

SG Issuer
Société Anonyme

Condensed interim financial information and Report of the Réviseur d'entreprises agréé on review of
condensed interim financial information

As at and for the six-month period ended 30 June 2017

33, boulevard Prince Henri

L-1724 Luxembourg

R.C.S. Luxembourg: B121.363

SG Issuer
Société Anonyme

Index

Executive Board members	3 - 4
Supervisory Board Members	5
Management and administration	6 - 7
Report of the Executive Board and Corporate Governance Statement	8 - 11
Global Statement	12
Report of the Réviseur d'entreprises agréé on review of condensed interim financial information	13
Statement of comprehensive income	14
Statement of financial position	15
Statement of changes in equity	16
Statement of cash flows	17
Notes to the condensed interim financial information	18 - 44

Functional and presentation currency:

Except otherwise indicated, the amounts presented in the condensed interim financial information are expressed in thousands of euros (KEUR). The value "0" indicates the presence of a number, which is rounded to zero, while "-" represents the value nil.

SG Issuer
Société Anonyme

Executive Board Members
For the interim period ended 30 June 2017

Chairman:

Mr Yves CACCLIN

Employee of Société Générale Bank and Trust

11, avenue Emile Reuter, L-2420 Luxembourg

Directors:

Mrs Sophie ROBATSCH-CLAIVE

Employee of Société Générale

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

Mr Amaury de BELER

Employee of Société Générale Bank and Trust

11, avenue Emile Reuter, L-2420 Luxembourg

Mr Alexandre GALLICHE

Employee of Société Générale Bank and Trust

11, avenue Emile Reuter, L-2420 Luxembourg

Mr Marc AUGIER (until 06/02/2017)

Employee of Société Générale Bank and Trust

11, avenue Emile Reuter, L-2420 Luxembourg

Mr Thierry BODSON (since 06/02/2017)

Employee of Société Générale Bank and Trust

11, avenue Emile Reuter, L-2420 Luxembourg

SG Issuer
Société Anonyme

Mr Arnaud SERRES

Employee of Société Générale

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

Mrs Laetitia JOURNE (until 06/02/2017)

Employee of Société Générale

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

Mr Youssef TALI (since 06/02/2017)

Employee of Société Générale

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

SG Issuer
Société Anonyme

Supervisory Board Members
For the interim period ended 30 June 2017

Chairman:

Mrs Véronique DE LA BACHELERIE

Employee of Société Générale Bank and Trust

11, avenue Emile Reuter, L-2420 Luxembourg

Members:

Mr Jérôme AUDRAN

Employee of Société Générale Private Banking

13-15 boulevard des Moulins, 98000 Monaco

Mr Didier LALLEMAND

Employee of Société Générale

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

Mr Vincent ROBILLARD

Employee of Société Générale

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

Mr Alban ROMANET

Employee of Société Générale Bank and Trust

11, avenue Emile Reuter, L-2420 Luxembourg

SG Issuer
Société Anonyme

Management and administration
For the interim period ended 30 June 2017

Issuer
SG Issuer
33, boulevard Prince Henri, L-1724 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
Bank of New York MELLON Corporate Trustee Services Limited
One Canada Square, London E14 5AL

Collateral Custodian
The Bank of New York MELLON (Luxembourg) S.A.
2-4, rue Eugène Ruppert, L-2453 Luxembourg

Collateral Monitoring Agent
The Bank of New York MELLON London Branch
One Canada Square London E14 5AL

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

SG Issuer
Société Anonyme

Legal advisers

To the Arranger as to English, French and U.S. law

Allen & Overy LLP

Edouard VII

26, boulevard des Capucines, F-75009 Paris, 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

33, avenue John F. Kennedy, L-1855 Luxembourg

Independent Auditor (Réviseur d'entreprises agréé)

Ernst & Young S.A.

35E, Avenue John F. Kennedy, L-1855 Luxembourg

SG Issuer
Société Anonyme

Report of the Executive Board and Corporate Governance Statement

The Directors of the Company (each a « Director », collectively the « Executive Board ») present the condensed interim financial information and the Report of the Executive Board of the Company for the period from 1 January 2017 to 30 June 2017.

1. ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The corporate objects of SG Issuer are to issue debt securities, bonds, certificates (the « Notes ») with all types of underlyings including, without restriction, shares, index, interest rate, dividend, credit risk, foreign exchange, commodities, funds, warrants, etc... 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 will be transferred to SG Paris through a fully funded swap, which will perfectly hedge SGIS for the full issue Size.

Warrants are financial products like turbos, inline warrants, daily leverage certificates, etc..., 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.

Warrants are sold by SG Issuer mainly to clients in France, Belgium, Luxembourg, UK, Sweden, Finland, Norway, Spain, Hong-Kong, the Netherlands, Italy and Singapore.

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 ("Secured Notes") in order to propose an additional layer of protection to investors in case of default of Société Générale. The Company can also issue collateralised Warrants ("Secured Warrants") since beginning 2017. However, no Secured Warrants have been issued between 1 January and 30 June 2017.

Notes and Warrants issuances are governed by the Base Prospectus prepared by Société Générale as arranger. The main programmes for Notes are the two Debt Instruments Issuance Programmes, for which the last updates have been approved by the CSSF on 27 June 2017 and 14 September 2017 or the "Programme d'Emission de Titres de Créance" approved by the CSSF on 3 July 2017. Similarly, the main programmes for Warrants are the Warrants Issuance Programme approved by the CSSF on 7 July 2017 and the Warrants and Turbo Warrants Issuance Programme approved by the CSSF on 19 July 2017.

SG Issuer
Société Anonyme

The state of business of the Company at the closing of the six-month period ended 30 June 2017 is adequately presented in the Statement of financial position and Statement of comprehensive income.

The increase in total assets and liabilities (before impact of offsetting – see Note 3.2.3) is mainly due to the development of the activity of issuing financial instruments.

The net profit for the period from 1 January 2017 to 30 June 2017 amounts to KEUR 17.

The Company has no branch.

The Company did not have any Research & Development activity and did not acquire any own shares.

2. RISKS AND UNCERTAINTIES

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

For each Note, the Company systematically hedges its position by contracting a swap 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 derivatives 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 9 hereafter.

