SG Issuer
Société Anonyme

Financial statements,
Report of the Executive Board and Corporate Governance Statement and
Report of the Réviseur d'entreprises agréé

As at and for the year ended 31 December 2022

16, boulevard Royal
L-2449 Luxembourg
R.C.S. Luxembourg: B121.363

Table of Contents

Executive Board Members
As at 31 December 2022

EXECUTIVE BOARD MEMBERS

Chairman:

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

Members:

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

Mr François CARALP (since 28 April 2022)
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Alexandre GALLICHE
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Pascal JACOB
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

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

Mr Laurent SIMONET (since 28 April 2022)
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mrs Estelle STEPHAN JASPARD
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Laurent WEIL (until 28 April 2022)
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Supervisory Board Members
As at 31 December 2022

SUPERVISORY BOARD MEMBERS

Chairman:

Mr Pierre LESCOURRET (until 28 April 2022)
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Mr Laurent WEIL (member since 28 April 2022 – Chairman since 10 May 2022)
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Members:

Mr Olivier BLANC
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

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

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

Mr Olivier FREITAS
Employee of Société Générale Luxembourg (until 30 September 2022)
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Emanuele Maiocchi
Employee of Société Générale Luxembourg (member since 17 November 2022)
11, avenue Emile Reuter, L-2420 Luxembourg

Audit Committee Members
As at 31 December 2022

AUDIT COMMITTEE MEMBERS

Chairman:

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

Members:

Mr Olivier FREITAS
Employee of Société Générale Luxembourg (until 30 September 2022)
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Emanuele Maiocchi
Employee of Société Générale Luxembourg (member since 17 November 2022)
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Olivier BLANC
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Management and Administration
As at 31 December 2022

MANAGEMENT AND ADMINISTRATION

Issuer
SG Issuer
16, Bd Royal, L-2449 Luxembourg, Luxembourg

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

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

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

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

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

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

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

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

LEGAL ADVISERS AND RÉVISEUR D'ENTREPRISES AGRÉÉ

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

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

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

Independent Auditor (Réviseur d'entreprises agréé)
Ernst & Young S.A.
35E, Avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg

REPORT OF THE EXECUTIVE BOARD AND CORPORATE GOVERNANCE STATEMENT

The Directors of SG Issuer (the "Company" or "SGIS") (each a « Director », collectively the « Executive Board ») present the financial statements and the Report of the Executive Board and Corporate Governance Statement of the Company for the year ended 31 December 2022.

1. ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

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

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

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

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

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

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

The main programs for Notes are (i) the Debt Instruments Issuance Program, the Base Prospectus of which has been updated and approved by the CSSF on 1 June 2022 and (ii) the "Programme d'Emission de Titres de Créance", the Base Prospectus of which has been updated and approved by the CSSF on 13 June 2022. Similarly, the main program for Warrants is the Warrants Issuance Program, for which the last updates have been approved by the CSSF on 27 June 2022.

In addition, (i) the German law Dual Language Debt Instruments Issuance Program has been updated and approved by the CSSF on 15 June 2022 and (ii) the Dual Language Leveraged and Tracking Products Issuance Program has been updated and approved by the CSSF on 06 July 2022
The UK Securities Issuance Program and Swiss Securities Issuance Program were respectively approved by the CSSF on 1 June 2022 and July 2022.

The newly created German Debt Instruments Issuance Program was approved by the CSSF on 8 April 2022
The state of business of the Company at the closing of the financial year is adequately presented in the financial statements published hereby.

During 2022, 14 403 new Notes were issued (among which 89 new secured Notes) and 4 019 new Warrants were issued. The net profit for the period from 1 January 2022 to 31 December 2022 amounts to KEUR 590.

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

2. RISKS AND UNCERTAINTIES

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

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

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

3. COVID-19 CRISIS AND CONFLICT RUSSIA AND UKRAINE

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

On the other hand, the first semester of 2022 has been strongly impacted, since 24 February, by the war in Ukraine. The conflict, with its human casualties and suffering, has significant economic costs along with considerable uncertainties.

In the euro area, the supply difficulties, the decline in purchasing power with the high inflation expected all through 2022 and the tightening of economic policies are the main bottlenecks constraining growth. If pandemic-related risks have decreased significantly in the short-term, the strong uncertainties related to the war in Ukraine jeopardise these prospects and the scenario of a more pronounced slowdown in 2023 cannot be excluded.

The Executive Board had performed an analysis toward the Company's exposure to the above. The Company, including its going concern, is not directly significantly impacted by the above and the situation will continue to be monitored, including the possible impact of changing micro and macroeconomic conditions.

4. FUTURE DEVELOPMENTS AND PERSPECTIVES

Following the acquisition by the Société Générale Group (SG Group) of the listed warrants activities from CommerzBank, Société Générale decided to centralize the new warrants issuances into another vehicle of the SG Group. So, as expected by the Executive Board, the 2022 commission income of the Company related to Warrants issuance decreased by more than half compared to previous year. The Company will however pursue specific warrants issuance activity on the Asian markets.

5. INFORMATION ON LITIGATIONS

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

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

6. CORPORATE GOVERNANCE STATEMENT

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

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

6.1 Executive Board

The Executive Board supervises and controls the Management and operations of the Company and is responsible for the Company system of risk management and internal control.
The Executive Board meetings are held on demand several times during the year.

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

Key tasks of the Executive Board:

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

6.2 Supervisory Board

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

6.3 Audit Committee

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

An Audit Committee of the Company took place on 25 April 2022, during which the financial statements for the year ended 31 December 2021 and the external audit results were presented. At least one member of the committee must be independent, which is the case of the Chairman of the Company's Audit Committee.

6.4 Internal Audit

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

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

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

6.5 Controls framework

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

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

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

6.6 New Products Committee

All the new activities and business of the Company are analysed and authorized by a dedicated New Products Committee (NPC). All involved departments within Société Générale are represented (operations, finance, risk, accounting standards, etc…) to assess the impact for the Company.

6.7 Service level agreements

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

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

Luxembourg, 28 April 2023

For the Executive Board

Yves CACCLIN
Chairman of the Executive Board

Thierry BODSON
Member of the Executive Board

GLOBAL STATEMENT FOR THE FINANCIAL STATEMENTS

To the best of our knowledge, the financial statements gives a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and the Report of the Executive Board (management report) includes a fair presentation of the development and performance of the business and the position of the Company, together with a description of the main risks and uncertainties that it faces.

Luxembourg, 28 April 2023

Executive Board Member
For the Executive Board

Yves CACCLIN
Chairman of the Executive Board

Thierry BODSON
Member of the Executive Board

Building a better working world

Ernst & Young
Société anonyme

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Independent auditor's report

To the sole Shareholder of
SG Issuer
16, boulevard Royal
L-2449 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SG Issuer S.A. (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation Nº 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Hedging of financial instruments issued

Description

The activity of the Company consists in issuing Notes and Warrants, which are subscribed by investors. These financial instruments are fully hedged with mirror transactions concluded with Société Générale S.A. replicating the financial instruments issued by the Company (see Note 4).

We have considered the hedging of financial instruments issued to be a key audit matter considering the financial risk which would result from inadequate hedging of the financial instruments issued by the Company.

How the matter was addressed in our audit

We tested the key controls implemented by the Company in relation with the issuance of financial instruments and the conclusion of mirror transactions with Société Générale S.A., as well as the key controls on the stock of financial instruments to ensure the effectiveness of the hedging.

