European Commission in December 2019;
- sustainable finance considerations on the European political and regulatory agenda, with uncertainty for the Group regarding the inclusion of environmental and social issues in the supervisory review and assessment process (Supervisory Review and Evaluation Process - SREP) as well as the computation of the prudential capital requirement of credit institutions;
- 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 which could, in order to limit the cost to the taxpayer, result in creditors and shareholders of the Group incurring 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 its debt instruments, issue new debt instruments, or result in the depreciation of 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 on page 427 of the 2020 Universal Registration Document.

Future legal and regulatory obligations could also be imposed on the Group, such as:

- the ongoing implementation in France of consumer-oriented measures affecting retail banking (limitation of banks' fees for individuals and extension of such measures to small and medium-sized businesses, protection measures for vulnerable customers, extended liability of customer advisers on societal issues (equality between men and women, advice on energy transition, etc.));
- the potential requirement (at the European level) to open more bank accounts (savings books, investments) to third-party service providers and/or to pool customer data.

The Group is also subject to complex tax rules in the countries in which 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 program and organisation, corrective actions to address identified deficiencies, the cost of which will be significant, and strengthen its compliance program. 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.

As of 30 June 2020, the Group had own funds CET1 of 44.5 billion euros (for a CET1 ratio of 12.3%[(1)]) and total regulatory capital of 60.7 billion euros (for a total ratio of 17.7%).

1.1.5 Brexit and its impact on financial markets and the economic environment could have an adverse effect on the Group's activities and results of operations.

The Withdrawal Agreement Act came into force on 1 February 2020, confirming the United Kingdom's withdrawal from the European Union.

The transition period during which the United Kingdom and the European Union will define the future of their relationship began on 1 February 2020 and is due to end on 31 December 2020. Following the announcement made by the UK government and the EU on 15 June 2020, the UK confirmed its decision not to extend the transition period. The UK government said it intended to "intensify talks" with a view to reaching a trade agreement by the end of 2020. Given the limited progress achieved so far, the possibility of a "no deal" Brexit continues to exist in the event that no trade agreement is reached and no extension of the transition period is decided.

As of 31 December 2019, the Group had an Exposure at Default of 39 billion euros in the United Kingdom (4% of the Group's credit exposure). Beyond a direct impact on our credit exposure in the United Kingdom, Brexit is likely (depending on the scenarios considered) to considerably disrupt the European and global economies and financial markets and thus have an impact on the Group's overall activity and results.

1.1.6 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.

In France and in the other main markets in which the Group operates, the presence of major domestic banking and financial actors, as well as new market participants (notably online banking and financial services providers), has increased competition for virtually all products and services offered by the Group (particularly our online banking activities, with Boursorama, which had 2,100,000 customers at the end of 2019). Driven by new market participants such as "fintechs", 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 also be exacerbated by the emergence of substitutes for central bank currency (crypto-currencies, digital central bank currency, etc.). 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.

(1) Ratio excluding IFRS 9 phasing (CET1 ratio at 12.5% including +20bp of IFRS 9 phasing).

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 products. 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). This intensification of competition could, however, adversely affect the Group's business and results, both on the French market and internationally.

1.2 CREDIT AND COUNTERPARTY CREDIT RISK

Risk-weighted assets (RWA) subject to credit and counterparty credit risk amounted to EUR 291.9 billion at 30 June 2020.

1.2.1 The Group is exposed to 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 credit risk. The Group may therefore realize 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 vigilant 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 effects of these counterparties. Moreover, some economic sectors could, in the longer term, be particularly impacted by the measures implemented to promote energy transition or by the physical risks related to climate change.

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 2019, the Group's exposure at default (EAD, excluding counterparty credit risk) was EUR 801 billion, with the following breakdown by type of counterparty: 32% on corporates, 24% on sovereigns, 25% on retail customers and 7% on credit institutions and similar. Risk-weighted assets (RWA) for credit risk totalled 264 billion euros.

Regarding counterparty credit risk resulting from market transactions (excluding CVA), at the end of December 2019, the exposure value (EAD) was EUR 118 billion, mainly to credit institutions and similar entities (42%) and corporates (38%), and to a lesser extent to sovereign entities (20%). Risk-weighted assets (RWA) for counterparty credit risk amounted to EUR 16 billion.

The main sectors to which the Group was exposed in its corporate portfolio included financial activities (accounting for 17% of exposure), commercial services (11%), real estate (10%), wholesale trade (7%), the transport, postal services and logistics sector (7%), the oil and gas sector (6%) and collective services (6%).

In addition, the sectors particularly impacted by the Covid-19 crisis are described in the risk factor 1.1.1 *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 in which the Group is exposed at 31 December 2019 were France (45% of the Group's total EAD, mainly related to retail customers and corporates), the United States (14% of EAD, mainly related to corporates and sovereign customers), the Czech Republic (5% of the Group's total EAD, mainly related to retail clients, corporates and sovereigns) the United Kingdom (4% of EAD, mainly related to corporates and financial institutions) and Germany (4% of the Group's total EAD, mainly related to corporates and financial institutions).

For more details on credit and counterparty credit risk, see section 4.5.6 *Quantitative information* of the 2020 Universal Registration Document.

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

For information, at 31 December 2019, the Group's exposure (EAD) to credit and counterparty credit risk on financial institutions amounted to EUR 107 billion, representing 12% of EAD in respect of the Group's credit risk.

Financial institutions are important counterparties for the Group in capital and inter-bank markets. Financial services institutions are closely interrelated as a result of trading, clearing, counterparty and funding relationships. As a result, defaults by one or several actors in the sector or a crisis of confidence affecting one or more actors may result in market-wide liquidity scarcity or chain defaults.

The Group is also exposed to clearing institutions and their members because of the increase in transactions traded through these institutions. For information, the Group's exposure to clearing houses amounted to 32 billion euros of EAD at 31 December 2019. The default of a clearing institution or one of its members could generate losses for the Group and have an adverse effect on the Group's business and results of operations.

1.2.3 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 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, which has resulted in a significant increase in the net cost of risk in the first half of 2020 in anticipation of the future degradations on the basis of a multi-scenario economic approach. Such 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.

As of 30 June 2020, the stock of provisions relating to outstanding amounts (on- and off-balance sheet) amounted to EUR 3.2 billion euros on performing assets and EUR 10 billion euros on assets in default. Outstanding loans in default (stage 3 under IFRS 9) represented 18.7 billion euros, including 55% in France, 18% in Africa and Middle East and 13% in Western Europe (excluding France). For more details, see chapter 4.5. The gross ratio of doubtful loans on the balance sheet was 3.2% and the gross coverage ratio of these loans was approximately 54%. For information, the cost of risk stood at 81 basis points in the first half of 2020, against a cost of risk of 25 basis points in 2019.

1.3 MARKET AND STRUCTURAL RISKS

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

1.3.1 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 market activities, the Group is exposed to "market risk". For information, Global Markets & Investor Services activities, which account for the bulk of the Group's market risks, represented 1.8 billion euros of net banking income in the first half of 2020, or 17% of the Group's total revenues. At 30 June 2020, risk-weighted assets (RWA) subject to market risk represented EUR 21 billion, or 6% of the Group's total RWA.

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 assets and generate losses for the Group;
- a sudden change in the levels of volatility 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 crisis being the latest example; see the risk factor 1.1.1 *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.

The assessment and management of market risks in the Group 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.

1.3.2 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.

For information, net banking income (NBI) of French retail banking amounted to EUR 3.6 billion in the first half of 2020.

For more details on structural interest rate risks, see chapter 3.5 *Structural interest rate risks* and Note 8.1 *Segmented reporting* of the 2020 Universal Registration Document.

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

As a result of its international activities and its geographic implantation 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 2019, out of a total of EUR 1,356 billion of assets on the balance sheet, 61% was recorded in euros, 19% in USD and 4% in JPY.

See Chapter 4.6.5 *Market Risk Capital Requirements and Risk-Weighted Assets*, chapter 4.8.3 *Audited Structural exchange rate risk* and Note 8.5 *Foreign exchange transactions* in chapter 6 of the 2020 Universal Registration Document.

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

At 30 June 2020, risk-weighted assets subject to operational risk amounted to EUR 48 billion, or 13% of the Group's total RWA. These risk-weighted assets relate mainly to Global Markets & Investor Services (67% of total operational risk).

Between 2015 and 2019, the Group's operational risks were primarily concentrated in five risk categories, representing 96% of the Group's total operating losses over the period: fraud and other criminal activities (29%), mainly comprising external frauds, execution errors (23%), disputes with the authorities (18%), commercial disputes (14%), and errors in pricing or risk assessment, including model risk (12%). The Group's other categories of operational risk (unauthorized activities in the markets, failure of information systems and loss of operating resources) remain minor, representing 4% of the Group's losses on average over the 2015 to 2019 period.

See chapter 4.7.3 *Operational risk measure* of the 2020 Universal Registration Document for more information on the allocation of operating losses.

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

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 340 million at 31 December 2019.

For a description of the most significant ongoing proceedings, see the section *Compliance and reputational risk, Litigations*, Note 8.3.2 *Other provisions* and Note 9 *Information on risks and litigation* of chapter 6 of the 2020 Universal Registration Document.

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

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 dysfunction, failure, interruption of service or breach in security of its systems, even if only 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 tarnish 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 of clients and other market participants.

The interconnectivity of multiple financial institutions with clearing agents and houses and stock exchanges, and the increased concentration of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could adversely affect the Group's ability to conduct business and could therefore result in losses. Industry concentration, whether among market participants or financial intermediaries, can exacerbate these risks, as disparate complex systems need to be integrated, often on an accelerated basis.

The Group is also exposed to risks relating to cybercrime and has experienced fraudulent attempts to break into its information systems. Every year, the Group experiences numerous cyber-attacks to its systems, or via those of its clients, partners or suppliers. The Group could be subject to targeted and sophisticated attacks on its IT network, resulting in embezzlement, loss, theft or disclosure of confidential or customer data (in particular in violation of the European Data Protection Regulation, "GDPR"). Such actions are likely to result in operational losses and have an adverse effect on the Group's business and results of operations.

See *Information security risks* of section 4.7.1 *Organisation of operational risk management, Quantitative data* of section 4.7.3 *Measurement of operational risk for a breakdown of operational risk losses*, and section 4.7.4 *Weighted assets and capital requirements* of the 2020 Universal Registration Document.

The operational risks specific to the Covid-19 crisis are also described in the section 1.1.1 *The coronavirus (Covid-19) pandemic and its economic consequences could negatively affect the Group's business and financial performance*.

1.4.3 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 resulting from an insufficiently effective control environment, such as the sanctions issued by the American 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.

In particular, the Group monitors client satisfaction and loyalty through the use of a Net Promoter Score© system, detailed in section 5.1.3 *Satisfying clients by ensuring their protection* of Chapter 5 *Corporate Social Responsibility* of the 2020 Universal Registration Document.

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

The Group employs more than 138,000 people[1] in 62 countries and supports 29 million individual, corporate and institutional clients[2] worldwide on a daily basis. The performance of banking and financial activities is closely linked to the human factor. The inability to attract and retain employees, whether in terms of career prospects and training or in terms of compensation levels in line with market practices, could have an impact on the Group's performance. 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.

(1) Number of employees at the end of 2019 excluding temporary staff.
(2) Excluding customers of the Group's insurance companies.

Furthermore, the European financial sector is subject to increased oversight of employee compensation policies, including rules on certain types of compensation (fixed, variable, performance conditions, deferred payments, etc.), which may limit the Group's ability to attract and retain talent. In particular, the CRD IV directive, which has applied since 2014 to banks in the European Economic Area and therefore to the Group, includes 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.

1.4.5 The models, in particular the Group's internal models, used in strategic decision-making and in risk management systems could fail 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 in particular.

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 the Group could incur losses. For illustrative purposes, financial assets and liabilities measured at fair value on the balance sheet categorized within level 3 (for which the valuation is not based on observed data) represented EUR 16 billion and EUR 46 billion, respectively, as of 30 June 2020 (see Note 3.4.1 and Note 3.4.2 of chapter 6 of 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 credit risk is generally based on historical assumptions and observations that may prove to be inappropriate in light of new economic conditions and 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 Covid-19 epidemic wave, from the evolution of the trade war between the United States and China, or from Brexit), leading to an ineffective hedging strategy and 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.

1.4.6 The Group may incur losses as a result of unforeseen or catastrophic events, including sanitary 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 crisis) 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 disturb 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.

1.5 LIQUIDITY AND FUNDING RISKS

1.5.1 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 euro zone sovereign debt crisis or more recently the tensions on the financial markets linked to the Covid-19 crisis before the intervention of the central banks), access to financing from European banks was punctually 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 now, central banks have besides 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. In the event that central banks put an end to these extraordinary measures, 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 in average at 119% during the second quarter of 2020 and liquidity reserves amounted to EUR 227 billion as of 30 June 2020.

1.5.2 A downgrade in the Group's external rating or in 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 agencies or by other agencies, could have a significant impact on the Group's access to funding, increase its financing 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 sanitary crisis and its impact on the Group, particularly in terms of profitability and cost of risk, could increase the risk of external ratings downgrades. The Group's ratings could be placed under negative watch or be subject to degradation. In addition, France's ratings could also be downgraded due to an increase in its debt and deficits (further increased by the Covid-19 crisis 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://www.societegenerale.com /en/measuring-our-performance/investors/debt-investors/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 2020, the Group has adjusted its funding program to approximately EUR 13 billion in vanilla long-term debt, mainly in senior preferred and secured debt format as well as in senior non-preferred debt format.

As of 30 June 2020, the Group raised a total of EUR 20.6 billion of long-term funding (EUR 20 billion for the parent company and EUR 0.6 billion for the subsidiaries) mainly, at the parent company level, via senior structured issues (EUR 10 billion), senior vanilla non-preferred issues (EUR 6.6 billion), senior vanilla preferred issues (EUR 1.7 billion) and secured issues (EUR 1.3 billion).

See chapter 2.6 *Financial policy* of the Second Amendment to the 2020 Universal Registration Document including the breakdown of the achievement of the Group's long-term financing program (page 40).

1.6 RISKS RELATED TO INSURANCE ACTIVITIES

1.6.1 A deterioration in the market condition, 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 2020, the Group's insurance activities represented net banking income of EUR 440 million, or 4.2% of the Group's consolidated net banking income. The Group's Insurance division is mainly focused on Life Insurance. At 30 June 2020, life insurance contracts had an outstanding amount of EUR 122 billion, divided between euro-denominated contracts (70%) and unit-linked contracts (30%).

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 by customers, in an unfavourable context of unrealised losses on bond holdings. This configuration could affect the revenues and the profitability of the Life Insurance business.

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 in order to enable them to continue to meet their regulatory capital requirements.

2

CAPITAL MANAGEMENT AND ADEQUACY

2.1 PRUDENTIAL SCOPE

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

TABLE 1: DIFFERENCE BETWEEN STATUTORY SCOPE AND PRUDENTIAL SCOPE

Type of entity	Accounting treatment	Prudential treatment under CRR/CRD4
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 2: RECONCILIATION BETWEEN THE STATUTORY SCOPE AND THE PRUDENTIAL SCOPE OF THE CONSOLIDATED BALANCE SHEET

ASSETS at 30.06.2020 *(In EURm)*	**Consolidated balance sheet**	**Prudential restatements linked to insurance[1]**	**Prudential restatements linked to consolidation methods**	**Accounting balance sheet within the prudential scope**
Cash, due from banks	144,417	(0)	0	144,417
Financial assets at fair value through profit or loss	419,147	10,119	-	429,266
Hedging derivatives	21,845	46	-	21,891
Financial assets at fair value through other comprehensive income	55,606	(0)	-	55,606
Securities at amortised cost	14,877	(0)	-	14,877
Due from banks at amortised cost	55,292	0	377	55,669
of which subordinated loans to credit institutions	*121*	-	-	*121*
Customer loans at amortised cost	458,500	1,563	(6)	460,057
Revaluation differences on portfilios hedged against interest rate risk	470	-	-	470
Investment of insurance activities	163,219	(163,219)	-	-
Tax assets	5,052	(108)	-	4,944
o.w deferred tax assets that rely on future profitability excluding those arising from temporary differences	*2,223*	-	*(687)*	*1,536*
o.w deferred tax assets arising from temporary differences	*2,168*	-	*670*	*2,838*
Other assets	77,196	(2,669)	46	74,572
o.w defined-benefit pension fund assets	*122*	-	-	*122*
Non-current assets held for sale	3,788	-	-	3,788
Investments accounted for using the equity method	106	4,805	(74)	4,837
Tangible and intangible assets	29,812	(169)	0	29,643
o.w intangible assets exclusive of leasing rights	*2,458*	-	*(140)*	*2,318*
Goodwill	4,045	(325)	-	3,720
TOTAL ASSETS	**1,453,372**	**(149,957)**	**343**	**1,303,758**

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

LIABILITIES at 30.06.2020 *(In EURm)*	**Consolidated balance sheet**	**Prudential restatements linked to insurance[1]**	**Prudential restatements linked to consolidation methods**	**Accounting balance sheet within the prudential scope**
Due to central banks	2,980	-	-	2,980
Financial liabilities at fair value through profit or loss	405,113	2,364	-	407,477
Hedging derivatives	12,705	0	-	12,705
Debt securities issued	136,261	1,143	-	137,404
Due to banks	121,542	(3,682)	45	117,905
Customer deposits	444,470	1,668	(64)	446,074
Revaluation differences on portfolios hedged against interest rate risk	8,629	-	-	8,629
Tax liabilities	1,239	(220)	0	1,019
Other Liabilities	94,115	(9,499)	362	84,978
Non-current liabilities held for sale	928	(0)	-	928
Liabilities related to insurance activities contracts	140,701	(140,701)	-	-
Provisions	4,348	(15)	0	4,333
Subordinated debts	14,662	39	-	14,701
o.w redeemable subordinated notes including revaluation differences on hedging items	*14,299*	*42*	-	*14,341*
TOTAL DEBTS	**1,387,693**	**(148,903)**	**343**	**1,239,133**
Sub-Total Equity, Group share	60,659	(203)	(0)	60,456
Issued common stocks, equity instruments and capital reserves	*30,115*	*0*	-	*30,115*
Retained earnings	*32,457*	*(203)*	*(0)*	*32,254*
Net income	*(1,590)*	*0*	-	*(1,590)*
Unrealised or deferred capital gains and losses	*(323)*	*(0)*	*(0)*	*(323)*
Minority interests	5,020	(851)	-	4,169
TOTAL EQUITY	**65,679**	**(1,054)**	**0**	**64,625**
TOTAL LIABILITIES	**1,453,372**	**(149,957)**	**343**	**1,303,758**

(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 as follows:

TABLE 3: ENTITIES EXCLUDED FROM 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
Société Générale Life Insurance Broker SA	Insurance	Luxembourg
Banque Pouyanne	Bank	France

TABLE 4: REGULATORY CAPITAL AND CRR/CRD4 SOLVENCY RATIOS[1]

(In EURm)	30.06.2020	31.12.2019
Shareholders' equity (IFRS), Group share	**60,659**	**63,527**
Deeply subordinated notes	(8,159)	(9,500)
Perpetual subordinated notes	(283)	(283)
Group consolidated shareholders' equity net of deeply subordinated and perpetual subordinated notes	**52,217**	**53,744**
Non-controlling interests	4,195	3,928
Intangible assets	(2,260)	(2,214)
Goodwill	(3,715)	(4,302)
Dividends proposed (to the General Meeting) and interest expenses on deeply subordinated and perpetual subordinated notes	(84)	(102)
Deductions and regulatory adjustments	(5,845)	(5,057)
COMMON EQUITY TIER 1 CAPITAL	**44,508**	**45,997**
Deeply subordinated notes and preferred shares	8,159	8,165
Other additional Tier 1 capital	179	84
Additional Tier 1 deductions	(138)	(137)
TOTAL TIER 1 CAPITAL	**52,708**	**54,109**
Tier 2 instruments	12,228	13,032
Other Tier 2 capital	234	42
Tier 2 deductions	(1,268)	(1,915)
Total regulatory capital	**63,902**	**65,268**
TOTAL RISK-WEIGHTED ASSETS	**360,749**	**345,010**
Credit risk-weighted assets	291,912	282,536
Market risk-weighted assets	20,984	14,513
Operational risk-weighted assets	47,853	47,961
Solvency ratios		
Common Equity Tier 1 ratio	12.3%	13.3%
Tier 1 ratio	14.6%	15.7%
Total capital ratio	17.7%	18.9%

(1) Ratios based on the CRR/CRD4 rules as published on 26 June 2013, including Danish compromise for insurance. Ratios excluding IFRS 9 phasing (CET1 ratio at 12.5% including +20bp of IFRS 9 phasing). 31/12/2019 figures restated for 2019 dividend cancellation, in accordance with restrictions to the payment of dividends imposed by European Authorities.