3. FUTURE DEVELOPMENTS

The Executive Board does not anticipate any major changes during the second semester 2017 but expects a further increase in the Notes and Warrants issued.

4. SUBSEQUENT EVENTS

There was no subsequent event which could have a significant impact on the condensed interim financial information of the Company as at and for the six-month period ended 30 June 2017.

5. CORPORATE GOVERNANCE STATEMENT

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

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

5.1 Executive Board

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

The Executive Board meetings are held several times during the year when necessary.

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

5.2 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.

5.3 Internal Audit

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

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

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

5.4 Controls of conformity/compliance

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.

The Chief Financial Officer of the Company ensures the coordination of the periodic accounting closing with all the teams involved while performing a second level control of conformity.

5.5 New Products Committee

All the new activities and business of the Company are analyzed 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.

5.6 Service level agreements

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

Service Level Agreements ("SLAs") were signed by the Company with SGBT and with Société Générale. The SLAs govern the relations between the entities as well as their respective obligations. The services supplied by SGBT and Société Générale are listed in the appendices of the agreements (mainly General services, legal services, business continuity management services and financial services from SGBT and operational services – Middle Office and Back Office – from Société Générale).

For the Executive Board

Amaury de BELER

Member of the Executive Board

Alexandre GALLICHE

Member of the Executive Board

Thierry BODSON

Member of the Executive Board

SG Issuer
Société Anonyme

Global Statement

for the condensed interim financial information as at 30 June 2017

To the best of our knowledge, the condensed interim financial information is prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and gives a true and fair view of the financial position and performance of SG Issuer as at and for the six-month period ended 30 June 2017. The condensed interim financial information comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

To the best of our knowledge, the management report includes a fair review of the development and performance of the Company, and a description of the principal risks and uncertainties that the Company faces.

Luxembourg, 28 September 2017

Amaury de BELER

Member of the Executive Board

Alexandre GALLICHE

Member of the Executive Board

Thierry BODSON

Member of the Executive Board

To the sole Shareholder of
SG Issuer Société Anonyme
33, boulevard Prince Henri
L-1724 Luxembourg

Report on review of condensed interim financial information

Introduction

We have reviewed the accompanying condensed interim financial information of SG Issuer S.A. as of 30 June 2017, which comprise the interim statement of financial position as at 30 June 2017 and the related interim statement of comprehensive income, the interim statement of changes in equity, the interim statement of cash flows for the six-month period then ended and explanatory notes. Executive Board is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

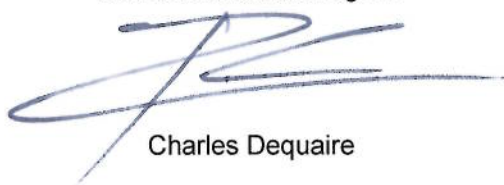
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Charles Dequaire

Luxembourg, 28 September 2017

SG Issuer
Société Anonyme

Statement of comprehensive income
For the six-month period ended 30 June 2017
(Expressed in thousands of EUR)

	Note	30.06.2017	31.12.2016	30.06.2016
Interest income		658	1 143	700
Net gains from financial instruments at fair value through profit or loss		53 983	89 848	47 698
Total revenues		<u>54 641</u>	<u>90 991</u>	<u>48 398</u>
Interest expenses		(41 028)	(68 837)	(39 950)
Personnel expenses		(121)	(236)	(81)
Other operating charges		(13 471)	(21 393)	(8 249)
Total expenses		<u>(54 620)</u>	<u>(90 466)</u>	<u>(48 280)</u>
Profit before tax		<u>21</u>	<u>525</u>	<u>118</u>
Income tax	13	<u>(4)</u>	<u>(152)</u>	<u>(47)</u>
Profit for the financial period/year		<u>17</u>	<u>373</u>	<u>71</u>
Total comprehensive income for the period/year		<u>17</u>	<u>373</u>	<u>71</u>

The accompanying notes are an integral part of this condensed interim financial information.

SG Issuer
Société Anonyme

Statement of financial position
As at 30 June 2017
(Expressed in thousands of EUR)

	Note	30.06.2017	31.12.2016
Cash and cash equivalents	4	36 275	89 144
Financial assets at fair value through profit or loss			
- <i>Designated at fair value through profit or loss</i>	5	46 172 568	44 030 973
- <i>Held for Trading</i>	5	6 583 544	9 133 362
Loans and receivables	6	53 078	53 345
Other assets		19 043	3 151
Total assets		<u>52 864 508</u>	<u>53 309 975</u>
Financial liabilities at amortised cost	7	88 072	115 533
Financial liabilities at fair value through profit or loss			
- <i>Designated at fair value through profit or loss</i>	8	46 179 743	44 023 013
- <i>Held for Trading</i>	8	6 588 783	9 147 992
Other liabilities		2 309	15 055
Tax liabilities	13	4	152
Total liabilities		<u>52 858 911</u>	<u>53 301 745</u>
Share capital	11	2 000	2 000
Legal reserve	12	200	200
Other reserves	12	3 380	5 622
Retained earnings		0	35
Profit for the financial period/year		17	373
Total equity		<u>5 597</u>	<u>8 230</u>
Total equity and liabilities		<u>52 864 508</u>	<u>53 309 975</u>

The accompanying notes are an integral part of this condensed interim financial information.

SG Issuer
Société Anonyme

Statement of changes in equity
For the six-month period ended 30 June 2017
(Expressed in thousands of EUR)