We verified the intercompany reconciliation process between the Company and Société Générale S.A., and the intercompany reconciliations performed as at 31 December 2022.

For a sample of financial instruments issued by the Company as at 31 December 2022, we verified that the Company has contracted the mirror financial instruments with Société Générale S.A..

Also, we inquired about the existence of operational errors during the year and, if applicable, the related financial impact.

Other information

The Executive Board is responsible for the other information. The other information comprises the information included in the report of the Executive Board and Corporate Governance Statement but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Executive Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.
- Conclude on the appropriateness of Executive Executive Board use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 30 April 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

The report of the Executive Board is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The corporate governance statement, included in the report of the Executive Board, is the responsibility of the Executive Board. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the financial statements of the Company as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Company, it relates to:

- Financial statements prepared in valid xHTML format;

In our opinion, the financial statements of the Company as at 31 December 2022, identified as "SG Issuer S.A. financial statements 12312022 ESEF", have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Dorian Rigaud

Luxembourg, 28 April 2023

Statement of Financial Position

As at 31 December 2022

	Notes	('000 EUR) 2022	('000 EUR) 2021
Cash and cash equivalents	3	36 176	36 384
Financial assets at fair value through profit or loss			
- *Mandatorily measured at fair value through profit or loss*	4.1	38 757 924	40 322 401
- *Trading derivatives*	4.1	1 025 209	714 838
Loans and receivables	5	50 023	50 021
Other assets	6	343 495	497 267
Total assets		**40 212 827**	**41 620 911**
Financial liabilities at amortized cost	4.3	70 585	76 412
Financial liabilities at fair value through profit or loss			
- *Designated at fair value through profit or loss*	4.2	38 754 129	40 323 850
- *Trading derivatives*	4.2, 13	1 025 105	714 854
Other liabilities	6	360 231	503 809
Tax liabilities	7	201	-
Total liabilities		**40 210 251**	**41 618 925**
Share capital	8.1	2 000	2 000
Share premium			-
Legal reserve	8.2	200	200
Other reserves	8.2	(214)	1
Profit for the financial year		590	(215)
Total equity		**2 576**	**1 986**
Total liabilities and equity		**40 212 827**	**41 620 911**

The accompanying Notes are an integral part of these financial statements.

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Notes	('000 EUR) 2022	('000 EUR) 2021
Interest income	9	248	762
Commission income	10	34 515	45 174
Total revenues		**34 763**	**45 936**
Interest expenses	9	(22 618)	(29 567)
Net gain from financial instruments at fair value through profit or loss		541	(241)
Personnel expenses	11	(279)	(352)
Other operating expenses	12	(11 617)	(15 995)
Cost of risk	5	1	4
Total expenses		**(33 972)**	**(46 151)**
Profit before tax		**791**	**(215)**
Income tax	7	(201)	-
Profit for the financial year		**590**	**(215)**
Total comprehensive income for the financial year		**590**	**(215)**

The accompanying Notes are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2022

	(‘000 EUR) **Share capital**	(‘000 EUR) **Share premium**	(‘000 EUR) *Legal reserve*	(‘000 EUR) *Other unavailable reserves*	(‘000 EUR) *Other available reserves*	(‘000 EUR) **Total reserves**	(‘000 EUR) **Profit for the financial year**	(‘000 EUR) **Total equity**
As at 31 December 2020	**2 000**	**-**	*200*	-	-	**200**	**199**	**2 399**
Allocation of the result of the previous year before dividend distribution	-	-	-	-	199	**199**	**(199)**	**-**
Dividend to the sole shareholder	-	-	-	-	(199)	**(199)**	**-**	**(199)**
Capital increase/Allocation to the share premium account (Note 8.1)	-	16 926	-	-	-	**-**	**-**	**16 926**
Reimbursement of the share premium (Note 8.1)	-	(16 926)	-	-	-	**-**	**-**	**(16 926)**
Profit for the financial year 2021	-	-	-	-	-	**-**	**(215)**	**(215)**
As at 31 December 2021	**2 000**	**-**	200	-	**1***	**201**	**(215)**	**1 986**
Allocation of the result of the previous year before dividend distribution	-	-	-	-	(215)	**(215)**	**215**	**-**
Dividend to the sole shareholder	-	-	-	-	-	**-**	**-**	**-**
Capital increase/Allocation to the share premium account (Note 8.1)	-	28 244	-	-	-	**-**	**-**	**28 244**
Reimbursement of the share premium (Note 8.1)	-	(28 244)	-	-	-	**-**	**-**	**(28 244)**
Profit for the financial year 2022	-		-	-	-	**-**	**590**	**590**
As at 31 December 2022	**2 000**	**-**	200	-	(214)	**(14)**	**590**	**2 576**

* Other reserves as at 31.12.2021 amount to KEUR 1 and relate to the retained earnings which the Company was not able to distribute as a dividend as they were indivisible by the number of shares. Due to rounding in KEUR, the KEUR 1 difference between the 2020 and the dividend distribution does not appear in the above table.

The accompanying Notes are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2022

	Notes	('000 EUR) 2022	('000 EUR) 2021
OPERATING ACTIVITIES			
Profit for the financial year		590	(215)
Net(increase)/decrease in financial assets	4.1	3 484 563	7 111 721
Net increase/(decrease) in financial liabilities	4.2	(3 880 733)	(7 062 711)
(Increase)/decrease in other assets	6	153 772	338 304
Increase/(decrease) in tax liabilities and other liabilities	6, 7	(143 376)	(344 676)
Taxes paid	7	-	75
Non cash adjustments :			
Net change in fair value and foreign exchange difference	4.1, 4.2	413 221	(33 278)
Change in cost of risk	5	(1)	(4)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**28 036**	**9 216**
FINANCING ACTIVITIES			
Payment of capital surplus*	8.1	(28 244)	(16 926)
Dividend paid		-	(199)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**28 244**	**(17 125)**
Cash and cash equivalents as at January 1st	3	36 384	44 293
Net increase/(decrease) in cash and cash equivalents		(208)	(7 909)
Cash and cash equivalents as at December 31st		**36 176**	**36 384**
Additional information on operational cash flows from interest and dividends			
Interest paid		28 492	17 657
Interest received	9	248	767
Dividend received		-	-

** KEUR 28 244 for the year ended 31 December 2022 (and KEUR 16 926 for the year ended 31 December 2021) represent the share premium reimbursed by the Company to the shareholder (refer to Note 8.1).*

The accompanying Notes are an integral part of these financial statements.

NOTE 1 – CORPORATE INFORMATION

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

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

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

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

The Company’s capital is divided into 50 009 shares, of which 49 909 are held by SG Luxembourg and 100 are held by Société Générale.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 Statement of compliance

The financial statements of the Company as at and for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and interpretations adopted by the International Accounting Standards Board ("IASB").

The financial statements as at and for the year ended 31 December 2022 were authorised for issue by the Supervisory Board on 28 April 2023.

2.1.2 Functional and presentation currency

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

2.1.3 Use of estimates and judgments

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

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

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

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

- Fair value in the statement of financial position of financial instruments not quoted in an active market which are classified as financial assets and liabilities at fair value through profit or loss (see Notes 4.1 and 4.2);
- The amount of impairment and provisions for credit risk related to financial assets measured at amortized cost (see Note 4.3);
- The analysis of the contractual cash flow characteristics of financial assets (see Note 2.3.3.1).