TABLE 5: CET1 REGULATORY DEDUCTIONS AND ADJUSTMENTS UNDER CRR/CRD4

(In EURm)	30.06.2020	31.12.2019
Unrecognised minority interests	(2,351)	(1,861)
Deferred tax assets	(1,536)	(1,903)
Prudent Valuation Adjustment	(1,063)	(935)
Adjustments related to changes in the value of own liabilities	(186)	217
Other	(709)	(575)
TOTAL CET1 REGULATORY DEDUCTIONS AND ADJUSTMENTS	**(5,845)**	**(5,057)**

CRR/CRD4 prudential deductions and restatements included in "Other" essentially involve the following:

- any positive difference between expected losses on customer loans and receivables, measured according to 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%, where these positions are not included in the calculation of total risk-weighted exposures.

2.2 RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

The Basel 3 agreement established the rules for calculating risk requirements for operations allowing the use of two minimal approaches for capital requirements in order to more accurately assess the risks to which banks are exposed. The calculation of credit risk weight takes into account the transaction risk profile based on two approaches for determining risk-weighted assets: a standardised method and advanced methods based on internal models for rating counterparties.

CHANGES IN RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

TABLE 6: GROUP CAPITAL REQUIREMENTS AND RWA (OV1)

	RWA		Minimum capital requirements	
(In EURm)	30.06.2020	31.03.2020	30.06.2020	31.03.2020
Credit risk (excluding counterparty credit risk)	**256,319**	**252,701**	**20,506**	**20,216**
o.w. Standardised approach	*90,205*	*91,013*	*7,216*	*7,281*
o.w. Foundation IRB (FIRB) approach	*4,793*	*4,768*	*383*	*381*
o.w. Advanced IRB (AIRB) approach	*141,020*	*137,215*	*11,282*	*10,977*
o.w. equity IRB under the simple risk-weighted approach or IMA	*20,301*	*19,705*	*1,624*	*1,576*
Counterparty credit risk	**21,828**	**21,762**	**1,746**	**1,741**
o.w. risk exposure for contributions to the default fund of a CCP	*725*	*993*	*58*	*79*
o.w. CVA	*3,441*	*2,925*	*275*	*234*
Settlement risk	**13**	**248**	**1**	**20**
Securitisation exposures in the banking book (after cap)	**5,342**	**5,358**	**427**	**429**
o.w. SEC-ERBA incl. IAA	*3,201*	*3,136*	*256*	*250*
o.w. SEC-IRBA	*1,822*	*1,927*	*146*	*154*
o.w. SEC-SA	*319*	*295*	*25*	*24*
o.w. 1,250% / deductions	-	-	-	-
Market risk	**20,984**	**19,797**	**1,679**	**1,584**
o.w. Standardised approach	*1,748*	*1,998*	*140*	*160*
o.w. IMA	*19,236*	*17,800*	*1,539*	*1,424*
Large exposures	-	-	-	-
Operational risk	**47,853**	**47,856**	**3,828**	**3,828**
o.w. Basic indicator approach	-	-	-	-
o.w. Standardised approach	*2,362*	*2,365*	*189*	*189*
o.w. Advanced measurement approach	*45,491*	*45,491*	*3,639*	*3,639*
Amounts below the thresholds for deduction (subject to 250% risk-weighting)	8,408	7,735	673	619
Floor adjustment	-	-	-	-
TOTAL	**360,749**	**355,457**	**28,860**	**28,437**

TABLE 7: DISTRIBUTION OF RWA BY CORE BUSINESS AND RISK TYPE

(In EURbn)	Credit	Market	Operational	Total 30.06.2020	Total 31.12.2019
French Retail Banking	98.3	0.1	5.4	103.9	97.8
International Retail Banking and Financial Services	105.3	0.2	6.8	112.2	115.3
Global Banking and Investor Solutions	78.4	20.3	32.2	130.9	117.7
Corporate Centre	9.9	0.4	3.5	13.8	14.1
Group	**291.9**	**21.0**	**47.9**	**360.7**	**345.0**

As at 30 June 2020, RWA (EUR 360.7 billion) were distributed as follows:

- Credit risk accounted for 81% of RWA (of which 36% for International Retail Banking and Financial Services);
- Market risk accounted for 6% of RWA (of which 97% for Global Banking and Investor Solutions);
- Operational risk accounted for 13% of RWA (of which 67% for Global Banking and Investor Solutions).

2.3 TLAC AND MREL RATIOS

TABLE 8: CALCULATION OF THE TLAC RATIO*

(In EURm)	30.06.2020
Total of regulatory Own Funds	**63,902**
o/w Common Equity Tier 1 Capital (CET1)	*44,508*
o/w Additional Tier 1 Capital (AT1)	*8,201*
o/w Tier 2 Capital (T2)	*11,194*
Prudential Adjustments	**1,480**
Total of eligible Own Funds	**65,382**
Senior Non-Preferred Debts > 1 year	28,301
Deductions of self-held SNP	(66)
Total of Own Funds and eligible junior debts	**93,616**
Risk-Weighted Assets	**360,749**
Leverage Exposure	**1,248,204**
TLAC Ratio on Own Funds and eligible junior debts (% of RWA)	**25.95%**
Senior Preferred Debts (2.5%* RWA)	9,019
TOTAL OF OWN FUNDS AND ELIGIBLE DEBTS (JUNIOR DEBTS AND SENIOR PREFERRED DEBTS)	**102,635**
TLAC Ratio on Total Own Funds and eligible debts (% of RWA)	**28.45%**
TLAC Ration on Total of Own Funds and eligible debts (% of Leverage Exposure)	**8.22%**

(*) According to paragraph 3 of the article 72ter of the UE Reglementation n°2019/876, some of the senior preferred debts (that amounted to EUR 10.3 billion at 30 June 2020) can be eligible within the limit of 2.5% of RWA.

As at 30 June 2020, the TLAC ratio on own funds and eligible junior debts was 25.95%. The ratio reached 28.45% with the option of Senior Preferred Debt limited to 2.5% of RWA. The TLAC ratio calculated as a percentage of the leverage exposure was 8.22%.

2.4 LEVERAGE RATIO MANAGEMENT

The Group calulates its leverage effect according to the CRR leverage ratio rules, as amended by the Delegated Act of 10 October 2014 and manages it according to the changes brought by CRR2 applicable from June 2021 (except those regarding G-SIBs expected to be applicable from January 2022).

Managing the leverage ratio means both calibrating the amount of Tier 1 capital (the ratio's numerator) and controlling the Group's leverage exposure (the ratio's denominator) 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 in the Basel Committee's recommendations. These recommandations are currently being transposed into CRR2, including a fraction of the systemic buffer which is applicable to the Group.

As at 30 June 2020, Societe Generale's leverage ratio was 4.2% compared to 4.3% at the end of 2019. The exposures taken into account for the purposes of the leverage ratio comprise the exemption relating to centralised exposures to the Caisse des Dépôts et Consignations for regulated savings.

TABLE 9: LEVERAGE RATIO SUMMARY AND RECONCILIATION OF PRUDENTIAL BALANCE SHEET AND LEVERAGE EXPOSURE

(In EURm)	30.06.2020	31.12.2019
Tier 1 capital[(1)]	**52,708**	**51,942**
Total assets in prudential balance sheet[(2)]	1,303,758	1,203,797
Adjustments for fiduciary assets recognised on the balance sheet but excluded from the leverage ratio exposure	-	-
Adjustments for derivative financial instruments	(142,917)	(80,869)
Adjustments for securities financing transactions[(3)]	6,920	(3,037)
Off-balance sheet exposure (loan and guarantee commitments)	106,299	103,856
Technical and prudential adjustments (Tier 1 capital prudential deductions)	(9,487)	(10,217)
Technical and prudential adjustments (Regulated Saving exempted)	**(16,369)**	**(13,268)**
Leverage ratio exposure	**1,248,204**	**1,200,262**
Leverage ratio	**4.2%**	**4.3%**

(1) Capital overview is available in Table 4: Regulatory capital and CRR/CRD4 solvency ratios.
(2) Reconciliation between the statutory balance sheet and the prudential balance sheet is available in Table 2.
(3) Securities financing transactions: repurchase transactions, securities lending or borrowing transactions and other similar transactions.

2.5 COUNTERCYCLICAL CAPITAL BUFFER

TABLE 10: COUNTERCYCLICAL CAPITAL BUFFER REQUIREMENTS (CCYB2)

	30.06.2020	31.12.2019
Total risk exposure amount *(in EURm)*	360,749	345,010
Institution specific countercyclical capital buffer *(rate)*	0.06%	0.28%
Institution specific countercyclical capital buffer requirement *(in EURm)*	230	951

2.6 FINANCIAL CONGLOMERATE RATIO

The financial conglomerate ratio featured in the Pillar 3 report as at 31 March 2020 has been modified as follows:

As at 31 December 2019, the financial conglomerate ratio was 145%, consisting of a numerator “Own funds of the Financial Conglomerate” of EUR 70.2 billion, and a denominator “Regulatory requirement of the Financial Conglomerate” of EUR 48.4 billion.

2.7 ADDITIONAL QUANTITATIVE INFORMATION ON OWN FUNDS AND CAPITAL ADEQUACY

TABLE 11: NON-DEDUCTED EQUITIES IN INSURANCE UNDERTAKINGS (INS1)

(In EURm)	30.06.2020	31.12.2019
Exposure	4,810	4,569
RWA	17,797	16,904

LEVERAGE RATIO DETAILS

TABLE 9A: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES (LRSUM)

(In EURm)		30.06.2020	31.12.2019
1	Total assets as per published financial statements	1,453,372	1,356,303
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(149,614)	(152,506)
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 “CRR”)	-	-
4	Adjustments for derivative financial instruments	(142,917)	(80,869)
5	Adjustments for securities financing transactions “SFTs”	6,920	(3,037)
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	106,299	103,856
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	-	-
EU-6b	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	(16,369)	(13,268)
7	Other adjustments	(9,487)	(10,217)
8	**Total leverage ratio exposure**	**1,248,204**	**1,200,262**

TABLE 9B: LEVERAGE RATIO - COMMON DISCLOSURE (LRCOM)

(In EURm)		30.06.2020	31.12.2019
ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	939,672	867,660
2	(Asset amounts deducted in determining Tier 1 capital)	(9,487)	(10,217)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	930,185	857,443
DERIVATIVE EXPOSURES			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	19,290	17,696
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	73,070	86,463
EU-5a	Exposure determined under Original Exposure Method	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(22,494)	(18,234)
8	(Exempted CCP leg of client-cleared trade exposures)	(20,169)	(13,712)
9	Adjusted effective notional amount of written credit derivatives	121,445	126,517
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(113,756)	(116,140)
11	Total derivative exposures (sum of lines 4 to 10)	57,386	82,590
SECURITIES FINANCING TRANSACTION EXPOSURES			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	246,261	260,561
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(93,761)	(108,670)
14	Counterparty credit risk exposure for SFT assets	18,203	17,750
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-	-
15	Agent transaction exposures	-	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	170,703	169,641
OTHER OFF-BALANCE SHEET EXPOSURES			
17	Off-balance sheet exposures at gross notional amount	219,663	214,380
18	(Adjustments for conversion to credit equivalent amounts)	(113,364)	(110,524)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	106,299	103,856
EXEMPTED EXPOSURES IN ACCORDANCE WITH CRR ARTICLE 429 (7) AND (14) (ON AND OFF-BALANCE SHEET)			
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429 (7) of Regulation (EU) No 575/2013 (on and off-balance sheet))	-	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off-balance sheet))	(16,369)	(13,268)
CAPITAL AND TOTAL EXPOSURES			
20	Tier 1 capital	52,708	51,942
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	1,248,204	1,200,262
LEVERAGE RATIO			
22	Leverage ratio	4.2%	4.3%
CHOICE ON TRANSITIONAL ARRANGEMENTS AND AMOUNT OF DERECOGNISED FIDUCIARY ITEMS			
EU-23	Choice on transitional arrangements for the definition of the capital measure	Definitive decision	Definitive decision
EU-24	Amount of derecognised fiduciary items in accordance with Article 429 (11) of Regulation (EU) NO 575/2013	-	-

TABLE 9C: LEVERAGE RATIO – SPLIT-UP OF ON BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES) (LRSPL)

(In EURm)		30.06.2020	31.12.2019
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**939,672**	**867,660**
EU-2	Trading book exposures	85,188	86,320
EU-3	Banking book exposures, of which:	854,484	781,340
EU-4	*Covered bonds*	-	-
EU-5	*Exposures treated as sovereigns*	*250,863*	*201,137*
EU-6	*Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns*	*16,404*	*14,754*
EU-7	*Institutions*	*43,773*	*34,524*
EU-8	*Secured by mortgages of immovable properties*	*14,917*	*15,976*
EU-9	*Retail exposures*	*191,154*	*201,637*
EU-10	*Corporate*	*212,119*	*200,365*
EU-11	*Exposures in default*	*8,259*	*15,794*
EU-12	*Other exposures (eg equity, securitisations, and other non-credit obligation assets)*	*116,995*	*97,153*

LINK BETWEEN PRUDENTIAL BALANCE SHEET AND TYPE OF RISK

TABLE 12: DIFFERENCES BETWEEN STATUTORY AND PRUDENTIAL CONSOLIDATED BALANCE SHEETS AND ALLOCATION TO REGULATORY RISK CATEGORIES (LI1)

The table as at 31 December 2019 has been modified as follows:

ASSETS at 31.12.2019 *(In EURm)*	**Consolidated balance sheet**	**Consolidated balance sheet within the prudential scope**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Subject to market risk**	**Subject to the securitisation framework**	**Not subject to capital requirements or subject to deduction from capital**
Cash, due from banks	102,311	102,311	102,311	-	-	-	-
Financial assets at fair value through profit or loss	385,739	395,238	29,305	256,863	369,904	-	-
Hedging derivatives	16,837	16,873	-	16,873	122	-	-
Financial assets at fair value through other comprehensive income	53,256	53,256	53,256	-	20	-	-
Securities at amortised cost	12,489	12,489	12,489	-	7	-	-
Due from banks at amortised cost	56,366	56,460	38,294	18,168	10,270	-	-
of which subordinated loans to credit institutions	*88*	*88*				-	-
Customer loans at amortised cost	450,244	451,797	420,362	19,540	19,279	11,894	-
Revaluation differences on portfilios hedged against interest rate risk	401	401	401	-	-	-	-
Investment of insurance activities	164,938	-	-	-	-	-	-
Tax assets	5,779	5,644	3,741	-	-	-	1,903
o.w deferred tax assets that rely on future profitability excluding those arising from temporary differences	*2,659*	*1,903*	-	-	-	-	*1,903*
o.w deferred tax assets arising from temporary differences	*2,082*	*2,732*	*2,732*	-	-	-	-
Other assets	68,045	65,496	65,326	-	3,307	-	169
o.w defined-benefit pension fund assets	*120*	*120*	-	-	-	-	*169*
Non-current assets held for sale	4,507	4,507	4,507	-	-	-	-
Investments accounted for using the equity method	112	4,540	4,540	-	-	-	-
Tangible and intangible assets	30,652	30,483	28,269	-	-	-	2,214
o.w intangible assets exclusive of leasing rights	*2,363*	*2,225*	11	-	-	-	*2,214*
Goodwill	4,627	4,302	-	-	-	-	4,302
TOTAL ASSETS	**1,356,303**	**1,203,797**	**762,801**	**311,444**	**402,909**	**11,894**	**8,588**

LIABILITIES at 31.12.2019 *(In EURm)*	**Consolidated balance sheet**	**Consolidated balance sheet within the prudential scope**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Subject to market risk**	**Subject to the securitisation framework**	**Not subject to capital requirements or subject to deduction from capital**
Due to central bank	4,097	4,097	-	-	-	-	4,097
Financial liabilities at fair value through profit or loss	364,129	367,298	-	237,303	332,540	-	34,758
Hedging derivatives	10,212	10,215	-	10,215	107	-	-
Debt securities issued	125,168	126,303	-		28,445	-	97,858
Due to banks	107,929	104,347	-	5,705	5,606	-	98,642
Customer deposits	418,612	420,056	-	8,760	8,394	-	411,296
Revaluation differences on portfolios hedged against interest rate risk	6,671	6,671	-	-		-	6,671
Tax liabilities	1,409	1,013	-	-		-	1,013
Other Liabilities	85,062	76,012	-	-	4,756	-	71,256
Non-current liabilities held for sale	1,333	1,333	-	-	-	-	1,333
Liabilities related to insurance activities contracts	144,259	-	-	-	-	-	-
Provisions	4,387	4,373	-	-	21	-	4,352
Subordinated debts	14,465	14,505	-	-	-	-	14,505
of which redeemable subordinated notes including revaluation differences on hedging items	*14,032*	*14,074*	-	-	-	-	*14,074*
TOTAL DEBTS	**1,287,733**	**1,136,223**	**-**	**-**	**-**	**-**	**745,781**
Sub-Total Equity, Group share	63,527	63,324	-	-	-	-	63,324
Issued common stocks, equity instruments and capital reserves	*31,102*	*31,102*	-	-	-	-	*31,102*
Retained earnings	*29,558*	*29,355*	-	-	-	-	*29,355*
Net income	*3,248*	*3,248*	-	-	-	-	*3,248*
Unrealised or deferred capital gains and losses	*(381)*	*(381)*	-	-	-	-	*(381)*
Minority interests	*5,043*	*4,250*	-	-	-	-	*4,250*
Total equity	**68,570**	**67,574**	**-**	**-**	**-**	**-**	**67,574**
TOTAL LIABILITIES	**1,356,303**	**1,203,797**	**-**	**261,983**	**379,869**	**-**	**823,928**

3

CREDIT AND COUNTERPARTY CREDIT RISK

3.1 QUANTITATIVE INFORMATION

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

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, applied since last year, is in line with the guidelines on prudential disclosure requirements published by the European Banking Authority (EBA) in December 2016 (document EBA/GL/2016/11).

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

More information available in sections 3.2 *Additional quantitative information on global credit risk (credit and counterparty credit risk*, 3.3 *Credit risk detail* and 3.4 *Counterparty credit risk detail* of this document.

RISK MEASUREMENT AND INTERNAL RATINGS

TABLE 13: SOCIETE GENERALE'S INTERNAL RATING SCALE AND INDICATIVE CORRESPONDING SCALES OF RATING AGENCIES

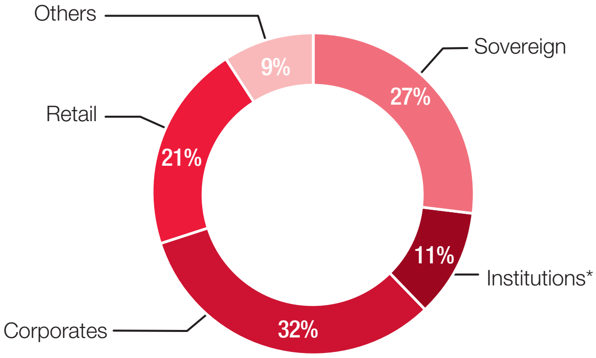
Probability of default range	Counterparty internal rating	Indicative equivalent Standard & Poor's	Indicative equivalent Fitch	Indicative equivalent Moody's	Probability of default (one year)
0.00 to < 0.15	1	AAA	AAA	Aaa	0.009%
	2+	AA+	AA+	Aa1	0.014%
	2	AA	AA	Aa2	0.020%
	2-	AA-	AA-	Aa3	0.026%
	3+	A+	A+	A1	0.032%
	3	A	A	A2	0.036%
	3-	A-	A-	A3	0.061%
	4+	BBB+	BBB+	Baa1	0.130%
0.25 to < 0.50	4	BBB	BBB	Baa2	0.257%
0.50 to < 0.75	4-	BBB-	BBB-	Baa3	0.501%
0.75 to < 2.50	5+	BB+	BB+	Ba1	1.100%
	5	BB	BB	Ba2	2.125%
2.50 to < 10.00	5-	BB-	BB-	Ba3	3.260%
	6+	B+	B+	B1	4.612%
	6	B	B	B2	7.761%
10.00 to < 100	6-	B-	B-	B3	11.420%
	7+	CCC+	CCC+	Caa1	14.328%
	7	CCC	CCC	Caa2	20.441%
	7-	C / CC / CCC-	CCC-	Caa3	27.247%

CREDIT RISK EXPOSURE

At 30 June 2020, the Group's Exposure at Default (EAD) amounted to EUR 990 billion.