	Share capital	Legal reserve	Other reserves (unavailable)	Other reserves (available)	Total reserves	Capital surplus	Retained earnings	Profit for the financial year/period	Total equity
As at 31 December 2015	2 000	200	5 622	1 911	7 733	-	44	380	10 157
Transfer to available reserves	-	-	-2 240	2 240	-	-	-	-	-
Allocation of the result of the previous year before dividend distribution	-	-	-	-1 911	-1 911	-	2 291	-380	-
Dividend to the sole shareholder	-	-	-	-	-	-	-2 300	-	-2 300
Capital increase / Allocation to the capital surplus account	-	-	-	-	-	85 296	-	-	85 296
Reimbursement of the capital surplus	-	-	-	-	-	-85 296	-	-	-85 296
Profit for the period from 1 January 2016 to 30 June 2016	-	-	-	-	-	-	-	71	71
As at 30 June 2016	2 000	200	3 382	2 240	5 822	-	35	71	7 928
Allocation of the result of the previous year before dividend distribution	-	-	-	-	-	-	-	-	-
Transfer to available reserves	-	-	-	-	-	-	-	-	-
Dividend to the sole shareholder	-	-	-	-	-	-	-	-	-
Capital increase / Allocation to the capital surplus account	-	-	-	-	-	-	-	-	-
Reimbursement of the capital surplus	-	-	-	-	-	-	-	-	-
Profit for the period from 1 July 2016 to 31 December 2016	-	-	-	-	-	-	-	302	302
As at 31 December 2016	2 000	200	3 382	2 240	5 822	-	35	373	8 230
Transfer to retained earnings	-	-	-2	-2 240	-2 242	-	2 242	-	-
Allocation of the result of the previous year before dividend distribution	-	-	-	-	-	-	373	-373	-
Dividend to the sole shareholder	-	-	-	-	-	-	-2 649	-	-2 649
Capital increase / Allocation to the capital surplus account	0	-	-	-	-	67 533	-	-	67 533
Reimbursement of the capital surplus	-	-	-	-	-	-67 533	-	-	-67 533
Profit for the period from 1 January 2017 to 30 June 2017	-	-	-	-	-	-	-	17	17
As at 30 June 2017	2 000	200	3 380	-	3 580	-	0*	17	5 597*

* Differences due to roundings.

The accompanying notes are an integral part of this condensed interim financial information.

SG Issuer
Société Anonyme

Statement of cash flows
For the six-month period ended 30 June 2017
(Expressed in thousands of EUR)

	Note	30.06.2017	30.06.2016
OPERATING ACTIVITIES			
Profit for the financial period		17	71
<u>Adjustment for:</u>			
Net (Increase) / decrease in financial assets		408 490	(7 885 602)
Net Increase / (decrease) in financial liabilities		(362 407)	7 928 601
(Increase)/decrease in other assets		(15 892)	(11 874)
Increase/(decrease) in other liabilities		(12 895)	36 364
NET CASH FLOWS FROM OPERATING ACTIVITIES		17 313	67 560
FINANCING ACTIVITIES			
Payment of capital surplus*		(67 533)	(85 296)
Dividend paid		(2 649)	(2 300)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(70 182)	(87 596)
Cash and cash equivalents at the beginning of the year	4	89 144	83 446
Net increase/(decrease) in cash and cash equivalents		(52 869)	(20 036)
Cash and cash equivalents at the end of the period		36 275	63 410
Cash flows from interest and dividends			
Interest paid		68 489	85 939
Interest received		787	787
Dividend received		-	-

* KEUR 67 533 represent the 2016 activity related interest paid by the Company to SGBT (see Note 7).

The presentation of the Statement of cash flows for the six-month period ended 30 June 2017 (as well as comparative figures) has been amended compared to the condensed interim financial information as at and for the six-month period ended 30 June 2016.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017

1. Corporate information

SG Issuer (hereafter the "Company") is a Luxembourg company incorporated on 16 November 2006 as a public limited liability company (S.A.) for an unlimited period.

Since April 2012, the Company's corporate objects are to issue debt securities, bonds, certificates, warrants (option coupons) 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 option coupons - 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 fully owned by Société Générale Bank & Trust S.A. (hereafter "SGBT"), a bank incorporated under Luxembourg law.

The accounts of the Company are included in the consolidated accounts of Société Générale (hereafter "SG"), 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.

2. Basis of preparation

2.1. Statement of compliance

The financial statements of the Company as at 31 December 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The condensed interim financial information as at and for the six-month period ended 30 June 2017 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

The presentation of the Statement of cash flows for the six-month period ended 30 June 2017 (as well as comparative figures) has been amended compared to the condensed interim financial information as at and for the six-month period ended 30 June 2016.

The condensed interim financial information as at and for the six-month period ended 30 June 2017 has been approved by the Executive Board on 28 September 2017.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

2. Basis of preparation (continued)

2.2. Basis of measurement of financial assets and financial liabilities

Financial assets and financial liabilities linked to the activity of the Company are measured at fair value through profit or loss. All other financial assets and financial liabilities are measured at amortised cost.

2.3. Functional and presentation currency

This condensed interim financial information is prepared in Euro ("EUR"), which is the Company's functional currency and the currency of its share capital. Unless stated otherwise, the amounts in the condensed interim financial information are expressed in thousands of EUR (KEUR).

2.4. Use of estimates and judgements

The preparation of condensed interim financial information in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed interim financial information is included in Note 3.

2.5. Segment information

The financing activities of the Company are managed as one single business. Thus there is no segmental information in the condensed interim financial information.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to the years presented in this condensed interim financial information.

3.1. Foreign currency transactions

Transactions in foreign currencies are initially recorded in EUR at the exchange rate ruling at the date of the transaction.

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 comprehensive income.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

3. Significant accounting policies (continued)

3.2. Financial assets and liabilities

The Company classifies its financial assets into the following categories, as appropriate:

- Financial assets at fair value through profit or loss
 - o Designated at fair value through profit or loss
 - o Held for Trading
- Loans and receivables

The Company classifies its financial liabilities into the following categories, as appropriate:

- Financial liabilities at fair value through profit or loss
 - o Designated at fair value through profit or loss
 - o Held for Trading
- Financial liabilities at amortised cost

Financial assets and liabilities are initially recognised at fair value plus directly attributable transaction costs. However, when a financial asset at fair value through profit or loss is recognised, the transaction costs are expensed immediately.

The Company initially recognises receivables at the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position, when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously (see Note 3.2.3).

3.2.1. Financial assets and liabilities designated at fair value through profit or loss

These assets and liabilities respectively include:

- Funded swaps used to hedge Notes issued (Financial assets measured at fair value through profit and loss);
- Notes issued by the Company (Financial liabilities measured at fair value through profit and loss).

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

3. Significant accounting policies (continued)

The Company issues both secured and unsecured Notes. The Notes are subscribed by the investors through Société Générale Group as a lead manager during the issuance period and as a market maker for a secondary market.