2.1.4 Segment reporting

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

2.2 New accounting standards

2.2.1 New accounting standards applicable as at 1 January 2022

Amendments to IAS 37 - “Onerous contracts – Cost of fulfilling a contract” These amendments clarify the costs to include to calculate the cost of fulfilling a contract when assessing whether a contract is onerous.

These amendments have no impact on the Company financial statements.

Amendments to IAS 16 “Property, plant and equipment – proceeds before intended use”

These amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to its operating location or preparing that asset for its intended use. Instead, a company will recognize such sales proceeds and related production cost in profit or loss.

These amendments do not apply to the Company as it has no property, plant and equipment.
Reference to the conceptual framework – amendments to IFRS 3 The amendments replace a reference to a previous version of the IASB’s Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments have no impact on the Company financial statements.

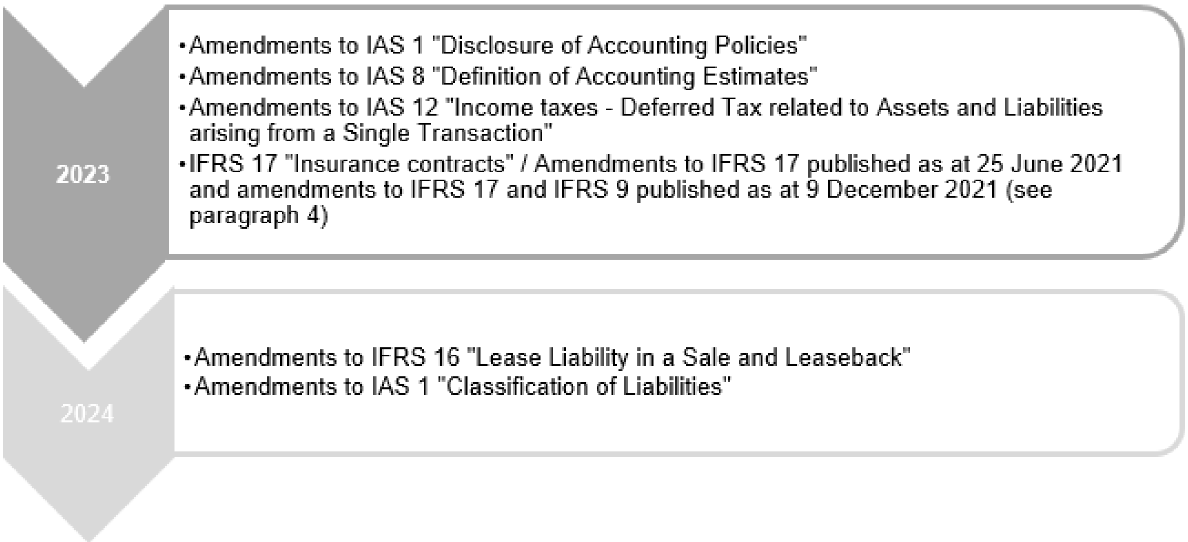
Annual improvements to IFRS (2018 – 2020 cycle)

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

These changes have no significant impact on the Company financial statements.

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

The IASB published accounting standards and amendments, some of which have not been adopted by the European Union as at 31 December 2022. Their application is required for the financial years beginning on or after 1 January 2023 at the earliest or on the date of their adoption by the European Union. They have thus not been applied to the Company as at 31 December 2022.These standards are expected to be applied according to the following schedule:



2.2.2.1 Amendments to IAS 1 Disclosure of accounting policies” and IFRS 2 practice statement

Issued by the IASB on 12 February 2021, adopted by the European Union on 2 March 2022.

The aim of these amendments is to help companies to improve the materiality of the information on accounting policies disclosed in the notes of the financial statements and the usefulness of that information for investors and financial statement readers. The amendments target to replace the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies and to add guidance on how entities apply the concept of materiality in making decisions about accounting policies.

The impact analysis by the Company is ongoing on these amendments regarding the definition of material accounting policies.

2.2.2.2 Amendments to IAS 8 “Definition of an accounting estimates”

Adopted by the European Union on 2 March 2022.

The aim of these amendments is to facilitate the distinguishing between changes in accounting policies and methods and changes in accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The Company will apply the amendments from 1 January 2023.

Amendments to IAS 12 "Income taxes – Deferred tax related to assets and liabilities arising from a single transaction

Adopted by the European Union on 11 August 2022.

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

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

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning as-set component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the IASB expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

This amendment has no impact on the Company financial statements.

2.2.2.3 Preparation for the first-time application of IFRS 17 "Insurance Contracts" and of IFRS 9 "Financial Instruments" to the legal entities operating in the insurance sector.

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

This new standard will replace IFRS 4 "Insurance Contracts" that was issued in 2004 and which currently al-lows entities to use national requirements for the accounting of insurance contracts.

IFRS 17 provides new rules for the recognition, measurement, presentation and disclosure of insurance contracts that belong to its application scope (insurance contracts issued, reinsurance contracts held and investment contracts issued with discretionary participation features). The underwriting reserves currently recognised among liabilities in the statement of financial position will be replaced by a current value measurement of insurance contracts.

The Company expects no effect from this standard as it has no insurance contracts.

2.2.2.4 Amendments to IAS 1 "Classification of liabilities"

Issued by the IASB on January 23, 2020.

On January 23, 2020 and October 2022, the International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current. More specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.
- The amendments clarify the situations that are considered settlement of a liability;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Disclosures.

The new guidance will be effective for annual periods starting on or after January 1, 2024.

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

2.2.2.5 Amendments to IFRS 16 "Lease liability in a sale and leaseback"

Published on 22 September 2022.

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

This amendment has no impact on the Company financial statements as the Company does not have property, plant or equipment.

2.3 Summary of significant accounting policies

2.3.1 Foreign currency transactions

The Company maintains its books in EUR, which is the currency of the capital.

Assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates ruling at the reporting date. Foreign exchange differences arising on translation and realized exchange gains and losses are recognised in the statement of profit and loss and other comprehensive income in the caption *"Net gains from financial instruments at fair value through profit or loss"* and *"Interest Expenses"*.

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

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

	USD	JPY	GBP	HKD	CHF
31.12.2022	1.06660	140.6600	0.8869	8.3163	0.9847
31.12.2021	1.1326	130.3800	0.8403	8.8333	1.0331

2.3.2 Cash and cash equivalents

Cash and cash equivalents comprise only cash repayable on demand.

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

2.3.3 Financial instruments

2.3.3.1 Classification of financial instruments

Classification of financial assets

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

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

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

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

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

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

Classification of financial liabilities

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

- Financial liabilities at fair value through profit or loss:

These are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Company upon initial recognition to be carried at fair value through profit or loss in accordance with the fair value option.
The Company has designated at fair value through profit or loss the notes issued because mirror transactions (Fully Funded Swaps or "FFS") that are used to hedge those notes are measured mandatorily at fair value through profit and loss and thus reduce the accounting mismatch.