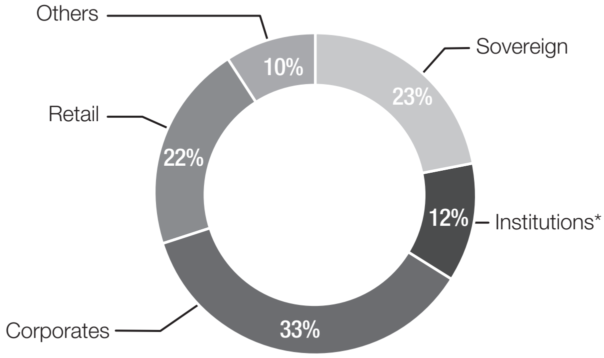
CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 30 JUNE 2020

On- and off-balance sheet exposures (EUR 990 billion in EAD)



CREDIT RISK EXPOSURE BY EXPOSURE CLASS (EAD) AT 31 DECEMBER 2019

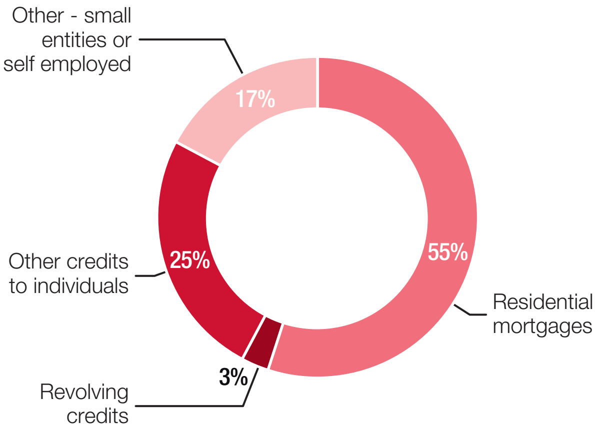
On- and off-balance sheet exposures (EUR 918 billion in EAD)



* Institutions: Basel classification bank and public sector portfolios.

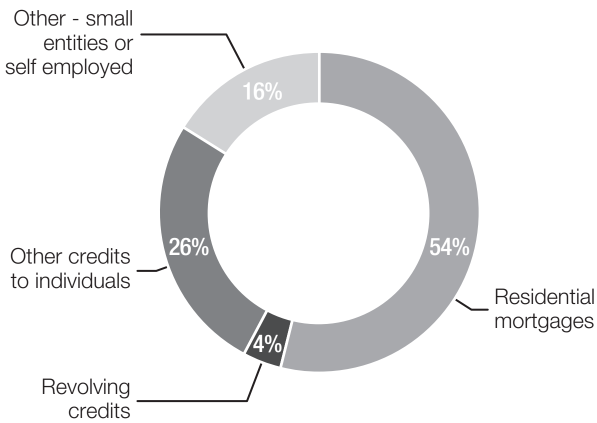
RETAIL CREDIT RISK EXPOSURE BY EXPOSURE SUBCLASS (EAD) AT 30 JUNE 2020

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

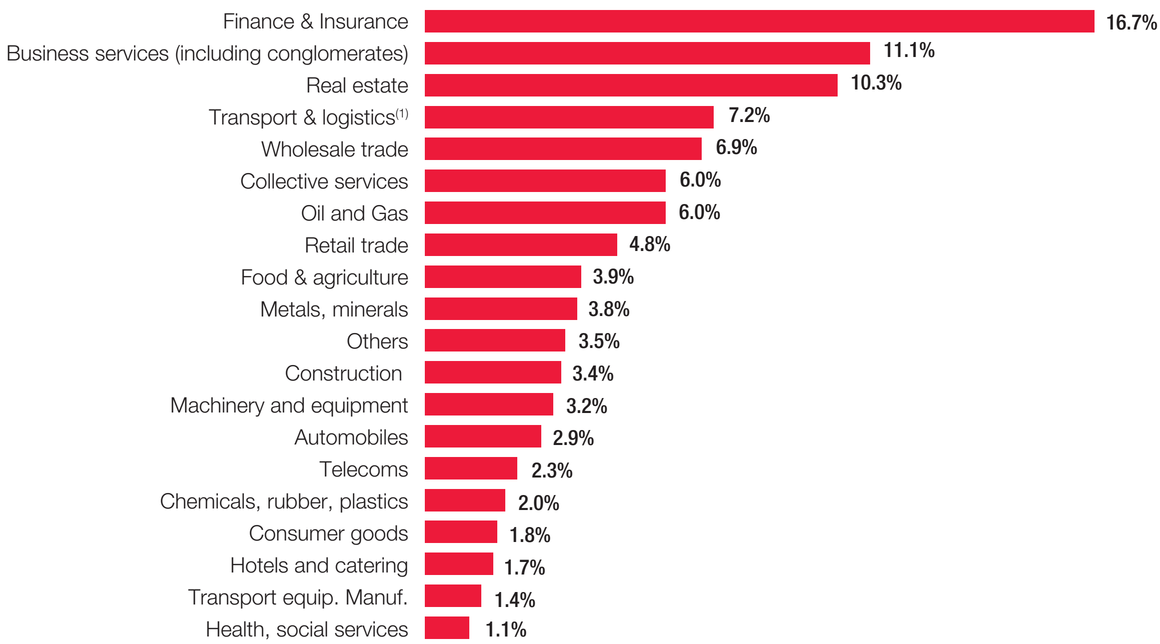


RETAIL CREDIT RISK EXPOSURE BY EXPOSURE SUBCLASS (EAD) AT 31 DECEMBER 2019

On- and off-balance sheet exposures (EUR 203 billion in EAD)



SECTOR BREAKDOWN OF GROUP CORPORATE EXPOSURE (BASEL PORTFOLIO)



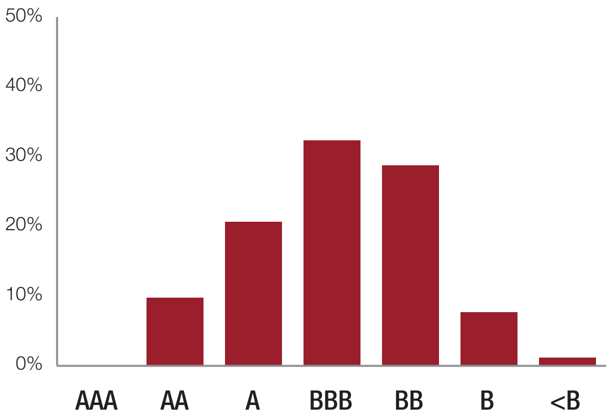
(1) Of which 0.7% of the Group's total maritime transport Corporate exposures.

The 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).

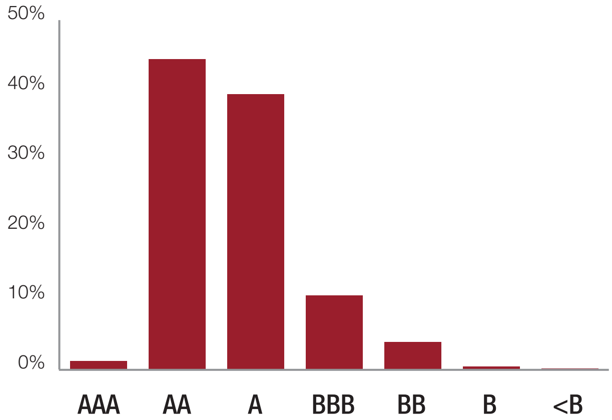
As at 30 June 2020, the Corporate portfolio amounted to EUR 345 billion (on- and off-balance sheet exposures measured in EAD). Three sectors account for more than 10% of the portfolio each (Finance and Insurance, Business services, Real Estate). The Group's exposure to its ten largest Corporate counterparties accounts for 5% of this portfolio.

CORPORATE AND BANK COUNTERPARTY EXPOSURE

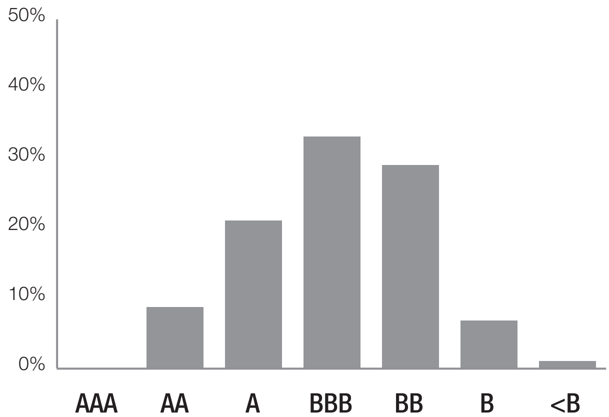
BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CLIENTS AT 30 JUNE 2020 (AS % OF EAD)



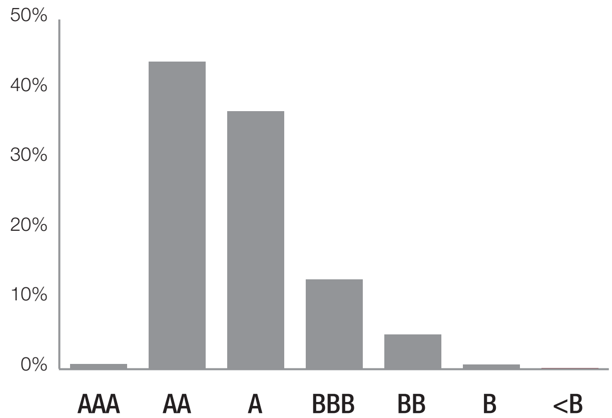
BREAKDOWN OF RISK BY INTERNAL RATING FOR BANKING CLIENTS AT 30 JUNE 2020 (AS % OF EAD)



BREAKDOWN OF RISK BY INTERNAL RATING FOR CORPORATE CLIENTS AT 31 DECEMBER 2019 (AS % OF EAD)



BREAKDOWN OF RISK BY INTERNAL RATING FOR BANKING CLIENTS AT 31 DECEMBER 2019 (AS % OF EAD)



Regarding corporate clients, the scope consists of performing loans recorded under the IRB method (excluding prudential classification criteria, by weight, of specialised financing) over the entire corporate clients portfolio, all divisions combined, and represents a EUR 276 billion EAD (out of a EUR 311 billion total EAD for the Corporate Basel portfolio, Standardised method 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.

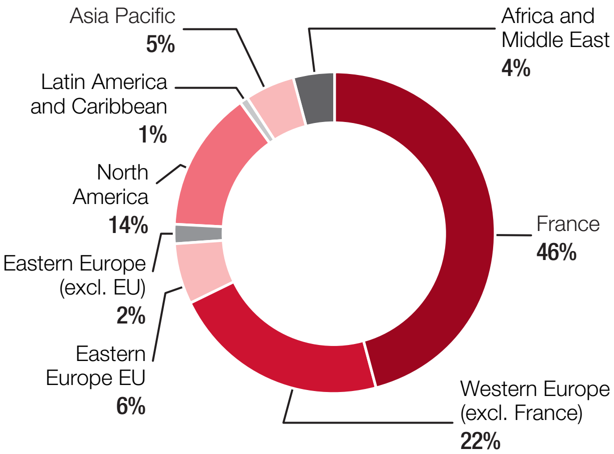
As at 30 June 2020, the majority of the portfolio had an Investment Grade rating, i.e. counterparties with an S&P-equivalent internal rating higher than BBB- (63% of Corporate clients, counterparty credit risk included, 58% otherwise). Transactions with non-Investment Grade counterparties were very often backed by guarantees and collaterals in order to mitigate the risk incurred.

Regarding banking clients, the scope consists of performing loans recorded under the IRB method over the entire banking clients portfolio, all divisions combined, and represents a EUR 65 billion EAD (out of a EUR 107 billion total EAD for the Bank Basel portfolio, Standardised method 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.

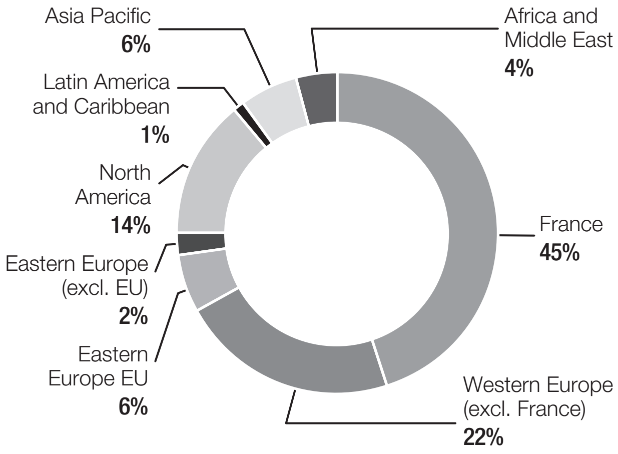
As at 30 June 2020, exposure on banking clients was concentrated on Investment Grade counterparties (96% of the exposure, counterparty credit risk included, 95% otherwise) and in developed countries (91%).

GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK EXPOSURE

GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK EXPOSURE AT 30 JUNE 2020 (ALL CLIENT TYPES INCLUDED): EUR 990 BN



GEOGRAPHIC BREAKDOWN OF GROUP CREDIT RISK EXPOSURE AT 31 DECEMBER 2019 (ALL CLIENT TYPES INCLUDED): EUR 918 BN



As at 30 June 2020, 90% of the Group’s on- and off-balance sheet exposure was concentrated in the major industrialised countries. Almost half of the overall amount of outstanding loans was towards French clients (31% exposure to the non-retail portfolio and 15% to the retail one).

NON-PERFORMING LOANS (NPL)

The following tables have been prepared in accordance with the guidelines of the European Banking Authority (EBA) on the publication of non-performing and renegotiated exposures (document EBA/GL/2018/10 of December 2018).

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 as at 30 June 2020 is 3.2%.

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

TABLE 14: CREDIT QUALITY OF FORBORNE EXPOSURES (TEMPLATE 1)

	30.06.2020							
	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
Loans and advances	**1,090**	**2,928**	**2,928**	**2,928**	**(30)**	**(1,198)**	**885**	**594**
Central banks	-	-	-	-	-	-	-	-
General governments	0	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-
Non-financial corporations	566	1,323	1,323	1,323	(8)	(654)	704	492
Households	523	1,606	1,606	1,606	(22)	(545)	181	102
Debt Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loan commitments given	**12**	**34**	**34**	**34**	**(2)**	**(9)**	**30**	**29**
TOTAL	**1,102**	**2,963**	**2,963**	**2,963**	**(32)**	**(1,207)**	**915**	**623**

TABLE 15: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS TEMPLATE 3)

	30.06.2020											
	Performing exposures			Non-performing exposures								
(In EURm)	TOTAL performing	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	TOTAL non performing	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
Loans and advances	**528,240**	**527,064**	**1,176**	**17,660**	**13,248**	**677**	**751**	**788**	**1,057**	**431**	**707**	**17,660**
Central banks	10,586	10,586	-	13	-	-	-	-	-	-	13	13
General governments	16,221	16,219	2	97	0	-	-	4	50	-	43	97
Credit institutions	12,244	12,243	2	8	5	-	0	-	-	-	3	8
Other financial corporations	33,651	33,651	0	167	47	-	-	-	120	-	-	167
Non-financial corporations	235,257	234,757	500	8,566	7,137	265	243	243	302	95	281	8,566
Of which SMEs	*45,268*	*45,061*	*208*	*3,588*	*2,791*	*81*	*163*	*116*	*157*	*83*	*197*	*3,588*
Households	220,281	219,608	673	8,809	6,059	412	509	541	585	336	367	8,809
Debt securities	**70,396**	**70,396**	**-**	**7**	**7**	**-**	**-**	**-**	**-**	**-**	**-**	**7**
Central banks	2,263	2,263	-	-	-	-	-	-	-	-	-	-
General governments	52,874	52,874	-	7	7	-	-	-	-	-	-	7
Credit institutions	7,437	7,437	-	-	-	-	-	-	-	-	-	-
Other financial corporations	3,522	3,522	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	4,300	4,300	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	**389,632**			**1,097**								**1,097**
Central banks	737			-								-
General governments	3,453			0								0
Credit institutions	123,416			13								13
Other financial corporations	72,566			-								-
Non-financial corporations	173,214			1,000								1,000
Households	16,247			84								84
TOTAL	**988,268**	**597,459**	**1,176**	**18,764**	**13,255**	**677**	**751**	**788**	**1,057**	**431**	**707**	**18,764**

TABLE 16: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (TEMPLATE 4)

	30.06.2020														
	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 partial write-off	On performing exposures	On non performing exposures
Loans and advances	**528,240**	**483,807**	**44,433**	**17,660**	**-**	**17,660**	**(2,662)**	**(1,154)**	**(1,508)**	**(9,546)**	**-**	**(9,546)**	**(545)**	**249,125**	**4,064**
Central banks	10,586	10,584	2	13	-	13	(0)	(0)	(0)	(13)	-	(13)	-	12	-
General governments	16,221	15,841	380	97	-	97	(4)	(4)	(0)	(55)	-	(55)	(0)	4,565	44
Credit institutions	12,244	11,878	366	8	-	8	(4)	(3)	(2)	(7)	-	(7)	(0)	1,616	0
Other financial corporations	33,651	33,520	131	167	-	167	(18)	(15)	(3)	(86)	-	(86)	-	5,398	11
Non-financial corporations	235,257	216,569	18,688	8,566	-	8,566	(1,546)	(631)	(915)	(4,767)	-	(4,767)	(158)	101,041	2,252
Of which SMEs	*45,268*	*40,085*	*5,183*	*3,588*	*-*	*3,588*	*(554)*	*(215)*	*(339)*	*(2,010)*	*-*	*(2,010)*	*-*	*29,425*	*1,015*
Households	220,281	195,416	24,865	8,809	-	8,809	(1,090)	(502)	(588)	(4,619)	-	(4,619)	(387)	136,494	1,757
Debt securities	**70,396**	**70,204**	**192**	**7**	**-**	**7**	**(11)**	**(6)**	**(6)**	**(7)**	**-**	**(7)**	**-**	**4,620**	**-**
Central banks	2,263	2,192	71	-	-	-	(3)	(1)	(2)	-	-	-	-	-	-
General governments	52,874	52,857	17	7	-	7	(7)	(4)	(3)	(7)	-	(7)	-	-	-
Credit institutions	7,437	7,437	-	-	-	-	(0)	(0)	-	-	-	-	-	219	-
Other financial corporations	3,522	3,522	-	-	-	-	(0)	(0)	-	-	-	-	-	1,973	-
Non-financial corporations	4,300	4,196	104	-	-	-	(1)	(0)	(1)	-	-	-	-	2,427	-
Off-balance-sheet exposures	**389,632**	**381,854**	**7,779**	**1,097**	**-**	**1,097**	**(483)**	**(212)**	**(271)**	**(346)**	**-**	**(346)**	**-**	**49,168**	**196**
Central banks	737	737	-	-	-	-	(0)	(0)	-	-	-	-		12	-
General governments	3,453	3,397	55	0	-	0	(1)	(0)	(0)	-	-	-		2,854	-
Credit institutions	123,416	122,935	480	13	-	13	(42)	(2)	(40)	-	-	-		497	4
Other financial corporations	72,566	72,440	126	-	-	-	(8)	(7)	(1)	-	-	-		5,184	-
Non-financial corporations	173,214	166,489	6,726	1,000	-	1,000	(363)	(174)	(190)	(330)	-	(330)		35,293	177
Households	16,247	15,856	391	84	-	84	(68)	(29)	(39)	(15)	-	(15)		5,328	15
TOTAL	**988,268**	**935,865**	**52,403**	**18,764**	**-**	**18,764**	**(3,157)**	**(1,371)**	**(1,785)**	**(9,899)**	**-**	**(9,899)**	**-**	**302,913**	**4,260**

(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 17: QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY (TEMPLATE 5)

	30.06.2020					
	Gross carrying/nominal amount					
		Of which non-performing				
(In EURm)	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
On-balance sheet exposures	**616,302**	**17,667**	**17,667**	**593,206**	**(12,227)**	**-**
France	299,321	9,341	9,341	277,622	(6,297)	
United States	51,314	385	385	51,133	(242)	
Czech Republic	39,193	521	521	39,193	(409)	
Germany	28,612	515	515	28,555	(281)	
United Kingdom	17,703	362	362	17,414	(163)	
Luxembourg	13,894	135	135	13,874	(49)	
Japan	1,801	0	0	1,801	(15)	
Other countries	164,464	6,409	6,409	163,614	(4,771)	
Off-balance-sheet exposures	**390,730**	**1,097**	**1,097**	**-**	**-**	**(829)**
France	212,895	641	641			(371)
United States	43,466	1	1			(56)
Czech Republic	7,107	63	63			(36)
Germany	8,967	1	1			(32)
United Kingdom	26,102	7	7			(9)
Luxembourg	8,490	-	-			(2)
Japan	25,432	-	-			(1)
Other countries	58,271	385	385			(321)
TOTAL	**1,007,032**	**18,764**	**18,764**	**593,206**	**(12,227)**	**(829)**

TABLE 18: CREDIT QUALITY OF LOANS AND ADVANCES BY INDUSTRY SECTOR (TEMPLATE 6)

The table below indicates loans and advances to non-financial corporations, in accordance with EBA guidelines (EBA/GL/2018/10).