Fully Funded Swaps are financial instruments contracted with Société Générale Group to hedge the Company's exposure to market risk arising from its activities, by replicating each of the Notes issued.

The Company provides the funds received from Note holders to the swap counterparty (Société Générale Group). The swap counterparty agrees to exchange the reimbursement amount, including the return, of the issued Notes.

These financial assets and liabilities are measured at fair value through profit or loss and are recognised in the statement of financial position under "Financial assets / Financial liabilities at fair value through profit or loss".

The impact of the application of IFRS 13 on the Company's condensed interim financial information (Credit Value Adjustment (CVA) / Debt Value Adjustment (DVA) recognition) have been recorded on a net basis in the statement of financial position, i.e. there is no impact in terms of cash or income (except the margin – Bid/Ask – between the sale of the Note and the purchase of the Fully Funded Swap).

Revenues and expenses, including changes in fair value, are recorded in the statement of comprehensive income for the period under "Net gains from financial instruments at fair value through profit or loss".

3.2.2. Financial assets and liabilities Held for Trading

These assets and liabilities respectively include:

- Options purchased in order to hedge the issued warrants;
- Warrants issued by the Company.

The notional amounts of the Warrants together with the hedging options are reported Off Balance-Sheet.

The Company reports the premium paid on the derivatives bought and the premium received on the derivatives sold in the statement of financial position under "Financial assets or liabilities at fair value through profit or loss - Held for Trading".

Subsequent to initial measurement, the Options and the Warrants are measured at fair value through profit or loss. Revenues and expenses including changes in fair values are recorded in the statement of comprehensive income for the period under "Net gains on financial instruments at fair value through profit or loss".

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

3. Significant accounting policies (continued)

3.2.3. Offsetting a financial asset and a financial liability

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

In December 2014, the Company added a new cash netting clause in the legal framework with Société Générale Personne Morale and 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 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 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:

- (a) currently has a legally enforceable right to set off the recognized amounts; and*
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."*

As at 30 June 2017, the impact of the offsetting (decrease in the balance sheet) is KEUR 28 244 223 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2016: KEUR 21 401 512) and KEUR 8 697 382 for the non-sold Warrants and the corresponding Options (31 December 2016: KEUR nil) (see Note 5 and Note 8).

3.2.4. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial measurement, loans and receivables are carried at amortized cost using the effective interest rate method less appropriate impairments.

Impairments represent the Company's estimate of incurred losses arising from the failure or inability of third parties to make payments when due.

3.2.5. Financial liabilities at amortised cost

Financial liabilities are initially recognised at the fair value of consideration received less directly attributable transaction costs. Subsequent to initial measurement, financial liabilities are recognised at amortised cost using the effective interest rate method (refer to note 3.7).

The difference between the initial carrying amount of the financial liabilities and their redemption value is recognised in the profit or loss over the contractual terms using the effective interest rate method.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

3. Significant accounting policies (continued)

3.3. Fair Value of the financial instruments

IFRS 13 "Fair value measurement" defines fair value as 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.

The fair market value for the financial instruments measured at fair value through profit or loss is primarily determined based on quoted prices in an active market. These prices may be adjusted if they are not available at the closing date. If the market for a financial instrument is not active, its fair value is determined by valuation techniques (internal models recovery) using valuation parameters based on existing market conditions at the balance sheet date and that are influenced by assumptions used, such as the amount and timing of estimated future cash flows, the discount rate and the volatility of the underlying assets.

IFRS 13 does not change when the fair value is required to be used but specifies how to measure fair value of financial and non-financial assets and liabilities when required or permitted by IFRS and adds information to be disclosed in the Notes to condensed interim financial information.

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 applied to SGIS (the same as the SG Group) is the yield discounting methodology.

- For unsecured Notes

The fair value for both the Unsecured Notes (liabilities) and the Fully Funded Swap (FFS) (assets) are 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 (SG) Group's credit spread curve. A dedicated process has been implemented using SG Group and SGIS operational teams' input. This process is fully functional and constantly monitored.

- For secured and Repack Notes

Secured Notes are Notes which are collateralized with assets deposited on segregated or pooled accounts with external custodian (BoNY) and pledged in favour of the Noteholders.

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 SG 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 SG and SGIS are mere risk pass-through, the credit risk premium (external bonds issuers) shall not be adjusted with SG 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.

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

3. Significant accounting policies (continued)

- For Warrants

For financial instruments recognised at fair value on the statement of financial position, the fair value is determined primarily on the basis of the prices quoted on an active market. These prices can be adjusted if none are available on the balance sheet 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 (OTC), a large number of financial products traded by the Group do not have quoted prices on regular place of quotation through financial markets.

A financial instrument is considered as quoted on a deep market if prices are easily and regularly available through a stock exchange, through a broker, a trader, a business sector, a department of evaluation of the prices or with a regulatory agency and if these prices represent real transactions occurring regularly on the market in conditions of normal competition.

The assessment of the inactive aspect of a market leans on indicators such as the significant decrease of the volume of transactions and the level of activity on the market, strong dispersal of the available prices within time and among the various market participants mentioned above or the age of the last transactions observed on the market in conditions of normal competition.

However, mainly because of the many features of financial instruments traded on the OTC financial markets, a large number of financial products processed by the Group are not subject to a direct quotation on the markets.

For these products, the fair value is determined using valuation techniques commonly used by market participants to assess financial instruments such as discounted future cash flows for swaps or the Black & Scholes model for some options and using valuation parameters for which the estimate value is based on market conditions existing at the end of the period. Prior to their use, these valuation models are validated by independent experts of the Market Risk Department among the Group Risk Management who complete this a priori validation by a posteriori checks. Also, the parameters used in valuation models, whether they come from observable markets or not, are carefully monitored on a monthly basis by experts from the Market Risk Department among the Group Risk Management and supplemented if needed by the necessary reserves (including liquidity and bid-ask).

For purposes of information, the financial instruments at fair value on the statement of financial position are presented regarding a hierarchy of fair value that reflects the importance of data used for valuations.