- Financial liabilities at amortised cost:

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

2.3.3.2 Valuation of financial instruments

Definition of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

Fair value hierarchy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The main L3 complex derivatives are:

- Equity derivatives: options with long maturities and/or incorporating bespoke remuneration mechanisms. These instruments are sensitive to market inputs (volatility, dividend rates, correlations, etc.). In the absence of market depth and an objective approach made possible by regularly observed prices, their valuation is based on proprietary methods (e.g. extrapolation from observable data, historical analysis). Hybrid equity instruments (i.e. having at least one non-equity underlying instrument) are also classified as L3 insofar as correlations between the different underlyings are generally unobservable;
- Interest rate derivatives: long-term and/or exotic options, products sensitive to correlation between different interest rates, different exchange rates, or between interest rates and exchange rates, for example for quanto products (in which the instrument is settled in a currency different from the currency of the underlying); they are liable to be classified as L3 because the valuation inputs are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD/JPY);
- Credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation (“N to default” products in which the buyer of the hedge is compensated as of the Nth default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or CDO Bespoke products, which are Collateralised Debt Obligations created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility;
- Commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (i.e. options on commodity swaps or instruments based on baskets of underlyings).

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

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

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

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

- For Unsecured Notes and Fully Funded Swaps

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

- For Secured and Repack Notes

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

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

The collateral assets are composed of eligible securities.

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

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

- For Warrants and Options

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

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

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

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

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

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

Deferred margin related to main unobservable inputs

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

2.3.3.3 Impairments and provisions

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

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

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

Impairment and provisions for credit risk

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

- Exposures classified in Stage 1: At the initial recognition date, the exposures are systematically classified in Stage 1, unless they are underperforming/credit-impaired on acquisition. Stage 1 exposures are impaired for the amount of credit losses that the Company expects to incur within 12 months (12-month expected credit losses), based on past data and the current situation;
- Exposures classified in Stage 2: To identify Stage 2 exposures, the significant increase in credit risk is assessed by the Company, taking into account the counterparty's credit risk rating, the magnitude of the change in the counterparty's credit rating and the existence of payments of more than 30 days;
- Exposures classified in Stage 3 (doubtful outstanding): The Company determines whether or not there is objective evidence of impairment (default event).

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

Impairments / Reversal of impairments

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

2.3.3.4 Offsetting financial assets and financial liabilities

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

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

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

- Currently has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

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

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

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

2.3.4 Other assets and other liabilities

Settlement accounts for trades are included in other assets or other liabilities and are presented separately in distinctive captions on assets or liabilities side (cf. Note 6).

2.3.5 Shareholders' equity

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

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

2.3.6 Interest income and expense

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

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

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

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

2.3.7 Fee income and expense

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

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

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

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

Income related to the issuance of Notes and Warrants falls under the scope of IFRS 15 and as such, is considered separately as income generated by 2 services when the Company performs its activities:

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

2.3.8 Other operating expenses

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

Other operating expenses mainly include lease payments, building maintenance and other costs, travel and business expenses, outsourcing and advisory fees and marketing and advertising expenses. Detail is provided in Note 12.

2.3.9 Income tax

Income tax includes current taxes and deferred taxes:

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

2.3.9.1 Current tax

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

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

2.3.9.2 Deferred tax

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

The amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realized, or the liability settled. These deferred taxes are adjusted in the event of changes to tax rates. This amount is not discounted to present value. The Company off-sets its deferred tax assets against liabilities as there is both legal rights to offset its current tax assets and liabilities and it is the Company's intention to settle on a net basis.

2.3.10 Other commitments linked to secured notes

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

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

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

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

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

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

2.4 Crises: Covid-19 and war in Ukraine

The lifting of the Covid-19-related restrictions in several major economies has supported economic activity even if the lockdowns in Mainland China have hampered it.
However, 2022 has been marked by the war in Ukraine. The conflict, with its loss of human lives and the suffering caused, significant economic costs and is accompanied by a very high degree of uncertainty.

In the euro area, the supply difficulties, the increase in energy costs, the decline in purchasing power together with high inflation and the tightening of economic policies are the main bottlenecks to growth. If pandemic-related risks have decreased significantly in the short-term, the strong uncertainties related to the war in Ukraine jeopardise these prospects and a more pronounced slowdown is anticipated in 2023.

In this context, the Company has updated the macroeconomic scenarios selected to determine the credit risk adjustments (expected credit losses) in the preparation of its financial statements and has continued to apply certain adjustments to its models.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to KEUR 36 176 as at 31 December 2022 (31 December 2021: KEUR 36 384) and are mainly composed of cash held with Société Générale Luxembourg and Société Générale.

As of 31 December 2022, and 2021, this caption only contained cash that was repayable on demand.

NOTE 4 – FINANCIAL INSTRUMENTS

4.1 Financial assets measured at fair value through profit or loss

	31.12.2022 ('000 EUR)	31.12.2021 ('000 EUR)
Financial assets at fair value through profit or loss		
- Mandatorily at fair value through profit or loss (Fully Funded Swaps)	38 757 924	40 322 401
- Trading derivatives (Options)	1 025 209	714 838
Total	**39 783 133**	**41 037 239**

As at 31 December 2022, financial assets mandatorily at fair value through profit or loss (Fully Funded Swaps) amount to KEUR 38 757 924 (31 December 2021: KEUR 40 322 401) and replicate all the Notes issued by the Company (see Note 4.2). Differences between the fair value of Fully Funded Swaps and Notes arise due to late settlements.

As at 31 December 2022, Trading derivatives (Options) amount to KEUR 1 025 209 (31 December 2021: KEUR 714 838) and replicate all the Warrants issued by the Company (see Note 4.2). Differences between the fair value of Options and Warrants arise due to late settlements.

As at 31 December 2022, the impact of the offsetting of financial assets and financial liabilities (decrease in the balance sheet) is KEUR 28 592 180 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2021: KEUR 34 911 227) and KEUR 4 462 437 for the non-sold Warrants and the corresponding Options (31 December 2021: KEUR 4 573 937) (see Note 4.2).

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

	('000 EUR) Mandatorily at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2022	**40 322 401**	**714 838**	**41 037 239**
Acquisition	40 385 254	35 456 241	75 841 495
Maturity/Disposal/Liquidation/Cancellation	(42 593 531)	(36 732 528)	(79 326 059)
Change in fair value and foreign exchange difference	(5 675 247)	1 475 158	(4 200 089)
Offsetting of Assets and Liabilities (Change)	6 319 047	111 500	6 430 547
As at 31 December 2022	**38 757 924**	**1 025 209**	**39 783 133**

	('000 EUR) Mandatorily at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2021	**43 135 651**	**674 352**	**43 810 003**
Acquisition	58 001 584	37 797 100	97 798 684
Maturity/Disposal/Liquidation/Cancellation	(61 564 451)	(43 346 069)	(104 910 520)
Change in fair value and foreign exchange difference	(7 379 336)	(1 161 153)	(8 540 489)
Offsetting of Assets and Liabilities (Change)	8 128 953	4 750 608	12 879 561
As at 31 December 2021	**40 322 401**	**714 838**	**41 037 239**

4.2 Financial liabilities measured at fair value through profit or loss

	31.12.2022 ('000 EUR)	31.12.2021 ('000 EUR)
Financial liabilities at fair value through profit or loss		
- Mandatorily at fair value through profit or loss (Fully Funded Swaps	38 754 129	40 323 850
- Trading derivatives (Options)	1 025 105	714 854
Total	**39 779 234**	**41 038 704**

As at 31 December 2022, the Company has issued secured and unsecured Notes for a total amount of KEUR 38 754 129 (31 December 2021: KEUR 40 323 850):

- 21 324 unsecured Notes were issued (stock) for a total amount of KEUR 34 578 193 (31 December 2021: 21 230 unsecured Notes were issued (stock) for a total amount of KEUR 33 959 581);
- 514 secured Notes were issued (stock) for a total amount of KEUR 4 171 467 (31 December 2021: 592 secured Notes were issued (stock) for a total amount of KEUR 6 364 269).