	30.06.2020				
	Gross carrying amount				
		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	1,720	106	106	1,638	(91)
Mining and quarrying	11,477	686	686	11,460	(329)
Manufacturing	34,741	1,616	1,616	33,890	(1,250)
Electricity, gas, steam and air conditioning supply	11,730	110	110	11,580	(99)
Water supply	2,266	36	36	1,841	(35)
Construction	8,108	617	617	7,512	(572)
Wholesale and retail trade	27,233	2,090	2,090	26,170	(1,550)
Transport and storage	18,822	660	660	18,199	(528)
Accommodation and food service activities	3,585	334	334	3,380	(272)
Information and communication	6,846	155	155	6,775	(101)
Financial and insurance actvities	-	-	-	-	-
Real estate activities	26,367	475	475	23,749	(321)
Professional, scientific and technical activities	7,326	260	260	6,890	(263)
Administrative and support service activities	6,724	190	190	6,553	(160)
Public administration and defense, compulsory social security	13,634	25	25	5,465	(12)
Education	324	13	13	319	(11)
Human health services and social work activities	1,622	79	79	1,558	(59)
Arts, entertainment and recreation	883	34	34	827	(32)
Other services	60,416	1,079	1,079	57,025	(628)
TOTAL	**243,823**	**8,566**	**8,566**	**224,831**	**(6,313)**

TABLE 19: CHANGES IN THE STOCK OF DEFAULTED AND IMPAIRED LOANS AND DEBT SECURITIES (CR2-B)

	30.06.2020
(In EURm)	**Gross carrying value defaulted exposures**
Opening balance (31.12.2019)	**16,031**
Loans and debt securities that have defaulted or impaired since the last reporting period	2,378
Returned to non-defaulted status	(425)
Amounts written off	(545)
Other changes	228
CLOSING BALANCE (30.06.2020)	**17,667**

TABLE 20: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES (TEMPLATE 9)

	30.06.2020	
	Collateral obtained by taking possession	
(In EURm)	**Value at initial recognition**	**Accumulated negative changes**
Property, plant and equipment (PP&E)	14	-
Other than PP&E	0	-
Residential immovable property	*0*	-
Commercial Immovable property	-	-
Movable property (auto, shipping, etc.)	-	-
Equity and debt instruments	-	-
Other	-	-
TOTAL	**14**	**-**

TABLE 21: INFORMATION ON LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA

	30.06.2020														
	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		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	Inflows to non performing exposures
Loans and advances subject to moratorium	**39,495**	**39,015**	**671**	**4,916**	**480**	**49**	**172**	**(224)**	**(165)**	**(10)**	**(114)**	**(59)**	**(11)**	**(48)**	**24**
of which: Households	*9,973*	*9,868*	*256*	*653*	*105*	*24*	*55*	*(62)*	*(43)*	*(3)*	*(34)*	*(19)*	*(4)*	*(17)*	*12*
of which: Collateralised by residential immovable property	*6,187*	*6,137*	*190*	*366*	*50*	*12*	*25*	*(25)*	*(16)*	*(1)*	*(14)*	*(9)*	*(3)*	*(8)*	*3*
of which: Non-financial corporations	*29,519*	*29,144*	*414*	*4,263*	*375*	*25*	*117*	*(162)*	*(121)*	*(7)*	*(80)*	*(40)*	*(7)*	*(31)*	*13*
of which: Small and Medium-sized Enterprises	*15,191*	*15,073*	*137*	*830*	*118*	*18*	*42*	*(116)*	*(90)*	*(3)*	*(55)*	*(26)*	*(6)*	*(17)*	*12*
of which: Collateralised by commercial immovable property	*2,722*	*2,643*	*190*	*408*	*78*	*14*	*37*	*(25)*	*(13)*	*(4)*	*(11)*	*(13)*	*(5)*	*(13)*	*-*

TABLE 22: BREAKDOWN OF LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA BY RESIDUAL MATURITY OF THE MORATORIA

	30.06.2020								
		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	398,845	42,610							
Loans and advances subject to moratorium (granted)	368,535	40,744	4,594	1,192	13,543	20,329	589	4,793	305
of which: Households		*10,735*	*1,792*	*727*	*4,965*	*4,065*	*291*	*489*	*206*
of which: Collateralised by residential immovable property		*6,702*	*1,269*	*427*	*2,537*	*2,766*	*278*	*488*	*206*
of which: Non-financial corporations		*30,009*	*2,802*	*466*	*8,578*	*16,264*	*298*	*4,304*	*99*
of which: Small and Medium-sized Enterprises		*15,306*	*635*	*96*	*2,705*	*12,375*	*97*	*12*	*22*
of which: Collateralised by commercial immovable property		*2,921*	*1,320*	*200*	*1,465*	*1,040*	*48*	*105*	*64*

Societe Generale group has granted moratoria to its clients in response to the Covid-19 crisis. As at 30 June 2020, the exposure of the Group related to loans being subject to moratoria amounts to EUR 40.7 billion, among which 83% have a residual maturity that is lower than 6 months. These moratoria have been granted to households, comprised of professionals as well as of individuals, up to EUR 10.7 billion and to non-financial corporations up to EUR 30.0 billion.

TABLE 23: INFORMATION ON NEWLY ORIGINATED LOANS AND ADVANCES PROVIDED UNDER NEWLY APPLICABLE PUBLIC GUARANTEE SCHEMES INTRODUCED IN RESPONSE TO COVID-19 CRISIS

	30.06.2020			
	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	13,878	-	12,130	177
of which: Households	*3,329*			*17*
of which: Collateralised by residential immovable property	-			-
of which: Non-financial corporations	*10,548*	-	*9,276*	*160*
of which: Small and Medium-sized Enterprises	*4,706*			*54*
of which: Collateralised by commercial immovable property	-			-

As at 30 June 2020, EUR 13.9 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 12.1 billion.

3.2 ADDITIONAL QUANTITATIVE INFORMATION ON GLOBAL CREDIT RISK (CREDIT AND COUNTERPARTY CREDIT RISK)

INTRODUCTION

The additional quantitative disclosures relating to credit risk in the following tables enhance the information of the previous section under Pillar 3 *Credit risk: quantitative information*.

The presentation of disclosures is in line with the Guidelines on prudential disclosures issued by the European Banking Authority (EBA) in December 2016 (EBA/GL/2016/11).

These disclosures present exposure classes as they are defined in the COREP regulatory financial statements, so as to link in with the EBA Pillar 3 requirements.

References in parentheses in the table titles are in line with the formats required by the EBA for revised Pillar 3 (EBA/GL/2016/11).

In this section, the amounts indicated correspond to global credit risk which is composed of credit and counterparty 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;
- net exposure: corresponds to initial exposure on a net basis, net of provisions;
- 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 method, 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).

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

TABLE 24: 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.

BREAKDOWN OF GLOBAL CREDIT RISK – OVERVIEW

The Group's Exposure At Default (EAD) increased by EUR 72 billion between 31 December 2019 and 30 June 2020 (EUR 990 billion as at 30 June 2020 versus EUR 918 billion as at 31 December 2019).

The variation is mainly driven by the following exposure classes:

- sovereigns: increase of EUR 54 billion, mostly related to exposures towards central banks;
- corporates: increase of EUR 16 billion, mainly on French Retail Banking and on Global Banking and Investor Solutions.

TABLE 25: GLOBAL CREDIT RISK EXPOSURE, EAD AND RWA BY APPROACH AND EXPOSURE CLASS

	30.06.2020								
	Global portfolio								
(In EURm)	IRB approach			Standardised approach			Total		
Exposure Class	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	244,572	258,707	6,237	7,913	9,292	8,467	252,485	267,999	14,704
Institutions	72,270	64,939	6,974	37,866	41,789	3,630	110,136	106,728	10,603
Corporates	388,322	283,184	114,645	51,502	35,802	31,500	439,824	318,986	146,145
Retail	173,348	171,733	33,732	47,392	32,029	21,294	220,740	203,763	55,026
Others	37,709	37,423	25,425	59,494	54,766	36,553	97,203	92,188	61,979
TOTAL	**916,222**	**815,986**	**187,013**	**204,167**	**173,679**	**101,444**	**1,120,389**	**989,664**	**288,457**

	31.12.2019								
	Global portfolio								
(In EURm)	IRB approach			Standardised approach			Total		
Exposure Class	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	193,948	205,582	5,698	8,373	8,497	7,980	202,321	214,079	13,678
Institutions	69,465	61,876	7,205	42,257	44,888	3,992	111,721	106,764	11,196
Corporates	365,942	265,515	103,431	57,800	37,199	34,107	423,741	302,714	137,538
Retail	171,615	170,549	35,248	46,759	32,900	22,383	218,374	203,449	57,631
Others	36,765	36,532	23,778	59,155	54,626	36,087	95,920	91,157	59,865
TOTAL	**837,734**	**740,054**	**175,359**	**214,343**	**178,110**	**104,549**	**1,052,077**	**918,164**	**279,908**

TABLE 26: RETAIL CREDIT RISK EXPOSURE, EAD AND RWA BY APPROACH AND EXPOSURE SUBCLASS

	30.06.2020								
	Retail portfolio								
(In EURm)	IRB approach			Standardised approach			Total		
Exposure subclass	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Residential mortgages	112,227	111,684	15,765	10,232	-	-	122,459	111,684	15,765
Revolving credits	5,040	4,236	1,802	4,945	2,276	1,699	9,985	6,513	3,501
Other credits to individuals	33,933	34,287	10,056	17,560	16,181	11,297	51,493	50,468	21,353
Other – small entities or self employed	22,149	21,526	6,109	14,655	13,572	8,298	36,804	35,098	14,407
TOTAL	**173,348**	**171,733**	**33,732**	**47,392**	**32,029**	**21,294**	**220,740**	**203,763**	**55,026**

	31.12.2019								
	Retail portfolio								
(In EURm)	IRB approach			Standardised approach			Total		
Exposure subclass	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Residential mortgages	111,271	110,758	16,206	8,671	3	1	119,942	110,762	16,207
Revolving credits	5,353	4,794	2,170	5,196	2,579	1,934	10,549	7,373	4,105
Other credits to individuals	35,071	35,420	10,761	18,323	16,968	12,169	53,394	52,389	22,931
Other – small entities or self employed	19,920	19,577	6,110	14,569	13,349	8,279	34,489	32,927	14,389
TOTAL	**171,615**	**170,549**	**35,248**	**46,759**	**32,900**	**22,383**	**218,374**	**203,449**	**57,631**

TABLE 27: EAD BY GEOGRAPHIC REGION AND MAIN COUNTRIES AND BY EXPOSURE CLASS

	30.06.2020						
(In EURm)	**Sovereign**	**Institutions**	**Corporates**	**Retail**	**Others**	**Total**	**Breakdown in %**
France	113,751	38,184	117,103	152,632	34,207	455,876	46%
United Kingdom	8,859	9,675	17,254	3,231	4,365	43,384	4%
Germany	7,837	7,887	10,818	9,116	6,481	42,140	4%
Italy	3,441	570	7,350	7,191	3,861	22,413	2%
Luxembourg	12,619	543	11,012	891	1,619	26,684	3%
Spain	1,223	1,600	5,820	668	1,704	11,015	1%
Switzerland	12,614	1,490	5,090	1,123	327	20,645	2%
Other Western European countries	7,721	5,774	25,222	3,467	5,518	47,703	5%
Czech Republic	15,211	1,657	13,312	14,263	898	45,342	5%
Romania	4,226	233	1,773	2,085	2,478	10,795	1%
Other Eastern European countries EU	689	521	3,502	546	397	5,656	1%
Russia	2,101	621	6,183	3,052	3,740	15,697	2%
Other Eastern European countries excluding EU	43	538	1,321	118	209	2,229	0%
United States	46,089	17,230	51,445	173	17,760	132,698	13%
Other countries of North America	189	2,611	2,547	39	552	5,938	1%
Latin America and Caribbean	397	1,396	5,864	106	513	8,276	1%
Africa and Middle East	8,734	2,243	15,572	4,823	5,102	36,474	4%
Japan	12,451	3,243	3,772	5	212	19,683	2%
Asia-Pacific	6,067	10,687	14,026	233	2,244	33,257	3%
Other	3,737	24	-	-	-	3,761	0%
TOTAL	**267,999**	**106,728**	**318,986**	**203,763**	**92,188**	**989,664**	**100%**

The table as at 31 December 2019 has been modified in order to reclassify exposures towards multilateral development banks into the geographical category "Other", in accordance with the EBA Q&As on the subject:

	31.12.2019						
(In EURm)	**Sovereign**	**Institutions**	**Corporates**	**Retail**	**Others**	**Total**	**Breakdown in %**
France	74,995	35,401	110,656	151,942	33,457	406,451	44%
United Kingdom	5,230	10,142	14,159	3,838	4,365	37,735	4%
Germany	7,011	7,207	10,871	8,901	6,494	40,484	4%
Italy	2,893	626	7,134	7,249	4,225	22,126	2%
Luxembourg	11,112	911	10,636	207	1,326	24,193	3%
Spain	1,061	1,836	5,684	707	1,639	10,925	1%
Switzerland	12,009	2,068	4,586	1,275	325	20,263	2%
Other Western European countries	7,089	4,461	22,672	1,840	5,224	41,286	4%
Czech Republic	12,253	1,502	12,791	14,518	978	42,042	5%
Romania	3,687	241	1,823	2,188	3,353	11,292	1%
Other Eastern European countries EU	975	792	3,877	530	396	6,569	1%
Russia	2,554	1,806	6,204	3,728	4,164	18,455	2%
Other Eastern European countries excluding EU	69	585	1,650	140	246	2,690	0%
United States	41,144	19,828	48,477	222	16,406	126,078	14%
Other countries of North America	209	1,975	2,838	100	484	5,606	1%
Latin America and Caribbean	510	1,862	5,361	91	442	8,265	1%
Africa and Middle East	7,662	2,911	15,780	5,668	5,358	37,378	4%
Japan	13,730	2,610	2,714	5	266	19,325	2%
Asia-Pacific	5,927	10,000	14,803	301	2,011	33,042	4%
Other	3,958	-	-	-	-	3,958	0%
TOTAL	**214,079**	**106,764**	**302,714**	**203,449**	**91,157**	**918,164**	**100%**

At the end of June 2020, Western Europe, including France, accounted for 68% of total Group exposures (88% as regards the Retail portfolio alone).

The EUR 54 billion increase of the Sovereign portfolio mostly comes from France (EUR +39 billion).

The EUR 16 billion increase of the Corporate portfolio is notably driven by France (EUR +6 billion), the United Kingdom (EUR +3 billion) and the United States (EUR +3 billion).

TABLE 28: RETAIL EAD BY GEOGRAPHIC REGION AND MAIN COUNTRIES

	30.06.2020					
(In EURm)	Residential mortgages	Revolving credits	Other credits to individuals	Others - small entities or self-employed	Total	Breakdown in %
France	97,801	4,486	29,287	21,059	152,632	75%
Germany	19	333	4,411	4,353	9,116	4%
Italy	49	85	4,770	2,287	7,191	4%
Other Western European countries	2,379	285	3,249	3,467	9,380	5%
Czech Republic	11,038	337	1,452	1,435	14,263	7%
Romania	1	437	1,238	410	2,085	1%
Other Eastern European countries EU	8	53	26	459	546	0%
Russia	43	139	2,705	165	3,052	1%
Other Eastern European countries excluding EU	37	23	53	4	118	0%
North America	22	75	11	105	213	0%
Latin America and Carribbean	13	41	36	16	106	0%
Africa and Middle East	192	167	3,194	1,271	4,823	2%
Asia-Pacific	82	53	35	68	238	0%
TOTAL	**111,684**	**6,513**	**50,468**	**35,098**	**203,763**	**100%**

	31.12.2019					
(In EURm)	Residential mortgages	Revolving credits	Other credits to individuals	Others - small entities or self-employed	Total	Breakdown in %
France	97,170	4,965	30,953	18,854	151,942	75%
Germany	19	312	4,108	4,461	8,901	4%
Italy	47	83	4,786	2,333	7,249	4%
Other Western European countries	1,886	407	2,405	3,169	7,867	4%
Czech Republic	11,216	383	1,433	1,485	14,518	7%
Romania	1	454	1,305	428	2,188	1%
Other Eastern European countries EU	8	37	19	466	530	0%
Russia	45	187	3,289	207	3,728	2%
Other Eastern European countries excluding EU	39	39	57	4	140	0%
North America	21	166	7	129	323	0%
Latin America and Carribbean	13	27	36	14	91	0%
Africa and Middle East	214	241	3,919	1,293	5,668	3%
Asia-Pacific	83	70	71	82	306	0%
TOTAL	**110,762**	**7,373**	**52,389**	**32,927**	**203,449**	**100%**

3.3 CREDIT RISK DETAIL

Amounts indicated in this section correspond solely to credit risk (without counterparty credit risk). They take into account risk exposure for contributions to the default funds of central counterparties (EUR 0.7 billion of RWA as at 30 June 2020).

BREAKDOWN OF CREDIT RISK – OVERVIEW

TABLE 29: CREDIT RISK EXPOSURE, EAD AND RWA BY APPROACH AND EXPOSURE CLASS

	30.06.2020								
(In EURm)	IRB approach			Standardised approach			Total		
Exposure class	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	EAD	RWA
Sovereign	217,271	231,293	5,795	7,870	9,249	8,466	225,141	240,542	14,260
Institutions	52,001	44,665	4,064	12,041	15,956	2,827	64,042	60,621	6,892
Corporates	339,765	234,737	102,129	50,475	34,791	30,731	390,239	269,527	132,860
Retail	173,242	171,627	33,724	47,376	32,027	21,292	220,618	203,655	55,016
Others	37,708	37,421	25,425	59,292	54,564	36,341	97,000	91,985	61,766
TOTAL	**819,986**	**719,743**	**171,137**	**177,055**	**146,587**	**99,657**	**997,040**	**866,330**	**270,794**

	31.12.2019								
(In EURm)	IRB approach			Standardised approach			Total		
Exposure class	Exposure	EAD	RWA	Exposure	EAD	RWA	Exposure	EAD	RWA
Sovereign	171,106	182,628	5,396	8,370	8,495	7,980	179,476	191,123	13,376
Institutions	49,459	41,870	4,304	13,047	15,679	2,957	62,506	57,549	7,260
Corporates	321,911	221,595	92,792	56,758	36,158	33,280	378,669	257,753	126,072
Retail	171,426	170,360	35,238	46,758	32,899	22,382	218,184	203,259	57,621
Others	36,756	36,522	23,778	58,965	54,436	35,897	95,721	90,959	59,675
TOTAL	**750,657**	**652,977**	**161,507**	**183,898**	**147,666**	**102,498**	**934,555**	**800,642**	**264,005**

TABLE 30: 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.