The fair value hierarchy consists in the following levels:

- Level 1 (L1): instruments valued by price (unadjusted) quoted on active markets for identical assets or liabilities;
- Level 2 (L2): instruments valued using data other than quoted prices listed on the Level 1 and that are observable for the asset or liability in question, either directly (i.e. prices) or indirectly (i.e. data derived from price);
- Level 3 (L3): instruments for which the data used for the valuation are not based on observable market data (unobservable inputs). Indeed, Instruments quoted in an insufficiently liquid market and those traded on the OTC market belong to this level. Prices published by an external source and derived from the valuation of similar instruments are considered as data derived from prices.

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

3. Significant accounting policies (continued)

The observed data must meet the following characteristics: non-owners (independent data), available, publicly broadcast, based on consensus of the market participants and supported by close of day transaction prices.

For instance consensus data (eg. Markit,...) provided by external counterparties are considered observable if the underlying market is liquid and prices provided are confirmed by actual transactions. For long maturities, the consensus data are considered non 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.

In case of specific market power leading to the absence of reference data for normal value of a financial instrument, the Risk Management may be required to implement a new model based on the available relevant data, such as methods used by other market participants.

These instruments are mainly those for which the sales margin is not immediately recognised in profit or loss (derivatives with higher maturities than the ones usually traded) when their valuation is not based on observable data. Unobservable parameters are carefully assessed, particularly in a depressed economic environment and market. By their very nature, unobservable parameters imply a degree of uncertainty in their valuation. However, given the structure of the entity (perfect match between assets and liabilities in terms of market and credit risk), a variation in the assessment of a financial instrument classified in level 3 would have no impact on the result of the Company.

3.4. Impairments

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not be considered otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a Security. In addition for an investment in an equity security, a significant or prolonged decline in its value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

3. Significant accounting policies (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

3.5. Interest income and expenses

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commission paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

3.6. Current taxes / Deferred taxes

The Company is subject to Luxembourg tax laws and regulations and is liable for all taxes applicable to Luxembourg commercial companies (see Note 13).

Deferred tax, if any, is the tax attributable to the temporary differences that arise when taxation authorities recognise and measure assets and liabilities with rules that differ from those of the condensed interim financial information. It also arises on temporary differences stemming from tax losses carried forward.

3.7. Other commitments linked to secured notes

In relation to each Series of Secured Notes, in order to secure its obligations in respect of such Notes, the Company enters into a pledge agreement which will be governed by the Luxembourg act dated 5 August 2005 on financial collateral arrangements, as amended. Under each Pledge Agreement, the Company will grant first ranking security over the Collateral Assets contained in one or more accounts held by the Company with The Bank of New York Mellon (Luxembourg) S.A. (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).

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

3. Significant accounting policies (continued)

The security granted under each Pledge Agreement will be granted either in favour of:

- *(i) in the case of English Law Notes, BNY 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 BNY 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 will first be 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 IAS 39, the securities borrowed are not recognized in the statement of financial position.

The commitment to pledge the securities is accounted in the Company condensed interim financial information 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.

3.8. Standards issued but not yet effective

The standards and interpretations that are issued and EU endorsed, but not yet effective, up to the date of issuance of the Company's condensed interim financial information, and which could have an impact on the Company's financial position or performance, are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The company does not plan to adopt those standards and interpretations early.

IFRS 9 Financial Instruments

In July 2014, the IASB issued IFRS 9 Financial Instruments, the standard that will replace IAS 39 for annual periods on or after 1 January 2018, with early adoption permitted.

Classification and measurement

From a classification and measurement perspective, the new standard will require all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories will be replaced by: fair Value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI), and amortised cost.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

3. Significant accounting policies (continued)

IFRS 9 will also allow entities to continue to irrevocably designate instruments that qualify for amortised cost or fair value through OCI instruments as FVPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Equity instruments that are not held for trading may be irrevocably designated as FVOCI, with no subsequent reclassification of gains or losses to the income statement.

The accounting for financial liabilities will largely be the same as the requirements of IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements will be presented in OCI with no subsequent reclassification to the income statement, unless an accounting mismatch in profit or loss would arise.

Impairment of financial assets - Overview

IFRS 9 will also fundamentally change the loan loss impairment methodology. The standard will replace IAS 39's incurred loss approach with a forward-looking expected loss (ECL) approach. The Bank will be required to record an allowance for expected losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the full lifetime of the asset.

At this stage, the impact of IFRS 9 on the Company's own funds is expected to be non-significant considering the vast majority of the financial assets and financial liabilities are already measured at fair value and will continue to be measured at fair value.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

4. Cash and cash equivalents

Cash and cash equivalents amount to KEUR 36 275 as at 30 June 2017 (December 2016: KEUR 89 144) and is mainly composed of cash held with Société Générale Bank and Trust and Société Générale.

Bank overdrafts, which form an integral part of the Company's cash management, are deducted from Cash and cash equivalents.

5. Financial assets at fair value through profit or loss

	30.06.2017 EUR' 000	31.12.2016 EUR' 000
Financial assets at fair value through profit or loss		
- Designated at fair value through profit or loss (Fully Funded Swaps)	46 172 568	44 030 973
- Held for Trading (Options)	6 583 544	9 133 362
Total	<u>52 756 112</u>	<u>53 164 335</u>

As at 30 June 2017, financial assets designated at fair value through profit or loss (Fully Funded Swaps) amount to KEUR 46 172 568 (31 December 2016: KEUR 44 030 973) and replicate all the Notes issued by the Company (see Note 3.2 and Note 9).

As at 30 June 2017, financial assets Held for Trading (Options) amount to KEUR 6 583 544 (31 December 2016: KEUR 9 133 362) and replicate all the Warrants issued by the Company (see Note 3.2 and Note 9).