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

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

As at 31 December 2022, securities deposited at BNY Mellon Luxembourg as collateral for secured issuances amount to KEUR 5 280 150 (31 December 2021: KEUR 4 836 039).

As at 31 December 2021, the Company also issued Warrants for a total amount of KEUR 1 025 105 (31 December 2021: KEUR 714 854). Refer to Note 14 for further details on Off-balance sheet items related to the Warrants activity.

As at 31 December 2022, the impact of the offsetting of financial assets and financial liabilities (decrease in the balance sheet) is KEUR 28 592 180 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2021: KEUR 34 911 227) and KEUR 4 462 437 for the non-sold Warrants and the corresponding Options (31 December 2021: KEUR 4 573 937) (see Note 4.1).

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

	('000 EUR) Designated at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2022	**40 323 850**	**714 854**	**41 038 704**
Acquisition	40 391 104	35 350 594	75 741 697
Cancelled/Liquidation/Maturity Disposal	(42 594 180)	(37 050 667)	(79 644 846)
Change in fair value and foreign exchange difference	(5 685 692)	1 898 824	(3 786 868)
Offsetting of Assets and Liabilities (Change)	6 319 047	111 500	6 430 547
As at 31 December 2022	**38 754 129**	**1 025 105**	**39 779 234**

	('000 EUR) Designated at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2021	**43 146 652**	**676 965**	**43 823 617**
Acquisition	58 009 740	38 802 115	97 811 855
Cancelled/Liquidation/Maturity Disposal	(61 547 326)	(43 355 236)	(104 902 562)
Change in fair value and foreign exchange difference	(7 414 169)	(1 159 598)	(8 573 767)
Offsetting of Assets and Liabilities (Change)	8 128 953	4 750 608	12 879 561
As at 31 December 2021	**40 323 850**	**714 854**	**41 038 704**

4.3 Financial liabilities measured at amortised cost

As at 31 December 2022 and 2021, financial liabilities at amortised cost are mainly composed of a convertible bond of KEUR 48 000, issued by the Company and fully subscribed by Société Générale Luxembourg, with maturity in 2023. Conversion may occur each year.

On this convertible bond, the Company pays to Société Générale Luxembourg both variable interests calculated on Euribor 3M plus a margin of 0.065% (total rate of (0.41) % as at 31 December 2022) and activity related interests. Activity related interests means an amount equal to 100% of the activity related profit generated by the Company.

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

As at 31 December 2022, the Company also has amounts due to banks related to the Company's overdrafts current accounts for KEUR 517 (31 December 2021: KEUR 152).

NOTE 5 – LOANS AND RECEIVABLES

As at 31 December 2022 and 2021, loans and receivables only consist in deposits with Société Générale Luxembourg, which represent the reinvestment of the Company's share capital, reserves and other available funds.

As at 31 December 2021, expected credit losses calculated on loans and receivables in accordance with IFRS 9 amounted to KEUR 4. As at 31 December 2022, the diminution of the expected credit losses resulted in a reversal of the IFRS9 impairment amounting to KEUR 1, as presented in the Caption reversal of Cost of Risk in the Statements of Profit and Loss.

NOTE 6 – OTHER ASSETS AND OTHER LIABILITIES

As at 31 December 2022 and 2021, other assets and other liabilities are composed of settlement accounts, as presented below:

	('000 EUR) 31.12.2022	**('000 EUR) 31.12.2021**
Settlement accounts on securities transactions	159 410	234 782
Miscellaneous receivables	184 085	262 485
Total other assets	**343 495**	**497 267**

	('000 EUR) 31.12.2022	**('000 EUR) 31.12.2021**
Settlement accounts on securities transactions	164 000	212 151
Deferred income	2 950	4 904
Miscellaneous payables	193 281	286 754
Total other liabilities	**360 231**	**503 809**

Miscellaneous payables and receivables mainly consist of premium payables on Warrants and receivables on financial instruments replicating the Warrants issued.

NOTE 7 – TAXATION

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

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

The rate of current tax applied as of 31 December 2022 is 24.94 % (31 December 2021: 24.94%). The current tax rate includes the corporate tax and the municipal tax.

For the year ended 31 December 2022, tax expenses amount to KEUR 201 (31 December 2021: KEUR 0).

NOTE 8 – SHAREHOLDERS' EQUITY

8.1 Share capital and share premium

On 30 November 2020, 100 shares were sold by SG Luxembourg to Société Générale for a total amount of EUR 4 000. SG Luxembourg still held 49 907 shares amounting to EUR 1 996 280 for which it waived its entire voting rights. As at 31 December 2021, the subscribed and fully paid share capital amounted to EUR 2 000 320, divided into 50 008 shares with nominal value of EUR 40 each.

By resolution adopted on 14 January 2022, the Executive Board decided to increase the capital of the Company from EUR 2 000 320 to EUR 2 000 360 by the issue of a new share with a nominal value of EUR 40, subscribed by SG Luxembourg. In the context of the capital increase, the 2021 activity related interests amounting to KEUR 28 244 have been allocated to the Share premium. It was then paid to the shareholders in June 2022.

As at 31 December 2022, the subscribed and fully paid share capital is EUR 2 000 360, divided into 50 009 shares with nominal value of EUR 40 each.

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

8.2 Reserves

8.2.1 Legal reserve

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

As at 31 December 2022 and 2021, the legal reserve amounts to KEUR 200.

8.2.2 Other reserves

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

As at 31 December 2022, the amount of other reserves amounts is KEUR (214) (31 December 2021: KEUR 1) and is mainly composed of the loss brought forward of KEUR (215) generated during the year ending as at 31 December 2021.

Notes to the financial statements
As at 31 December 2022

NOTE 9 – INTEREST INCOME AND EXPENSES

	('000 EUR) 31.12.2022	('000 EUR) 31.12.2021
Interest income on cash and cash equivalents	203	1
Interest income on loans and receivables	45	761
Total interest income	**248**	**762**
Interest expenses on financial liabilities at amortized cost (note 4.3)	(22 235)	(28 975)
Interest expenses on financial liabilities at fair value	(383)	(592)
Total interest expenses	**(22 618)**	**(29 567)**
Net interest margin	**(22 370)**	**(28 805)**

NOTE 10 – COMMISSION INCOME

Commission income can be broken down as follows:

	('000 EUR) 31.12.2022	('000 EUR) 31.12.2021
Issuing upfront fees on Notes	27 048	34 814
Servicing fees on Notes	6 728	8 437
Commission on Warrants	739	1 923
Commission income	**34 515**	**45 174**

As at 31 December 2022, KEUR 2 950 are retained as deferred income under the caption "other liabilities" (2021 : KEUR 4 904) (cf. Note 6).

NOTE 11 – PERSONNEL EXPENSES

	('000 EUR) 31.12.2022	('000 EUR) 31.12.2021
Wages and salaries	(234)	(270)
Social charges and associated costs	(29)	(32)
Pension related costs	(16)	(50)
Total	**(279)**	**(352)**

The Company had 3 full-time equivalents during the year ended 31 December 2022 (2021: 3).

The annual cost of pension is calculated and invoiced by Société Générale Luxembourg, based on SG Luxembourg's group total cost of pensions and according to the number of the Company's full time equivalent employees.