	30.06.2020												
(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	Average LGD	Average maturity	RWA	RWA density	EL	Value adjustments and Provisions
Central governments and central banks	0.00 to <0.15	190,710	1,777	66%	222,083	0.02%	2.29%	1.24	1,629	1%	2	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	1,436	16	75%	3,242	0.26%	18.67%	3.21	813	25%	2	-
	0.50 to <0.75	16,434	0	0%	2,145	0.50%	29.58%	2.65	1,138	53%	3	-
	0.75 to <2.50	1,907	904	75%	2,488	1.76%	19.75%	2.22	1,146	46%	9	-
	2.50 to <10.00	2,032	836	68%	855	5.34%	36.04%	1.86	677	79%	16	-
	10.00 to <100.00	681	382	62%	372	11.74%	22.08%	1.79	387	104%	10	-
	100.00 (default)	111	0	75%	64	100.00%	81.02%	1.09	0	0%	59	-
	Sub-total	**213,310**	**3,916**	**68%**	**231,249**	**0.11%**	**3.14%**	**1.29**	**5,790**	**3%**	**100**	**(88)**
Institutions	0.00 to <0.15	26,847	6,942	57%	39,800	0.04%	11.26%	2.27	1,784	4%	2	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	466	969	64%	1,082	0.26%	22.29%	2.07	252	23%	1	-
	0.50 to <0.75	7,825	2,506	32%	1,574	0.22%	12.71%	2.13	291	18%	1	-
	0.75 to <2.50	3,520	983	54%	1,408	1.67%	24.60%	1.66	888	63%	6	-
	2.50 to <10.00	1,058	429	48%	624	3.82%	27.81%	1.40	514	82%	6	-
	10.00 to <100.00	184	225	38%	138	15.33%	7.47%	1.45	241	174%	7	-
	100.00 (default)	26	15	40%	32	100.00%	36.27%	2.44	92	283%	11	-
	Sub-total	**39,927**	**12,069**	**52%**	**44,659**	**0.27%**	**12.38%**	**2.22**	**4,062**	**9%**	**34**	**(63)**
Corporate – SME	0.00 to <0.15	1,128	589	53%	1,586	0.09%	32.55%	2.47	179	11%	4	-
	0.15 to <0.25	4,550	729	85%	3,904	0.20%	13.31%	1.13	313	8%	1	-
	0.25 to <0.50	1,529	724	50%	1,695	0.28%	37.84%	2.29	524	31%	2	-
	0.50 to <0.75	873	1,011	52%	3,084	0.52%	34.69%	2.72	1,326	43%	6	-
	0.75 to <2.50	12,071	1,795	53%	11,257	1.48%	29.01%	3.49	6,331	56%	49	-
	2.50 to <10.00	9,210	1,190	55%	9,323	4.50%	31.91%	2.75	7,122	76%	132	-
	10.00 to <100.00	2,706	234	51%	2,631	16.64%	31.33%	2.51	2,935	112%	135	-
	100.00 (default)	1,560	192	42%	1,617	100.00%	38.56%	2.03	1,347	83%	728	-
	Sub-total	**33,627**	**6,464**	**56%**	**35,098**	**7.61%**	**29.74%**	**2.72**	**20,076**	**57%**	**1,057**	**(1,111)**
Corporate – Specialised lending	0.00 to <0.15	4,979	2,446	41%	10,334	0.06%	18.93%	2.93	842	8%	1	-
	0.15 to <0.25	-	-	-	0	0.16%	45.00%	1.00	0	27%	0	-
	0.25 to <0.50	4,110	1,523	51%	4,437	0.26%	14.21%	3.35	839	19%	2	-
	0.50 to <0.75	6,559	2,679	46%	8,402	0.50%	14.26%	3.85	2,286	27%	6	-
	0.75 to <2.50	16,338	6,526	41%	14,214	1.48%	14.03%	3.41	5,715	40%	33	-
	2.50 to <10.00	9,103	2,370	42%	6,074	4.37%	13.65%	2.80	2,986	49%	43	-
	10.00 to <100.00	707	104	40%	375	15.23%	19.30%	3.57	375	100%	12	-
	100.00 (default)	1,282	41	60%	1,091	100.00%	38.62%	1.91	268	25%	575	-
	Sub-total	**43,079**	**15,690**	**43%**	**44,927**	**3.75%**	**15.80%**	**3.26**	**13,311**	**30%**	**671**	**(811)**
Corporate – Other	0.00 to <0.15	20,215	77,753	46%	64,556	0.07%	32.52%	2.37	10,239	16%	14	-
	0.15 to <0.25	44	6	53%	41	0.16%	34.17%	2.69	11	28%	0	-
	0.25 to <0.50	8,042	19,505	46%	17,112	0.26%	32.54%	2.34	6,307	37%	14	-
	0.50 to <0.75	21,457	13,831	49%	14,108	0.50%	29.40%	2.31	6,604	47%	21	-
	0.75 to <2.50	22,332	17,124	47%	27,146	1.51%	26.39%	2.32	17,148	63%	109	-
	2.50 to <10.00	15,234	7,723	48%	17,813	4.45%	27.71%	2.29	16,379	92%	229	-
	10.00 to <100.00	4,025	1,449	41%	3,552	14.50%	28.91%	2.10	4,926	139%	148	-
	100.00 (default)	2,722	586	50%	2,720	100.00%	43.53%	1.71	1,569	58%	1,486	-
	Sub-total	**94,070**	**137,978**	**46%**	**147,049**	**3.12%**	**30.60%**	**2.32**	**63,183**	**43%**	**2,022**	**(2,503)**
Retail – Secured by real estate SME	0.00 to <0.15	14	5	100%	103	0.02%	12.89%	-	32	31%	0	-
	0.15 to <0.25	0	-	-	0	0.19%	15.60%	-	0	5%	0	-
	0.25 to <0.50	836	26	57%	850	0.27%	16.19%	-	56	7%	0	-
	0.50 to <0.75	1,591	29	100%	1,621	0.62%	9.70%	-	114	7%	1	-
	0.75 to <2.50	2,322	37	100%	2,340	1.11%	13.98%	-	342	15%	3	-
	2.50 to <10.00	702	7	100%	709	3.01%	14.80%	-	208	29%	3	-
	10.00 to <100.00	353	8	100%	360	16.30%	10.13%	-	159	44%	7	-
	100.00 (default)	255	1	93%	201	100.00%	43.18%	-	189	94%	94	-
	Sub-total	**6,073**	**113**	**90%**	**6,185**	**5.17%**	**13.96%**	**-**	**1,100**	**18%**	**108**	**(103)**

(In EURm)	PD scale	Original on-balance sheet gross expo-sure	Off-balance sheet expo-sures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provi-sions
		30.06.2020										
Retail – Secured by real estate non-SME	0.00 to <0.15	27,468	1,052	100%	30,017	0.06%	13.88%	-	2,069	7%	3	-
	0.15 to <0.25	23,601	695	90%	24,079	0.22%	14.33%	-	1,551	6%	8	-
	0.25 to <0.50	7,657	228	73%	7,721	0.41%	17.48%	-	968	13%	6	-
	0.50 to <0.75	11,942	542	83%	12,506	0.62%	10.67%	-	1,248	10%	8	-
	0.75 to <2.50	21,891	766	87%	21,756	1.45%	10.84%	-	3,867	18%	30	-
	2.50 to <10.00	6,868	147	94%	6,946	4.88%	12.24%	-	2,759	40%	38	-
	10.00 to <100.00	1,282	26	99%	1,293	17.97%	9.46%	-	694	54%	24	-
	100.00 (default)	1,873	3	93%	1,181	100.00%	40.16%	-	1,509	128%	439	-
	Sub-total	**102,583**	**3,458**	**90%**	**105,499**	**2.13%**	**13.37%**	**-**	**14,665**	**14%**	**556**	**(544)**
Retail – Qualifying revolving	0.00 to <0.15	50	1,160	38%	586	0.10%	42.44%	-	15	3%	0	-
	0.15 to <0.25	-	273	41%	112	0.23%	35.62%	-	5	5%	0	-
	0.25 to <0.50	69	214	37%	295	0.41%	48.87%	-	29	10%	1	-
	0.50 to <0.75	110	590	37%	327	0.60%	35.99%	-	32	10%	1	-
	0.75 to <2.50	326	528	36%	767	1.49%	43.59%	-	179	23%	5	-
	2.50 to <10.00	634	276	37%	1,284	4.79%	45.57%	-	843	66%	28	-
	10.00 to <100.00	387	34	36%	482	21.65%	43.30%	-	533	111%	43	-
	100.00 (default)	382	7	41%	383	100.00%	61.82%	-	164	43%	242	-
	Sub-total	**1,958**	**3,082**	**37%**	**4,236**	**13.33%**	**45.22%**	**-**	**1,802**	**43%**	**319**	**(307)**
Retail – Other SME	0.00 to <0.15	37	1	100%	38	0.03%	6.92%	-	0	1%	0	-
	0.15 to <0.25	13	6	8%	14	0.24%	31.05%	-	2	11%	0	-
	0.25 to <0.50	2,588	384	49%	2,458	0.37%	26.66%	-	323	13%	2	-
	0.50 to <0.75	904	28	79%	1,661	0.57%	29.46%	-	306	18%	3	-
	0.75 to <2.50	9,537	633	64%	9,699	1.47%	23.80%	-	2,173	22%	35	-
	2.50 to <10.00	4,553	269	57%	4,628	5.06%	26.89%	-	1,975	43%	64	-
	10.00 to <100.00	1,373	220	45%	1,446	19.71%	30.59%	-	746	52%	86	-
	100.00 (default)	1,585	18	62%	1,581	100.00%	47.01%	-	585	37%	962	-
	Sub-total	**20,590**	**1,558**	**56%**	**21,526**	**10.51%**	**27.36%**	**-**	**6,109**	**28%**	**1,152**	**(1,182)**
Retail – Other non – SME	0.00 to <0.15	1,661	163	100%	1,960	0.09%	18.45%	-	90	5%	0	-
	0.15 to <0.25	6,845	1,277	99%	7,236	0.20%	13.49%	-	407	6%	2	-
	0.25 to <0.50	4,510	588	100%	5,132	0.38%	30.74%	-	990	19%	6	-
	0.50 to <0.75	1,458	49	99%	2,393	0.62%	36.18%	-	739	31%	5	-
	0.75 to <2.50	7,711	659	100%	8,462	1.35%	32.08%	-	3,227	38%	37	-
	2.50 to <10.00	5,418	272	100%	5,800	4.26%	33.31%	-	3,073	53%	84	-
	10.00 to <100.00	1,336	40	64%	1,366	24.79%	33.73%	-	1,056	77%	109	-
	100.00 (default)	1,823	17	86%	1,833	100.00%	51.13%	-	467	25%	1,056	-
	Sub-total	**30,762**	**3,064**	**99%**	**34,181**	**7.56%**	**28.74%**	**-**	**10,048**	**29%**	**1,299**	**(1,289)**
SPECIALISED LENDING SLOTTING CRITERIA	**Sub-total**	**708**	**1,756**	**-**	**1,333**	**-**	**-**	**-**	**772**	**58%**	**12**	**(4)**
OTHER NON CREDIT-OBLIGATION ASSETS	**Sub-total**	**825**	**-**	**-**	**825**	**-**	**-**	**-**	**101**	**12%**	**6**	**-**
SECURITISATION POSITIONS	**Sub-total**	**10,623**	**20,622**	**-**	**30,958**	**-**	**-**	**-**	**5,023**	**16%**	**-**	**-**
EQUITY	**Sub-total**	**5,638**	**-**	**-**	**5,638**	**-**	**-**	**-**	**20,301**	**360%**	**130**	**-**
TOTAL		**603,772**	**209,771**	**44%**	**713,363**	**2.57%**	**15.98%**	**1.95**	**166,344**	**23%**	**7,469**	**(8,007)**

		31.12.2019										
(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	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provi-sions
Central governments and central banks	0.00 to <0.15	147,518	1,692	64%	173,727	0.01%	3.22%	1.50	1,742	1%	3	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	1,618	23	75%	3,174	0.26%	16.07%	2.93	681	21%	1	-
	0.50 to <0.75	13,998	0	0%	2,307	0.50%	30.02%	1.61	1,084	47%	3	-
	0.75 to <2.50	1,946	877	75%	2,042	1.79%	24.64%	2.65	996	49%	9	-
	2.50 to <10.00	1,854	722	67%	1,025	4.40%	18.22%	3.12	649	63%	9	-
	10.00 to <100.00	297	410	50%	237	11.78%	19.73%	1.94	222	94%	6	-
	100.00 (default)	115	0	75%	70	100.00%	77.99%	1.49	21	30%	61	-
	Sub-total	**167,346**	**3,724**	**66%**	**182,582**	**0.12%**	**4.15%**	**1.55**	**5,396**	**3%**	**93**	**(70)**
Institutions	0.00 to <0.15	25,538	8,090	62%	37,548	0.04%	12.72%	2.46	2,111	6%	3	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	509	636	60%	922	0.26%	24.66%	1.97	229	25%	1	-
	0.50 to <0.75	6,093	1,608	8%	732	0.50%	32.32%	1.66	321	44%	1	-
	0.75 to <2.50	3,656	967	53%	1,682	1.50%	19.00%	1.59	822	49%	5	-
	2.50 to <10.00	1,248	602	33%	764	4.03%	24.64%	1.21	578	76%	7	-
	10.00 to <100.00	245	214	38%	170	15.20%	11.79%	1.27	191	113%	6	-
	100.00 (default)	47	0	89%	46	100.00%	29.09%	4.23	49	106%	13	-
	Sub-total	**37,336**	**12,116**	**52%**	**41,864**	**0.36%**	**14.01%**	**2.37**	**4,302**	**10%**	**35**	**(62)**
Corporate – SME	0.00 to <0.15	752	590	52%	1,274	0.09%	35.87%	2.47	236	19%	2	-
	0.15 to <0.25	3,358	500	93%	3,872	0.20%	12.36%	1.05	285	7%	1	-
	0.25 to <0.50	1,383	773	49%	1,775	0.28%	37.03%	2.16	614	35%	2	-
	0.50 to <0.75	3,836	1,006	48%	3,169	0.51%	33.22%	2.43	1,365	43%	5	-
	0.75 to <2.50	9,948	2,421	46%	11,174	1.48%	27.76%	3.34	6,544	59%	47	-
	2.50 to <10.00	7,947	1,221	58%	8,876	4.56%	30.24%	2.48	7,055	79%	121	-
	10.00 to <100.00	2,349	204	48%	2,500	17.14%	27.01%	2.35	2,558	102%	113	-
	100.00 (default)	1,408	167	40%	1,459	100.00%	38.99%	2.04	1,126	77%	689	-
	Sub-total	**30,981**	**6,883**	**53%**	**34,099**	**7.30%**	**28.38%**	**2.55**	**19,784**	**58%**	**980**	**(918)**
Corporate – Specialised lending	0.00 to <0.15	5,223	2,911	35%	10,924	0.07%	17.89%	2.94	1,099	10%	1	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	3,268	2,096	40%	3,696	0.26%	14.49%	2.68	652	18%	1	-
	0.50 to <0.75	7,727	2,274	50%	8,947	0.50%	13.45%	3.65	2,268	25%	6	-
	0.75 to <2.50	15,826	7,114	40%	13,464	1.51%	13.50%	3.22	5,336	40%	32	-
	2.50 to <10.00	8,377	3,031	37%	5,811	4.07%	14.80%	2.80	3,183	55%	39	-
	10.00 to <100.00	469	56	49%	215	13.76%	17.95%	2.43	180	83%	5	-
	100.00 (default)	668	32	60%	602	100.00%	35.87%	2.20	33	5%	359	-
	Sub-total	**41,560**	**17,514**	**40%**	**43,660**	**2.60%**	**15.16%**	**3.12**	**12,751**	**29%**	**443**	**(446)**
Corporate – Other	0.00 to <0.15	19,116	73,155	46%	60,138	0.07%	32.54%	2.50	10,048	17%	13	-
	0.15 to <0.25	12	2	53%	12	0.16%	33.35%	3.21	4	32%	0	-
	0.25 to <0.50	7,629	20,631	44%	15,774	0.26%	30.98%	2.45	5,689	36%	13	-
	0.50 to <0.75	21,101	9,581	59%	13,715	0.50%	27.63%	2.39	5,831	43%	18	-
	0.75 to <2.50	21,775	16,420	44%	26,166	1.55%	24.82%	2.31	15,695	60%	102	-
	2.50 to <10.00	12,024	7,798	46%	15,528	4.25%	26.22%	2.18	13,195	85%	178	-
	10.00 to <100.00	2,419	932	39%	2,186	15.35%	27.55%	2.09	2,912	133%	93	-
	100.00 (default)	2,512	717	50%	2,703	100.00%	34.90%	1.76	1,333	49%	1,258	-
	Sub-total	**86,588**	**129,237**	**47%**	**136,223**	**3.12%**	**29.60%**	**2.39**	**54,707**	**40%**	**1,676**	**(1,717)**
Retail – Secured by real estate SME	0.00 to <0.15	17	5	100%	80	0.03%	11.73%	-	31	39%	0	-
	0.15 to <0.25	0	0	0%	0	0.19%	15.74%	-	0	5%	0	-
	0.25 to <0.50	863	13	100%	876	0.27%	16.19%	-	57	7%	0	-
	0.50 to <0.75	1,606	26	100%	1,592	0.62%	9.65%	-	112	7%	1	-
	0.75 to <2.50	2,428	39	100%	2,503	1.11%	13.91%	-	368	15%	4	-
	2.50 to <10.00	754	13	100%	767	3.02%	14.75%	-	224	29%	3	-
	10.00 to <100.00	360	9	100%	369	16.05%	10.17%	-	163	44%	7	-
	100.00 (default)	260	0	100%	207	100.00%	44.17%	-	191	92%	98	-
	Sub-total	**6,288**	**105**	**100%**	**6,393**	**5.15%**	**14.00%**	**-**	**1,146**	**18%**	**113**	**(106)**