As indicated in Note 3.2.3, as at 30 June 2017, the impact of the offsetting of financial assets and financial liabilities (decrease in the balance sheet) is KEUR 28 244 223 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2016: KEUR 21 401 512) and KEUR 8 697 382 for the non-sold Warrants and the corresponding Options (31 December 2016: KEUR nil), which explains the decrease in Warrants despite the new issues during the six-month period ended 30 June 2017.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

5. Financial assets at fair value through profit or loss (continued)

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

	Designated at fair value through profit or loss	Held for Trading	Total
As at 31 December 2015	34 193 066	2 767 202	36 960 268
<i>Acquisition</i>	29 631 371	13 981 945	43 613 316
<i>Cancelled</i>	-7 991 264	-5 384 349	-13 375 613
<i>Liquidation</i>	-115 218	-	-115 218
<i>Maturity/Disposal</i>	-2 785 812	-5 540 623	-8 326 435
<i>Change in fair value</i>	-2 668 234	16 496	-2 651 738
<i>Exchange difference</i>	284 277	-348	283 929
<i>Offsetting of Assets and Liabilities (Change)</i>	-11 538 079	-	-11 538 079
As at 30 June 2016	39 010 107	5 840 323	44 850 430
<i>Acquisition</i>	27 146 065	34 891 150	62 037 215
<i>Cancelled</i>	-35 474 494	-23 758 731	-59 233 225
<i>Liquidation</i>	-52 394	-	-52 394
<i>Maturity/Disposal</i>	-123 226	-7 360 216	-7 483 442
<i>Change in fair value</i>	5 188 404	-629 047	4 559 357
<i>Exchange difference</i>	245 399	149 883	395 282
<i>Offsetting of Assets and Liabilities (Change)</i>	8 091 112	-	8 091 112
As at 31 December 2016	44 030 973	9 133 362	53 164 335
<i>Acquisition</i>	37 145 549	32 574 172	69 719 721
<i>Cancelled</i>	-27 226 936	-24 604 004	-51 830 940
<i>Liquidation</i>	729 602	-	729 602
<i>Maturity/Disposal</i>	-962 813	-8 253 901	-9 216 714
<i>Change in fair value</i>	1 245 524	6 723 620	7 969 144
<i>Exchange difference</i>	-1 946 620	-292 323	-2 238 943
<i>Offsetting of Assets and Liabilities (Change)</i>	-6 842 711	-8 697 382	-15 540 093
As at 30 June 2017	46 172 568	6 583 544	52 756 112

6. Loans and receivables

As at 30 June 2017 and 31 December 2016, loans and receivables only consist in deposits with SGBT, which represent the replacement of the Company's share capital, reserves and other available funds.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

7. Financial liabilities at amortised cost

As at 30 June 2017 and 31 December 2016, financial liabilities at amortised cost are mainly composed of a convertible bond of KEUR 48 000, issued by the Company and fully subscribed by SGBT, with maturity in 2022. The convertible bond has been issued following the reimbursement of a previously existing loan. Similar conditions have been maintained in the bond issued, to strictly achieve this change of format. Conversion may occur each year.

On this convertible bond, the Company pays to SGBT both variable interests calculated on Euribor 3M plus a margin (2.05% as at 30 June 2017) and activity related interests. Activity related interests mean an amount equal to 100% of the activity related profit generated by the Company.

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

As at 30 June 2017 and 31 December 2016, the value of the equity component is estimated to be nil.

8. Financial liabilities at fair value through profit or loss

	30.06.2017 EUR' 000	31.12.2016 EUR' 000
Financial liabilities at fair value through profit or loss		
- Designated at fair value through profit or loss (Notes)	46 179 743	44 023 013
- Held for Trading (Warrants)	6 588 783	9 147 992
Total	52 768 526	53 171 005

As at 30 June 2017, the Company issued secured and unsecured Notes for a total amount of KEUR 46 179 743 (31 December 2016: KEUR 44 023 013):

- 806 secured Notes were issued (stock) for a total amount of KEUR 6 353 290 (31 December 2016: 527 secured Notes were issued (stock) for a total amount of KEUR 6 163 603);
- 23 449 unsecured Notes were issued (stock) for a total amount of KEUR 39 826 453 (31 December 2016: 21 749 unsecured Notes were issued (stock) for a total amount of KEUR 37 859 410).

Secured Notes are collateralized with collateral assets borrowed by the Company from Société Générale for KEUR 6 017 536 (31 December 2016: KEUR 5 586 872).

As at 30 June 2017, the Company also issued Warrants for a total amount of KEUR 6 588 783 (31 December 2016: KEUR 9 147 992). Refer to Note 10 for further details on Off-balance sheet items related to the Warrants activity.

As indicated in Note 3.2.3, as at 30 June 2017, the impact of the offsetting (decrease in the balance sheet) is KEUR 28 244 223 for the non-sold Notes and the corresponding fully funded swaps (31 December 2016: KEUR 21 401 512) and KEUR 8 697 382 for the non-sold Warrants and the corresponding Options (31 December 2016: KEUR nil), which explains the decrease in Warrants despite the new issues during the six-month period ended 30 June 2017.

Liquidity analysis is included in Note 9.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

9. Risk Management

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

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

Market risk

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

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

The risks associated with the investment in the Notes and Warrants depend on several factors. Such factors will 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: replacement of available equity by participating interests or loans to the Company's treasury (SGBT) 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.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

9. Risk Management (continued)

Credit risk

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

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

As at 30 June 2017 and 31 December 2016, no financial assets were past due or 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 30 June 2017, the rating of Société Générale is A from Standard & Poor's and A2 from Moody's.

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.

Liquidity risk

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

The Company does not face any liquidity risk thanks to the perfect replication between the contractual obligations of i) the financial instruments issued by the Company and ii) the financial assets held for hedging by the Company.

Sensitivity of the Fair Value measurement to changes in unobservable parameters for Level 3 instruments

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 GBIS (Global Banking and Investor Solutions), in accordance with the methodologies defined by the Market Risk Department.

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

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

9. Risk Management (continued)

The main L3 underlyings of the Notes issued by the Company are:

- equity derivatives: options with long maturities and/or incorporating bespoke pay offs mechanisms. These instruments are sensitive to market inputs (volatility, dividend rates, correlations, etc). In the absence of market depth and of an objective approach made possible by regularly observed prices, their valuation is based on proprietary methods (e g extrapolation from observable data, historical analysis),
- interest rate derivatives: exotic options, products sensitive to correlation between different interest rates, different exchange rates, between interest rates and exchange rates or, for quanto products for example (in which the instrument is settled in a currency different from the one of the underlying); they are liable to be classified as L3 because the valuation parameters are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (eg. exchange rate correlations are deemed unobservable for the USD/JPY),
- credit derivatives: L3 credit derivatives mainly include single name or baskets of instruments exposed to time to default correlation.