NOTE 12 – OTHER OPERATING EXPENSES

	('000 EUR) 31.12.2022	('000 EUR) 31.12.2021
Issuance fees	(9 536)	(12 840)
Other operating charges	(2 081)	(3 155)
Total	**(11 617)**	**(15 995)**

Issues fees mainly consist of listing fees, collateral monitoring agent fees, maintenance of registers fees and trading fees.

Other operating charges are mainly composed of operating costs related to the Company (including audit fees) as well as activities outsourced to Société Générale S.A. and Société Générale Luxembourg.

Remuneration of the Réviseur d'entreprises agréé

The fees paid by the Company to its Réviseur d'entreprises agréé were as follows:

	('000 EUR) 31.12.2022	('000 EUR) 31.12.2021
Statutory audit of the financial statements	210	200
Other assurance services	42	40
Total	**252**	**240**

NOTE 13 – OFF-BALANCE SHEET

As at 31 December 2022, financial instruments to be issued (engagement taken before 31 December 2022 with value date after 31 December 2022) amount to KEUR 3 383 129 (31 December 2021: KEUR 3 302 045).

All the Warrants issued are fully hedged by concluding identically equipped OTC options with Société Générale.

Notes to the financial statements
As at 31 December 2022

Warrants issuance summary

The Warrants issued as at 31 December 2022 and 2021 break down as follows:

				31 December 2022			31 December 2021		
Warrant Type	**Category of Underlying**	**Type of Underlying**	**Option Type**	**Quantity**	**Notional ('000 EUR)**	**Fair Value ('000 EUR)**	**Quantity**	**Notional ('000 EUR)**	**Fair Value ('000 EUR)**
Basket warrant	Basket	Index	Call	-	-	-	1	12 361	14 230
Commodity Future Warrant	Future	Mutual Fund	Put	-	-	-	-	-	-
		Commodity Future	Call	-	-	-	4	10 118	15
			Put	1	10 501	6 350	12	19 243	6 755
Commodity Warrant	Commodity	Bruts	Call	6	502 194	-	6	472 930	0
		Index	Call	-	-	-	-	-	-
		Mutual Fund	Call	-	-	-	11	19 085	2
			Put	-	-	-	15	27 211	0
		Precious metals	Call	-	-	-	-	-	-
			Put	-	-	-	10	24 817	0
		Future Contract	Call	-	-	-	-	-	-
Currency Warrant	Currency	Currency	Call	-	-	-	42	0	0
			Put	-	-	-	48	117 867	0
Equity Warrant	Equity	American Depositary Receipt	Call	-	-	-	3	27 636	51
			Put	-	-	-	-	-	-
		Mutual Fund	Call	5	74 186	14	4	119 231	25
		Ordinary Share	Call	802	7 255 408	269 708	1 247	20 296 419	147 944
			Put	341	4 466 777	142 467	411	4 902 718	27 245
		Own Share	Call	-	-	-	4	22 850	322
			Put	-	-	-	1	750	0
		Preference	Call	-	-	-	-	-	-
			Put	-	-	-	1	1 500	0
		REIT	Call	1	32 817	13	-	-	-

Notes to the financial statements

As at 31 December 2022

				31 December 2022			31 December 2021		
Warrant Type	**Category of Underlying**	**Type of Underlying**	**Option Type**	**Quantity**	**Notional (‘000 EUR)**	**Fair Value (‘000 EUR)**	**Quantity**	**Notional (‘000 EUR)**	**Fair Value (‘000 EUR)**
Real Estate Investment Trust	REIT	REIT	Call	-	-	-	5	124 066	48
			Put	-	-	-	2	1 309	9
Index Warrant	Index	Index	Call	417	13 301 522	531 574	301	11 226 503	458 857
			Put	250	9 706 138	69 953	200	11 032 836	44 857
Fund Warrant	Fund	Mutual Fund	Call	5	165 377	12	121	492 810	11 653
			Put	-	-	-	-	-	-
		Fund	Call	16	194 050	4 834	1	10 000	2 841
Total Call				**1 252**	**21 525 553**	**806 335**	**1 750**	**32 834 009**	**635 988**
Total Put				**592**	**14 183 416**	**218 770**	**700**	**16 128 251**	**78 866**
Total Warrants				**1 844**	**35 708 969**	**1 025 105**	**2 450**	**48 962 260**	**714 854**

NOTE 14 – RISK MANAGEMENT

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

14.1 Market risk

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

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

The risks associated with the investment in the Notes and Warrants depend on several factors. Such factors vary depending on the characteristics of the Notes and Warrants issued, in particular depending on the underlying, the maturity of the Notes, the Secured / Unsecured status of the Notes, the interest rates incurred, the volatility of the underlying, etc.

The main risks in relation to investments in Notes and Warrants issued by the Company are described in the Base Prospectus under the section "Risk Factor".

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

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

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

14.2 Credit risk

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

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

As at 31 December 2022 and 2021, no financial assets were past due nor impaired.

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

As at 31 December 2022, the rating of Société Générale is A from Standard & Poor's and A1 from Moody's.

14.3 Interest rate risk

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

14.4 Liquidity risk

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

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

- The financial instruments issued by the Company; and
- The financial assets replicating the financial instruments issued by the Company.

Notes to the financial statements
As at 31 December 2022

Analysis per remaining contractual maturities

As at 31 December 2022, analysis per remaining contractual maturities is as follows:

31.12.2022 - EUR' 000	< 3 months	From 3 months to 1 year	From 1 to 5 years	> 5 years	Without fixed maturity	Total
Cash and cash equivalents	36 176	-	-	-	-	36 176
Financial assets at fair value through profit or loss						
- *Mandatorily at fair value through profit or loss*	3 359 065	5 269 282	16 320 598	13 808 979	-	38 757 924
- *Trading derivatives*	441 726	357 417	226 066	-		1 025 209
Loans and receivables	48 023	200	800	1 000	-	50 023
Other assets	343 495	-	-	-	-	343 495
Total assets	**4 228 485**	**5 626 899**	**16 547 464**	**13 809 979**	**_**	**40 212 827**
Financial liabilities at amortised cost	517	70 068	-	-	-	70 585
Financial liabilities at fair value through profit or loss						
- *Designated at fair value through profit or loss*	3 360 079	5 220 409	16 334 968	13 838 673	-	38 754 129
- *Trading derivatives*	441 621	357 417	226 067	-	-	1 025 105
Other liabilities	360 231	-	-	-	-	360 231
Tax liabilities	-	201	-	-	-	201
Total liabilities	**4 162 448**	**5 648 095**	**16 561 035**	**13 838 673**	**-**	**40 210 251**

As at 31 December 2021 analysis per remaining contractual maturities is as follows:

31.12.2021 - EUR' 000	< 3 months	From 3 months to 1 year	From 1 to 5 years	> 5 years	Without fixed maturity	Total
Cash and cash equivalents	36 384	-	-	-	-	36 834
Financial assets at fair value through profit or loss						
- *Mandatorily at fair value through profit or loss*	4 962 258	5 330 466	14 553 618	15 476 059	-	40 322 401
- *Trading derivatives*	446 656	137 616	129 885	681	-	714 838
Loans and receivables	48 021	200	800	1 000	-	50 021
Other assets	497 267	-	-	-	-	497 267
Total assets	**5 990 586**	**5 468 282**	**14 684 303**	**15 477 740**	**-**	**41 620 911**
Financial liabilities at amortised cost	48 152	28 260	-	-	-	76 412
Financial liabilities at fair value through profit or loss						
- *Designated at fair value through profit or loss*	4 960 778	5 330 013	14 557 368	15 475 691	-	40 323 850
- *Trading derivatives*	446 143	137 603	130 427	681	-	714 854
Other liabilities	503 809	-	-	-	-	503 809
Tax liabilities	-	-	-	-	-	-
Total liabilities	**5 958 882**	**5 495 876**	**14 687 795**	**15 476 372**	**-**	**41 618 925**

14.5 Fair Value measurement

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

For these products, fair value is determined using models based on valuation techniques commonly used by market participants to measure financial instruments, such as discounted future cash flows for Notes or the Black & Scholes formula for certain options and using valuation parameters that reflect current market conditions as at the statement of financial position date. These valuation models are validated independently by the experts from the Market Risk Department of the Group's Risk Division.