		31.12.2019											
(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	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	24,742	984	100%	26,897	0.06%	13.85%	-	2,077	8%	2	-
	0.15 to <0.25	22,289	632	88%	22,815	0.22%	14.35%	-	1,481	6%	7	-
	0.25 to <0.50	7,625	229	74%	7,686	0.41%	17.59%	-	977	13%	6	-
	0.50 to <0.75	12,527	508	83%	12,510	0.62%	10.52%	-	1,247	10%	8	-
	0.75 to <2.50	23,467	866	89%	24,179	1.44%	10.62%	-	4,250	18%	33	-
	2.50 to <10.00	7,620	156	94%	7,755	4.94%	12.17%	-	3,141	41%	43	-
	10.00 to <100.00	1,403	34	99%	1,431	17.93%	9.19%	-	758	53%	26	-
	100.00 (default)	1,795	3	97%	1,092	100.00%	42.12%	-	1,128	103%	448	-
	Sub-total	**101,467**	**3,412**	**91%**	**104,366**	**2.16%**	**13.19%**	**-**	**15,060**	**14%**	**573**	**(559)**
Retail – Qualifying revolving	0.00 to <0.15	62	1,111	38%	607	0.10%	43.03%	-	16	3%	0	-
	0.15 to <0.25	0	286	41%	118	0.23%	35.70%	-	5	5%	0	-
	0.25 to <0.50	87	232	37%	356	0.42%	48.77%	-	36	10%	1	-
	0.50 to <0.75	108	604	37%	331	0.60%	36.14%	-	33	10%	1	-
	0.75 to <2.50	359	567	37%	871	1.48%	44.18%	-	207	24%	6	-
	2.50 to <10.00	729	307	38%	1,537	4.77%	45.85%	-	1,036	67%	33	-
	10.00 to <100.00	456	36	37%	569	21.77%	43.54%	-	641	113%	52	-
	100.00 (default)	403	8	38%	405	100.00%	61.04%	-	196	48%	248	-
	Sub-total	**2,203**	**3,150**	**38%**	**4,794**	**12.93%**	**45.50%**	**-**	**2,170**	**45%**	**340**	**(315)**
Retail – Other SME	0.00 to <0.15	35	1	100%	36	0.03%	7.90%	-	0	1%	0	-
	0.15 to <0.25	15	6	10%	15	0.24%	31.01%	-	2	11%	0	-
	0.25 to <0.50	1,291	357	49%	1,530	0.36%	29.93%	-	224	15%	2	-
	0.50 to <0.75	1,382	29	73%	1,320	0.57%	31.86%	-	263	20%	2	-
	0.75 to <2.50	8,518	596	66%	8,968	1.46%	24.91%	-	2,101	23%	34	-
	2.50 to <10.00	4,229	235	65%	4,464	5.00%	28.79%	-	2,015	45%	65	-
	10.00 to <100.00	1,465	195	75%	1,680	19.16%	34.00%	-	952	57%	107	-
	100.00 (default)	1,551	16	84%	1,565	100.00%	47.77%	-	553	35%	981	-
	Sub-total	**18,485**	**1,435**	**63%**	**19,577**	**11.52%**	**29.24%**	**-**	**6,110**	**31%**	**1,192**	**(1,151)**
Retail – Other non – SME	0.00 to <0.15	1,573	125	100%	1,807	0.09%	18.46%	-	84	5%	0	-
	0.15 to <0.25	6,463	1,267	99%	7,708	0.20%	13.30%	-	432	6%	2	-
	0.25 to <0.50	4,304	546	100%	4,921	0.38%	30.24%	-	935	19%	5	-
	0.50 to <0.75	2,510	102	100%	2,612	0.60%	37.46%	-	816	31%	6	-
	0.75 to <2.50	7,769	892	100%	8,732	1.34%	32.06%	-	3,344	38%	39	-
	2.50 to <10.00	5,824	229	100%	6,186	4.30%	33.30%	-	3,310	54%	90	-
	10.00 to <100.00	1,383	36	58%	1,406	25.32%	33.67%	-	1,094	78%	114	-
	100.00 (default)	1,851	9	96%	1,859	100.00%	49.82%	-	737	40%	1,018	-
	Sub-total	**31,677**	**3,205**	**99%**	**35,231**	**7.52%**	**28.62%**	**-**	**10,752**	**31%**	**1,275**	**(1,245)**
SPECIALISED LENDING SLOTTING CRITERIA	**Sub-total**	**684**	**2,196**	**0%**	**1,430**	**0.00%**	**0.00%**	**-**	**827**	**58%**	**10**	**(3)**
OTHER NON CREDIT-OBLIGATION ASSETS	**Sub-total**	**35**	**0**	**0%**	**24**	**0.00%**	**0.00%**	**-**	**21**	**88%**	**0**	**-**
SECURITISATION POSITIONS	**Sub-total**	**6,612**	**24,588**	**0%**	**30,978**	**0.00%**	**0.00%**	**-**	**3,695**	**12%**	**0**	**-**
EQUITY	**Sub-total**	**5,520**	**0**	**0%**	**5,520**	**0.00%**	**0.00%**	**-**	**20,061**	**363%**	**129**	**-**
TOTAL		**536,782**	**207,565**	**43%**	**646,740**	**2.69%**	**16.84%**	**2.12**	**156,782**	**24%**	**6,859**	**(6,593)**

TABLE 31: INTERNAL APPROACH - CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (CR6) - FIRB

	30.06.2020												
(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	Average LGD	Average maturity	RWA	RWA density	EL	Value adjustments and Provisions
Central governments and central banks	0.00 to <0.15	40	5	75%	44	0.01%	43.98%	2.50	4	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)	-	-	-	-	-	-	-	-	-	-	
	Sub-total	**40**	**5**	**75%**	**44**	**0.01%**	**43.98%**	**2.50**	**4**	**10%**	**0**	**(0)**
Institutions	0.00 to <0.15	3	-	-	4	0.03%	44.72%	2.50	1	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	-	-	0	0.50%	45.00%	2.50	0	74%	0	
	0.75 to <2.50	0	-	-	0	1.35%	41.06%	2.50	0	125%	0	
	2.50 to <10.00	1	-	-	1	3.28%	44.93%	2.50	1	140%	0	
	10.00 to <100.00	0	-	-	0	14.33%	42.86%	2.50	0	221%	0	
	100.00 (default)	-	-	-	-	-	-	-	-	-	-	
	Sub-total	**4**	**-**	**0%**	**5**	**0.41%**	**44.75%**	**2.50**	**1**	**31%**	**0**	**(0)**
Corporate – SME	0.00 to <0.15	74	6	46%	76	0.12%	42.92%	2.50	17	22%	0	
	0.15 to <0.25	112	8	75%	118	0.16%	42.72%	2.50	32	27%	0	
	0.25 to <0.50	137	12	75%	146	0.29%	42.65%	2.50	54	37%	0	
	0.50 to <0.75	311	16	75%	321	0.55%	42.63%	2.50	162	51%	1	
	0.75 to <2.50	818	43	75%	853	1.56%	42.70%	2.50	631	74%	6	
	2.50 to <10.00	805	48	75%	841	4.32%	42.85%	2.50	811	96%	16	
	10.00 to <100.00	185	4	75%	184	16.05%	42.80%	2.50	270	147%	13	
	100.00 (default)	103	0	75%	102	100.00%	44.12%	2.50	-	-	45	
	Sub-total	**2,545**	**137**	**74%**	**2,642**	**6.96%**	**42.81%**	**2.50**	**1,977**	**75%**	**80**	**(80)**
Corporate – Other	0.00 to <0.15	1,034	7	75%	1,044	0.08%	44.11%	2.50	250	24%	0	
	0.15 to <0.25	3	0	75%	3	0.16%	42.68%	2.50	1	27%	0	
	0.25 to <0.50	144	6	75%	149	0.26%	43.90%	2.50	76	51%	0	
	0.50 to <0.75	519	12	75%	529	0.51%	43.39%	2.50	368	70%	1	
	0.75 to <2.50	650	36	75%	676	1.57%	43.39%	2.50	691	102%	5	
	2.50 to <10.00	688	43	75%	723	4.80%	43.19%	2.50	1,034	143%	15	
	10.00 to <100.00	111	1	75%	107	14.99%	43.35%	2.50	220	206%	7	
	100.00 (default)	61	-	0%	61	100.00%	44.07%	2.50	-	-	27	
	Sub-total	**3,210**	**105**	**75%**	**3,292**	**3.82%**	**43.61%**	**2.50**	**2,640**	**80%**	**55**	**(58)**
ALTERNATIVE TREATMENT: SECURED BY REAL ESTATE	**Sub-total**	**398**	**-**	**100%**	**398**	**-**	**-**	**-**	**170**	**43%**	**-**	**-**
TOTAL		**6,197**	**247**	**74%**	**6,380**	**5.18%**	**43.26%**	**2.50**	**4,793**	**75%**	**135**	**(138)**

		31.12.2019										
(In EURm)	PD scale	Original on-balance sheet gross exposure	Off-balance sheet expo-sures pre CCF	Average CCF	EAD post CRM and post-CCF	Average PD	Average LGD	Average maturity	RWA	RWA density	EL	Value adjust-ments and Provi-sions
Central governments and central banks	0.00 to <0.15	30	5	75%	46	0.02%	44.85%	2.50	0	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)	-	-	-	-	-	-	-	-	-	-	-
	Sub-total	**30**	**5**	**75%**	**46**	**0.02%**	**44.85%**	**2.50**	**0**	**0%**	**-**	**(0)**
Institutions	0.00 to <0.15	4	0	75%	4	0.03%	44.68%	2.50	1	16%	0	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	0	-	0%	0	0.26%	45.00%	2.50	0	53%	0	-
	0.50 to <0.75	0	-	0%	0	0.50%	45.00%	2.50	0	74%	0	-
	0.75 to <2.50	0	-	0%	0	1.10%	45.00%	2.50	0	2%	0	-
	2.50 to <10.00	0	-	0%	0	3.28%	44.70%	2.50	1	139%	0	-
	10.00 to <100.00	0	-	0%	0	14.33%	45.00%	2.50	0	232%	0	-
	100.00 (default)	-	-	-	-	-	-	-	-	-	-	-
	Sub-total	**5**	**0**	**75%**	**5**	**0.40%**	**44.69%**	**2.50**	**1**	**29%**	**0**	**(0)**
Corporate – SME	0.00 to <0.15	88	7	50%	92	0.12%	42.83%	2.50	1	2%	0	-
	0.15 to <0.25	94	7	75%	99	0.16%	42.56%	2.50	29	30%	0	-
	0.25 to <0.50	127	14	75%	137	0.27%	42.68%	2.50	55	40%	0	-
	0.50 to <0.75	318	22	75%	332	0.53%	42.50%	2.50	183	55%	1	-
	0.75 to <2.50	849	52	75%	890	1.54%	42.60%	2.50	693	78%	6	-
	2.50 to <10.00	770	38	75%	792	4.37%	42.75%	2.50	855	108%	15	-
	10.00 to <100.00	164	2	75%	160	16.09%	42.72%	2.50	250	156%	11	-
	100.00 (default)	102	0	75%	100	100.00%	44.04%	2.50	-	-	44	-
	Sub-total	**2,512**	**142**	**74%**	**2,603**	**6.79%**	**42.71%**	**2.50**	**2,067**	**79%**	**77**	**(66)**
Corporate – Other	0.00 to <0.15	955	48	75%	997	0.07%	44.02%	2.50	232	23%	0	-
	0.15 to <0.25	3	0	75%	3	0.16%	42.27%	2.50	1	26%	0	-
	0.25 to <0.50	165	10	75%	173	0.26%	43.90%	2.50	88	51%	0	-
	0.50 to <0.75	548	13	75%	559	0.51%	43.43%	2.50	393	70%	1	-
	0.75 to <2.50	632	47	75%	663	1.58%	43.21%	2.50	681	103%	5	-
	2.50 to <10.00	636	21	75%	650	4.49%	43.15%	2.50	917	141%	13	-
	10.00 to <100.00	86	1	75%	86	15.34%	43.37%	2.50	166	193%	6	-
	100.00 (default)	66	0	75%	66	100.00%	43.93%	2.50	-	-	29	-
	Sub-total	**3,091**	**140**	**75%**	**3,196**	**3.83%**	**43.54%**	**2.50**	**2,477**	**77%**	**53**	**(40)**
ALTERNATIVE TREATMENT: SECURED BY REAL ESTATE	**Sub-total**	**386**	**-**	**100%**	**386**	**0.00%**	**0.00%**	**-**	**179**	**46%**	**-**	**-**
TOTAL		**6,023**	**287**	**74%**	**6,237**	**5.12%**	**43.18%**	**2.50**	**4,725**	**76%**	**130**	**(107)**

TABLE 32: RWA AND CAPITAL REQUIREMENTS FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER IRB APPROACH (CR8)

(In EURm)	RWA amounts	Capital requirements
RWA as at end of previous reporting period (31.03.2020)	**166,751**	**13,340**
Asset size	7,657	613
Asset quality	1,016	81
Model updates	-	-
Methodology and policy	(3,484)	(279)
Acquisitions and disposals	-	-
Foreign exchange movements	(424)	(34)
Other	(379)	(30)
RWA as at end of reporting period (30.06.2020)	**171,137**	**13,691**

BREAKDOWN OF CREDIT RISK – IMPAIRED EXPOSURES AND IMPAIRMENTS

TABLE 33: CHANGES IN CREDIT RISK ADJUSTMENTS (CR2-A)

	30.06.2020			
(In EURm)	Stage 1	Stage 2	Stage 3	Total
Opening balance (31.12.2019)	**(999)**	**(1,248)**	**(9,163)**	**(11,409)**
Increases due to origination and acquisition	(340)	(319)	(71)	(730)
Decreases due to derecognition	196	182	186	564
Changes due to change in credit risk (net)	(242)	(410)	(1,424)	(2,075)
Decrease in allowance account due to write-offs	-	-	474	474
Other adjustments	14	9	98	120
Closing balance (30.06.2020)	**(1,371)**	**(1,785)**	**(9,899)**	**(13,056)**
Recoveries of previously written-off amounts recorded directly to the statement of profit or loss	-	-	37	37
Amounts written-off directly to the statement of profit or loss	-	-	(71)	

3.4 COUNTERPARTY CREDIT RISK DETAIL

Amounts indicated in this section correspond solely to counterparty credit risk (*i.e.* without credit risk).

BREAKDOWN OF COUNTERPARTY CREDIT RISK – OVERVIEW

TABLE 34: COUNTERPARTY CREDIT RISK EXPOSURE, EAD AND RWA BY APPROACH AND EXPOSURE CLASS

	30.06.2020								
(In EURm)	IRB			Standard			Total		
Exposure class	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	27,302	27,414	442	43	43	1	27,344	27,457	444
Institutions	20,270	20,274	2,909	25,825	25,833	802	46,094	46,108	3,712
Corporates	48,557	48,447	12,516	1,027	1,012	769	49,584	49,459	13,285
Retail	106	106	8	16	2	2	122	108	10
Other	2	2	0	202	202	212	204	204	213
TOTAL	**96,236**	**96,243**	**15,876**	**27,112**	**27,092**	**1,787**	**123,349**	**123,335**	**17,663**

	31.12.2019								
(In EURm)	IRB			Standard			Total		
Exposure class	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**	**Exposure**	**EAD**	**RWA**
Sovereign	22,843	22,954	302	3	3	-	22,845	22,956	302
Institutions	20,006	20,005	2,901	29,209	29,209	1,035	49,215	49,215	3,936
Corporates	44,030	43,919	10,639	1,042	1,042	826	45,072	44,961	11,465
Retail	189	189	9	1	1	1	190	190	11
Others	9	9	-	189	189	189	199	199	189
TOTAL	**87,077**	**87,077**	**13,852**	**30,444**	**30,444**	**2,052**	**117,521**	**117,521**	**15,904**

Both tables display amounts excluding CVA (Credit Valuation Adjustment). CVA amounted to EUR 3.4 billion at 30 June 2020 (vs. EUR 2.6 billion at 31 December 2019).

BREAKDOWN COUNTERPARTY CREDIT RISK – DETAIL

TABLE 35: IRB 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 the EBA's recommendations, CVA charges and exposures cleared through a CCP have been excluded.

	30.06.2020						
(In EURm)	PD scale	EAD post CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
Central governments and central banks	0.00 to <0.15	26,998	0.01%	1.14%	1.17	70	0.26%
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	16	0.26%	44.17%	1.18	6	38.57%
	0.50 to <0.75	31	0.50%	45.00%	3.59	27	87.38%
	0.75 to <2.50	247	2.12%	32.98%	0.49	169	68.57%
	2.50 to <10.00	122	4.66%	45.00%	1.25	170	139.26%
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Sub-total	**27,414**	**0.05%**	**1.69%**	**1.17**	**442**	**1.61%**
Institutions	0.00 to <0.15	18,002	0.04%	24.94%	1.65	1,650	9.16%
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	1,178	0.26%	23.90%	1.80	360	30.58%
	0.50 to <0.75	480	0.50%	39.78%	1.99	308	64.13%
	0.75 to <2.50	427	1.70%	38.81%	1.51	348	81.37%
	2.50 to <10.00	160	3.92%	34.60%	1.32	172	107.48%
	10.00 to <100.00	15	13.67%	31.40%	2.45	34	228.87%
	100.00 (default)	7	100.00%	42.98%	3.03	37	537.25%
	Sub-total	**20,270**	**0.18%**	**25.92%**	**1.66**	**2,909**	**14.35%**
Corporate – SME	0.00 to <0.15	61	0.12%	33.86%	2.56	8	13.62%
	0.15 to <0.25	180	0.20%	11.70%	1.56	15	8.14%
	0.25 to <0.50	26	0.30%	37.24%	3.37	14	53.83%
	0.50 to <0.75	52	0.51%	33.63%	2.47	23	43.25%
	0.75 to <2.50	72	1.52%	33.84%	2.21	41	56.35%
	2.50 to <10.00	213	3.55%	30.24%	1.54	148	69.48%
	10.00 to <100.00	14	18.50%	35.01%	2.19	18	124.69%
	100.00 (default)	3	100.00%	36.30%	2.74	13	453.79%
	Sub-total	**623**	**2.39%**	**26.36%**	**1.90**	**279**	**44.82%**
Corporate – Specialised lending	0.00 to <0.15	314	0.09%	29.75%	3.29	72	22.84%
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	135	0.26%	7.37%	3.66	17	12.36%
	0.50 to <0.75	114	0.50%	12.10%	2.79	23	19.81%
	0.75 to <2.50	489	1.99%	13.57%	1.90	155	31.74%
	2.50 to <10.00	281	4.09%	10.25%	1.46	85	30.13%
	10.00 to <100.00	13	11.42%	2.56%	3.10	2	12.64%
	100.00 (default)	-	-	-	-	-	-
	Sub-total	**1,346**	**1.78%**	**15.80%**	**2.40**	**353**	**26.19%**
Corporate – Other	0.00 to <0.15	32,677	0.05%	33.25%	1.38	3,878	11.87%
	0.15 to <0.25	0	0.17%	35.00%	1.39	0	24.59%
	0.25 to <0.50	3,792	0.26%	29.27%	2.40	1,293	34.11%
	0.50 to <0.75	3,761	0.50%	23.79%	2.36	1,364	36.27%
	0.75 to <2.50	3,800	1.49%	29.17%	2.10	2,593	68.24%
	2.50 to <10.00	2,042	4.82%	32.60%	1.80	2,107	103.18%
	10.00 to <100.00	240	13.26%	31.49%	1.86	359	149.74%
	100.00 (default)	151	100.00%	31.11%	2.60	279	184.56%
	Sub-total	**46,464**	**0.83%**	**31.63%**	**1.63**	**11,874**	**25.56%**

(In EURm)	PD scale	EAD post CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
		30.06.2020					
Retail – Other non – SME	0.00 to <0.15	9	0.01%	11.50%	5.00	0	4.94%
	0.15 to <0.25	89	0.20%	11.50%	5.00	4	4.94%
	0.25 to <0.50	5	0.34%	46.00%	5.00	1	27.90%
	0.50 to <0.75	1	0.53%	28.75%	5.00	0	22.64%
	0.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	3	24.71%	24.00%	5.00	2	61.40%
	100.00 (default)	-	-	-	-	-	-
	Sub-total	**106**	**0.80%**	**13.61%**	**5.00**	**8**	**7.57%**
SECURITISATION POSITIONS	**Sub-total**	**2**	**-**	**-**	**-**	**0**	**20.00%**
TOTAL		**96,224**	**0.49%**	**20.21%**	**1.52**	**15,865**	**16.49%**

(In EURm)	PD scale	EAD post CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
		31.12.2019					
Central governments and central banks	0.00 to <0.15	22,651	0.00%	2.59%	1.21	109	0.48%
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	18	0.26%	39.33%	1.31	6	35.91%
	0.50 to <0.75	30	0.50%	45.00%	3.95	27	91.72%
	0.75 to <2.50	201	1.10%	20.24%	0.89	73	36.35%
	2.50 to <10.00	55	4.61%	45.00%	1.21	87	157.63%
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Sub-total	**22,954**	**0.03%**	**2.91%**	**1.21**	**302**	**1.32%**
Institutions	0.00 to <0.15	17,019	0.04%	24.20%	1.53	1,517	8.91%
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	1,203	0.26%	27.90%	1.66	375	31.17%
	0.50 to <0.75	455	0.50%	38.81%	1.78	293	64.28%
	0.75 to <2.50	615	1.75%	40.21%	1.56	450	73.20%
	2.50 to <10.00	163	4.06%	30.80%	1.36	168	102.86%
	10.00 to <100.00	38	12.80%	23.81%	1.06	71	185.34%
	100.00 (default)	4	100.00%	35.00%	2.88	19	437.50%
	Sub-total	**19,498**	**0.20%**	**25.86%**	**1.55**	**2,893**	**14.84%**
Corporate – SME	0.00 to <0.15	55	0.10%	30.79%	3.58	10	18.12%
	0.15 to <0.25	79	0.20%	11.72%	4.98	14	18.22%
	0.25 to <0.50	11	0.26%	30.28%	1.74	3	23.98%
	0.50 to <0.75	34	0.51%	34.16%	2.63	16	47.61%
	0.75 to <2.50	53	1.47%	34.82%	2.40	36	67.80%
	2.50 to <10.00	116	6.29%	31.12%	3.67	113	97.16%
	10.00 to <100.00	8	19.18%	35.09%	2.03	12	145.12%
	100.00 (default)	2	100.00%	38.47%	1.68	5	250.30%
	Sub-total	**358**	**3.30%**	**27.74%**	**3.55**	**208**	**58.13%**
Corporate – Specialised lending	0.00 to <0.15	203	0.07%	30.00%	3.75	57	28.15%
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	27	0.26%	10.24%	4.13	4	16.06%
	0.50 to <0.75	50	0.50%	10.00%	4.22	11	21.13%
	0.75 to <2.50	483	1.86%	9.25%	2.37	113	23.37%
	2.50 to <10.00	451	3.90%	9.87%	1.71	135	29.85%
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Sub-total	**1,214**	**2.23%**	**13.00%**	**2.47**	**319**	**26.32%**