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.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

9. Risk Management (continued)

- a. The following table (source: Société Générale Group) provides the valuation of L3 instruments and the most significant unobservable inputs by main types of underlying:

Cash instrument and derivatives	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs min & max
Equity / funds	Simple and complex instruments or derivatives on funds, equities or baskets on stocks	Various option models on funds, equities or baskets on stocks	Equity volatilities	[12.4% ; 55.7%]
			Equity dividends	[-0.2% ; 31.8%]
			Unobservable correlations	[-99.0% ; 99.8%]
			Hedge funds volatilities	[7.5% ; 16.5%]
			Mutual funds volatilities	[1.5% ; 23.5%]
Rates and Forex	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	[-50.5% ; 90%]
	Forex derivatives	Forex option pricing models	Forex volatilities	[1.0% ; 25.2%]
	Interest rate derivatives whose notional is indexed on the prepayment behaviour on European collateral pools	Prepayment modelling	Constant prepayment rates	[0.0% ; 45%]
	Inflation instruments and derivatives	Inflation pricing models	Inflation / inflation correlations	[64.4% ; 90%]
Credit	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	[-5.3% ; 98.2%]

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

9. Risk Management (continued)

Unobservable inputs add a degree of uncertainty in the valuation of Level 3 instruments.

However, by its very nature, the Company has no market risk exposure; all market risks are indeed perfectly hedged. The impact of an immediate change in an unobservable parameter would have no consequence on the net profit of the Company.

b. Analysis per remaining maturities

As at 30 June 2017, analysis per remaining maturities is as follows:

30.06.2017 - 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	36 275	-	-	-	-	36 275
Financial assets at fair value through profit or loss						
- <i>Designated at fair value through profit or loss</i>	1 472 369	6 168 925	19 240 513	19 290 761	-	46 172 568
- <i>Held for Trading</i>	1 112 079	1 930 724	1 296 221	2 244 520	-	6 583 544
Loans and receivables	-	897	51 181	1 000	-	53 078
Other assets	19 043	-	-	-	-	19 043
Total assets	2 639 766	8 100 546	20 587 915	21 536 281	-	52 864 508
Financial liabilities at amortised cost	-	40 072	-	48 000	-	88 072
Financial liabilities at fair value through profit or loss						
- <i>Designated at fair value through profit or loss</i>	1 472 369	6 168 922	19 240 513	19 297 939	-	46 179 743
- <i>Held for Trading</i>	1 112 079	1 930 724	1 296 221	2 249 759	-	6 588 783
Other liabilities	2 309	-	-	-	-	2 309
Tax liabilities	4	-	-	-	-	4
Total liabilities	2 586 761	8 139 718	20 536 734	21 595 698	-	52 858 911

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

9. Risk Management (continued)

As at 31 December 2016, analysis per remaining maturities is as follows:

31.12.2016 - 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	89 144	-	-	-	-	89 144
Financial assets at fair value through profit or loss						
- <i>Designated at fair value through profit or loss</i>	1 273 668	5 546 579	18 174 506	19 036 220	-	44 030 973
- <i>Held for Trading</i>	1 797 992	2 710 398	2 129 998	2 494 974	-	9 133 362
Loans and receivables	-	1 915	3 865	47 565	-	53 345
Other assets	3 151	-	-	-	-	3 151
Total assets	3 163 955	8 258 892	20 308 369	21 578 759	-	53 309 975
Financial liabilities at amortised cost	-	67 533	-	48 000	-	115 533
Financial liabilities at fair value through profit or loss						
- <i>Designated at fair value through profit or loss</i>	1 273 668	5 546 579	18 174 506	19 028 260	-	44 023 013
- <i>Held for Trading</i>	1 797 992	2 710 398	2 129 998	2 509 604	-	9 147 992
Other liabilities	15 055	-	-	-	-	15 055
Tax liabilities	152	-	-	-	-	152
Total liabilities	3 086 867	8 324 510	20 304 504	21 585 864	-	53 301 745

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

9. Risk Management (continued)

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

	Carrying amount	Fair value
30.06.2017 - EUR' 000		
Cash and cash equivalents	36 275	36 275
Financial assets at fair value through profit or loss		
- <i>Designated at fair value through profit or loss</i>	46 172 568	46 172 568
- <i>Held for Trading</i>	6 583 544	6 583 544
Loans and receivables *	53 078	57 446
Other assets	19 043	19 043
Total	52 864 508	52 868 876
Financial liabilities at amortised cost *	88 072	92 036
Financial liabilities at fair value through profit or loss		
- <i>Designated at fair value through profit or loss</i>	46 179 743	46 179 743
- <i>Held for Trading</i>	6 588 783	6 588 783
Other liabilities	2 309	2 309
Tax liabilities	4	4
Total	52 858 911	52 862 875
31.12.2016 - EUR' 000		
Cash and cash equivalents	89 144	89 144
Financial assets at fair value through profit or loss		
- <i>Designated at fair value through profit or loss</i>	44 030 973	44 030 973
- <i>Held for Trading</i>	9 133 362	9 133 362
Loans and receivables *	53 345	59 363
Other assets	3 151	3 151
Total	53 309 975	53 315 993
Financial liabilities at amortised cost *	115 533	126 896
Financial liabilities at fair value through profit or loss		
- <i>Designated at fair value through profit or loss</i>	44 023 013	44 023 013
- <i>Held for Trading</i>	9 147 992	9 147 992
Other liabilities	15 055	15 055
Tax liabilities	152	152
Total	53 301 745	53 313 108

- * For Loans and receivables and Financial liabilities at amortized cost, the fair values are calculated by discounting the expected future cash flows under a EUR risk free curve adjusted with SG Group credit spread curve (EUR swap curve from Bloomberg and SG 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.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

9. Risk Management (continued)

d. The fair value hierarchy of IFRS 13

As at 30 June 2017, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

30.06.2017 - EUR' 000	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
- <i>Designated at fair value through profit or loss</i>	-	21 438 622	24 733 946	46 172 568
- <i>Held for Trading</i>	-	6 474 428	109 116	6 583 544
Financial liabilities at fair value through profit or loss				
- <i>Designated at fair value through profit or loss</i>	-	21 445 797	24 733 946	46 179 743
- <i>Held for Trading</i>	-	6 479 667	109 116	6 588 783