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

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

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

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

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

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

Notes to the financial statements
As at 31 December 2022

Estimates of Level 3 instruments and other most significant unobservable inputs as at 31 December 2022 (by type of underlyings):

Type of underlyings	Assets In million EUR	Liabilities In million EUR	Main products	Valuation techniques used	Significant unobservable inputs	Range of unobservable inputs Min & Max
Equity / funds	17 571	17 571	Simple and complex derivatives on funds, equities or baskets on stocks	Various option models on funds, equities or baskets on stocks	Equity volatilities	[2.4% ; 89.9%]
					Equity dividends	[0.0% ; 11.4%]
					Unobservable correlations	[-81.00% ; 100 %]
					Hedge funds volatilities	[7.6% ; 20.0%]
					Mutual funds volatilities	[3.2% ; 31.5%]
Rates and Forex	3 906	3 906	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	[-66.00% ; 90.0%]
			Forex derivatives	Forex option pricing models	Forex volatilities	[5.00% ; 32.0%]
			Interest rate derivatives whose notional is indexed on the prepayment behaviour on European collateral pools	Prepayement modeling	Constant prepayment rates	[0.0% ; 20.0%]
			Inflation instruments and derivatives	Inflation pricing models	Inflation/ inflation correlations	[72.0% ; 90.0%]
Credit	3 714	3 714	Collateralized Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	[0% ; 100%]
					Recovery rate variance for single name underlyings	[0% ; 100%]
			Other credit derivatives	Credit default models	Time to default correlations	[0% ; 100%]
					Quanto correlations	[-50% ; 40%]
					Unobservable credit spreads	[0 bps ; 1 000 bps]
Commodity	-	-	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	0
Total	**25 191**	**25 191**				

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

Notes to the financial statements
As at 31 December 2022

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

31.12.2022 – EUR' 000	**Carrying amount**	**Fair value**
Cash and cash equivalents	36 176	36 176
Financial assets at fair value through profit or loss		
- *Mandatorily at fair value through profit or loss*	38 757 924	38 757 924
- *Trading derivatives*	1 025 209	1 025 209
Loans and receivables *	50 023	49 873
Other assets	343 495	343 495
Total assets	**40 212 827**	**40 212 677**
Financial liabilities at amortised cost *	70 585	70 602
Financial liabilities at fair value through profit or loss		
- *Designated at fair value through profit or loss*	38 754 129	38 754 128
- *Trading derivatives*	1 025 105	1 025 105
Other liabilities	360 231	360 232
Tax liabilities	201	201
Total liabilities	**40 210 251**	**40 210 268**

31.12.2021 - EUR' 000	**Carrying amount**	**Fair value**
Cash and cash equivalents	36 384	36 384
Financial assets at fair value through profit or loss		
- *Mandatorily at fair value through profit or loss*	40 322 401	40 322 401
- *Trading derivatives*	714 838	714 838
Loans and receivables *	50 021	50 141
Other assets	497 267	497 267
Total assets	**41 620 911**	**41 621 031**
Financial liabilities at amortised cost *	76 412	76 456
Financial liabilities at fair value through profit or loss		
- *Designated at fair value through profit or loss*	40 323 850	40 323 850
- *Trading derivatives*	714 854	714 854
Other liabilities	503 809	503 809
Tax liabilities	-	-
Total liabilities	**41 618 925**	**41 618 969**

* For Loans and receivables and Financial liabilities at amortised cost, the fair values are calculated by discounting the expected future cash flows under a EUR risk free curve adjusted with Société Générale Group credit spread curve (EUR swap curve from Bloomberg and Société Générale credit spread curve provided by Risk department Paris). Determining fair value is dependent on many factors and can be an estimate of what value may be obtained in the open market at any point in time.

Notes to the financial statements
As at 31 December 2022

The fair value hierarchy of IFRS 13

As at 31 December 2022, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

31.12.2022 - EUR' 000	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
- Mandatorily at fair value through profit or loss		**13 596 360**	**25 161 564**	**38 757 924**
Commodities instruments	-	30 733	-	30 733
Credit derivatives/securities	-	803 553	3 465 041	4 268 594
Equity and index securities	-	8 793 626	17 551 097	26 344 723
Foreign exchange instruments/securities	-	629 111	259 004	888 115
Interest rate instruments/securities	-	3 212 257	3 643 974	6 856 231
Other financial instruments	-	127 080	242 448	369 528
- Trading derivatives		**1 000 904**	**24 306**	**1 025 209**
Equity and Index instruments	-	994 397	17 630	1 012 027
Foreign exchange instruments / securities	-	-	-	-
Other financial instruments	-	6 507	6 676	13 182
Financial liabilities at fair value through profit or loss				
- Designated at fair value through profit or loss		**13 592 564**	**25 161 564**	**38 754 129**
Commodities instruments	-	30 733	-	30 733
Credit derivatives/securities	-	803 734	3 465 041	4 268 775
Equity and index securities	-	8 791 638	17 551 097	26 342 735
Foreign exchange instruments/securities	-	629 220	259 004	888 224
Interest rate instruments/securities	-	3 210 159	3 643 974	6 854 133
Other financial instrument	-	127 080	242 448	369 529
- Trading derivatives		**1 000 799**	**24 306**	**1 025 105**
Equity and Index instruments	-	994 292	17 630	1 011 922
Foreign exchange instruments / securities	-	-	-	-
Other financial instruments	-	6 507	6 676	13 183

Notes to the financial statements
As at 31 December 2022

As at 31 December 2021, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

31.12.2021 - EUR' 000	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
- Mandatorily at fair value through profit or loss		**16 020 681**	**24 301 720**	**40 322 401**
Commodities instruments	-	26 454	217	26 671
Credit derivatives/securities	-	697 098	3 251 872	3 948 970
Equity and index securities	-	12 016 561	16 759 072	28 775 633
Foreign exchange instruments/securities	-	1 834 388	278 068	2 112 456
Interest rate instruments/securities	-	1 240 393	3 739 272	4 975 665
Other financial instruments	-	205 787	273 219	479 006
- Trading derivatives		**288 790**	**426 048**	**714 838**
Equity and Index instruments	-	273 342	404 530	677 872
Foreign exchange instruments / securities	-	-	-	
Other financial instruments	-	15 448	21 518	36 966
Financial liabilities at fair value through profit or loss				
- Designated at fair value through profit or loss		**16 021 886**	**24 301 964**	**40 323 850**
Commodities instruments	-	26 454	217	26 671
Credit derivatives/securities	-	697 094	3 251 908	3 949 002
Equity and index securities	-	12 016 515	16 759 108	28 775 623
Foreign exchange instruments/securities	-	1 834 393	278 240	2 112 633
Interest rate instruments/securities	-	1 241 541	3 739 272	4 980 813
Other financial instrument	-	205 889	273 219	479 108
- Trading derivatives		**290 305**	**424 549**	**714 854**
Equity and Index instruments	-	274 869	403 031	677 900
Foreign exchange instruments / securities	-	-	-	-
Other financial instruments	-	15 436	21 518	36 954