		31.12.2019					
(In EURm)	PD scale	EAD post CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
Corporate – Other	0.00 to <0.15	30,744	0.05%	33.36%	1.36	3,634	11.82%
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	3,574	0.26%	29.54%	2.48	1,141	31.94%
	0.50 to <0.75	3,106	0.50%	25.64%	2.33	1,180	37.98%
	0.75 to <2.50	2,775	1.48%	28.50%	2.42	1,890	68.11%
	2.50 to <10.00	1,948	4.31%	31.89%	1.60	1,910	98.06%
	10.00 to <100.00	91	13.86%	32.68%	1.68	143	156.49%
	100.00 (default)	107	100.00%	29.43%	3.20	211	196.79%
	Sub-total	**42,345**	**0.67%**	**31.93%**	**1.61**	**10,110**	**23.87%**
Retail – Other non – SME	0.00 to <0.15	11	0.03%	12.30%	5.00	0	1.29%
	0.15 to <0.25	177	0.20%	11.50%	5.00	9	4.94%
	0.25 to <0.50	1	0.34%	46.00%	5.00	0	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	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
	Sub-total	**189**	**0.19%**	**11.79%**	**5.00**	**9**	**4.90%**
SECURITISATION POSITIONS	**Sub-total**	**9**	**0.00%**	**0.00%**	**-**	**-**	**0.00%**
TOTAL		**86,567**	**0.43%**	**21.15%**	**1.52**	**13,841**	**15.99%**

TABLE 36: EAD AND RWA TOWARDS CENTRAL COUNTERPARTIES (CCP) (CCR8)

	30.06.2020		31.12.2019	
(In EURm)	EAD	RWA	EAD	RWA
Exposures to QCCPs	30,241	1,057	32,252	1,454
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which:	14,743	295	16,225	326
■ OTC derivatives	789	16	1,108	23
■ Exchange-traded derivatives	12,819	256	13,551	271
■ Securities financing transactions	1,034	21	1,323	26
■ Netting sets where cross-product netting has been approved	102	2	243	6
Segregated initial margin	9,966	-	9,731	-
Non-segregated initial margin	1,863	37	2,525	51
Pre-funded default fund contributions	3,669	725	3,771	1,077
Alternative calculation of own funds requirements for exposures	-	-	-	-
Exposures to non-QCCPs	-	-	-	-
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which:	-	-	-	-
■ OTC derivatives	-	-	-	-
■ Exchange-traded derivatives	-	-	-	-
■ Securities financing transactions	-	-	-	-
■ Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-	-	-	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-

TABLE 37: IMPACT OF NETTING AND COLLATERAL HELD ON EXPOSURE VALUES (CCR5-A)

	30.06.2020				
(In EURm)	Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposire
Derivatives	335,515	298,145	56,399	24,402	29,056
SFTs	1,229,670	568,021	713,963	593,706	87,781
Cross-product netting	36,601	43,158	49,258	5,182	918
TOTAL	**1,601,786**	**909,324**	**819,620**	**623,290**	**117,755**

The concept of net credit exposure presented in this table differs from that of EAD, insofar as other parameters not included here may be involved in the calculation of regulatory exposure (regulatory haircuts, add-ons...).

TABLE 38: BREAKDOWN OF COLLATERAL FOR COUNTERPARTY CREDIT RISK EXPOSURES (CCR5-B)

	30.06.2020			
	Collateral used in derivative transactions		Collateral used in SFTs	
(In EURm)	Fair value of collateral received	Fair value of posted collateral	Fair value of collateral received	Fair value of posted collateral
Cash	54,768	27,451	22,371	32,842
Banks/Broker-dealers	32	608	90,647	97,593
Central Counterparties	-	9,201	10,960	5,925
Government-sponsored entities/ Government Agencies	-	-	-	-
Hedge funds	-	-	5	107
Insurance and Financial Guaranty Firms	11	5	711	2,747
Mutual funds	157	-	909	2,672
Nonfinancial corporations	658	29	24,024	57,415
Pension Plans	-	-	-	-
Sovereign national governments	4,175	2,763	289,101	318,073
SPVs, SPCs, and SPEs	-	-	-	-
Supranationals	-	-	2,283	1,701
Others	-	-	15	213

TABLE 39: RWA AND CAPITAL REQUIREMENTS FLOW STATEMENTS OF COUNTERPARTY CREDIT RISK EXPOSURES UNDER IRB APPROACH (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.

(In EURm)	**RWA amounts – IRB IMM**	**RWA amounts – IRB hors IMM**	**RWA amounts – Total IRB**	**Capital requirements – IRB IMM**	**Capital requirements – IRB hors IMM**	**Capital requirements – Total IRB**
RWA as at end of previous reporting period (31.03.2020)	**13,385**	**2,405**	**15,789**	**1,071**	**192**	**1,263**
Asset size	(513)	269	(245)	(41)	21	(20)
Credit quality of counterparties	17	120	137	1	10	11
Model updates	-	-	-	-	-	-
Methodology and policy	358	-	358	29	-	29
Acquisitions and disposals	-	-	-	-	-	-
Foreign exchange movements	(141)	(20)	(161)	(11)	(2)	(13)
Other	81	(84)	(3)	7	(7)	(0)
RWA as at end of reporting period (30.06.2020)	**13,187**	**2,689**	**15,876**	**1,055**	**215**	**1,270**

The table above displays data without CVA (Credit Valuation Adjustment) which amounts to EUR 3.0 billion in advanced approach.

4

SECURITISATION

REGULATORY CAPITAL REQUIREMENTS

TABLE 40: AMOUNTS OF SECURITISED EXPOSURES RETAINED OR PURCHASED IN THE BANKING BOOK BY APPROACH AND BY RISK WEIGHT

		30.06.2020							
(In EURm)		Exposure at Defaut (EAD)				Capital Requirements			
		Securitisation		Re-securitisation		Securitisation		Re-securitisation	
	Risk wieght band	**STS**	**Non-STS**	**STS**	**Non-STS**	**STS**	**Non-STS**	**STS**	**Non-ST**
Exposures values by RW bands / deductions	≤ 20% RW	6,884	26,252	-	-	49	353	-	-
	> 20% à 50% RW	-	544	-	-	-	15	-	-
	> 50% à 100% RW	-	190	-	-	-	10	-	-
	> 100% à 1,250% RW	-		-	-	-	-	-	-
	1,250% RW	-	-	-	-	-	-	-	-
	Deductions	5	2	-	-	-	-	-	-
Exposures values by regulatory approach	SEC-IRBA	-	10,423	-	-	-	146	-	-
	SEC-ERBA (including IAA)	6,092	14,437	-	-	49	207	-	-
	SEC-SA	792	2,125	-	-	-	25	-	-
	1,250% RW	-	-	-	-	-	-	-	-
	Deductions	5	2	-	-	-	-	-	-
TOTAL BANKING BOOK		**6,889**	**26,988**	**-**	**-**	**49**	**379**	**-**	**-**

As at 30 June 2020, 80% of banking book securitisation exposures were non-STS. 61% of exposures were weighted using the IAA / SEC-ERBA method, 31% using the SEC-IRBA.

The table as at 31 December 2019 has been modified as follows:

(In EURm)		31.12.2019							
		Exposure at Defaut (EAD)				Capital Requirements			
		Securitisation		Re-securitisation		Securitisation		Re-securitisation	
	Risk wieght band	STS	Non-STS	STS	Non-STS	STS	Non-STS	STS	Non-STS
Exposures values by RW bands / deductions	≤ 20% RW	946	30,722	-	-	-	288	-	-
	> 20% à 50% RW	-	544	-	-	-	10	-	-
	> 50% à 100% RW	-	48	-	-	-	3	-	-
	> 100% à 1,250% RW	-	-	-	-	-	-	-	-
	1,250% RW	-	-	-	-	-	-	-	-
	Deductions	-	16	-	-	-	-	-	-
Exposures values by regulatory approach	SEC-IRBA	-	10,104	-	-	-	149	-	-
	SEC-ERBA (including IAA)	-	20,873	-	-	-	147	-	-
	SEC-SA	946	336	-	-	-	5	-	-
	1,250% RW	-	-	-	-	-	-	-	-
	Deductions	-	16	-	-	-	-	-	-
TOTAL BANKING BOOK		**946**	**31,330**	**-**	**-**	**-**	**301**	**-**	**-**

TABLE 41: AMOUNTS OF SECURITISED EXPOSURES RETAINED OR PURCHASED IN THE TRADING BOOK BY APPROACH AND BY RISK WEIGHT

(In EURm)		30.06.2020							
		Exposure at Defaut (EAD)				Capital Requirements			
		Securitisation		Re-securitisation		Securitisation		Re-securitisation	
	Risk wieght band	STS	Non-STS	STS	Non-STS	STS	Non-STS	STS	Non-STS
Exposures values by RW bands / deductions	≤ 20% RW	1	539	-	-	0	7	-	-
	> 20% à 50% RW	-	33	-	-	-	1	-	-
	> 50% à 100% RW	-	24	-	-	-	1	-	-
	> 100% à 1,250% RW	-	79	-	-	-	17	-	-
	1,250% RW	-	0	-	-	-	-	-	-
	Deductions	-	1	-	-	-	-	-	-
Exposures values by regulatory approach	SEC-IRBA	-	-	-	-	-	-	-	-
	SEC-IAA	1	230	-	-	0	21	-	-
	SEC-SA	-	446	-	-	-	5	-	-
	1,250% RW	-	0	-	-	-	-	-	-
	Deductions	-	1	-	-	-	-	-	-
TOTAL TRADING BOOK		**1**	**676**	**-**	**-**	**0**	**26**	**-**	**-**

The table as at 31 December 2019 has been modified as follows:

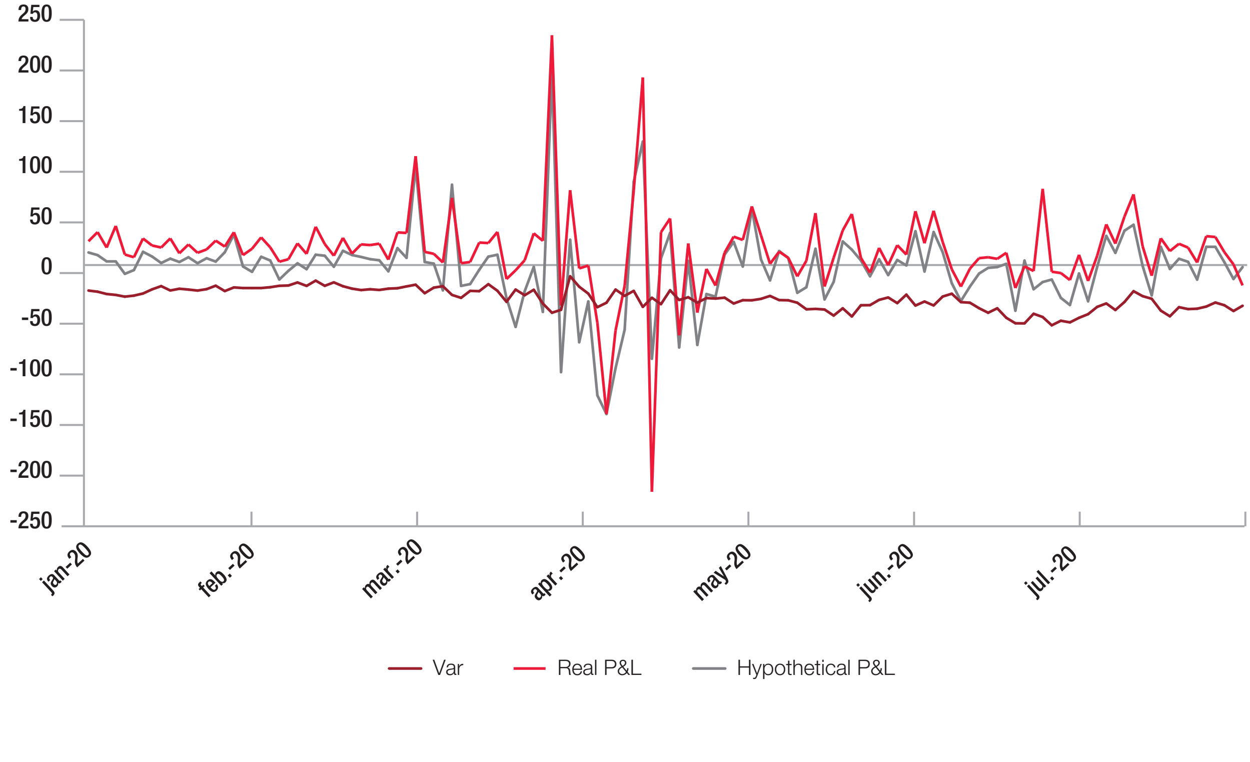
		31.12.2019							
(In EURm)		Exposure at Defaut (EAD)				Capital Requirements			
		Securitisation		Re-securitisation		Securitisation		Re-securitisation	
	Risk wieght band	**STS**	**Non-STS**	**STS**	**Non-STS**	**STS**	**Non-STS**	**STS**	**Non-STS**
Exposures values by RW bands / deductions	≤ 20% RW	-	108	-	-	-	1	-	-
	> 20% à 50% RW	29	375	-	-	0	6	-	-
	> 50% à 100% RW	-	59	-	-	-	6	-	-
	> 100% à 1,250% RW	-	62	-	-	-	7	-	-
	1,250% RW	-	3	-	-	-	3	-	-
	Deductions	-	9	-	-	-	-	-	-
Exposures values by regulatory approach	SEC-IRBA	-	-	-	-	-	-	-	-
	SEC-ERBA (including IAA)	29	604	-	-	0	19	-	-
	SEC-SA	-	-	-	-	-	-	-	-
	1,250% RW	-	3	-	-	-	3	-	-
	Deductions	-	9	-	-	-	-	-	-
TOTAL TRADING BOOK		**29**	**616**	**-**	**-**	**0**	**22**	**-**	**-**

5

MARKET RISK

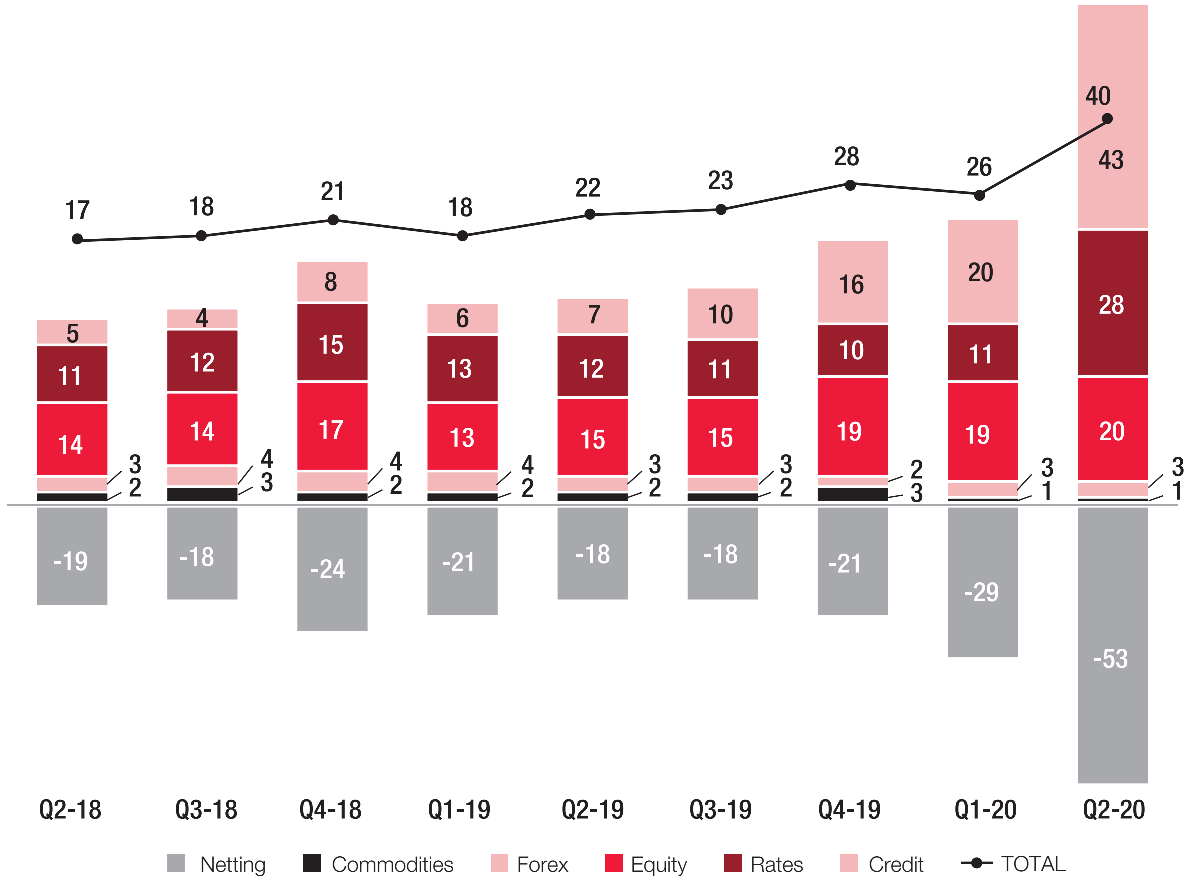
5.1 99% VALUE AT RISK (VAR)

TRADING VAR (ONE-DAY, 99%), DAILY ACTUAL P&L[1] AND DAILY HYPOTHETICAL P&L[2] OF THE TRADING PORTFOLIO (2020, IN EURM)



(1) Daily profit or loss used for the VaR backtesting against actual P&L, as defined in the "99% Value at Risk (VaR)".
(2) Daily profit or loss used for the VaR backtesting against hypothetical P&L, as defined in the "99% Value at Risk (VaR)".

BREAKDOWN BY RISK FACTOR OF TRADING VAR (ONE-DAY, 99%) – CHANGES IN QUARTERLY AVERAGE OVER THE 2018-2020 PERIOD (IN EURM)



VaR increased over the first 6 months of the year (EUR 40 million in Q2 2020 versus EUR 28 million in Q4 2019 in average). Starting from a low level in January / February, the VaR has increased for the rest of the semester following the effects of the Covid-19 crisis on the markets. Interest rate and credit perimeters were the main contributors to this increase due to the entry of new scenarios in the middle of the semester in the computation window of the VaR applying shocks of interest rates increase and credit spreads tightening, which penalise CVA hedging positions and exotic credit activities.

Equity activities, sensitive to equity market rebound scenarios associated with interest rate hikes, are at the origin of the VaR volatility, but without a major impact on the global increase, their contribution remaining stable in average.

As a consequence of the Covid-19 crisis, the markets were marked in the first half of 2020 by high volatility across all asset classes. Over this period, a total of 13 dates with VaR backtesting overshootings against P&L were observed at the Societe Generale Group level. In view of the European Parliament's vote allowing institutions to exclude backtesting events that do not result from internal model deficiencies and that occurred between 1 January 2020 and 31 December 2021, the competent authorities have validated the exclusion of such events from the calculation of Societe Generale's weighted assets for market risk.