31.12.2016 - EUR' 000	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
- <i>Designated at fair value through profit or loss</i>	-	21 499 373	22 531 600	44 030 973
- <i>Held for Trading</i>	-	9 040 237	93 125	9 133 362
Financial liabilities at fair value through profit or loss				
- <i>Designated at fair value through profit or loss</i>	-	21 491 413	22 531 600	44 023 013
- <i>Held for Trading</i>	-	9 054 867	93 125	9 147 992

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

9. Risk Management (continued)

The following table describes the transfers between Level 2 and Level 3 of the fair value hierarchy

	Level 3 (30.06.2017)		Level 3 (30.06.2016)	
	Financial liabilities at fair value through profit or loss		Financial liabilities at fair value through profit or loss	
EUR' 000	<i>Designated at fair value through P&L</i>	<i>Held for Trading</i>	<i>Designated at fair value through P&L</i>	<i>Held for Trading</i>
Balance as at 1 January	22 531 600	93 125	13 234 287	2 156
Acquisition*	13 773 957	143 292	13 345 892	31 253
Change in fair value	-18 752	-86 624	-610 359	-
Reimbursements	-7 303 792	-52 671	-2 932 682	-1 927
Transfers from L2 to L3	943 707	33 608	1 714 790	398
Transfers from L3 to L2	-120 741	-	-1 697 220	-600
Offsetting of the assets and liabilities	-5 072 033	-21 616	-6 402 166	-
Balance as at 30 June	24 733 946	109 116	16 652 542	31 280

* This amount includes new tranches of existing notes issued.

Transfers from Level 3 to Level 2:

As described in Note 3.3 "Fair Value of the financial instruments", 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.

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.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

9. Risk Management (continued)

The monitoring arrangement mainly relies on four processes supervised by the operational risk departments: periodic risk and control self-assessment (RCSA), collecting internal data on losses due to operational risk 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.

10. Off-balance sheet

As at 30 June 2017, financial instruments to be issued (engagement taken before 30 June 2017 with value date after 30 June 2017) amounted to KEUR 3 102 834 (31 December 2016: KEUR 3 559 596).

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

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

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

As at 30 June 2017, securities deposited at Bank of New York MELLON as collateral for secured issuances amount to KEUR 6 017 536 (31 December 2016: KEUR 5 586 872).

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

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

10. Off-balance sheet (continued)

The total 14 949 warrants issued as at 30 June 2017 break down as follows:

Warrant Type	Category of Underlying	Type of Underlying	Option Type	30/06/2017		31/12/2016	
				Quantity	Volume (000 EUR)	Quantity	Volume (000 EUR)
Commodity Future Warrant	Future	Commodity Future	Call	52	210 934	47	1 279 117
			Put	58	220 919	37	52 839
Commodity Warrant	Commodity	Mutual Fund	Call	48	198 232	61	214 789
			Put	54	105 565	50	124 540
Currency Warrant	Currency		Call	145	3 945 607	125	44 569
			Put	139	3 026 088	122	11 396
Equity Warrant	Equity	American Depositary Receipt	Call	2	117 759	30	124 926
			Put			21	58 502
		Ordinary Share	Call	5 404	38 253 608	4 995	24 668 459
			Put	3 354	11 847 539	3 150	10 829 952
		Other Receipt	Call	8	35 245	3	24 370
			Put	6	184 990	4	186 344
		Own Share	Call	118	293 748	109	219 936
			Put	71	159 045	74	151 675
		Preference	Call	33	124 000	28	97 750
			Put	28	91 325	29	83 625
		REIT	Call	47	149682		
			Put	42	90 488		
Index Warrant	Index	Index	Call	4 304	72 161 873	1 481	35 952 812
			Put	993	22 289 476	990	16 256 885
Fund Warrant	Fund	Mutual Fund	Call	34	482 052	48	1 638 478
			Put	9	91 984	17	319 864
Total Call			Call	10 195	115 972 740	6 927	64 265 206
Total Put			Put	4 754	38 107 419	4 494	28 075 621
Total				14 949	154 080 159	11 421	92 340 827

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

11. Equity

As at 31 December 2016, the subscribed and fully paid share capital, 100% held by Société Générale Bank and Trust S.A., was EUR 2 000 120, divided into 50 003 shares with nominal value of EUR 40 each.

By resolution adopted on 12 January 2017, the Executive Board decided to increase the capital of the Company from EUR 2 000 120 to EUR 2 000 160 by the issue of a new share with a nominal value of EUR 40, subscribed by the sole shareholder.

As at 30 June 2017, the subscribed and fully paid share capital, 100% held by Société Générale Bank and Trust S.A., is EUR 2 000 160, divided into 50 004 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 structure consists in issued capital, reserves and retained earnings.

The capital amount may be increased, subject to the approval of the Sole Shareholder, if the Company's activity evolves, incurring specific additional risks.

12. Reserves

Legal reserve

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

As at 30 June 2017, the legal reserve amounts to KEUR 200 (31 December 2016: KEUR 200).

Other reserves

As at 30 June 2017, other reserves include temporarily unavailable reserves amounting to KEUR 3 380 (Net Wealth Tax reserve), which correspond to five times the reduction in the Net Wealth Tax for the respective years for which the Net Wealth Tax has been reduced (31 December 2016: KEUR 3 382).

If the amount of the NWT reserve is not maintained for a five year period (for a reason other than a change in capital), the Company's NWT liability will be increased by the amount of the NWT reduction for the years concerned. The Company decided to keep this reserve in accordance with the above.

SG Issuer
Société Anonyme

Notes to the condensed interim financial information
For the six-month period ended 30 June 2017
- continued -

13. Taxation

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

Since 2007, the Company is part of a tax integration group led by SGBT, as authorised by the article 164 bis LIR and has concluded a Tax Sharing Agreement (the "Agreement") with SGBT. Under the Agreement, the Company pays to SGBT, 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.

For the period ended 30 June 2017, the theoretical tax rate is 27.08% (2016: 29.22%) while the actual tax rate of the Company is the one from the tax integration Group to which it belongs, as explained above.

Refer to Note 12 for further information on Net Wealth Tax.

14. Subsequent events

There was no subsequent event which could have a significant impact on the condensed interim financial information as at 30 June 2017.