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

Financial liabilities at fair value through profit or loss	**Balance at 01.01.2022**	Acquisitions (Issuance)	Change in fair value	Reimbursements	Transfers from L2 to L3	Transfers from L3 to L2	Offsetting of the assets and liabilities	**Balance 31.12.2022**
Designated at fair value through P&L	**24 301 964**	**23 120 322**	**10 307 716**	**(33 278 944)**	**2 092 750**	**(1 652 480)**	**270 236**	**25 161 564**
Equity and index instrument	16 759 108	19 093 798	8 373 763	(27 090 854)	871 567	(433 620)	(22 665)	**17 551 097**
Commodity instruments	217	-	-	(700)	-	-	483	**-**
Credit derivatives	3 251 908	1 512 763	641 561	(2 383 473)	173 201	(151 568)	420 649	**3 465 041**
Foreign exchange instruments	278 240	136 246	(52 824)	140 470	735	(52 824)	(191 039)	**259 004**
Interest rate instruments	3 739 272	2 230 896	1 312 982	(3 514 145)	872	(188 228)	62 325	**3 643 974**
Others financial instruments	273 219	146 619	32 234	(430 242)	1 046 375	(826 240)	483	**242 448**
Trading derivatives	**424 549**	**0**	**139**	**(15 472)**	**0**	**(424 603)**	**39 693**	**24 306**
Equity and index instruments	403 031	-	(140)	(1 643)	-	(418 253)	34 635	**17 630**
Foreign exchange instruments	-	-	-	-	-	-	-	**-**
Other financial instruments	21 518	-	279	(13 829)	-	(6 350)	5 058	**6 676**

The above figures are valued on the liabilities side at fair value through profit or loss. Variations of Level 3 of financial instruments in assets are not presented because the figures are similar.

Transfers from Level 3 to Level 2

The consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For high maturities, these consensus data are not observable. This is the case for the implied volatility used for the valuation of options with maturities of more than five years. However, when the residual maturity of the instrument falls below five years, its fair value becomes sensitive to observable parameters.

Transfers from Level 2 to Level 3

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

14.6 Operational risk

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

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

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

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

NOTE 15 – RELATED PARTIES

During the year, the Company entered into transactions with related parties. Those transactions along with related balances as at 31 December 2022 and 2021 are presented below. Related parties are considered to be a party that has the ability to control the Company or exercise significant influence over the Company in making financial or operational decisions. The Company has a related party relationship with SG Luxembourg, its parent company (SG) and with its Executive Board Members, Supervisory Board Members and Executive Officers. As disclosed below in the table, the Company entered into transactions with SG Luxembourg, its parent company (SG) and other SG Group entities.

The issued Notes are sold to Société Générale as market maker, such Notes being expected to be subscribed *in fine* by third party investors, either for their own account or via distribution network. Moreover, all Notes are guaranteed by Société Générale.

Also, the Company borrows securities from Société Générale, which serve as collateral for the secured Notes issued by the Company.

Notes to the financial statements
As at 31 December 2022

As at 31 December 2022 **EUR' 000**	**Société Générale (Parent Company)**	**SG Luxembourg**	**Other SG Group entities**
Cash and cash equivalents	33 211	1 363	20
Financial assets at fair value through profit or loss			
- *Mandatorily at fair value through profit or loss*	38 757 924	-	-
- *Trading derivatives*	1 025 210	-	-
Loans and receivables	-	50 023	-
Other assets	343 495	-	-
Total assets	**40 159 840**	**51 386**	**20**
Financial liabilities at amortised cost	26	70 069	517
Financial liabilities at fair value through profit or loss			
- *Designated at fair value through profit or loss**	-	-	-
- *Trading derivatives**	-	-	-
Other liabilities	347 975	5 616	-
Tax liabilities	-	-	-
Total liabilities	**348 001**	**75 685**	**517**
Interest income	5	255	-
Commission income	34 515	-	-
Total revenues	**34 520**	**255**	**-**
Interest expenses	(107)	(20 280)	-
Personnel expenses	-	(279)	-
Other operating charges	(836)	(6 014)	(1 343)
Total expenses	**(943)**	**(26 573)**	**(1 343)**
Total comprehensive income for the financial year	**33 577**	**(26 318)**	**(1 343)**
Financial commitments	**3 383 129**	**-**	**-**
			-
Financial commitments-collateral to be returned	**5 280 150**	**-**	**-**

***The financial liabilities at fair value through profit or loss appearing on the statement of financial position are the financial instruments issued by the Company and subscribed by investors, who are not related parties.

Notes to the financial statements
As at 31 December 2022

As at 31 December 2021 EUR' 000	Société Générale (Parent Company)	SG Luxembourg	Other SG Group entities
Cash and cash equivalents	34 204	1 382	289
Financial assets at fair value through profit or loss			
- *Mandatorily at fair value through profit or loss*	40 322 401	-	-
- *Trading derivatives*	714 838	-	-
Loans and receivables	-	50 021	-
Other assets	497 267	-	-
Total assets	**41 568 710**	**51 403**	**289**
Financial liabilities at amortised cost	56	76 205	-
Financial liabilities at fair value through profit or loss			
- *Designated at fair value through profit or loss**	-	-	-
- *Trading derivatives**	-	-	-
Other liabilities	500 580	-	-
Tax liabilities	-	-	-
Total liabilities	**500 636**	**76 205**	**-**
Interest income	1	761	-
Commission income	45 174	-	-
Total revenues	**45 175**	**761**	**-**
Interest expenses	(648)	(28 819)	-
Personnel expenses	-	(352)	-
Other operating charges	(1 590)	(8 442)	(2 418)
Total expenses	**(2 238)**	**(37 713)**	**(2 418)**
Total comprehensive income for the financial year	**42 937**	**(36 952)**	**(2 418)**
Financial commitments	**3 302 045**	**-**	**-**
Financial commitments-collateral to be returned	**4 836 039**	**-**	**-**

* The financial liabilities at fair value through profit or loss appearing on the statement of financial position are the financial instruments issued by the Company and subscribed by investors, who are not related parties.

NOTE 16 – REMUNERATION, ADVANCES AND LOANS GRANTED TO MEMBERS OF THE ADMINISTRATIVE OR SUPERVISORY BODY

The independent director of the Company, earned a remuneration of EUR 28 000 for his services related to the year ended 31 December 2022 (31 December 2021: EUR 28 000).

As at 31 December 2022 and 2021, no other payment, advance or loans were given to members of the administrative or supervisory body.

NOTE 17 – INFORMATION ON LITIGATIONS

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

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

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

NOTE 18 – SUBSEQUENT EVENTS

By resolution adopted on 13 January 2023, the Executive Board decided to increase the capital of the Company from EUR 2 000 360 to EUR 2 000 400 by the issue of a new share with a nominal value of EUR 40, subscribed by Société Générale Luxembourg S.A.. After this increase, the subscribed and fully paid share capital is

EUR 2 000 400, divided into 50 010 shares with a nominal value of EUR 40 each. Such increase resulted in an allocation of EUR 22 049 809 to the share premium account.