5.2 RWA AND CAPITAL REQUIREMENTS

TABLE 42: MARKET RISK RWA AND CAPITAL REQUIREMENTS BY RISK FACTOR

	Risk-weighted assets			Capital requirements		
(In EURm)	30.06.2020	31.12.2019	*Change*	30.06.2020	31.12.2019	*Change*
VaR	5,659	3,881	*1,778*	453	310	*142*
Stressed VaR	10,822	6,678	*4,143*	866	534	*331*
Incremental Risk Charge (IRC)	1,354	1,361	*(7)*	108	109	*(1)*
Correlation portfolio (CRM)	1,402	1,220	*182*	112	98	*15*
Total market risk assessed by internal model	**19,236**	**13,140**	***6,096***	**1,539**	**1,051**	***488***
Specific risk related to securisation positions in the trading portfolio	326	277	*49*	26	22	*4*
Risk assessed for currency positions	409	865	*(456)*	33	69	*(36)*
Risk assessed for interest rates (excl.securitisation)	1,013	231	*782*	81	18	*63*
Risk assessed for ownership positions	0	-	*0*	0	-	*0*
Risk assessed for commodities	0	0	*0*	0	0	*0*
Total market risk assessed by standardised approach	**1,748**	**1,373**	***375***	**140**	**110**	***30***
TOTAL	**20,984**	**14,513**	***6,471***	**1,679**	**1,161**	***518***

The market risk RWA grew by almost 50% during the first half of 2020 (EUR 21.0 billion in Q2 2020 versus EUR 14.5 billion in Q4 2019) in an environment marked by high volatility across all asset classes due to uncertainties stemming from the Covid-19 crisis. This rise is mainly explained by:

- an increase in the SVaR from the first quarter, mainly on the equity scope, which remains at high levels in Q2 due to exotic credit and interest rate activities (impact of EUR +4.1 billion on RWA);
- an increase in the VaR (see comment above – impact of EUR +1.8 billion on RWA);
- an increase in the standardised approach contribution resulting mainly from the integration of mutual funds in its calculation base.

It should be noted that the various measures taken by the ECB have made it possible to limit the impact of VaR backtesting overshoots resulting from exceptional market movements during the Covid-19 crisis on the level of the multiplier coefficient used for the calculation of the VaR and SVaR RWA.

5.3 MARKET RISK RWA AND CAPITAL REQUIREMENTS - ADDITIONAL QUANTITATIVE INFORMATION

TABLE 43: MARKET RISK UNDER STANDARDISED APPROACH (MR1)

(In EURm)	30.06.2020 Risk-weighted assets	31.12.2019 Risk-weighted assets	30.06.2020 Capital requirement	31.12.2019 Capital requirement
Products	**1,422**	**1,096**	**114**	**88**
Interest rate risk (general and specific)	1,013	231	81	18
Equity risk (general and specific)	0	-	0	-
Foreign exchange risk	409	865	33	69
Commodity risk	0	0	0	0
Options	**326**	**277**	**26**	**22**
Simplified approach	-	-	-	-
Delta-plus method	-	-	-	-
Scenario approach	-	-	-	-
Securitisation (specific risk)	326	277	26	22
TOTAL	**1,748**	**1,373**	**140**	**110**

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

TABLE 44: MARKET RISK UNDER INTERNAL MODEL APPROACH (MR2-A)

	(In EURm)	30.06.2020 Risk-weighted assets	31.12.2019 Risk-weighted assets	30.06.2020 Capital requirement	31.12.2019 Capital requirement
1	**VaR (higher of values a and b)**	**5,659**	**3,881**	**453**	**310**
(a)	Previous day's VaR (Article 365(1) (VaRt-1))			128	85
(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)			453	310
2	**SVaR (higher of values a and b)**	**10,822**	**6,678**	**866**	**534**
(a)	Latest SVaR (Article 365(2) (sVaRt-1))			293	229
(b)	Average of the SVaR (Article 365(2) during the preceding sixty business days (sVaRavg) x multiplication factor (ms) (Article 366)			866	534
3	**Incremental risk charge - IRC (higher of values a and b)**	**1,354**	**1,361**	**108**	**109**
(a)	Most recent IRC value (incremental default and migration risks section 3 calculated in accordance with Section 3 articles 370/371)			108	83
(b)	Average of the IRC number over the preceding 12 weeks			83	109
4	**Comprehensive Risk Measure – CRM (higher of values a, b and c)**	**1,402**	**1,220**	**112**	**98**
(a)	Most recent risk number for the correlation trading portfolio (article 377)			51	95
(b)	Average of the risk number for the correlation trading portfolio over the preceding 12-weeks			112	98
(c)	8% of the own funds requirement in SA on most recent risk number for the correlation trading portfolio (Article 338(4))			112	79
5	**TOTAL**	**19,236**	**13,140**	**1,539**	**1,051**

TABLE 45: INTERNAL MODEL VALUES IN TRADING PORTFOLIOS (MR3)

(In EURm)	30.06.2020	31.12.2019
VaR (10 days, 99%)[(1)]		
Period start	103	49
Maximum value	188	113
Average value	129	71
Minimum value	82	40
Period end	127	85
Stressed VaR (10 days, 99%)[(1)]		
Period start	231	108
Maximum value	281	213
Average value	208	119
Minimum value	162	49
Period end	177	112
Incremental Risk Charge (99.9%)		
Period start	58	317
Maximum value	111	352
Average value	85	192
Minimum value	58	58
Period end	108	83
Comprehensive Risk capital charge (99.9%)		
Period start	157	164
Maximum value	167	211
Average value	107	144
Minimum value	51	73
Period end	51	95
Floor (standardised measurement method)	112	79

(1) On the perimeter for which the capital requirements are assessed by internal model.

TABLE 46: QUARTERLY RWA FLOW STATEMENTS OF MARKET RISK EXPOSURES UNDER IMA (INTERNAL MODEL APPROACH) (MR2-B)

(In EURm)	VaR	SVaR	IRC	CRM	Autre	Total RWA	Exigences en fonds propres
RWA at end of previous reporting period (31.03.2020)	**4,071**	**10,300**	**1,153**	**2,276**	**-**	**17,800**	**1,424**
Regulatory adjustment	*2,546*	*6,700*	*488*	*0*	*-*	*9,734*	*779*
RWA at end of day previous quarter	*1,525*	*3,600*	*665*	*2,276*	*-*	*8,066*	*645*
Movement in risk levels	1,744	670	201	(874)	-	1,740	139
Model updates/changes	(151)	(141)	-	-	-	(292)	(23)
Methodology and policy	-	-	-	-	-	-	-
Acquisitions and disposals	-	-	-	-	-	-	-
Foreign exchange movements	(4)	(8)	-	-	-	(12)	(1)
Other			-	-	-	-	-
RWA at end of day quarter	*1,604*	*1,956*	*1,354*	*635*	*-*	*5,549*	*444*
Regulatory adjustment	*4,055*	*8,866*	*-*	*767*	*-*	*13,688*	*1,095*
RWA at end of reporting period (30.06.2020)	**5,659**	**10,822**	**1,354**	**1,402**	**-**	**19,236**	**1,539**

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 translation movements.

6

OPERATIONAL RISK

RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENTS

Societe Generale's capital requirements for operational risk are mainly calculated using the Advanced Measurement Approach (AMA) via its internal model (95% as at 30 June 2020 and as at 31 December 2019). The amount of risk-weighted assets over the AMA scope is stable. The slight decrease of risk-weighted assets under the Standardised approach results from the inclusion of more relevant indicators in the calculation, in accordance with articles 317 and 318 of Regulation (EU) No 575/2013.

The following table breaks down the Group's risk-weighted assets and the corresponding capital requirements at 30 June 2020.

TABLE 47: RWA AND CAPITAL REQUIREMENTS RELATING TO OPERATIONAL RISK

	30.06.2020				31.12.2019			
(In EURm)	**RWA under Standardised approach**	**RWA under Advanced Measurement Approach (AMA)**	**Total RWA**	**Capital requirements**	**RWA under Standardised approach**	**RWA under Advanced Measurement Approach (AMA)**	**Total RWA**	**Capital requirements**
Global Banking and Investor Solutions	155	32,007	32,162	2,573	189	32,007	32,196	2,576
Corporate Centre	309	3,141	3,450	276	364	3,141	3,505	280
International Retail Banking and Financial Services	1,788	5,029	6,817	545	1,884	5,029	6,913	553
French Retail Banking	111	5,313	5,424	434	33	5,313	5,346	428
TOTAL	**2,362**	**45,491**	**47,853**	**3,828**	**2,470**	**45,491**	**47,961**	**3,837**

7

STRUCTURAL INTEREST RATE AND EXCHANGE RATE RISKS

The sensitivity of the Group's value to changes in interest rates at 31 May 2020 stood at EUR +162 million (for an instantaneous and parallel increase in interest rates of 0.1%).

TABLE 48: SENSITIVITY OF THE GROUP'S VALUE TO A +10 BP INTEREST RATE VARIATION

(In EURm)	**Total**
Amount of sensitivity (31.05.2020)	**162**
Amount of sensitivity (31.12.2019)	(54)

TABLE 49: SENSITIVITY OF THE GROUP'S INTEREST MARGIN

(In EURm)	**31.05.2020**	**31.12.2019**
Parallel increase in interest rates of 10 bp		
Year 1	50	9
Year 2	94	48
Year 3	155	115
Parallel decrease in interest rates of 10 bp		
Year 1	(55)	(15)
Year 2	(100)	(56)
Year 3	(162)	(122)

8

LIQUIDITY RISK

8.1 ASSET ENCUMBRANCE

TABLE 50: ENCUMBERED AND UNENCUMBERED ASSETS (AE-ASS)

	30.06.2020(1)							
	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
(In EURm)		of which: EHQLA & HQLA		of which: EHQLA & HQLA		of which: EHQLA & HQLA		of which: EHQLA & HQLA
Assets of the reporting institution	**163,839**	**53,998**			**1,112,871**	**145,011**		
Equity instruments	28,092	25,864			38,734	7,504		
Debt securities	36,259	28,134	36,259	28,134	65,439	45,451	65,439	45,451
of which covered bonds	*59*	*9*	*59*	*9*	*340*	*247*	*340*	*247*
of which asset-backed securities	*239*	*135*	*239*	*135*	*2,074*	*54*	*2,074*	*54*
of which issued by general governments	*31,414*	*27,087*	*31,414*	*27,087*	*39,007*	*39,007*	*39,007*	*39,007*
of which issued by financial corporations	*2,444*	*388*	*2,444*	*388*	*14,659*	*4,874*	*14,659*	*4,874*
of which issued by non-financial corporations	*1,508*	*659*	*1,508*	*659*	*5,693*	*416*	*5,693*	*416*
Other assets	100,548	-			1,010,055	92,056		
of which loans on demand	*4,779*	-	-	-	*134,671*	*88,316*	-	-
of which loans and advances other than loans on demand	*94,220*	-	-	-	*572,265*	*1,273*	-	-
of which other	*1,551*	-	-	-	*300,650*	*2,466*	-	-

(1) *Table's figures are calculated as medians of the last four quarters.*

TABLE 51: COLLATERAL RECEIVED (AE-COL)

	30.06.2020[(1)]			
	Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
(In EURm)		of which: EHQLA & HQLA[(1)]		of which: EHQLA & HQLA[(1)]
Collateral received by the reporting institution	**379,066**	**336,878**	**78,116**	**63,657**
Loans on demand	-	-	-	-
Equity instruments	60,284	42,044	12,381	6,692
Debt securities	318,782	294,834	66,664	56,965
of which covered bonds	*2,094*	*862*	*7,926*	*7,859*
of which asset-backed securities	*8,970*	*7,285*	*7,565*	*2,523*
of which issued by general governments	*289,163*	*283,174*	*45,087*	*45,087*
of which issued by financial corporations	*15,707*	*1,821*	*17,122*	*8,575*
of which issued by non-financial corporations	*12,137*	*9,839*	*4,444*	*3,000*
Loans and advances other than loans on demand	-	-	-	-
Other collateral received	-	-	-	-
Own debt securities issued other than own covered bonds or asset-backed securities	**-**	**-**	**24**	**-**
Own covered bonds and asset-backed securities issued and not yet pledged			**16,719**	**-**
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**542,887**	**390,876**		

(1) *Table's figures are calculated as medians of the last four quarters.*

TABLE 52: SOURCES OF ENCUMBRANCE (AE-SOU)

	30.06.2020[(1)]	
(In EURm)	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	**354,014**	**374,654**

(1) *Table's figures are calculated as medians of the last four quarters.*

8.2 LIQUIDITY RESERVE

TABLE 53: LIQUIDITY RESERVE

(In EURbn)	30.06.2020	31.12.2019
Central bank deposits (excluding mandatory reserves)	130	88
HQLA securities available and transferable on the market (after haircut)	82	81
Other available central bank-eligible assets (after haircut)	15	21
TOTAL	**227**	**190**

8.3 REGULATORY RATIOS

The Group manages its liquidity risk through the LCR and liquidity gaps, under stress and under normal conditions of activity, accumulated (all currencies combined) and by currency. And this, by making sure at any time that the liquidity is transferable among 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 180% at 30 June 2020 (vs. 119% at end 2019).

TABLE 54: RATIO LCR (EU-LIQ1)

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

(In EURm)	Total weighted value (in average)			
Quarter ending on	**30.09.2019**	**31.12.2019**	**31.03.2020**	**30.06.2020**
Liquidity buffer*	156,563	160,082	164,784	175,241
Total net cash outflows*	117,385	119,669	122,052	122,889
Liquidity coverage ratio (%)*	134%	134%	135%	143%

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

8.4 BALANCE SHEET SCHEDULE

The main lines of the Group's financial liabilities and assets under accounting scope are presented in Note 3.13 to the consolidated financial statements.

TABLE 55: BALANCE SHEET SCHEDULE

FINANCIAL LIABILITIES

	30.06.2020					
(In EURm)	Note to the consolidated financial statements	0-3 months	3 months -1 year	1-5 years	> 5 years	Total
Due to central banks		2,980	-	-	-	2,980
Financial liabilities at fair value through profit or loss, excluding derivatives	Notes 3.1 and 3.4	156,697	18,007	23,838	29,895	228,437
Due to banks	Note 3.6	77,877	22,867	19,446	1,352	121,542
Customer deposits	Note 3.6	395,588	21,645	17,326	9,911	444,470
Securitised debt payables	Note 3.6	30,637	27,158	61,071	17,395	136,261
Subordinated debt	Note 3.9	5	2	2,783	11,872	14,662

NB: The scheduling assumptions for these liabilities are presented in Note 3.13 to the consolidated financial statements. In particular, the data are shown without provisional interest and excluding derivatives.

	31.12.2019					
(In EURm)	Note to the consolidated financial statements	0-3 months	3 months -1 year	1-5 years	> 5 years	Total
Due to central banks		4,097	-	-	-	4,097
Financial liabilities at fair value through profit or loss, excluding derivatives	Notes 3.1 and 3.4	155,032	17,815	23,584	29,578	226,009
Due to banks	Note 3.6	69,155	20,306	17,268	1,200	107,929
Customer deposits	Note 3.6	372,574	20,385	16,318	9,335	418,612
Securitised debt payables	Note 3.6	28,143	24,947	56,099	15,979	125,168
Subordinated debt	Note 3.9	5	2	2,746	11,712	14,465

NB: The scheduling assumptions for these liabilities are presented in Note 3.13 to the consolidated financial statements. In particular, the data are shown without provisional interest and excluding derivatives.

FINANCIAL ASSETS

(In EURm)	30.06.2020					
	Note to the consolidated financial statements	0-3 months	3 months -1 year	1-5 years	> 5 years	Total
Cash, due from central banks		140,882	946	1,632	957	144,417
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	54,485	860	-	261	55,606
Securities at amortised cost	Note 3.5	13,833	176	540	328	14,877
Due from banks at amortised cost	Note 3.5	46,803	1,897	4,861	1,731	55,292
Customer loans at amortised cost	Note 3.5	80,751	73,920	171,018	103,342	429,031
Lease financing and similar agreements*	Note 3.5	2,511	6,208	16,131	4,619	29,469

** Montants présentés nets de dépréciation.*

(In EURm)	31.12.2019					
	Note to the consolidated financial statements	0-3 months	3 months -1 year	1-5 years	> 5 years	Total
Cash, due from central banks		98,967	735	1,609	1,000	102,311
Financial assets at fair value through profit or loss, excluding derivatives	Note 3.4	242,879	7,011	-	-	249,890
Financial assets at fair value through other comprehensive income	Note 3.4	51,730	1,282	-	244	53,256
Securities at amortised cost	Note 3.5	11,012	200	973	304	12,489
Due from banks at amortised cost	Note 3.5	47,260	1,957	6,257	892	56,366
Customer loans at amortised cost	Note 3.5	87,877	58,318	162,795	111,234	420,224
Lease financing and similar agreements*	Note 3.5	2,487	6,050	16,727	4,756	30,020

** Montants présentés nets de dépréciation.*

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 accounting 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

	30.06.2020						
(In EURm)	**Note to the consolidated financial statements**	**Not scheduled**	**0-3 months**	**3 months -1 year**	**1-5 years**	**> 5 years**	**Total**
Tax liabilities	Note 6.3	-	-	826	-	413	1,239
Revaluation difference on portfolios hedged against interest rate risk		8,629	-	-	-	-	8,629
Other liabilities	Note 4.4	-	82,664	2,742	5,824	2,885	94,115
Non-current liabilities held for sale	Note 2.5	-	-	928	-	-	928
Insurance contracts related liabilities	Note 4.3	-	15,042	9,525	36,574	79,560	140,701
Provisions	Note 8.3	4,348	-	-	-	-	4,348
Shareholders' equity		65,679	-	-	-	-	65,679

	31.12.2019						
(In EURm)	**Note to the consolidated financial statements**	**Not scheduled**	**0-3 months**	**3 months -1 year**	**1-5 years**	**> 5 years**	**Total**
Tax liabilities	Note 6.3	-	-	939	-	470	1,409
Revaluation difference on portfolios hedged against interest rate risk		6,671	-	-	-	-	6,671
Other liabilities	Note 4.4	-	85,062	-	-	-	85,062
Non-current liabilities held for sale	Note 2.5	-	-	1,333	-	-	1,333
Insurance contracts related liabilities	Note 4.3	-	19,392	9,291	37,018	78,558	144,259
Provisions	Note 8.3	4,387	-	-	-	-	4,387
Shareholders' equity		68,570	-	-	-	-	68,570

OTHER ASSETS

	30.06.2020						
(In EURm)	**Note to the consolidated financial statements**	**Not scheduled**	**0-3 months**	**3 months -1 year**	**1-5 years**	**> 5 years**	**Total**
Revaluation differences on portfolios hedged against interest rate risk		470	-	-	-	-	470
Other assets	Note 4.4	-	77,196	-	-	-	77,196
Tax assets	Note 6	5,052	-	-	-	-	5,052
Investments accounted for using the equity method		-	-	-	-	106	106
Tangible and intangible fixed assets	Note 8.4	-	-	-	-	29,812	29,812
Goodwill	Note 2.2	-	-	-	-	4,045	4,045
Non-current assets held for sale	Note 2.5	-	-	3,788	-	-	3,788
Investments of insurance companies	Note 4.3	-	36,644	9,797	30,987	85,791	163,219

	31.12.2019						
(In EURm)	**Note to the consolidated financial statements**	**Not scheduled**	**0-3 months**	**3 months -1 year**	**1-5 years**	**> 5 years**	**Total**
Revaluation differences on portfolios hedged against interest rate risk		401	-	-	-	-	401
Other assets	Note 4.4	-	68,045	-	-	-	68,045
Tax assets	Note 6	5,779	-	-	-	-	5,779
Investments accounted for using the equity method		-	-	-	-	112	112
Tangible and intangible fixed assets	Note 8.4	-	-	-	-	30,652	30,652
Goodwill	Note 2.2	-	-	-	-	4,627	4,627
Non-current assets held for sale	Note 2.5	-	6	4,501	-	-	4,507
Investments of insurance companies	Note 4.3	-	39,514	8,289	33,193	83,942	164,938

1. Revaluation differences on portfolios hedged against interest rate risk are not scheduled, as they comprise transactions backed by the considered portfolios. 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. The notional maturities of commitments in derivative instruments are presented in Note 3.13 to the Group's consolidated financial statements.
4. 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.
5. Provisions and shareholders' equity are not scheduled.

9

APPENDIX

9.1 INDEX OF THE TABLES IN THE RISK REPORT

(1) Universal Registration Document

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